

To the members of the UNMC community,

On Friday, the National Institutes of Health released a document, [Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Costs](#), that has raised concerns, at UNMC and nationally, about the impact on current research projects and research going forward.

According to the document, “there will be a standard indirect rate of 15% across all NIH grants for indirect costs in lieu of a separately negotiated rate for indirect costs in every grant,” which would be applied not only to future grants, but going forward to already existing grants, effective Monday.

The federal government reimburses an institution, at an agreed upon proportion, the finance and administrative (indirect) costs the institution incurs to conduct research based upon the indirect cost reimbursement rates it negotiates with the institution. These payments cover indirect costs associated with research such as paying for infrastructure, utilities and cybersecurity, among other costs. [This graphic from the AAMC breaks down the indirect costs for federally funded research.](#)

Additionally, as the AAMC noted in a message to its member organizations on Friday, “Every year since 2017, the annual spending bill that funds NIH has included language prohibiting the Administration from making changes to F&A cost rates.”

[The Consolidated Appropriations Act, 2024 \(Public Law \(PL\) 118–47\)](#) reads:

Sec. 224. In making Federal financial assistance, the provisions relating to indirect costs in part 75 of title 45, Code of Federal Regulations, including with respect to the approval of deviations from negotiated rates, shall continue to apply to the National Institutes of Health to the same extent and in the same manner as such provisions were applied in the third quarter of fiscal year 2017. None of the funds appropriated in this or prior Acts or otherwise made available to the Department of Health and Human Services or to any department or agency may be used to develop or implement a modified approach to such provisions, or to intentionally or substantially expand the fiscal effect of the approval of such deviations from negotiated rates beyond the proportional effect of such approvals in such quarter.

In a [statement posted Saturday](#), the AAMC urged the administration to rescind its decision, noting that “Every American will be harmed by the undermining of this long-standing partnership between academic institutions and the federal government.”

UNMC and University of Nebraska leadership are exploring the impact of the NIH policy statement, as well as monitoring the responses of other national higher education groups, professional organizations and academic medical centers.

We are aware that members of the UNMC community may be feeling anxious or uncertain about the effects of the new NIH policy statement. We want to make you aware that we are working with our legislative officers to explore the ramifications of this policy statement and to educate members of our state’s legislative delegation as to the potential impact to Nebraska, and the nation’s, cutting-edge biomedical research.

If you have questions about specific projects, please [email the Sponsored Programs Administration](#). Other information and updates can be found at this [website](#).

Thank you,

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