

# California Proposition 4, Children's Hospital Bonds Initiative (2018)

**California Proposition 4**, the **Children's Hospital Bonds Initiative**, is on the ballot in California as an initiated state statute on November 6, 2018.<sup>[1]</sup>

A **yes** vote supports authorizing \$1.5 billion in bonds for the construction, expansion, renovation, and equipping of children's hospitals in California.

A **no** vote opposes authorizing \$1.5 billion in bonds for the construction, expansion, renovation, and equipping of children's hospitals in California.

## California Proposition 4



## Overview

### How would the proposed bond revenue be spent?

Proposition 4 would authorize \$1.5 billion in general obligation bonds to provide for the Children's Hospital Bond Act Fund. The fund would be used to award grants to children's hospitals for construction, expansion, renovation, and equipment projects.<sup>[1]</sup> The initiative would allocate the \$1.5 billion in bond funds as follows:

- 72 percent (\$1.08 billion) to seven nonprofit hospitals providing comprehensive services to high volumes of children eligible for governmental programs and children with special health needs eligible for California Children's Services.
- 18 percent (\$270 million) to five University of California general acute hospitals, including the University of California, Davis Children's Hospital; Mattel Children's Hospital at University of California, Los Angeles; University Children's Hospital at University of California, Irvine; University of California, San Francisco Children's Hospital; and University of California, San Diego Children's Hospital.
- 10 percent (\$150 million) to public and private hospitals that provide pediatric services to children eligible for California Children's Services.

The state's legislative analyst estimated that interest on the bond would be \$1.4 billion over 35 years, bringing the total cost of the bond to \$2.9 billion.<sup>[2]</sup>

### How many times has the state voted on children's hospital bonds?

The 2018 ballot initiative is the third bond measure related to children's hospitals in California. California Children's Hospital Association developed all three of the ballot initiatives. In 2004, 58.26 percent of electors voted to pass Proposition 61, a \$750-million bond measure for children's hospitals. In 2008, 55.26 percent of electors voted to pass California Proposition 3, a \$980-million bond measure for children's hospitals. The California Children's Hospital Association developed both of the ballot initiatives.

Voters of California cast ballots on 40 bond issues, totaling \$158.829 billion in value, from January 1, 1993, through June 5, 2018. Voters approved 32 (80.00 percent) of the bond measures—a total of \$147.409 billion. As of June 1, 2018, California had \$74.2 billion in debt from general obligation bonds. The state also had \$29.6 billion in unissued bonds.<sup>[3]</sup>

### Who is behind the campaigns surrounding the ballot initiative?

#### Election date

November 6, 2018

#### Topic

Bond issues

#### Status

*On the ballot*

#### Type Origin

State statute Citizens

*Note: The campaign finance information on this page is according to the most recent scheduled reports, which covered through June 30, 2018, and interim reports available as of July 31, 2018. The deadline for the next scheduled reports is September 27, 2018.*

The California Children's Hospital Association's Yes on Children's Hospital, a ballot measure committee, had raised \$10.22 million to support the ballot initiative. Contributions were from eight children's hospitals that would receive bond revenue from the measure. No PAC had been formed to oppose Proposition 4.<sup>[4]</sup>

## Text of measure

### Ballot title

The official ballot title is as follows:<sup>[5]</sup>

“ Authorizes Bonds Funding Construction at Hospitals Providing Children’s Health Care. Initiative Statute.<sup>[6]</sup> ”

### Ballot summary

The official ballot summary is as follows:<sup>[7]</sup>

- “
- Authorizes \$1.5 billion in bonds, to be repaid from state’s General Fund, to fund grants for construction, expansion, renovation, and equipping of qualifying children’s hospitals.
  - Designates 72 percent of funds to qualifying private nonprofit hospitals providing comprehensive services to high volumes of children eligible for governmental programs and children with special health needs eligible for the California Children’s Services program, 18 percent of funds to University of California general acute care children’s hospitals, and 10 percent of funds to public and private nonprofit hospitals providing services to children eligible for the California Children’s Services program.<sup>[6]</sup>
- ”

