

Proposition 14: Californians for Stem Cell Research, Treatments and Cures **Separating Fact from Fiction**

In 2004, an overwhelming majority of California voters (nearly 60%) approved Proposition 71, a landmark proposal that authorized a \$3 billion investment in stem cell research to advance therapies and treatments for chronic diseases and injuries. Investing in the future health of our families and loved ones is the most important investment we can make today. In the November 2020 election, California voters will have the opportunity to continue forging a pathway for future treatments and cures by authorizing \$5.5 billion in state general obligation bonds by approving [Proposition 14](#).

As voters approach the ballot box it's important that they are able to separate the facts from what they may have heard about the initiative:

You May Have Heard: “The 2004 investment (Proposition 71) delivered no results.”

The Truth Is: *The 2004 investment has saved and improved lives.*

California's investment in 2004 firmly established the state as the world leader of stem cell research. Not only did it deliver on its promise to advance groundbreaking medical discoveries, it has already saved and improved lives:

- A high school student who was paralyzed, regained function in his upper body and went on to college. More than 95% of patients in this trial showed motor improvements.
- A mother who went blind from a genetic disease continues to experience improved peripheral vision. At the optimal dose, all the patients in this trial showed an average improvement of 2 complete lines on the eye exam.
- Two FDA-approved treatments have been developed for fatal blood cancers.
- More than 50 babies who were born without functioning immune systems have been cured of the once-fatal “bubble baby” disease.
- To correct a fatal fetal condition, researchers safely transplanted a mother's stem cells into her growing fetus during pregnancy, leading to the birth of normal infant.
- All patients with Type I Diabetes, who received the right number of transplanted stem cells, now have the ability to produce their own insulin via the transplanted cells.

More than 4,000 patients have enrolled, or are expected to be enrolled, in more than 90 clinical trials for chronic diseases and conditions, some already fast-tracked for FDA approval. Additionally, CIRM funding has resulted in more than 3,000 peer-reviewed published medical discoveries, providing the knowledge necessary for current and future clinical trials.

You May Have Heard: “California cannot afford this initiative.”

The Truth Is: *California can't afford not to fund this initiative.*

Proposition 14 will potentially save Californians billions of dollars in health care costs in the coming decades. When you consider that chronic disease is the leading driver of annual health care spending, this initiative is a small price to pay—less than \$5 per person per year from the state's general fund.

California and its citizens spend hundreds of billions of dollars on health care costs annually – with this cost continuing to rise every year. If we hesitate to fund the proper research to develop valuable treatments and cures for these chronic diseases and injuries, our healthcare costs will financially drain struggling California families, as well as the state budget. These decisions will have lasting impacts on priorities California would like to tackle now or in the future such as housing, education, infrastructure and climate change.

Additionally, bond payments are delayed for the first five years, and this measure will increase tax revenues generated by the economic stimulus it provides for at least the first nine years. This means that this measure will increase the amount of state funds available to tackle other issues until 2030.

Most importantly, this measure could save your life or the life of someone you love – how can we afford not to make this investment?

You May Have Heard: “If you vote yes, your taxes will go up.”

The Truth Is: Proposition 14 is NOT a tax.

Proposition 14 is **NOT** a tax – it is a general obligation bond repaid from the state’s General Fund. General Fund payments on the bonds will be postponed for the first five years, with interest paid from bond proceeds during that period. The bonds can be repaid over a 40-year period, amortizing the cost of the state’s stem cell infrastructure across the future generations who will benefit from it. A small reduction in the cost of treating these chronic conditions and injuries could offset the entire cost of the program, meaning that the state would end up saving money.

You May Have Heard: “There is no oversight over how the money will be spent.”

The Truth Is: Proposition 14 is a smart investment protected by strict accountability measures.

The California Institute for Regenerative Medicine (CIRM), the institute tasked with allocating grant funding, is the **only** state entity that has an independent financial accountability oversight committee – the committee is chaired by the State Controller and is responsible for reviewing and auditing CIRM’s financial practices annually, as well as reviewing progress in public meetings. These accountability guidelines are so extensive that the state Controller’s office reported that CIRM’s conflict-of-interest protections are “*in some instances, going beyond the National Institutes of Health (NIH) requirements.*”

Additionally, Proposition 14’s strict transparency and accountability requirements ensure the funds are invested effectively – at least 95.5 cents of every dollar must be spent directly on research, therapy development, research facilities and research oversight.

You May Have Heard: “Treatments and cures won’t be affordable or accessible.”

The Truth Is: Funding Proposition 14 will help ensure greater access to more affordable cures that could save your life or the life of someone you love.

Proposition 14 could reduce the long-term costs of chronic diseases for California families. By simply reducing the number of patients suffering from diabetes by 10%, CIRM funding could save Californians nearly eight times the cost of the initiative – imagine the potential health care savings that could be achieved if even a proportion of the 90+ clinical trials underway advance to treatments and cures for dozens of chronic diseases and conditions. Making health care accessible and affordable is one of the most pressing issues facing California and the nation, which is why the initiative will:

- Work with designated experts on achieving early public and private insurance coverage for therapies derived from CIRM-funded research.
- Establish new partnerships to provide clinical trials and FDA-approved treatments in geographically diverse population centers, making accessibility real to more communities.
- Make reimbursements available for patients, families and caregivers who need travel and lodging assistance to participate in clinical trials, removing a barrier that too often restricts equity and access to new therapies.
- Establish a working group tasked with developing and promoting novel coverage structures to increase access and affordability of clinical trials and treatments.

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