

PUBLIC QUESTION #2:
New Jersey Stem Cell Research Bond Act

BALLOT LANGUAGE

Shall the "New Jersey Stem Cell Research Bond Act," which authorizes the State to issue bonds in the amount of \$450 million for grants to fund "stem cell research projects," as defined in the act, at institutions of higher education and other entities in the State conducting scientific and medical research, and providing the ways and means to pay the interest on the debt and also to pay and discharge the principal thereof, provided that recurring revenues of the State are certified by the State Treasurer to be available in an amount equal to the sum necessary to satisfy the annual debt service obligations related to such bonds, be approved?

INTERPRETIVE STATEMENT

Approval of this act would authorize the sale of \$450 million in State general obligation bonds to provide grants for stem cell, scientific, and medical research, as defined in the act, at institutions of higher education and other nonprofit and for profit entities in the State conducting scientific and medical research, provided that recurring revenues of the State are certified by the State Treasurer to be available in an amount equal to the sum necessary to satisfy the annual debt service obligations related to such bonds. Grants would be awarded by the Commission on Science and Technology, subject to evaluation by an independent research review panel composed of experts in stem cell and related research and by an independent ethics review panel. If a grant recipient realizes a financial gain or benefit directly associated with the research funded by its grant, the act requires the recipient to make payments to the State in an amount representing a reasonable return on the State's investment, as determined by the State Treasurer. The purpose of providing these funds is to promote research that could benefit State residents afflicted with diseases and severe injuries such as Alzheimer's disease, cancer, diabetes, Lou Gehrig's disease, Parkinson's disease, sickle cell anemia and spinal cord injuries.

Anne Milgram, Attorney General

INFORMATION SHEET

New Jersey Stem Cell Research Bond Act

BACKGROUND

The Stem Cell Research Bond Act referendum, Public Question #2 on the November 6, 2007, election ballot, gives voters the opportunity to decide whether to authorize the State of New Jersey to sell a total of \$450 million in bonds for the purpose of providing \$45 million a year over the next ten years for stem cell research.

The goal of this research is to provide treatments for currently incurable conditions such as diabetes, Alzheimer's and Parkinson's disease, Lou Gehrig's disease, spinal cord injury, sickle cell anemia, and multiple sclerosis.

New Jersey policy, as established by P.L.2003, c203, permits stem cell research that is conducted ethically and in accordance with the highest scientific standards. Stem cell research refers to scientific and medical research including, but not limited to, basic biology using human or non-human adult or embryonic stem cells; recovery and collection of biomaterials; work that takes new discoveries from the laboratory to human treatments; the development of diagnostic tools and processes; expanded training programs; increased capacity for additional stem cell research in the State; regenerative therapy development; and the development of treatments through clinical trials that may result in the cure for or substantial mitigation of major diseases, injuries, or orphan diseases.

New Jersey became the second state in the nation to authorize all forms of stem cell research in 2003 and was the first state to devote public monies to this field of research. The state has awarded approximately \$10 million in research grants, has built stem cell research facilities at Rutgers and the University of Medicine and Dentistry of New Jersey, and has invested \$5.5 million in two stem cell core facilities grants for research and training. The New Jersey Commission on Science and Technology is responsible for oversight of state-funded stem cell research. For more information go to <http://www.state.nj.us/scitech/stemcell/>

Recently enacted legislation (PL 2006, Chap 102) provides \$270 million in state support to build and equip five stem cell and biomedical research facilities. These facilities include the Stem Cell Institute of New Jersey jointly operated by Rutgers, The State University of New Jersey, and UMDNJ-Robert Wood Johnson Medical School in New Brunswick (\$150million); a stem cell facility managed by New Jersey Institute of Technology in Newark (\$50million); a biomedical research facility operated by Rutgers-Camden (\$50 million); a blood collection facility, the Ellie Katz Umbilical Cord Blood Program (\$10 million); and the Garden State Cancer Center (\$10 million). These investments establish the foundation for a strong collaborative network throughout New Jersey.

SPECIFICALLY PROHIBITED UNDER NEW JERSEY LAW

No funds authorized for, or made available to, an eligible research institution through the New Jersey Stem Cell Research Bond Act can be used for the purpose of human cloning. "Human cloning" means human asexual reproduction accomplished by introducing nuclear material from one or more human cells into a fertilized or unfertilized oocyte whose nuclear material has been removed or inactivated so as to produce a human fetus that is substantially genetically identical to a previously born human being.

Under the provisions of the 2003 Stem Cell Research Act, a person who knowingly engages or assists, directly or indirectly, in the cloning of a human being is guilty of a crime in the first degree.

PROJECTED COSTS

The New Jersey Office of Legislative Services has estimated the possible debt service costs based upon the following assumptions: if the bonds are issued at the rate of \$45 million per year for 10 years beginning in state fiscal year 2008, with each issue sold under current market conditions with a 20-year maturity and a level debt service schedule, annual debt service would commence in fiscal year 2009 at about \$3.7 million per year. It would then increase by that amount annually for the next nine years to a peak of about \$37 million in 2018 and remain at that level annually until 2028 and then decline by \$3.7 million per year for the next 10 years. More details at http://www.njleg.state.nj.us/2006/Bills/S1500/1091_E1.HTM.

PROJECTED ECONOMIC RETURN

The Edward J. Bloustein School of Planning and Public Policy at Rutgers, The State University of New Jersey, estimates that the \$450 million stem cell research expenditures will, over time, generate in New Jersey \$360.2 million in additional gross domestic product (GDP), over 5,000 direct and indirect job years (a job-year is equal to one job lasting one year), \$322.6 million in income, and over \$27 million in state and local taxes. In addition, the report concludes stem cell research funds can enable New Jersey to stay at the forefront of the biotechnology and pharmaceutical industries nationally, to remain an attractive location for scientists and businesses, and to maintain strong growth in the size of its life science business sectors. Estimated benefits over time from these effects, which also include the \$270 million investment in research facilities, are \$1.6 billion in additional GDP, over 22,000 direct and indirect job-years, and nearly \$119 million in state and local taxes. Further additional benefits to New Jersey attributable to the development of stem cell therapies anywhere include significant savings in health care costs, reductions in workdays lost to illness and injury, and substantial reductions in premature mortality. See <http://www.policy.rutgers.edu/reports/other/stemcelloct07.pdf> for more information.

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