

**CHILDREN'S HOSPITAL BOND ACT. GRANT PROGRAM. INITIATIVE STATUTE.**

- Authorizes \$980,000,000 in bonds, to be repaid from state's General Fund, to fund the construction, expansion, remodeling, renovation, furnishing and equipping of children's hospitals.
- Designates that 80 percent of bond proceeds go to hospitals that focus on children with illnesses such as leukemia, cancer, heart defects, diabetes, sickle cell anemia and cystic fibrosis.
- Requires that qualifying children's hospitals provide comprehensive services to a high volume of children eligible for governmental programs and meet other requirements.
- Designates that 20 percent of bond proceeds go to University of California general acute care hospitals.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- State cost of about \$2 billion over 30 years to pay off both the principal (\$980 million) and the interest (\$933 million) costs of the bonds. Payments of about \$64 million per year.

**ANALYSIS BY THE LEGISLATIVE ANALYST**

**BACKGROUND**

Children’s hospitals focus their efforts on the health care needs of children by providing diagnostic, therapeutic, and rehabilitative services to injured, disabled, and sick infants and children. Many children receiving services in these hospitals are from low-income families and have significant health care needs.

Proposition 61, which voters approved at the November 2004 statewide general election, authorized the sale of \$750 million in general obligation bonds to provide funding for children’s hospitals. The eligibility criteria for hospitals to receive funds under Proposition 61 is the same under this measure. As of June 1, 2008, about \$403 million of the funds from Proposition 61 had been awarded to eligible hospitals.

**PROPOSAL**

This measure authorizes the state to sell \$980 million in general obligation bonds for capital improvement projects at children’s hospitals. The measure specifically identifies the five University of California children’s hospitals as eligible bond fund recipients. There are additional children’s hospitals that are likely to meet other eligibility criteria specified in the measure, which are based on hospitals’

performance in the 2001–02 fiscal year. These criteria include providing at least 160 licensed beds for infants and children. Figure 1 lists these children’s hospitals.

For more information regarding general obligation bonds, please refer to the section of this ballot pamphlet entitled “An Overview of State Bond Debt.”

The money raised from the bond sales could be used for the construction, expansion, remodeling, renovation, furnishing, equipping, financing, or refinancing of children’s hospitals in the state. Eighty percent of the monies would be available to nonprofit children’s hospitals and the remaining 20 percent would be available to University of California children’s hospitals. The monies provided could not exceed the total cost of a project, and funded projects would have to be completed “within a reasonable period of time.”

Children’s hospitals would have to apply in writing for funds. The California Health Facilities Financing Authority (CHFFA), an existing state agency, would be required to develop the grant application. It must process submitted applications and award grants within 60 days. 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.

**FISCAL EFFECTS**

The cost of these bonds to the state would depend on the interest rates obtained when they were sold and the time period over which this debt would be repaid. If the \$980 million in bonds authorized by this measure were sold at an interest rate of 5 percent and repaid over 30 years, the cost to the state General Fund would be about \$2 billion to pay off both the principal (\$980 million) and the interest (\$933 million). The average payment for principal and interest would be about \$64 million per year. Administrative costs would be limited to CHFFA’s actual costs or 1 percent of the bond funds, whichever is less. We estimate these costs will be minor.

<b>Figure 1</b>
<b>Children’s Hospitals Eligible for Bond Funds</b>
<b>Specifically Identified as Eligible—20 Percent of Total Funds</b>
Mattel Children’s Hospital at University of California, Los Angeles University Children’s Hospital at University of California, Irvine University of California, Davis Children’s Hospital University of California, San Diego Children’s Hospital University of California, San Francisco Children’s Hospital
<b>Likely to Be Eligible Hospitals—80 Percent of Total Funds</b>
Rady Children’s Hospital, San Diego (formerly Children’s Hospital and Health Center, San Diego) Children’s Hospital Los Angeles Children’s Hospital and Research Center at Oakland Children’s Hospital of Orange County Loma Linda University Children’s Hospital Lucile Salter Packard Children’s Hospital at Stanford Miller’s Children’s Hospital, Long Beach Children’s Hospital Central California

**★ ARGUMENT IN FAVOR OF PROPOSITION 3 ★**

Parents of seriously ill children, like us, appreciate the value of California's Children's Hospitals. Our children received the specialized care they needed and couldn't get anywhere else.