### Fiscal impact statement

The fiscal impact statement is as follows:<sup>[5]</sup>

“ State costs of \$2.9 billion to pay off principal (\$1.5 billion) and interest (\$1.4 billion) on bonds over a 35-year period. Annual payments would average \$84 million. Annual payments would be lower than this average in the initial and final few years, and somewhat higher in the intervening years.<sup>[6]</sup> ”

### Full text

The full text of the measure is as follows:<sup>[7]</sup>

SECTION 1. Part 6.3 (commencing with Section 1179.81) is added to Division 1 of the Health and Safety Code, to read:

#### PART 6.3. CHILDREN'S HOSPITAL BOND ACT OF 2018

##### Chapter 1. General Provisions

1179.81. (a) This part shall be known, and may be cited, as the Children's Hospital Bond Act of 2018.

(b) California's network of regional children's hospitals provide vital health care services to children facing life-threatening illness or injury. Over one million times each year, children are cared for at these hospitals without regard to their family's ability to pay.

(c) Children's hospitals also provide specialized treatment and care that has increased the survival of children suffering from serious diseases and illnesses

## Support

The California Children's Hospital Association is sponsoring the ballot initiative. Ann-Louise Kuhns is chairperson of the association.<sup>[8]</sup>

### Supporters

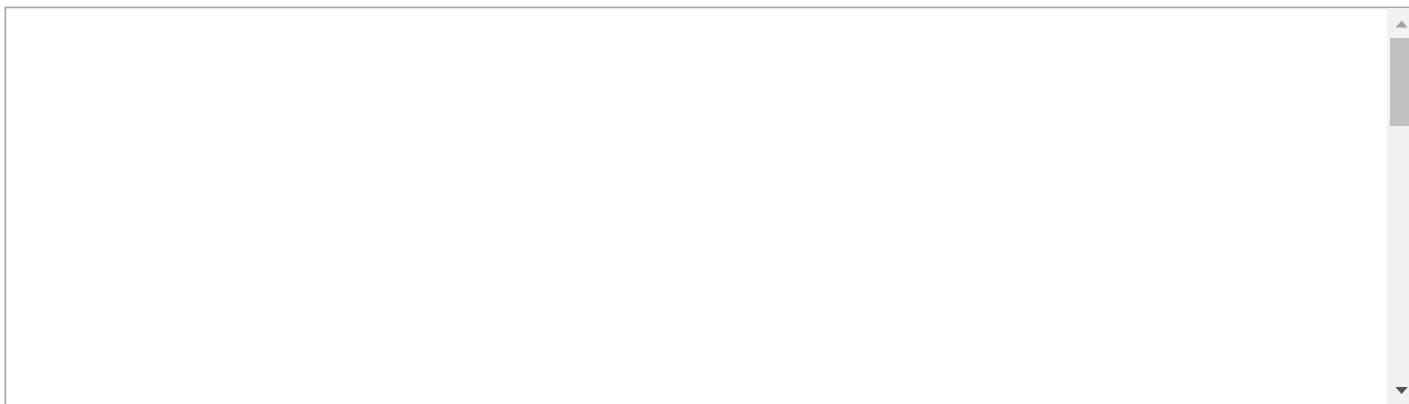
- California Teachers Association<sup>[9]</sup>

### Arguments

- **Ann-Louise Kuhns**, chairperson of the California Children's Hospital Association, stated, "As new breakthroughs in medicine enable children with complex health conditions to grow and thrive, the demand for specialized pediatric care is increasing. ... Think about what your cellphone was capable of 10 years ago and what it's capable of today."<sup>[10]</sup>

### Official arguments

**James Stein**, a pediatric surgeon, **Maria Minon**, chief medical officer of CHOC Children's, and **Roberto Gugig**, a pediatric gastroenterologist, wrote the official argument found in the state voter information guide in support of Proposition 4:<sup>[7]</sup>



## Opposition

## Arguments

### Official arguments

**Gary Wesley** wrote the official argument found in the state voter information guide in opposition to Proposition 4.<sup>[7]</sup>

“ This is another general obligation bond measure. It asks voters permission for the State of California to borrow more money by selling “bonds” that would need to be repaid with interest (potentially through higher property taxes) usually over many decades. I say “potentially” because sometimes bond proceeds are used for financing but repaid by program recipients—such as homeowners under the former Cal-Vet home-farm loan program.

