
SENATE COMMITTEE ON HEALTH

Senator Dr. Akilah Weber Pierson, Chair

BILL NO: SB 895
AUTHOR: Wiener, Pérez, Wahab
VERSION: March 16, 2026
HEARING DATE: March 25, 2026
CONSULTANT: Melanie Moreno and Natalie Gehred

SUBJECT: California Science and Health Research Bond Act

SUMMARY: Creates the California Foundation for Science and Health Research (CFSHR), housed in the Government Operations Agency, to award grants and loans to public or private research companies, universities, institutes, and organizations for scientific research. Establishes the CFSHR Council to determine which projects will be awarded grants and loans. Funds CFSHR through the issuance and sale of \$23 billion in bonds, pending voter approval on the 2026 ballot. Establishes the CFSHR Finance Committee to authorize the issuance and sale of bonds.

Existing law:

- 1) Establishes the Government Operations Agency (GovOps), which includes the Department of Technology, the Department of General Services, and the Office of Data and Innovation, among other departments, offices, and boards. [GOV §12803.2]
- 2) Establishes the California Taxpayer Access to Publicly Funded Research Act, which requires a grantee that receives funding, in whole or in part, in the form of a research grant from a state agency to provide for free public access to any publication of a peer-reviewed manuscript describing state-agency-funded knowledge, a state-agency-funded invention, or state-agency-funded technology. [GOV §13989 et seq.]
- 3) Establishes, within the California Constitution, the California Institute for Regenerative Medicine (CIRM) to make grants and loans for stem cell research, for research facilities, and for other vital research opportunities to realize therapies, protocols, and/or medical procedures that will result in, as speedily as possible, the cure for, and/or substantial mitigation of, major diseases, injuries, and orphan diseases. [Cal. Const., article XXXV, §2]

This bill:

CFSHR

- 1) Establishes CFSHR in GovOps, and states that its role is to facilitate scientific research by awarding grants and making loans to public or private research companies, universities, institutes, and organizations for scientific research and development and to construct facilities for research and development in various fields, including, but not limited to:
 - a) Biomedical, including finding cures for high mortality diseases, including, but not limited to, cancer, Alzheimer’s disease, Parkinson’s disease, amyotrophic lateral sclerosis (ALS), heart disease, strokes, child and adult leukemia, infectious diseases, and HIV/AIDS;
 - b) Detecting and responding to new and emerging health threats;
 - c) Disease prevention, including, but not limited to, cancer, Alzheimer’s disease, Parkinson’s disease, heart disease, strokes, child and adult leukemia, infectious diseases, and HIV/AIDS;
 - d) Promoting healthy and safe behaviors, communities, and environment;
 - e) Wildfire prevention;

- f) Behavioral health, including, but not limited to, addiction and substance use disorders;
- g) Climate, including climate change and its impact on human health and weather;
- h) Ocean, and coastal and marine ecosystems and resources;
- i) Agriculture and water;
- j) Emerging technologies; and,
- k) Safety, efficacy, and security of drugs, biological products, medical devices, our nation's food supply, and cosmetics.

CFSHR Fund

- 2) Establishes the CFSHR Fund in the State Treasury, and requires funds to be deposited into it upon appropriation by the Legislature. Permits the CFSHR Fund to be funded by both private and public funds, including private donations. Requires CFSHR Fund moneys to be used to award public and private grants and make loans to public or private research companies, universities, institutes, and organizations for scientific research and development, as specified.
- 3) Requires research and development funded to be conducted under established standards of open scientific exchange, peer review, and public oversight, including, but not limited to the California Taxpayer Access to Publicly Funded Research Act.
- 4) Requires grants or loans to be awarded or made available to researchers or projects located within this state. Permits funding for research collaboratives between California and out-of-state researchers. Requires grants or loans to be awarded based on:
 - a) Consistency with the research priorities established for CFSHR by the CFSHR Council established under this bill; and,
 - b) The scientific merit of the proposed research, as determined by an open, competitive, scientific peer review process that ensures objectivity, consistency, and high quality, as specified.
- 5) Requires CFSHR to prioritize funding research that replaces funding cuts by the federal government. Requires research projects, to be eligible for funding, to be reviewed and approved by an institutional review board that meets the requirements of applicable laws and regulations, including, but not limited to, the California Taxpayer Access to Publicly Funded Research Act and the Protection of Human Subjects in Medical Experimentation Act.
- 6) States legislative intent that:
 - a) CFSHR include provisions in the grants, loans, and contracts to recoup a portion of licensing and royalty fees from inventions and technologies produced as a result of bond-funded research, and that pharmaceuticals developed through this research are available to Californians at a discount; and,
 - b) Under certain circumstances, California will be able to publicly produce pharmaceuticals invented with bond-funded research via CalRx in order to sell them at a discount to Californians and for profit to other states.

