


CITIZENS FOR SCIENCE AND ETHICS, INC.

95 South Federal Highway, Suite 200
Boca Raton, FL 33432
561-706-3318 • www.scienceandethics.org

MEMORANDUM

TO: Financial Impact Estimating Conference Principals

FROM:  Susan Cutaia, President, Citizens for Science and Ethics

DATE: November 6, 2006

SUBJECT: Fiscal Impact of Proposed Embryonic Stem Cell Funding Initiative, 05-22

Citizens for Science and Ethics (CSE) opposes proposed initiative 05-22, "Funding for embryonic stem cell research" because destruction of live human embryos for experimentation is unethical, an offense against human dignity and vulnerable members of the human family outside the womb. While opposing the initiative in principle, as it would guarantee cooperation by the people of Florida in this activity, we wish to highlight elements for consideration of the Financial Impact Estimating Committee.

No Expected Decrease in State Spending as Result of Funding

California is the first state to embark on a ballot initiative such as this, securing over \$3B (\$6B with time value of money) over 10 years through its Proposition 71. The California Institute for Regenerative Medicine's draft strategic plan states that "it is unlikely that CIRM will be able to fully develop (embryonic) stem cell therapy for routine use during the ten years of its plan"^{1,2}. With a significantly smaller investment in Florida, it is also highly unlikely that initiative 05-22 will yield any therapy for clinical use in the coming decade. Without such, we anticipate no new abilities to treat conditions of recipients of Medicaid or other state programs at lower net cost as a result of this expenditure.

"Oocyte Donation" Expenses Likely to Have Significant Impact

The section of the initiative addressing "embryo donation" is likely to entail significant costs, which should be considered. There is a limited supply of human embryos. Of the 400,000 embryos identified in a federal report in 2004, only 3% were stored with the expectation of use in experiments.³ Not all embryos will be available to Florida

¹ CIRM Draft Strategic Plan, October 2006. see:

http://www.cirm.ca.gov/meetings/pdf/2006/10/Strat_Plan_100406.pdf, p.4.

² "Stem Cell Institute Plan Shows Refreshing Cando Consumer Advocates Say", US Newswire, October 4, 2006. www.usnewswire.com

³ Society for Assisted Reproductive Technology and the Rand Corporation Study, 2004. (An additional 1% are expected to be used in quality assurance studies; 2% for donation to other women; and 87% are stored for future use.)

researchers, given activities in other states, private research efforts and the like. Two areas should be explored:

1. **Financial inducements** currently being offered for “donation” of human female eggs, as impacting the overall cost and expected outcomes of the research.⁴
2. **Risk to the women donors** who receive hyperovulatory treatments and invasive procedures to retrieve eggs (e.g.: ruptured ovaries, and the long term effects of which are unknown). These could include:
 - a. Costs to the Medicaid program for resulting beneficiary treatments
 - b. State liability exposure arising from adverse effects of these procedures on women (e.g.: Ovarian Hyperstimulation Syndrome).

Expected Fiscal Burden to Department of Health

The Department of Health would certainly have increased activity related to administration of the additional biomedical research funds proposed by the amendment. In addition to expanded activity for the state’s existing biomedical research infrastructure, rules, regulations and protocols will need to be developed for donation of embryos and gametes, and regulatory activity will also be required. It is unclear as to whether these expenses are to be paid through the proposed funding or other sources.

No Provisions to Return Proceeds from Funding

While this does not bear directly on the likely financial impact of the proposed amendment, we note that there are no provisions requiring those who engage in experimentation to return any portion of financial gains made as a result of this initiative to state or local government. This omission merely diminishes potential for financial return to government on the initiative.

Conclusion

In closing, there are no expected financial gains over the life of the proposed initiative. The minimum cost to the people of Florida will be in excess of \$200M. We are grateful for this opportunity to contribute these remarks, and would be pleased to respond to any questions or requests for additional information.

⁴ Groups such as the Pro-Choice Alliance for Responsible Research raise concerns along this line.