Over 1 MILLION times each year, California Children's Hospitals treat children with the most serious illnesses and injuries. Children facing life-threatening diseases like LEUKEMIA, CANCER, HEART DEFECTS, SICKLE CELL ANEMIA, DIABETES, CYSTIC FIBROSIS, and countless other rare conditions are cared for at regional Children's Hospitals every day, without regard to a family's income or ability to pay.

Children are referred to these pediatric centers of excellence by other hospitals and physicians from throughout California for the specialized treatment they need. Children's Hospitals provide:

- 88% of the inpatient care for children who need heart surgery;
- 97% of all surgery for children who need organ transplants; and
- 71% of inpatient care for children with cancer.

Imagine that.

Children's Hospitals save hundreds of children's lives EVERY DAY. Many children are cured. Others have their young lives extended for many years. And all have the quality of their lives improved. Today, almost 90% OF CHILDREN BORN WITH HEART DEFECTS can be cured or helped considerably by surgery. The SURVIVAL RATE OF CHILDREN WITH LEUKEMIA IS 80%. Imagine that.

The nation's premier pediatric research centers are in Regional Children's Hospitals making them the source of medical discoveries and advancements that benefit all children. PROPOSITION 3 WILL ALLOW CHILDREN'S HOSPITALS TO PURCHASE THE LATEST MEDICAL TECHNOLOGIES and special equipment for sick babies born prematurely, seriously underweight, or with defective organs.

PROPOSITION 3 DOES NOT RAISE TAXES. The bonds are an investment in the lives of millions of children who will be cared for over the next 30 years.

Children's Hospitals do not have enough room to handle the growing number of seriously ill and injured children sent to them every day. PROPOSITION 3 FUNDS WILL HELP CHILDREN'S HOSPITALS BUILD MORE BED CAPACITY AND BUY ESSENTIAL EQUIPMENT TO ENSURE THAT ALL CALIFORNIA CHILDREN can get the same excellent care our children got.

These University and nonprofit charitable hospitals need our help! Children with Heart Disease or Cystic Fibrosis or Cancer have to be admitted over and over to a Children's Hospital to stabilize and treat their life threatening and debilitating illnesses. Children's Hospitals have the specialists to improve the quality of kids' lives, helping them stay at home and stay in school.

THE MOST SERIOUSLY ILL AND INJURED CHILDREN ARE BEING SAVED EVERY DAY AT A CHILDREN'S HOSPITAL! The doctors, nurses, and staff at Children's Hospitals are unlike any other people you will ever meet. Their lives are dedicated to a mission. And that mission is to treat children with the most serious and deadly diseases like Leukemia, Cancer, Heart Defects, Sickle Cell Anemia, Diabetes, and Cystic Fibrosis.

We can imagine a California where all seriously ill and injured children receive the same care our children got. IMAGINE WITH US. Please join our families and millions of others whose children need California's Children's Hospitals. PLEASE VOTE YES ON PROPOSITION 3.

**ROBIN MEEKS**, Parent  
**MINDY VAZQUEZ**, Parent  
**DIANE GIBSON**, Parent

**★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 3 ★**

Our economy is in trouble. Families are struggling financially. Our state government cannot balance its books. Now is NOT the time to saddle ourselves, our children, and our grandchildren with more debt.

The campaign managers for Proposition 3 know they tug at voters' heartstrings by framing Proposition 3 as "for the children." But the direct beneficiaries are medical supply houses, pharmaceutical companies, hospital administrators, and other special interests. They will receive nearly \$1 Billion of the taxpayers' money after "investing" a small amount to qualify and campaign for this initiative. *This is a terrible abuse of the initiative process.*

Those behind Prop. 3 are not telling you another important fact—that unspent funds from the earlier "children's hospital bond" (Prop. 61 in 2004) are still available. Instead of spending the money that voters have already authorized, they are demanding more—even though our economy is struggling, and competition for those dollars is fierce.

Proponents claim: "Proposition 3 does not raise taxes." Who would they have you believe pays the bill? The tooth fairy? This bond's principal and interest (nearly \$2 billion over 30 years) will be paid for by our children and grandchildren. Soon, either taxes will be raised or other state expenditures, such as schools, law enforcement, or parks, will be reduced. There is no "free lunch."

In these troubled economic times, Californians cannot afford big new spending and the massive debt that comes with it. *Vote NO on Prop. 3.*

**LEWIS K. UHLER**, President  
National Tax Limitation Committee  
**TED GAINES**, California State Assemblyman  
**JAMES V. LACY**, Director  
American Conservative Union

★ ARGUMENT AGAINST PROPOSITION 3 ★

At a time when California is already deeply in debt, when its residents' ability to pay off bonded debt is questionable and its credit rating causes bond interest rates to soar, adding bonded indebtedness for anything but the most essential infrastructure is unwise to the point of absurdity.