CFSHR administration

- 7) Requires the GovOps Secretary to oversee the process of appointing the CFSHR director and to set the level of salaries, bonuses, and benefits. Permits hiring and determining the salaries, bonuses, and benefits of additional personnel to be delegated by the GovOps Secretary to the director, subject to approval and oversight by the GovOps Secretary. Requires the CFSHR director and its personnel to be responsible for implementing the strategic objectives of the

CFSHR Council, administering the grants and loans awarded by the CFSHR Council, and all other duties as deemed necessary.

- 8) Prohibits more than 3% of CFSHR Fund moneys from being used for administrative costs, including, but not limited to:
 - a) Salaries, bonuses, and benefits paid or incurred with respect to the hiring or retention of a director and other officers and administrative staff that work on behalf of CFSHR under the supervision of the director;
 - b) Legal and accounting fees and expenses; and,
 - c) All costs associated with the establishment and operation of CFSHR, including, but not limited to, office rent, overhead, information technology and data systems, office supplies and equipment, clerical services, utilities, telephone, travel, repairs and maintenance, program audits, and other general costs of operating.
- 9) Requires all intellectual property assets developed using funds authorized for, or made available to, CFSHR be treated pursuant to state and federal law.
- 10) Requires CFSHR to recommend to the CFSHR Council, and requires the Council to adopt, standards to ensure that if a grantee or loan recipient purchases goods or services using CFSHR funds, they are from California suppliers to the extent reasonably possible, in a good faith effort to achieve a goal of more than 50% of purchases from California suppliers.

CFSHR Council

- 11) Establishes the CFSHR Council to:
 - a) Develop the strategic objectives and research priorities;
 - b) Actively participate in the overall management of CFSHR;
 - c) Determine which research projects will be funded based on the established research priorities and the technical merits of the proposals, as determined by scientific peer review panels; and,
 - d) Determine which state agency will oversee a funded research project, including, but not limited to; the Office of Emergency Services (CalOES); Natural Resources Agency; and, the California Health and Human Services Agency.
- 12) Requires the CFSHR Council to consist of 11 to 13 members as follows:
 - a) Five members, appointed by the GovOps Secretary, who are scientists, including at least one member who is a graduate-level researcher and at least one member who is a postdoctoral scholar, with current or past research experience in specified fields;
 - b) Three members of the public appointed by the GovOps Secretary;
 - c) Two additional members of the public appointed by the Senate Rules Committee and the Speaker of the Assembly;
 - d) One member designated by the President of the University of California (UC) and one member designated by the Chancellor of the California State University (CSU), if the president and/or chancellor chooses to designate a representative, both of whom are required to be a scientist or hold a background in science or research; and,
 - e) One member designated by the President of the Association of Independent California Colleges and Universities, or the president's designee, who is required to be a scientist or hold a background in science or research.