Bond measures present several questions:

1. How far in debt is the government already?
2. What is the expected total cost of the measure to the public?
3. Are the proposed uses for the money specified?

## Other opinions

- **David Wolfe**, a legislative director with the Howard Jarvis Taxpayers Association, said, "Bonds are not free money. That's money that is not spent paying off unfunded pension liabilities or funding K-12 education."<sup>[10]</sup>

## Campaign finance

See also: *Campaign finance requirements for California ballot measures*

**The campaign finance information on this page is according to the most recent scheduled reports, which covered through June 30, 2018, and interim reports available as of July 31, 2018. The deadline for the next scheduled reports is September 27, 2018.**

There was one ballot measure committee registered in support of the measure—***Yes on Children's Hospital, Sponsored by California Children's Hospital Association***. The committee had received \$10.22 million, with funds coming from eight children's hospitals. The committee had spent \$2.95 million.<sup>[4]</sup>

There were no committees registered in opposition to the measure.<sup>[4]</sup>

Total campaign contributions:	
Support:	\$10,222,800.00
Opposition:	\$0.00

## Support

The following table includes contributions and expenditure totals for the committee in support of the initiative:<sup>[4]</sup>

Committees in support of Proposition 4				Totals in support	
Supporting committees	Cash contributions	In-kind services	Cash expenditures	Total raised:	\$10,222,800.00
Yes on Children's Hospital, Sponsored by California Children's Hospital Association	\$10,222,800.00	\$0.00	\$2,953,862.17	Total spent:	\$2,953,862.17
<b>Total</b>	<b>\$10,222,800.00</b>	<b>\$0.00</b>	<b>\$2,953,862.17</b>		

## Donors

The following were the donors who contributed to the support committee:<sup>[4]</sup>

Donor	Cash	In-kind	Total
Children's Hospital Los Angeles	\$2,044,500.00	\$0.00	\$2,044,500.00
Miller Children's & Women's Hospital Long Beach	\$2,044,500.00	\$0.00	\$2,044,500.00
Valley Children's Hospital	\$2,044,500.00	\$0.00	\$2,044,500.00
Children's Hospital of Orange County	\$1,363,000.00	\$0.00	\$1,363,000.00
Children's Hospital and Research Center Oakland	\$1,363,000.00	\$0.00	\$1,363,000.00
Lucile Packard Children's Hospital	\$1,363,000.00	\$0.00	\$1,363,000.00
Rady Children's Hospital - San Diego	\$1,363,000.00	\$0.00	\$1,363,000.00
Loma Linda University Children's Hospital	\$681,500.00	\$0.00	\$681,500.00

## Reporting dates

In California, ballot measure committees filed a total of five campaign finance reports in 2018. The filing dates for reports are as follows:<sup>[11]</sup>

***Campaign finance reporting dates for November 2018*** [show]  
***ballot***

## Methodology

Ballotpedia calculates campaign finance based on the political committees registered to support or oppose a measure and independent expenditures, when relevant and available. When a committee is registered to support or oppose multiple measures it is impossible to distinguish between funds used for one measure and funds used for the other.

In calculating campaign finance for supporting and opposing committees, Ballotpedia does not count donations or expenditures from one ballot measure committee to another since that would amount to counting the same money twice. This method is used to give the most accurate information concerning how much funding was actually provided to and spent by the opposing and supporting campaigns.

