

**MONDAY MORNING GROUP OF WESTERN RIVERSIDE COUNTY
ANNUAL ADVOCACY TRIP – WASHINGTON, DC
APRIL 7 – 10, 2025**

NATIONAL INSTITUTES OF HEALTH PROPOSED FACILITIES AND ADMINISTRATION CUTS

ISSUE: Under the recent Executive Order, a proposal was made to cut funding for life-saving medical research, that would limit Facilities and Administrative (F&A) reimbursements to a 15% rate cap for all National Institutes of Health (NIH) research grants. This proposed mandate imposes an arbitrary cap on negotiated rates for F&A costs associated with grants. This change threatens to undermine the progress of biomedical research and its far-reaching impact.

ACTION: The Monday Morning Group urges Congress to support a bipartisan effort and persuade the Administration to rescind the National Institutes of Health (NIH) notice and aid in the continuation of funding for biomedical research.

BACKGROUND: The National Institutes of Health has imposed an arbitrary cap on F&A cost reimbursements, cutting \$4 billion from vital research funding. These cuts threaten groundbreaking medical research, hinder workforce training, and weaken the United States' leadership in science and innovation. The Department of Government Efficiency (DOGE) has noted this cut is expected to reduce NIH spending by \$4 billion.

California receives over \$5 billion spread among the State's public and private research institutions. In FY 2023, the University of California (UC) received a total of over \$2 billion in NIH contract and grant funding. In the last audited year, the California State University (CSU) campus received approximately \$158 million in NIH funds. These cuts will have an impact on the State and Inland Southern California. Specifically:

- California's research institutions receive over \$5 billion in NIH funding, with UC alone receiving \$2 billion;
- UC Riverside (UCR), Inland Southern California's only Research 1 (R1) university, stands to lose over \$12 million annually; and
- The Inland Southern California region already faces a severe physician shortage—UCR's medical training and research aim to bridge this gap.

For every \$1 the state and federal government invest in research, there is a return of \$21 of economic impact into local communities. The UC campuses have more than 200,000 employees and contribute more than \$80 billion in economic activity annually. The University's 21 health professional sciences schools, five NCI-designated cancer centers, and six academic health centers are widely recognized as among the best in the nation, and they are international leaders in the education of health professionals, in research that develops new cures and treatments, and in public service that provides healthcare for all Californians regardless of ability to pay.

Three lawsuits have been filed separately by major university associations and a coalition of 22 state attorneys general. 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. NIH's move undermines this bipartisan commitment and threatens the future of medical innovation in the United States.