- 13) Permits individuals and organizations to submit nominations for membership to the GovOps Secretary and permits the Secretary to solicit nominations from relevant organizations and individuals.
- 14) Requires CFSHR Council members to serve four-year terms, not to exceed two terms. Permits a GovOps appointee, if they are a graduate-level researcher or postdoctoral scholar and earns their degree or completes their placement before the conclusion of their four-year term, to serve out the remainder of the academic year on the CFSHR Council. Requires the GovOps Secretary to appoint a current graduate-level researcher or postdoctoral scholar at the conclusion of the academic year.
- 15) Requires the CalOps Secretary, if a vacancy occurs within a term, to appoint a replacement member within 45 days to serve the remainder of the term. Requires the GovOps Secretary, when a term expires, to appoint a member within 30 days. Requires members to serve until their replacement is appointed.
- 16) Requires CFSHR Council members to serve without compensation, but permits reimbursement for travel and necessary expenses actually incurred in the performance of duties.
- 17) Requires a vote of a majority of the CFSHR Council members for the approval of funding of any research project or proposal presented for funding. Prohibits a grant or a loan from being approved if there are more than three vacancies on the CFSHR Council.
- 18) Permits the CFSHR Council to establish one or more scientific peer review panels consisting of experts in specified fields for the purposes of reviewing and prioritizing proposals on the basis of the scientific merit of the proposal, potential benefits to the health and well-being of the population, natural resources, environment of the state, and the demonstrated background, training, and expertise, as appropriate for their career stage, of the researchers and investigators to conduct the proposed work.
- 19) Prohibits an expert on a scientific review panel from having a collaborative or commercial relationship with any applicant of a proposal for funding that the expert is reviewing and prioritizing.
- 20) Applies the Bagley-Keene Open Meeting Act to all meetings of the CFSHR Council. Requires the Council to disclose all awarded grants in public meetings, award all grants, loans, and contracts in public meetings, and to adopt all governance, scientific, medical, and regulatory standards in public meetings.
- 21) Permits the CFSHR Council to conduct closed sessions as permitted by the Bagley-Keene Open Meeting Act or when it meets to consider or discuss:
 - a) Matters involving information relating to patients or medical or scientific research subjects, the disclosure of which would constitute an unwarranted invasion of personal privacy;
 - b) Matters involving confidential intellectual property or a work product, whether patentable or not, including, but not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information that is not patented, that is known only to certain individuals who are using it to fabricate, produce, or compound an article of trade or a service having commercial value, and that gives its user

an opportunity to obtain a business advantage over competitors who do not know it or use it;

- c) Matters involving scientific data, analyses, or other research products not yet formally published in academic literature;
- d) Matters concerning the appointment, employment, performance, compensation, or dismissal of CFSHR officers and employees. Requires action on compensation of CFSHR officers and employees to only be taken in open session; or,
- e) Matters believed to pose a security risk to the people of California.

CFSHR annual reporting

22) Requires CFSHR to issue an annual report that sets forth its activities, grants awarded, grants in progress, research accomplishments, and future program directions. Requires the report to be published on the CFSHR website. Requires the report to include, but not be limited to: the number and dollar amounts of research and facilities grants and loans; the grantees and loan recipients for the prior year; CFSHR administrative expenses; an assessment of the availability of funding for research from sources other than CFSHR; a summary of research findings, including promising new research areas; an assessment of the relationship between grants and loans and the overall strategy of its research program; and a report of strategic research and financial plans.

23) Requires CFSHR to annually commission an independent financial audit of its activities from a certified public accounting firm, and provide that audit to the State Controller, who is required to review it annually and issue a public report. Requires the Controller to hold a public meeting with appropriate notice and a formal public comment period. Requires the Controller to evaluate public comments and include appropriate summaries in the annual report.

CFSHR bonds

24) Permits \$23 billion in bonds to be issued and sold, not including the amount of any refunding bonds issued, as specified. Requires the bonds to be a valid and binding obligation of the State of California, and the full faith and credit of the State of California is pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

25) Requires authorized bonds to be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this bill, as specified.

26) Requires the proceeds of bonds issued and sold to be deposited into the CFSHR Fund. Makes all moneys in the CFSHR Fund continuously appropriated without respect to fiscal years for the purposes of this bill.