But even if more bond debt were not an issue, this measure is badly flawed. This nearly \$1 billion bond measure is another abuse of the initiative process in that it has been bought and paid for by the special interests (hospitals, their administrators, and staffs), who will benefit directly, personally, and monetarily from its passage.

And this is not the first time that these same special interests have turned to the initiative process. In 2004 they sponsored a carbon copy of this initiative for \$750 million. They are back again, this time for even *more*. And yet hundreds of millions of dollars from the earlier bond (Prop. 61) remain unspent. Remember, these are not impoverished institutions. Several are part of the well-funded University of California system, and the others have substantial private and foundation support.

This gigantic spending initiative is framed as helping "children's hospitals," using "children" as the justification for circumventing the normal legislative process by which state spending priorities are better determined. Yet a careful reading of the definition of "children's hospital" reveals that 80% of the money may go to *any* acute hospital so long as it treats children, among other patients. It appears that a driving force behind this measure is to provide a backdoor way of compensating hospitals for treating indigents (including illegal aliens) who don't pay their way through the front door.

While this bond measure represents that the proceeds will be used for capital improvements, the definitions are so loose that it appears funds can flow to finance or reimburse just about any project a creative grant-writer is nimble enough to "sell" to the bond fund decision-makers. And "selling" isn't tough, because the decision-makers are all part of the same team—and nearly \$10 million of the bond funds are available for "administrative costs," i.e., paying grant writers and others.

Any one of the acute general hospitals that qualifies under this measure may receive a grant of up to \$98 million. Is it any wonder that the hospitals which stand to benefit directly from this measure have been eager to fund the signature-gathering and the campaign for this measure?

Proponents hope you will react emotionally to their framing of this measure: it's "for the children." Don't be swayed by the labeling. You have a chance to stop this special-interest abuse of the initiative process and discourage others from misusing it in the future.

And remember who will pay the bill for the bond over the next 30 years: your children and grandchildren. If you really want to help them, don't saddle them with more debt of this kind.

**LEWIS K. UHLER**, President  
National Tax Limitation Committee  
**EDWARD 'TED' COSTA**, President  
People's Advocate  
**JON FLEISCHMAN**, Publisher  
Flashreport.org

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 3 ★

The opponents of our Children's Hospitals say, "bonded indebtedness for anything but the most essential infrastructure is unwise."

We ask you, what is more essential than investing in hospitals where over one million times each year California children are treated for traumatic injuries and illnesses like cancer, leukemia, heart defects, sickle cell anemia, and cystic fibrosis? What infrastructure is more vital than the technology and facilities for neonatal care and organ transplants for children?

Proposition 3 is an investment in the health of California children whose lives will be saved over the next 30 years.

The university and nonprofit charitable Children's Hospitals that meet the strict eligibility standards of Proposition 3 are 100% dedicated to the most seriously ill and injured kids in California. Children's Hospital Bond funds are rigorously accounted for and controlled by the State Treasurer. And Proposition 3—with principal and interest—is one of the smallest bonds ever.

These opponents cross the line when they attack the integrity of the people who have dedicated their lives to saving our children. These three men recklessly argue that the people who do this good work will "benefit directly, personally, and monetarily" from the bond. Their whole argument is mean-spirited, hypocritical, and untrue. Proposition 3 is a sound investment with a return that is . . . priceless.

Parents of seriously ill children, like us, appreciate the value of California's Children's Hospitals. Our children received the specialized care they needed and couldn't get anywhere else.

Please vote Yes on 3.

**ROBIN MEEKS**, Parent  
**MINDY VAZQUEZ**, Parent  
**DIANE GIBSON**, Parent

**Removed from ballot**

*approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.*

2704.20. *The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.*

2704.21. *Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.*

**PROPOSITION 2**

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8, of the California Constitution.

This initiative measure adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

**PROPOSED LAW**

**SECTION 1. SHORT TITLE**

This act shall be known and may be cited as the Prevention of Farm Animal Cruelty Act.

**SECTION 2. PURPOSE**

The purpose of this act is to prohibit the cruel confinement of farm animals in a manner that does not allow them to turn around freely, lie down, stand up, and fully extend their limbs.

