

CAPITOL OFFICE
1021 O STREET, SUITE 7620
SACRAMENTO, CA 95814
(916) 651-4014

DISTRICT OFFICES
510 W. MAIN STREET, SUITE E
MERCED, CA 95340
(209) 726-5495

132 W. GABILAN STREET, SUITE 101
SALINAS, CA 93901
(831) 769-8040

2550 MARIPOSA MALL, SUITE 2016
FRESNO, CA 93721
(559) 264-3070

SENATOR.CABALLERO@SENATE.CA.GOV
WWW.SENATE.CA.GOV/CABALLERO

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,



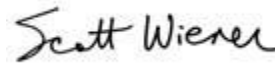
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Sabrina Cervantes
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Benjamin Allen
Senator, 24th District



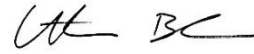
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