27) Requires an unspecified amount of money to be made available for grants and loans to fund the construction and acquisition of facilities for research as provided in this bill. Requires another unspecified amount of money to be available for:

- a) Grants and loans to fund research and operate and maintain facilities for research under this bill;
- b) Paying general administrative costs of CFSHR, not to exceed 3% of the CFSHR Fund amount;

- c) Paying the annual administration costs of the interim debt or bonds after December 31 of the fifth full calendar year after this bill takes effect;
 - d) Paying the costs of issuing interim debt, paying the annual administration costs of the interim debt until and including December 31 of the fifth full calendar year after this bill takes effect, and paying interest on interim debt, if that interim debt is incurred or issued on or before December 31 of the fifth full calendar year after this bill takes effect; and,
 - e) Paying the costs of issuing bonds, paying the annual administration costs of the bonds until and including December 31 of the fifth full calendar year after this bill takes effect, and paying interest on bonds that accrues on or before December 31 of the fifth full calendar year after this bill takes effect, except that this limitation does not apply to premium and accrued interest, as specified.
- 28) Permits moneys in the CFSHR Fund or other proceeds of the sale of bonds to be used to pay principal of or redemption premium on any interim debt issued before the issuance of bonds authorized by this bill. Permits moneys deposited into the CFSHR Fund from the proceeds of interim debt to be used to pay general administrative costs of CFSHR without regard to the 3% limit, so long as the 3% limit is satisfied for each issue of bonds.
- 29) Requires repayment of principal and interest on any loans made by CFHSR to be deposited into the CFSHR Fund and used to make additional grants and loans or for paying continuing costs of the annual administration of outstanding bonds.
- 30) Specifies that allowable costs include costs incidentally but directly related to construction or acquisition, including, but not limited to, planning, engineering, construction management, architectural, and other design work, environmental impact reports and assessments, required mitigation expenses, appraisals, legal expenses, site acquisitions, and necessary easements.
- 31) Requires proceeds of interim debt and bonds to be deposited into the State Treasury to the credit of the CFSHR Fund, except to the extent that proceeds of the issuance of bonds are used directly to repay interim debt.

CFSHR Finance Committee

- 32) Creates the CFSHR Finance Committee (Finance Committee) solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds and interim debt authorized by this bill. Requires the Finance Committee to consist of: the Treasurer; the Controller; the Director of Finance; the CFSHR Director; and, two members of the CFSHR Council, chosen by the GovOps Secretary or their designated representatives. Requires the Treasurer to serve as chairperson of the Finance Committee. Permits a majority to act for the Finance Committee.
- 33) Requires the Treasurer to issue and sell bonds in the amount determined by the Finance Committee to be necessary or desirable. Requires the bonds to be issued and sold upon the terms and conditions specified in a resolution adopted by the Finance Committee, as specified.
- 34) Requires the Finance Committee, by resolution, to determine whether or not it is necessary or desirable to issue and sell bonds in order to carry out the actions specified in this bill and, if so, the amount of bonds to be issued and sold. Permits successive issues of bonds to be authorized and sold to carry out those actions progressively, and specifies that it is not necessary that all of the bonds authorized to be issued be sold at any one time. Permits bonds

to bear interest, which is includable in gross income for federal income tax purposes if the Finance Committee determines that the treatment is necessary in order to provide funds for the purposes of this bill.

- 35) Requires an interest-only floating rate bond structure to be implemented for interim debt and bonds until at least December 31 of the fifth full calendar year after this bill takes effect, with all interest to be paid from proceeds from the sale of interim debt or bonds, to minimize debt service payable from the General Fund (GF) during the initial period of basic research and development, if the Finance Committee determines, with the advice of the Treasurer, that this structure will result in the lowest achievable borrowing costs for the state during that five-year period considering the objective of avoiding any bond debt service payments, by the GF, during that period. Permits the Finance Committee, upon the initial determination, to delegate to the Treasurer the authority in connection with issuance of bonds as it determines, including, but not limited to, the authority to:
- a) Implement and continue the bond financing structure established by this article, including during any time following the initial five-year period; and,
 - b) Determine that an alternative financing plan would result in significantly lower borrowing costs for the state consistent with the objectives related to the GF and to implement that alternative financing plan.