Ballotpedia subtracts out committee-to-committee contributions—both cash donations and in-kind contributions. Because of this, it is possible for certain committees to have negative contributions. Negative contributions mean that a committee has provided more contributions to other committees than it has received. If expenditures exceed contributions, it means the committee has accrued unpaid bills, has unpaid or unforgiven loans, or has contributed a certain amount of in-kind services to another committee.

Ballotpedia provides information about all reported in-kind donations. In-kind contributions are also counted toward total expenditures since, with in-kind gifts, the contribution and services or goods are provided simultaneously. Ballotpedia does this to provide the most accurate information about the cash-on-hand of supporting and opposing campaigns.

# Background

## Eligible children's hospitals in California

The ballot measure would make seven private nonprofit children's hospitals and five University of California children's hospitals eligible for bond revenue. The measure would set aside 72 percent of the revenue for private nonprofit children's hospitals, 18 percent for UC-system children's hospitals, and 10 percent for other public and private hospitals that treat children eligible for the California Children's Services (CCS) Program.<sup>[1]</sup> The following hospitals would be eligible for bond revenue:

Children's hospitals eligible for bond revenue	
Hospital	Location
<b>Private nonprofit children's hospitals — 72 percent of funds</b>	
Children's Hospital of Los Angeles	Los Angeles
Children's Hospital of Orange County	Orange
Earl and Loraine Miller Children's Hospital	Long Beach
Loma Linda University Children's Hospital	Loma Linda
Lucile Packard Children's Hospital at Stanford	Palo Alto
Rady Children's Hospital, San Diego	San Diego
Valley Children's Hospital	Madera
<b>UC children's hospitals — 18 percent of funds</b>	
Mattel Children's Hospital at UCLA	Los Angeles
University Children's Hospital at UC Irvine	Irvine
UC Davis Children's Hospital	Sacramento
UC San Diego Children's Hospital	San Diego
UC San Francisco Children's Hospital	San Francisco
<b>Other public and private hospitals — 10 percent of funds</b>	

## Previous children's hospital bond measures

See also: *Proposition 61 (2004) and Proposition 3 (2008)*

As of 2018, voters in California had approved two ballot initiatives to issue bonds for children's hospitals. In 2004, 58.26 percent of electors voted to pass Proposition 61, a \$750-million bond measure for children's hospitals. In 2008, 55.26 percent of electors voted to pass California Proposition 3, a \$980-million bond measure for children's hospitals. The California Children's Hospital Association developed both of the ballot initiatives.

## Bond issues on the ballot in California

See also: *Bond issues on the ballot*

Voters of California cast ballots on 40 bond issues, totaling \$158.829 billion in value, from January 1, 1993, through June 5, 2018. Voters approved 32 (80.00 percent) of the bond measures—a total of \$147.409 billion. Six of the measures were citizen's initiatives; four of six initiatives were approved. Thirty-four of the measures were legislative referrals; 26 of 34 legislative referrals were approved. The most common purposes of bond measures during the 25 years between 1993 and 2018 were water infrastructure and public education, for which there were seven bond measures each.

Click **show** to expand the bond revenue table.

Year	[show]	Measure	Amount	Primary purpose	Origin	Outcome
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## Bond debt in California

As of June 1, 2018, California had \$74.2 billion in debt from general obligation bonds. The state also had \$29.6 billion in unissued bonds.<sup>[3]</sup>

## Path to the ballot

See also: *California signature requirements and Laws governing the initiative process in California*

## Process in California

In California, the number of signatures required for an initiated state statute is equal to 5 percent of the votes cast in the preceding gubernatorial election. Petitions are allowed to circulate for 180 days from the date the attorney general prepares the petition language. Signatures need to be certified at least 131 days before the general election. As the verification process can take multiple months, the secretary of state provides suggested deadlines for ballot initiatives.

