



RELEASE: February 10, 2025

Lobo researchers,

We have a few important updates to share with all of you since our [last joint VPR communication](#).

On Friday evening, Feb. 7, the National Institutes of Health (NIH) released a new notice of [Supplemental Guidance to the 2024 NIH Grants Policy Statement](#) – capping the facilities & administrative (F&A) costs (also known as indirect costs) rate to 15% for all NIH grantee institutions. This 15% rate would replace individually negotiated rates for an institution and apply to both existing grants and future grants starting today, Feb. 10, 2025.

Principal Investigators do not need to take any action on their projects as a result of this notice, as UNM's Office of Sponsored Projects and Office of Contract & Grant Accounting will adjust F&A rates if it ultimately becomes necessary. We want to reiterate that faculty should continue to submit proposals as usual, utilizing UNM's current federally negotiated [F&A rates](#).

This morning, 22 states including New Mexico [filed a lawsuit](#) to temporarily block the new policy that sets a 15% cap on payments for indirect costs. As of this afternoon, a federal judge in Massachusetts [issued a temporary restraining order](#) on the rate change notice from NIH. We continue to work with our Government Relations Office, University leadership, Office of University Counsel and others to understand all the implications of both the guidance and our response as an R1 Institution.

We will keep you updated on any new developments related to this new notice. Meanwhile, thank you for all that you do to support the State of New Mexico. Please remember to use our [Smartsheet questionnaire](#) to submit questions and concerns; the relevant research office will respond to you directly as quickly as possible.

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