**SECTION 3. FARM ANIMAL CRUELTY PROVISIONS**

Chapter 13.8 (commencing with Section 25990) is added to Division 20 of the Health and Safety Code, to read:

*CHAPTER 13.8. FARM ANIMAL CRUELTY*

25990. *PROHIBITIONS. In addition to other applicable provisions of law, a person shall not tether or confine any covered animal, on a farm, for all or the majority of any day, in a manner that prevents such animal from:*

- (a) *Lying down, standing up, and fully extending his or her limbs; and*
- (b) *Turning around freely.*

25991. *DEFINITIONS. For the purposes of this chapter, the following terms have the following meanings:*

- (a) *“Calf raised for veal” means any calf of the bovine species kept for the purpose of producing the food product described as veal.*
- (b) *“Covered animal” means any pig during pregnancy, calf raised for veal, or egg-laying hen who is kept on a farm.*
- (c) *“Egg-laying hen” means any female domesticated chicken, turkey, duck, goose, or guinea fowl kept for the purpose of egg production.*
- (d) *“Enclosure” means any cage, crate, or other structure (including what is commonly described as a “gestation crate” for pigs; a “veal crate” for calves; or a “battery cage” for egg-laying hens) used to confine a covered animal.*
- (e) *“Farm” means the land, building, support facilities, and other equipment that are wholly or partially used for the commercial production of animals or animal products used for food or fiber; and does not include live animal markets.*
- (f) *“Fully extending his or her limbs” means fully extending all limbs without touching the side of an enclosure, including, in the case of egg-laying hens, fully spreading both wings without touching the side of an enclosure or other egg-laying hens.*
- (g) *“Person” means any individual, firm, partnership, joint venture, association, limited liability company, corporation, estate, trust, receiver, or syndicate.*
- (h) *“Pig during pregnancy” means any pregnant pig of the porcine species kept for the primary purpose of breeding.*
- (i) *“Turning around freely” means turning in a complete circle without any impediment, including a tether, and without touching the side of an enclosure.*

25992. *EXCEPTIONS. This chapter shall not apply:*

- (a) *During scientific or agricultural research.*
- (b) *During examination, testing, individual treatment or operation for veterinary purposes.*
- (c) *During transportation.*
- (d) *During rodeo exhibitions, state or county fair exhibitions, 4-H programs, and similar exhibitions.*
- (e) *During the slaughter of a covered animal in accordance with the provisions of Chapter 6 (commencing with Section 19501) of Part 3 of Division 9 of the Food and Agricultural Code, relating to humane methods of slaughter, and other applicable law and regulations.*

(f) *To a pig during the seven-day period prior to the pig’s expected date of giving birth.*

25993. *ENFORCEMENT. Any person who violates any of the provisions of this chapter is guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment in the county jail for a period not to exceed 180 days or by both such fine and imprisonment.*

25994. *CONSTRUCTION OF CHAPTER.*

*The provisions of this chapter are in addition to, and not in lieu of, any other laws protecting animal welfare, including the California Penal Code. This chapter shall not be construed to limit any state law or regulations protecting the welfare of animals, nor shall anything in this chapter prevent a local governing body from adopting and enforcing its own animal welfare laws and regulations.*

**SECTION 4. SEVERABILITY**

If any provision of this act, or the application thereof to any person or circumstances, is held invalid or unconstitutional, that invalidity or unconstitutionality shall not affect other provisions or applications of this act that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this act are severable.

**SECTION 5. EFFECTIVE DATES**

The provisions of Sections 25990, 25991, 25992, 25993, and 25994 shall become operative on January 1, 2015.

**PROPOSITION 3**

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8, of the California Constitution.

This initiative measure adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

**PROPOSED LAW**

**SECTION 1.** Part 6.1 (commencing with Section 1179.50) is added to Division 1 of the Health and Safety Code, to read:

**PART 6.1. CHILDREN’S HOSPITAL BOND ACT OF 2008**

**CHAPTER 1. GENERAL PROVISIONS**

1179.50. (a) *This part shall be known and may be cited as the Children’s Hospital Bond Act of 2008.*

(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 such as childhood leukemia, cancer, heart defects, diabetes, sickle cell anemia, and cystic fibrosis.*

(d) *Children’s hospitals also provide essential training for pediatricians, pediatric specialists and others who treat children, and they conduct critically important medical research that benefits all of California’s children.*

(e) *However, the burden of providing uncompensated care and the increasing costs of health care seriously impair our children’s hospitals’ ability to modernize and expand their facilities and to purchase the latest medical technologies and special medical equipment necessary to take care of sick children.*

(f) *Therefore, the people desire to provide a steady and ready source of funds for capital improvement programs for children’s hospitals to improve the health, welfare, and safety of California’s children.*

1179.51. *As used in this part, the following terms have the following meanings:*

(a) "Authority" means the California Health Facilities Financing Authority established pursuant to Section 15431 of the Government Code.

