

GRADUATE STUDENT COMPENSATION

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NOTICE: NOT-OD-02-017

For the latest NRSA stipend levels, please visit the NIH Training website: <http://grants.nih.gov/training/nrsa.htm>

[April 25, 2011](#) - See Notice NOT-OD-11-067 This Notice supersedes [NOT-OD-10-047](#), and establishes new stipend levels for fiscal year (FY) 2011 Kirschstein-NRSA awards for undergraduate, predoctoral and postdoctoral trainees and fellows, as shown in the table.

National Institutes of Health

INTRODUCTION

This notice establishes a new policy related to the level of compensation for graduate students supported by funds from National Institutes of Health (NIH) research grants and cooperative agreements. This notice supersedes the notice that appeared in the NIH guide for Grants and Contracts on December 2, 1998 (<http://grants.nih.gov/grants/guide/notice-files/not98-168.html>). Under this new policy, the maximum amount awarded by the NIH for the support of a graduate student supported on a research grant or a cooperative agreement is tied to the zero level National Research Service Award (NRSA) stipend in effect at the time the grant award is issued. The schedule for NRSA stipends can be found at <http://grants.nih.gov/training/nrsa.htm>. Consistent with cost principles for educational institutions described in Office of Management and Budget (OMB) Circular A-21 at section J.41.b (<http://www.whitehouse.gov/omb/circulars/a021/a021.html>), the compensation of graduate students supported by research grants must be reasonable. These operating principles associated with the compensation of students performing necessary work on NIH funded research projects are described in detail in the NIH Grants Policy Statement at http://grants.nih.gov/grants/policy/nihgps_2001/part_ia_4.htm. As before, the amount provided for compensation includes salary or wages, fringe benefits, and tuition remission.

These guidelines apply to graduate students at the grantee institution who are supported by NIH research grants and cooperative agreements and not to individuals supported by NRSA training grants and fellowships. NIH has separate appropriations to support research training under the NRSA authorization at Section 487 of the Public Health Service Act. The stipends provided to recipients of NRSA support offset the cost-of-living during the period of training and are not considered equivalent to salaries or other forms of compensation provided to individuals supported on research grants. Nevertheless, the entry-level postdoctoral NRSA stipend provides a useful benchmark for an award amount that approximates a reasonable rate of compensation for graduate students. Anticipated escalations in NRSA stipends (see http://grants.nih.gov/training/nas_report/NIHResponse.htm) in future years should permit annual increases in the maximum award amount for such individuals.

BACKGROUND

In 1994, the Department of Health and Human Services Inspector General reported that three of the four universities reviewed were using Federal research grant funds to compensate graduate students at rates

above amounts paid to first-year postdoctoral employees performing comparable work (<http://oig.hhs.gov/oas/reports/region1/19404002.pdf>). Since postdoctoral employees were considered to have more experience and training than comparable graduate students in this study, the excess compensation for students was considered unreasonable. With encouragement from the OMB, the NIH developed guidelines to establish the maximum award for graduate student compensation in 1995 (<http://grants.nih.gov/grants/guide/notice-files/not95-141.html>). The maximum award amount was modified in 1996 and again in 1998. This document ties the amount awarded for graduate compensation to an NRSA stipend amount that is likely to be adjusted for increases in the cost-of-living in future years.

OPERATING GUIDELINES

For all new and competing grant and cooperative agreement awards, the NIH will provide reasonable amounts for graduate compensation, consistent with the requested budget for the position(s) and up to the currently effective NRSA zero postdoctoral stipend level. For example, in FY2002 until a NIH budget is finalized, any competing awards issued will use the FY2001 level of \$28,260. Once FY2002 stipend levels are established, awards will be issued using the new (yet-to-be-determined) higher level. As in the past, no adjustments will be made to noncompeting total cost award levels or future year commitments. NIH staff will review the compensation requested for graduate students on competing and cooperative agreement applications for which a detailed budget is submitted. NIH will not request nor accept budgets for those applications using a modular budget format solely for the purpose of reviewing graduate student compensation.

Grantees are reminded that when submitting detailed budgets that request support for a graduate student, actual institutional-based compensation should be requested and information justifying the requested compensation level should be provided. If not provided, this information will be obtained from the institution's business office for any request that appears excessive. NIH institutes and centers will review the requested compensation level and, if considered reasonable, will award the actual amount requested, up to a maximum equal to the NRSA zero level postdoctoral stipend. Revised budgets submitted solely to adjust requested levels for graduate students will not be accepted. Institutions may continue to rebudget funds to charge more than the awarded amount provided that OMB cost principles requiring reasonable compensation are observed. In general, graduate student compensation will not be considered reasonable if in excess of the amount paid to a first-year postdoctoral scientist at the same institution performing comparable work.

INQUIRIES

These guidelines are effective immediately with new and competing awards issued on or after the date of this announcement. No adjustments will be made to any competing FY2002 awards already issued. However, grantees may rebudget to accommodate the higher compensation level. Questions should be referred to the grants management specialist identified on the notice of grant award.

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