The requirements to get indirect initiated state statutes certified for the 2018 ballot:

- **Signatures:** 365,880 valid signatures were required.
- **Deadline:** The deadline for signature verification was June 28, 2018. However, the secretary of state suggested deadlines for turning in signatures of March 7, 2018, for initiatives needing a full check of signatures and April 24, 2018, for initiatives needing a random sample of signatures verified.

Signatures are first filed with local election officials, who determine the total number of signatures submitted. If the total number is equal to at least 100 percent of the required signatures, then local election officials perform a random check of signatures submitted in their counties. If the random sample estimates that more than 110 percent of the required number of signatures are valid, the initiative is eligible for the ballot. If the random sample estimates that between 95 and 110 percent of the required number of signatures are valid, a full check of signatures is done to determine the total number of valid signatures. If less than 95 percent are estimated to be valid, the initiative does not make the ballot.

## Initiative 17-0045

On November 9, 2017, Ann-Louise Kuhns submitted a letter requesting a title and summary for the initiative. The attorney general's office issued ballot language on January 16, 2018, allowing proponents to begin collecting signatures. Proponents of the initiative had until July 16, 2018, to file 365,880 valid signatures.<sup>[12]</sup>

In late April 2018, initiative proponents filed 643,221 signatures. Counties had until June 26, 2018, to conduct a random sample of signatures. On June 26, 2018, Secretary of State Alex Padilla said his office received more than the 365,880 required signatures, qualifying the measure for the ballot.<sup>[12]</sup>

### Cost of signature collection:

Sponsors of the measure hired National Petition Management, INC. to collect signatures for the petition to qualify this measure for the ballot. A total of \$2,645,311.84 was spent to collect the 365,880 valid signatures required to put this measure before voters, resulting in a total cost per required signature (CPRS) of \$7.23.

## How to vote

*See also: Voting in California*

## Poll times

All polls in California are open from 7:00 a.m. to 8:00 p.m. Pacific Time. An individual who is in line at the time polls close must be allowed to vote.<sup>[13]</sup>

## Registration requirements

To vote in California, an individual must be U.S. citizen and California resident. A voter must be at least 18 years of age on Election Day. Conditional voter registration is available beginning 14 days before an election through Election Day.<sup>[14]</sup>

On October 10, 2015, California Governor Jerry Brown (D) signed into law Assembly Bill No. 1461, also known as the New Motor Voter Act. The legislation authorized automatic voter registration in California for any individuals who visit the Department of Motor Vehicles to acquire or renew a driver's license. The law was scheduled to take effect in 2016.<sup>[15][16]</sup>

## Online registration

*See also: Online voter registration*

California has implemented an online voter registration system. Residents can register to vote by visiting this website.

## Voter ID requirements

According to the Office of the California Secretary of State, "in most cases, California voters are not required to show identification at their polling place." A voter may be asked to provide identification at the polls if it is his or her first time voting (this requirement applies if the individual registered by mail without providing a driver's license number, state identification number, or the last four digits of a Social Security number). Acceptable forms of identification include driver's licenses, utility bills, or any document sent by a government agency. For a complete list of acceptable forms of identification, see this list.<sup>[17]</sup>

## See also

### 2018 measures



- 2018 ballot measures
- Bond issues on the ballot
- Healthcare on the ballot
- 2018 petition deadlines

### California



- California ballot measures
- California initiative laws

### News and analysis



- Ballot measure lawsuits
- Ballot measure readability
- Ballot measure polls
- Ballot measure signature costs



## External links

- Initiative #17-0045

## Footnotes

1. *California Attorney General*, "Initiative #17-0045," accessed November 14, 2017
2. *California Legislative Analyst*, "Initiative #17-0045 LAO Report," December 29, 2018
3. *California Treasurer*, "Authorized and Outstanding General Obligation Bonds," December 1, 2017
4. *Cal-Access*, "Campaign Finance," accessed May 16, 2018
5. *California Secretary of State*, "Initiatives and Referenda Cleared for Circulation," accessed March 6, 2017
6. *Note: This text is quoted verbatim from the original source. Any inconsistencies are attributed to the original source.*

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