Revenue and principal/interest payments

- 36) Requires a sum to be collected each year in an amount required to pay the principal of, and interest on, the bonds becoming due each year, and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state. Makes it the duty of all officers charged by law with any duty in regard to the collection of the revenue to perform each and every act that is necessary to collect that additional sum.
- 37) Requires the continuous appropriation from the GF, for the purposes of this bill and without regard to fiscal years, an amount that equals the total of both of:
- a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold, as the principal and interest become due and payable; and,
 - b) The sum necessary to carry out 38) below.
- 38) Permits the CFSHR to request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account for the purposes of carrying out this bill less any amount withdrawn pursuant to 39) below and not yet returned to the GF. Prohibits the amount of the request from exceeding the amount of the unsold bonds that the Finance Committee has authorized to be sold, excluding any refunding bonds authorized, less any amount loaned and not yet repaid and any amount withdrawn from the GF and not yet returned. Requires the CFSHR to execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Requires amounts loaned to be deposited into the CFSHR Fund to be allocated by CFSHR in accordance with this bill.
- 39) Permits the Director of Finance to authorize the withdrawal from the GF of an amount, not to exceed the amount of the unsold bonds that have been authorized by the Finance Committee, to be sold for the purpose of carrying out this bill, excluding any refunding bonds authorized, less any amount loaned and not yet repaid, and any amount withdrawn from the GF pursuant to this section and not yet returned. Requires any amount withdrawn to be deposited into the CFSHR Fund. Requires moneys made available to be returned to the GF, with interest at the

rate earned by the moneys in the Pooled Money Investment Account, from proceeds received from the sale of bonds.

- 40) Requires moneys in the CFSHR Fund that are derived from premium and accrued interest on bonds sold to be reserved and be available for transfer to the GF as a credit to expenditures for bond interest. Permits those amounts derived from premium to be reserved and used to pay the cost of bond issuance before any transfer to the GF.

Miscellaneous

- 41) Permits bonds issued and sold to be refunded in accordance with the State General Obligation Bond Law. States that approval by the voters of the state for the issuance of the bonds includes the approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds. Permits any bond refunded with the proceeds of refunding bonds to be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.
- 42) Permits the Treasurer, if they sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, under designated conditions, or is otherwise entitled to any federal tax advantage, to maintain separate accounts for the investment of bond proceeds and for the investment of earnings on those proceeds. Permits the Treasurer to use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of bond proceeds or earnings required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.
- 43) States that the proceeds from the sale of bonds authorized by this article are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed.
- 44) Requires this bill to be submitted to the voters at the next statewide election in accordance with existing law governing the submission of a statewide measure to the voters. Requires this bill to take effect upon the approval by the voters of the CFSHR Act.
- 45) Requires this bill to be broadly construed to accomplish its purposes. Permits future amendments to statute resulting from this bill, so long as those amendments are consistent with and further its intent, and is passed by a two-thirds vote of the members of each house of the Legislature and signed by the Governor.
- 46) Makes the provisions of this bill severable, so that if any portion, section, subdivision, paragraph, clause, sentence, phrase, word, or application of this act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision does not affect the validity of the remaining portions of this act. States that the people of the State of California hereby declare that they would have adopted this act and each and every portion, section, subdivision, paragraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any portion of this act or application thereof would be subsequently declared invalid.

- 47) Requires this bill to be liberally construed to effectuate its purposes. States that if this measure is approved by the voters but superseded in whole or in part by a conflicting measure approved by the voters at the same election, and the conflicting measure is later held to be invalid, this measure is self-executing and given full force and effect.
- 48) Makes a legislative finding and declaration that this bill imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. States that the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest: To protect the privacy rights and the intellectual property interests of individuals and the security of the public, it is necessary to restrict the public's access to this information.

FISCAL EFFECT: This bill has not been analyzed by a fiscal committee.

COMMENTS:

