



FACT SHEET

The California Children's Hospital Bond Act of 2008

Proposition 3 on the November 4th ballot seeks voter approval for a \$980 million bond measure to expand and renovate California's children's hospitals to make more room to treat more children, and acquire medical equipment for the treatment of the most seriously ill and injured children in the state.

Funding for Children's Hospital Facilities

If approved by the voters, Proposition 3 would provide \$980 million to the 13 children's hospitals in California. Eight private, nonprofit hospitals are eligible to receive 80% of the funds, with the five children's hospitals at University of California medical centers receiving 20% (approximately \$39 million for each UC medical center).

Proposition 3 would help children's hospitals expand and renovate to make more room to treat more children, acquire medical equipment for the critically injured and ill children in the state, and make seismic repairs. There is a 10-year period for using these funds, which provides an opportunity for careful planning and an ability to address capital needs that may develop over the coming decade.

The eight private, non-profit children's hospitals that are eligible to each receive up to \$98 million each include: Children's Hospital Central California, Children's Hospital Orange County, Children's Hospital Los Angeles, Children's Hospital & Research Center at Oakland, Loma Linda University Children's Hospital, Miller Children's Hospital, Long Beach, Lucile Packard Children's Hospital at Stanford, and Rady Children's Hospital, San Diego.

The five UC children's hospitals at Davis, Irvine, Los Angeles, San Diego and San Francisco are eligible to receive grants totaling approximately \$39 million each.

Fiscal Accountability

Bond funds approved by voters can only be spent for the construction and equipment purposes stated in the legislation. Each children's hospital must apply to the California Health Facilities Financing Authority for the funds. The Authority will approve and oversee each project. According to the Legislative Analyst's Office, "Children's hospitals would have to apply in writing for funds...The CHFFA's decision to award a grant would be based on several factors, including whether the grant would contribute toward the expansion or improvement of health care access for children who are eligible for governmental health insurance programs, or who are indigent, underserved, or uninsured; whether the grant would contribute toward the improvement of child health care or pediatric patient outcomes; and whether the applicant hospital would promote pediatric teaching or research programs."

Supporters of Proposition 3 include: American Academy of Pediatrics (CA), California Medical Association, California Association of Physician Groups, California State Chamber of Commerce, Children's Specialty Care Coalition, California Hospital Association, Children's Defense Fund, Children Now, Children's Partnership, the Regents of the University of California,

the California Federation of Teachers, the California Parent Teacher Association the Stonewall Democratic Club, Valley Industry & Commerce Association and the League of Women Voters of California.

Opponents include: Lewis K. Uhler, president of the National Tax Limitation Committee; Ted Costa, president of People's Advocate; Jon Fleischman, publisher of Flashreport.org.

What are the costs?

The cost of the 30-year general obligation bonds to the state is approximately \$1.75 for each Californian. Opponents argue that this means less money would be available in the general fund for other spending needs, and the Legislature's flexibility to balance the state budget would be reduced.