(b) "Children's hospital" means either of the following:

(1) A University of California general acute care hospital described below:

(A) University of California, Davis Children's Hospital.

(B) Mattel Children's Hospital at University of California, Los Angeles.

(C) University Children's Hospital at University of California, Irvine.

(D) University of California, San Francisco Children's Hospital.

(E) University of California, San Diego Children's Hospital.

(2) A general acute care hospital that is, or is an operating entity of, a California nonprofit corporation incorporated prior to January 1, 2003, whose mission of clinical care, teaching, research, and advocacy focuses on children, and that provides comprehensive pediatric services to a high volume of children eligible for governmental programs and to children with special health care needs eligible for the California Children's Services program and that meets all of the following:

(A) The hospital had at least 160 licensed beds in the categories of pediatric acute, pediatric intensive care and neonatal intensive care in the fiscal year ending between June 30, 2001, and June 29, 2002, as reported to the Office of Statewide Health Planning and Development on or before July 1, 2003.

(B) The hospital provided over 30,000 total pediatric patient (census) days, excluding nursery acute days, in the fiscal year ending between June 30, 2001, and June 29, 2002, as reported to the Office of Statewide Health Planning and Development on or before July 1, 2003.

(C) The hospital provided medical education to at least eight, rounded to the nearest whole integer, full-time equivalent pediatric or pediatric subspecialty residents in the fiscal year ending between June 30, 2001, and June 29, 2002, as reported to the Office of Statewide Health Planning and Development on or before July 1, 2003.

(c) "Committee" means the Children's Hospital Bond Act Finance Committee created pursuant to Section 1179.61.

(d) "Fund" means the Children's Hospital Bond Act Fund created pursuant to Section 1179.53.

(e) "Grant" means the distribution of money in the fund by the authority to children's hospitals for projects pursuant to this part.

(f) "Program" means the Children's Hospital Program established pursuant to this part.

(g) "Project" means constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing of a children's hospital to be financed or refinanced with funds provided in whole or in part pursuant to this part. "Project" may include reimbursement for the costs of constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing of a children's hospital where these costs are incurred after January 31, 2008. "Project" may include any combination of one or more of the foregoing undertaken jointly by any participating children's hospital that qualifies under this part.

#### CHAPTER 2. THE CHILDREN'S HOSPITAL PROGRAM

1179.53. The proceeds of bonds issued and sold pursuant to this part shall be deposited in the Children's Hospital Bond Act Fund, which is hereby created.

1179.54. The purpose of the Children's Hospital Program is to improve the health and welfare of California's critically ill children, by providing a stable and ready source of funds for capital improvement projects for children's hospitals. The program provided for in this part is in the public interest, serves a public purpose, and will promote the health, welfare, and safety of the citizens of the state.

1179.55. The authority is authorized to award grants to any children's hospital for purposes of funding projects, as defined in subdivision (g) of Section 1179.51.

1179.56. (a) Twenty percent of the total funds available for grants pursuant to this part shall be awarded to children's hospitals as defined in paragraph (1) of subdivision (b) of Section 1179.51.

(b) Eighty percent of the total funds available for grants pursuant to this part shall be awarded to children's hospitals as defined in paragraph (2) of subdivision (b) of Section 1179.51.

1179.57. (a) The authority shall develop a written application for the awarding of grants under this part within 90 days of the adoption of this act. The authority shall award grants to eligible children's hospitals, subject to the limitations of this part and to further the purposes of this part based on the following factors:

(1) The grant will contribute toward expansion or improvement of health

care access by children eligible for governmental health insurance programs and indigent, underserved, and uninsured children.

(2) The grant will contribute toward the improvement of child health care or pediatric patient outcomes.

(3) The children's hospital provides uncompensated or undercompensated care to indigent or public pediatric patients.

(4) The children's hospital provides services to vulnerable pediatric populations.

(5) The children's hospital promotes pediatric teaching or research programs.

(6) Demonstration of project readiness and project feasibility.