- 1) *Author's statement.* According to the author, this bill will place on the November 2026 ballot a \$23 billion bond to fund health and science research. The bill will additionally establish CFSHR. Over the past year we have seen an incredible politicization of what was once considered bipartisan and vital research. With the federal government cutting billions of dollars to scientific research, California is placed in a dire situation. As the state that receives the most federal research dollars and a global leader in research and technology, the cuts risk California's health and economic wellbeing. Scientific research and innovation have driven California's economic success for decades. The breakthroughs produced by universities and scientific researchers have sparked new industries and powered the success of the state's biotech, medical, agricultural, and software industries from startups to global companies. For every dollar invested in National Institutes of Health (NIH) research there is a return of approximately \$2.50 in economic activity. Without this investment from the state, Californians and the world will lose out on critical, life-saving discoveries that will treat diseases, uplift public health, and address climate change. For a healthy, prosperous future for all Californians, this bill is a critical step.
- 2) *Science and California's economy.* The Public Policy Institute of California reports that California's professional services and information sectors have grown substantially since 1998, due largely to technological innovation. As a result, the state outpaces the nation in technology-driven growth. Technology sectors contribute more than \$620 billion to the state economy, the largest output of any state. California is also home to the largest life sciences industry in the U.S. According to Biocom California's Life Science Economic Impact Report, California-produced goods account for roughly 10% of annual U.S. pharmaceutical exports and more than 15% of U.S. exports of medical equipment and supplies. In 2024, the state's life sciences industry employed approximately 450,000 workers across 17,220 companies and generated \$395.7 billion in total economic output.

According to the Bureau of Economic Analysis, California accounts for nearly one-third of research and development (R&D) contributions to national gross domestic product (GDP), with research activities generating over \$226 billion annually within the state—about 6% of the state's GDP—and directly employing approximately 688,000 workers. A large share of R&D investment is directed to California universities: the National Center for Science and Engineering Statistics Higher Education Research and Development Survey found that California led the nation in higher education R&D spending, exceeding \$14 billion in fiscal

year 2024. These investments support a robust innovation ecosystem, enabling California to maintain the largest share of U.S. patent applications—nearly 30% each year. According to Clarivate, three California universities (Stanford, UC Berkeley, and UC San Diego) rank among the top ten worldwide for number of patents filed, and Pitchbook ranks four California universities among the top 20 for number of startup founders. The state has historically ranked highly on the Kauffman Early-Stage Entrepreneurship Index and entrepreneurial components of the Economic Innovation Group's State Dynamism Index, two measures of entrepreneurial activity nationwide. California is a hotspot for emerging technology startups like those in the artificial intelligence industry: two-thirds of Forbes's 2025 list of the top 50 artificial intelligence companies are headquartered in California.

- 3) *Impact of federal science funding cuts to California.* Federal investment fuels research and development in California. California leads the nation in funding from agencies like the National Institutes of Health (NIH) and National Science Foundation (NSF). California also captures a large share of funding from the National Aeronautics and Space Administration (NASA) and the Department of Energy (DOE), given the concentration of national laboratories and technology industries in the state. In federal fiscal year 2024, California institutions received \$5.2 billion from the NIH and over \$1 billion from the NSF to support research at the state's universities, hospitals, and companies. A large share of this funding is funneled to the UC system, which receives more NIH and NSF grants than any other institution in the nation. Across all federal agencies, the UCs were awarded \$5 billion for nearly 17,000 projects in 2024, accounting for more than half of all UC research awards.

The Trump Administration's fiscal year 2026 budget proposal included 40% to 55% cuts to scientific funding agencies like the NIH, NSF, and NASA. Additionally, some federal agencies announced policies to cap facilities and administrative (F&A) cost reimbursements, used by the grantee's institution to support scientific infrastructure, at 15%, a significant cut for many institutions. Although Congress rejected these budget cuts and incorporated language barring the 15% F&A cap in the 2026 budget, science research is still experiencing a challenging federal environment. According to a January 2026 article in *Nature*, 5,844 NIH grants and 1,996 NSF grants were cancelled or suspended for not aligning with the Trump Administration's priorities, affecting research on topics like vaccine uptake, infectious diseases, and people from underrepresented groups. Federal agencies are also awarding fewer new grants; for example, the NIH awarded 21% fewer new research project grants in fiscal year 2025. In fiscal year 2026, STAT has reported that the number of competitive NIH awards issued to date is 74% lower than the average recorded by February over fiscal years 2021–2024, and the total value of those awards is 62% below the average at this point over those same years.

