



PUBLIC QUESTION # 2 STEM CELL RESEARCH BOND ISSUE

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?

Citizens vote “yes” or “no” on public questions on the ballot.

Background:

If approved this question allows the state of New Jersey to borrow \$450 million in general obligation bonds if sufficient recurring revenues are identified to pay the debt. General obligation bonds are backed by full faith and credit of the state. These bonds may have a 35 year maturity date and may be subject to redemption prior to maturity.

No more than \$45 million a year may be awarded as research grants to higher education or other state entities conducting research on stem cells. Any unused grant capacity in a given year will carry over to subsequent years. Any for-profit company must be collaborating with a NJ based nonprofit institution to be eligible for a grant. Grants will be awarded by the NJ Commission on Science and Technology with input from an independent research review panel and independent ethics panel. If a research institute realizes a financial gain associated with a grant funded project, payment to the Stem Cell Research Fund, representing a reasonable return on the grant, is required.

Reasons to vote “yes”:

- Stem cell research may provide the answers to many medically devastating diseases and injuries.
- Investment in research will help New Jersey maintain a competitive position in this field provide economic opportunity in the state and spur new business ventures.
- The funding will be distributed based on scientific merit of projects as judged by two independent review panels.
- A requirement that the Treasurer certify annually that sufficient recurring revenues are available to meet the costs provides fiscal responsibility.

Reasons to vote “no”:

- With \$33.7 billion in state debt, which costs \$3 billion in interest and principal payments each year, this is not the time to add more debt. \$45 million a year in grants is 0.15% of the budget. Finding a way to budget this expenditure, without the accompanying interest payments on debt, would be more fiscally responsible.

- Public policy in New Jersey allows for embryonic stem cell research, which is opposed on moral grounds by some citizens. Such research should be conducted and funded by private firms, not with taxpayer dollars.

Public question explanations are provided by the League of Women Voters of New Jersey Education Fund.
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