



LOYOLA
UNIVERSITY CHICAGO

OFFICE OF THE VICE PROVOST FOR RESEARCH

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Dear colleagues,

You may have seen that late on Friday, the National Institutes of Health (NIH) released a [supplemental guidance](#) to the NIH Grants Policy Statement stating that facilities & administrative costs (F&A costs, sometimes referred to as “indirect costs”) will now be set at a standard rate of 15 percent for all NIH grantee institutions. Note that the F&A rate at the Health Science Center and Lakeside campuses are 54 and 45 percent, respectively). According to the guidance, this 15 percent rate would replace any individually negotiated rates for an institution and is to be implemented for current and new grants effective today, February 10th.

We, alongside the American Council on Education (ACE), Association of American Universities (AAU) and the Association of American Medical Colleges (AAMC), recognize that this change in policy will have significant and lasting negative impact to the biomedical research enterprise. My office is working with Mr. Phil Hale, vice president for government affairs, to engage with agencies, organizations, and officials to stay on top of new developments. We are working with Loyola leadership to analyze the short- and long-term impact, while maintaining our view that research, including NIH funded research, is vital to our Mission.

Based on meetings that I have been attending over this past weekend, we know that a legal challenge to this latest policy is imminent, founded in part on federal legislation enacted in 2017 that prevents the Administration from making changes to F&A cost rates.

We recognize that there may be many questions associated with this most recent change directed by the federal government. Accordingly, my office will continue to send periodic updates as we learn of substantive change to policies that govern our research enterprise and are establishing a web page to provide updated information as it becomes available. We will share details when the website goes live within the next day or two.

In the interim, my office offers the following guidance for those getting ready to submit a grant to the NIH. At this time, **Pls will not need to make any adjustments to their NIH grant budgets.** Rather, our staff in the Office of Research Services will make any adjustments to the F&A rate in your budget, as necessary. No change will be made to your direct costs. If changes are made, you will be notified by a member of the ORS staff.

Again, we appreciate the gravity of this latest notice from the NIH, and are working closely with organizations, such as the AAMC, to help key officials understand that F&A costs are real in that they represent actual, auditable costs incurred by the University to support essential infrastructure for research.

Please feel free to reach out to my office if you have any questions or concerns. We will keep you posted on any new developments as details become available. In the meantime, allow me to extend my great appreciation for all that you do to support the success of Loyola University Chicago.

Please share this message with your staff and faculty as you see fit.

Sincerely,
Meharvan Singh, PhD
Vice Provost for Research