Disruptions to the stability and predictability of federal science funding have already impacted California research groups. According to the grant tracking website Grant Witness, 775 California grants were disrupted from the NIH and 467 from the NSF since January 2025. Although many have since been restored due to intervention by the courts, the state is experiencing an estimated loss of \$26 million from the NIH, \$46 million from the NSF, \$835 million from the Environmental Protection Agency (EPA), and \$95 million from the Centers for Disease Control and Prevention (CDC). Last July, the federal government froze nearly \$600 million in NIH and NSF funding to UCLA alone over claims of antisemitism on campus. Although these funds were eventually restored by court order, hundreds of research projects were halted for two months with no guarantee of being restored, disrupting

experiments, wasting resources, and placing financial strain on graduate and postdoctoral researchers living paycheck to paycheck on federally funded stipends.

- 4) *CIRM*. California has previously used voter-approved bonds to fund scientific research and infrastructure through CIRM. Following the Bush Administration's 2001 Executive Order to ban the use of federal funds for embryonic stem cell research, Proposition 71 was placed on the 2004 ballot through the citizen's initiative process, funded largely by stem-cell research advocate Robert Klein II. Proposition 71 authorized \$3 billion in general obligation bonds to establish CIRM in order to fund stem cell research in California over a ten-year period. Proposition 71 also included language requiring that all grants and loan awards be subject to intellectual property agreements that balance the opportunity of the State to benefit from the patents, royalties, and licenses that result from the funded research, with the need to ensure that essential medical research is not unreasonably hindered by the intellectual property agreements. Proposition 71 required, at a minimum, that CIRM grantees share a fraction of the revenue they receive from licensing or self-commercializing an invention or technology that arises from research funded by CIRM pursuant to a specified formula. The Obama Administration rescinded the ban on federal stem cell research in 2009. In 2020, Robert Klein helped to fund another initiative, known as Proposition 14, to authorize an additional \$5.5 billion in state general obligation bonds to fund research grants. Proposition 14, which passed with 51% of the vote, dedicated \$1.5 billion to research and therapy for Alzheimer's disease, Parkinson's disease, stroke, dementia, epilepsy, brain cancer, schizophrenia, autism, and other diseases and conditions of the brain, and otherwise expanded programs promoting stem cell and other medical research, therapy development and delivery, and student and physician training and fellowships.

According to CIRM's 2025 Annual Report, to date, these bonds have funded over 1,400 projects in 85 different disease areas, 116 clinical trials, and over 4,600 students and fellows. CIRM has also funded science and medical infrastructure like shared resources laboratories, alpha clinics, and a manufacturing network throughout the state to accelerate the delivery of cell and gene therapies. CIRM's investments in biotechnology have advanced over 50 startups with roots in CIRM projects, several of which have attracted high-profile investors to help commercialize these therapies. For example, Orchard Therapeutics has licensed a gene-modified cell therapy for severe combined immunodeficiency from UCLA and Gilead has acquired an antibody therapy for cancer from Stanford's spin-out company, Forty Seven. In 2015, CIRM shifted its funding model from an NIH-style grant system to a more hands-on, milestone-based award structure that links grantees with resources at each phase of a project and provides a predictable, stable funding schedule.

- 5) *The California Immunology Research and Cures Initiative*. Signatures are being gathered for the California Immunology Research and Cures Initiative, aiming to appear on the ballot in 2026. This proposition would authorize the issue and sale of \$8.4 billion dollars of general obligation bonds to fund a UC-affiliated immunology and immunotherapy research institute as well as individual immunology and immunotherapy research groups via grants. This proposition would be limited to immunology-related research, and only California-based public and nonprofit universities and medical research institutions would be eligible for funding. The proposition attempts to recuperate some of the investment for taxpayers by developing a technology licensing program, requiring a ten percent cut of all revenues from the sale, licensing, or commercialization of intellectual property rights, and requiring any products developed with these funds be made available to Californians at a price at least 20% below the national average price. The proposition aims to bring state funding to the UCLA-

affiliated California Institute of Immunology and Immunotherapy (CIII), established in 2024 by several philanthropists including Dr. Gary K. Michelson, the proposition's sponsor. The state allocated \$500 million to the CIII in the 2022-2023 budget, to be appropriated over the next several years, but the institute only received \$200 million when the remaining \$300 million was canceled in the 2024-2025 budget.

