



Proposition 3 - Children's Hospital Bond Act of 2008

Frequently Asked Questions

What is the Children's Hospitals Bond Act of 2008?

The "Children's Hospital Bond Act of 2008," Proposition 3 on the November 4th ballot, would provide up to \$980 million to help expand and renovate California's children's hospitals to make more room to treat more children and add medical equipment to treat the most seriously ill and injured children in our state. The five children's hospitals at the University of California would receive 20% of the funds, with 80% going to eight private, non-profit children's hospitals across the state.

What are Children's Hospitals?

There are 13 regional children's hospitals in the state, including five at University of California medical centers. These hospitals serve as regional, tertiary-care centers and provide specialized care to treat children with the most serious and life threatening diseases like childhood leukemia, cancer, heart defects, sickle cell anemia, diabetes and cystic fibrosis. These hospitals are California's pediatric health care safety net, caring for the majority of the state's low-income children. California's children's hospitals treat more than one million children's injuries and illnesses each year.

The nation's premier pediatric research centers are in children's hospitals, making them the source of scientific discoveries in biomedical research that benefits all children. For example, the polio vaccine was first tested in a children's hospital.

Why do California hospitals need this funding now?

Advances in technology and research are bringing new treatments for children to patient care. With medical technology improvements occurring rapidly, especially for the most serious childhood illnesses, children's hospitals must have access to the latest technology to effectively treat seriously ill children. If passed by the voters, Proposition 3 funds would help these hospitals acquire new medical technologies, expand children's hospital emergency rooms, and make more room so they can provide care to more children. Without additional capital investments, children's hospitals will not meet the needs of California's growing population of children, which the Department of Finance projects to increase by 35% over the next two decades.

The escalating cost of construction has also put a burden on the financial capabilities of children's hospitals in California. According to a recent RAND report, hospital construction costs in the state have almost doubled since 2001. In California, the finished cost of a fully furnished and equipped new hospital building is about \$1,000 per square foot – more than three times that of a new office

building. In the next few years, planned and needed hospital projects will cost each children's hospital hundreds of millions of dollars.

How much funding will each children's hospital receive?

Proposition 3 funding is proportional to the number of patients seen and treated at the state's children's hospitals. Under Proposition 3, any children's hospital that meets the specified criteria can apply for a grant to the California Health Facilities Financing Authority for a specific project.

Eight private, non-profit children's hospitals have met the eligibility criteria and would be able to each apply for project-specific grant funding up to \$98 million:

- 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
- Rady Children's Hospital, San Diego

Five UC children's hospitals are eligible to receive grants totaling approximately \$39 million each:

- UC Davis Children's Hospital
- University Children's Hospital at UC Irvine
- Mattel Children's Hospital at UCLA
- UC San Diego Children's Hospital
- UC San Francisco Children's Hospital

What kind of projects will Proposition 3 fund?

Statewide, a variety of projects are underway or in the planning stage using funds authorized by Proposition 61, which the voters approved in 2004, including new buildings such as the patient tower under construction at Children's Hospital Los Angeles; Neonatal Intensive Care Units (NICU) and Pediatric Intensive Care Units (PICU) expansions; Emergency Department (ED) renovations and expansions; expansion and renovations of surgery rooms; and cancer center renovations.

Proposition 3 funding will support future projects, including expansions of hospital inpatient and outpatient centers, complete hospital rebuilds and acquisition of better medical equipment.

How can voters be sure the money will be spent properly?

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.

What groups support Proposition 3?

American Academy of Pediatrics (CA), California Medical Association, California Association of Physician Groups, 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, California State Chamber of Commerce, and the League of Women Voters of California.

Who opposes Proposition 3?

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., Assemblymember Ted Gaines.