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California State Senate

SENATOR
ANNA M. CABALLERO
FOURTEENTH SENATE DISTRICT



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February 28, 2025

Members of Congress, California Delegation
Washington, DC 20001
United States

RE: Urgent – Bipartisan Support Needed to Protect Biomedical Research by Rescinding NIH
Guidance on F&A Rates

Dear Members of Congress,

We, the undersigned members of the **California State Legislature**, write to urge action and to unite in a bipartisan effort to press the administration to rescind the recent National Institutes of Health (NIH) guidance, which imposes an arbitrary cap on negotiated rates for facilities and administrative (F&A) costs associated with grants. This change threatens to undermine the progress of biomedical research and its far-reaching impact.

As you are aware, the NIH issued a notice on February 7, announcing a cap that is expected to reduce NIH spending by \$4 billion. This move is particularly concerning given the long-standing bipartisan support for the current system of negotiating F&A rates. In 2017, Congress passed appropriations language prohibiting the use of federal funds to modify the F&A rate, and this language has been included in appropriations bills ever since.

California is the largest recipient of NIH dollars in the country—receiving over \$5 billion spread among the State's public and private research institutions. In FY 2023, the University of California received a total of over \$2 billion in NIH contract and grant funding. In the last audited year, the California State University campuses received approximately \$158 million in NIH funds. As a conservative estimate, the cut proposed could result in a loss of hundreds of millions of dollars.

We are deeply concerned about the harm this change will inflict on our state's public and private institutions, the scientific community nationwide, and patients awaiting new cures and treatments. We believe it is essential for Congress to come together and urge the administration to rescind this guidance, allowing Congress to address these issues directly.

We emphasize the importance of speaking with one voice on this matter, highlighting the significance of biomedical research and the impact of NIH's actions. By working together, we

can ensure that the administration follows the law and avoids causing irreparable harm to the scientific community, the State of California, and the nation.

Thank you for your attention to this pressing matter.

Sincerely,



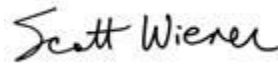
Anna M. Caballero
Senator, 14th District



Josh Becker
Senator, 13th District



John Laird
Senator, 17th District



Scott Wiener
Senator, 11th District



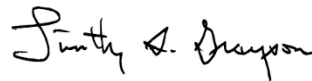
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Angelique Ashby
Senator, 8th District



Tim Grayson
Senator, 9th District



Monique Limon
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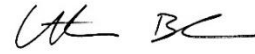
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Maria Elena Durazo
Senator, 26th District



Caroline Menjivar
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Christopher Cabaldon
Senator, 3rd District



Akilah Weber Pierson
Senator, 39th District