- 6) *Double referral.* This bill has been double referred. Should it pass out of this committee, it will be referred to the Committee on Natural Resources and Water.
- 7) *Prior legislation.* SB 829 (Weiner of 2025) was substantially similar to this bill, but did not contain provisions related to a bond issuance. *SB 829 was held on the Senate Appropriations suspense file.*

SB 867 (Allen, Chapter 83, Statutes of 2024) enacted the Safe Drinking Water, Wildfire Prevention, and Clean Air Bond Act of 2024, which authorized the issuance of \$10 billion in bonds to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity protection and nature-based climate solutions, climate-smart and sustainable working lands, park creation, and clean air programs. The proposition (Prop 4) was approved by 60% of voters on the 2024 ballot.

- 8) *Support.* The United Auto Workers (UAW) Region 6, UAW Local 4811, and the Union of American Physicians and Dentists, co-sponsors of the bill, call for action to counteract federal cuts and suspensions to NIH grants, and state that the CFSHR will safeguard California's role as a global leader in innovation, boost tax revenue, drive middle class job growth, and provide hope and healing to millions of Californians facing deadly and debilitating diseases. UAW Region 6 shares that an independent analysis estimates that the \$23 billion investment would generate \$52.1 billion in economic activity and support between 55,000 and 60,000 jobs per year, not including multipliers like matching private research funds, the economic activity generated through the commercialization of new products, and the savings to the state from the reduced healthcare and energy costs that come from new technologies. The University of California, another co-sponsor, asserts that they currently receive \$5.7 billion annually in federal support for research, and that a sustained loss in federal funding would cause enormous harm to the institution and their students, causing tens of thousands of jobs lost and an exodus of research talent from the state. Other supporters, including groups representing business, labor, patients, physicians, and academics echo that this bill preserves and strengthens California's global leadership position in science, innovation, and public health, creates hundreds of thousands of high-wage jobs, and ensures that lifesaving and economically vital scientific research continues in the state, even if the federal government cuts or withholds federal funds. University student associations highlight the role of graduate students in driving academic research and the importance of this bill for the scientific and healthcare workforce pipeline in an uncertain federal funding environment. These groups emphasize that reliable funding is important for timely degree completion, access to laboratory resources, and the hands-on experience required for careers in science, medicine, and engineering.
- 9) *Support if amended.* The Association for Frontotemporal Degeneration writes that amending all references of Alzheimer's disease to "Alzheimer's and other dementias" would better reflect the full scope of dementias affecting Californians, strengthening the bill's public health impact by addressing an often-overshadowed need.

SUPPORT AND OPPOSITION:

Support: United Auto Workers Region 6 (co-sponsor)
Union of American Physicians and Dentists (co-sponsor)
University of California (co-sponsor)
350 Bay Area Action
ALS Association
American Academy of Neurology
American Federation of State, County, and Municipal Employees
Association of Independent California Colleges & Universities
Blood Cancer United
California Academy of Sciences
California Association of Professional Scientists, UAW Local 1115
California Consortium of Addiction Programs and Professionals
California Faculty Association
California Institute of Technology
California Physicians Alliance
California State University
Chamber San Mateo County
City of Eureka
Council of University of California Faculty Associations
Courage California
Culver City Democratic Club
Equality California
Greater Fresno Parkinson's Support Group
Humane World for Animals
Indivisible CA: StateStrong
Lieutenant Governor Eleni Kounalakis
Loma Linda University Adventist Health Sciences Center
Michael J. Fox Foundation for Parkinson's Research
Natera, Inc.
Palo Alto Chamber of Commerce
Parkinson Network of Mt. Diablo
Parkinson's Association of Northern California
Parkinson's Association of San Diego
Parkinson's Community Los Angeles
Point Blue Conservation Science
Public Health Institute
San Diego Natural History Museum
San Francisco Chamber of Commerce
San Mateo County Economic Development Association
Santa Monica Democratic Club
Stanford University
Teamsters California
The Climate Center
United Auto Workers Local 4811
United Auto Workers Local 872
University of California Los Angeles Faculty Association
University of California Riverside Faculty Association
University of California Student Association

Western Center on Law & Poverty
Two individuals

Oppose: None received.

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