

NO on State Proposition 14

State **Proposition 14** asks voters to approve \$5.5 billion of bonds to extend funding of California's stem cell agency, which was created in 2004 through Proposition 71 to fund stem cell research. That measure provided initial funding of \$3 billion, which is set to run out shortly.

CoCoTax opposes Proposition 14 for the following reasons:

- The creation of California's own agency was necessitated by the ban on federal funding for stem cell research that existed in 2004. This block has since been lifted, with the federal government now spending billions of dollars annually in research grants, eliminating the need for this agency.
- In addition to the stated cost of \$5.5 billion, **Proposition 14** would saddle the state with interest costs of \$2.3 billion. As the California's Legislative Analyst's Office (LAO) states that would be an increased annual cost of \$260 million for 30 years.

Summary of State Costs	
New Borrowing	
Principal	\$5.5 billion
Interest	2.3 billion
Total Estimated Cost	\$7.8 billion
Payments	
Average annual cost	\$260 million
Assumed payment period	30 years
Source of payments	Primarily General Fund tax revenue

- The results from the original 2004 funding have been far less than promised, with only two small therapies receiving FDA approval and no significant "breakthroughs" have been discovered.
- Given our enormous statewide budget deficit, there are far more pressing needs for these funds.

Supporters argue that stem cell research remains a promising field of study. If that's true, any number of venture capital or biotech companies in our state can pursue the potential rewards with their own money. This is a vastly superior alternative to risking additional taxpayer money on this research, especially given the poor return on the funds authorized in 2004.

The ultimate definition of a bureaucracy is an entity that struggles to justify its own existence. Now that California's stem-cell agency has outlived its purpose, it's time we shut it down.

Vote NO on Proposition 14.