

# Congress of the United States

Washington, DC 20515

February 11, 2025

Matthew J. Memoli, M.D., M.S.  
Acting Director  
National Institutes of Health (NIH)  
9000 Rockville Pike  
Bethesda, Maryland 20892

Dear Acting Director Memoli:

We write to express deep concern about the impact of recent guidance mandating a 15% cap across all National Institutes of Health (NIH) grants related to indirect costs. This guidance has not gone through proper notice and comment rulemaking pursuant to the Administrative Procedure Act, [5 U.S.C. §§ 551–559](#), making this guidance illegal. This is additionally a violation of [Section 224](#) of the Consolidated Appropriations Act, 2024, which bans changes to how the NIH funds overhead costs. While the purported intention is to direct NIH funding toward scientific research costs rather than “administrative overhead,” the reality is that this drastic reduction in reimbursement will result in more than \$800 million in cuts for the state of California<sup>1</sup>. This will devastate the development of life-saving research, inhibit patient access to groundbreaking treatments and clinical trials, and will cede American dominance in biomedical research to our foreign competitors like China, Russia, and Iran for years to come.

California’s academic institutions are at the forefront of biomedical research across the world. The University of California Los Angeles, San Diego, and San Francisco have consistently ranked at the top globally for its biomedical research. California academic facilities are embedded in the progress the United States has made – the U.S. now ranks near the top in scientific Nobel prizes per capita, scientific impact in academia, and research and development expenditures per capita<sup>2</sup>. These achievements have made some of the most innovative and cutting-edge medical treatment options in the world available to Americans before they are accessible elsewhere. And indirect funding from the NIH has made these American innovations possible.

Nationwide, our academic research institutions play a pivotal role in the drug to market pipeline. Academic health centers and research institutions regularly collaborate with both the NIH and the pharmaceutical industry to develop and bring a therapy to market. UCLA has numerous clinical trials ongoing in the pediatric cancer space. In 2005, UCLA developed a model of amyloid fibers, opening new avenues for treating neurodegenerative diseases like Alzheimer’s<sup>3</sup>. Last year, the researchers at the

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<sup>1</sup> *2024 NIH funding*. (n.d.). Google Docs. <https://docs.google.com/spreadsheets/d/1ls7sPd0QUF3Vv6O2gV9M0-hykcI8mwRsSYljuSGtKz0/edit?gid=1403862229#gid=1403862229>

<sup>2</sup> Briteweb. (2024, November 16). U.S. Healthcare System Ranks Sixth Worldwide — Innovative but Fiscally Unsustainable. *Peterson Foundation*. <https://www.pgpf.org/article/us-healthcare-system-ranks-sixth-worldwide-innovative-but-fiscally-unsustainable/>

<sup>3</sup> *Medical Breakthrough* | *UCLA Medical School*. (2024, July 19). UCLA Medical School. <https://medschool.ucla.edu/research/research-excellence/medical-breakthroughs>

University of California Irvine discovered “item memory,” deepening our understanding of what the brain stores to potentially offer a new target for treating Alzheimer’s<sup>4</sup>.

These cuts to indirect funding will not only be devastating to the state of California. The University of Texas San Antonio conducted breakthrough research to create the first mouse model with functional human immune system<sup>5</sup>. Indirect funding supports these facilities and the administrative costs that keep research labs in operation. Expenses such as rent, acquiring and maintaining lab equipment, security, data processing and storage, and daily operations of critical research are *essential* to developing patient-saving treatments and technologies.

As Members of Congress who represent many of these facilities, these cuts only stand to harm patients and diminish American excellence in the life sciences. Moreover, the life science community in California employs 1.2 million Californians, generating over \$400 billion in economic output. Every American has benefitted from NIH funding – 3.7 million Californians receive care at teaching hospitals.

As required by the Administrative Procedure Act, federal agencies must provide the opportunity for participation through the public comment process. Additionally, we ask that you respond to the following questions.

1. **Direction of funding:** What assessments have been conducted to ensure this cap does not affect research funding?
2. **Impact on Global Progress:** What assessments have been conducted on how this cap will progress United States’ biomedical research?
3. **Program Disruption Monitoring:** What steps are being taken to track the immediate and long-term impact of ongoing clinical trials and research?

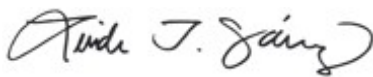
California’s progress in biomedical research is the cornerstone of American progress and innovation in research. We urge you to halt these cuts until the agency can proceed through proper rulemaking. This move is not only illegal, but will halt progress in biomedical research.

Sincerely,

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<sup>4</sup> *Discovery of ‘item memory’ brain cells offers new Alzheimer’s treatment target | UCI Health | Orange County, CA.* (n.d.). <https://www.ucihealth.org/news/2024/08/alzheimers-item-memory-brain-cells#:~:text=Orange%2C%20Calif.%20%E2%80%94%20Researchers%20from%20the%20University%20of,offering%20a%20new%20target%20for%20treating%20Alzheimer%E2%80%99s%20disease>.

<sup>5</sup> Lee, S. (2024, July 25). *Scientists create first mouse model with complete, functional human immune system - UT Health San Antonio.* UT Health San Antonio. <https://news.uthscsa.edu/scientists-create-first-mouse-model-with-complete-functional-human-immune-system/>



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Linda T. Sánchez  
Member of Congress



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Scott H. Peters  
Member of Congress



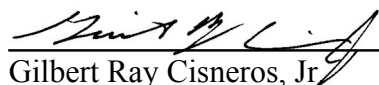
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Kevin Mullin  
Member of Congress



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Derek T. Tran  
Member of Congress



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Gilbert Ray Cisneros, Jr.  
Member of Congress



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Laura Friedman  
Member of Congress



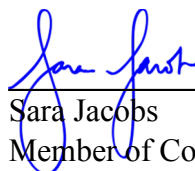
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Brad Sherman  
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Jim Costa  
Member of Congress



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Sara Jacobs  
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Luz M. Rivas  
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Mike Levin  
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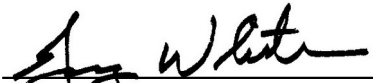
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Sydney Kamlager-Dove  
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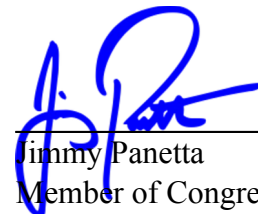
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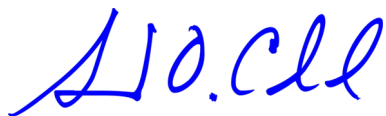
Doris Matsui  
Member of Congress



Zoe Lofgren  
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Julia Brownley  
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Salud Carbajal  
Member of Congress



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John Garamendi  
Member of Congress



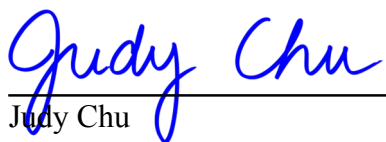
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Mark DeSaulnier  
Member of Congress



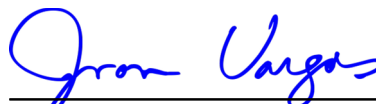
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