(b) (1) An application for funds shall be submitted to the authority for approval as to its conformity with the requirements of this part.

(2) The authority shall process and award grants in a timely manner, not to exceed 60 days.

(c) A children's hospital identified in paragraph (1) of subdivision (b) of Section 1179.51 shall not apply for, and the authority shall not award to that children's hospital, a grant that would cause the total amount of grants awarded to that children's hospital to exceed one-fifth of the total funds available for grants to all children's hospitals pursuant to subdivision (a) of Section 1179.56. Notwithstanding this grant limitation, any funds available under subdivision (a) of Section 1179.56 that have not been exhausted by June 30, 2018, shall become available for an application from any children's hospital identified in paragraph (1) of subdivision (b) of Section 1179.51.

(d) A children's hospital identified in paragraph (2) of subdivision (b) of Section 1179.51 shall not apply for, and the authority shall not award to that children's hospital, a grant that would cause the total amount of grants awarded to that children's hospital to exceed ninety-eight million dollars (\$98,000,000) from funds available for grants to all children's hospitals pursuant to subdivision (b) of Section 1179.56. Notwithstanding this grant limitation, any funds available under subdivision (b) of Section 1179.56 that have not been exhausted by June 30, 2018, shall become available for an application from any children's hospital defined in paragraph (2) of subdivision (b) of Section 1179.51.

(e) In no event shall a grant to finance a project exceed the total cost of the project, as determined by the children's hospital and approved by the authority.

(f) All projects that are awarded grants shall be completed within a reasonable period of time. If the authority determines that the children's hospital has failed to complete the project under the terms specified in awarding the grant, the authority may require remedies, including the return of all or a portion of the grant. A children's hospital receiving a grant under this part shall submit certification of project completion to the authority.

(g) Grants shall only be available pursuant to this section if the authority determines that it has sufficient money available in the fund. Nothing in this section shall require the authority to award grants if the authority determines that it has insufficient moneys available in the fund to do so.

(h) The authority may annually determine the amount available for purposes of this part. Administrative costs for this program shall not exceed the actual costs or 1 percent, whichever is less.

1179.58. The Bureau of State Audits may conduct periodic audits to ensure that bond proceeds are awarded in a timely fashion and in a manner consistent with the requirements of this part, and that awardees of bond proceeds are using funds in compliance with applicable provisions of this part.

#### CHAPTER 3. FISCAL PROVISIONS

1179.59. Bonds in the total amount of nine hundred eighty million dollars (\$980,000,000), not including the amount of any refunding bonds, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

1179.60. The bonds authorized by this part shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this part and are hereby incorporated in this part as though set forth in full in this part.

1179.61. (a) Solely for the purpose of authorizing the issuance and sale

pursuant to the State General Obligation Bond Law of the bonds authorized by this part, the Children's Hospital Bond Act Finance Committee is hereby created. For purposes of this part, the Children's Hospital Bond Act Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Controller, Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) The authority is designated the "board" for purposes of the State General Obligation Bond Law, and shall administer the program pursuant to this part.

1179.62. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this part in order to carry out the actions specified in Section 1179.54 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds be issued or sold at any one time.

1179.63. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

1179.64. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated continuously from the General Fund in the State Treasury, for the purposes of this part, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this part, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 1179.65, appropriated without regard to fiscal years.

1179.65. For the purposes of carrying out this part, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this part. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund from proceeds received from the sale of bonds for the purpose of carrying out this part.

1179.66. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

1179.67. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionally by each children's hospital funded through this bond act.

1179.68. The authority may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, including other authorized forms of interim financing that include, but are not limited to, commercial paper, in accordance with Section 16312 of the Government Code, for purposes of carrying out this part. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this part. The authority shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this part.

1179.69. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this part includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this part or any previously issued refunding bonds.

1179.70. Notwithstanding any other provision of this part, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this part that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment of earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or

earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

1179.71. The people hereby find and declare that, inasmuch as the proceeds from the sale of bonds authorized by this part are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that part.

1179.72. Notwithstanding any other provision of this part, the provisions of this part are severable. If any provision of this part or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

## PROPOSITION 4

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the California Constitution.

This initiative measure expressly amends the California Constitution by adding a section thereto; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

### PROPOSED LAW

#### SECTION 1. Title

This measure shall be known and may be cited as the Child and Teen Safety and Stop Predators Act: Sarah's Law.

#### SEC. 2. Declaration of Findings and Purposes

The people of California have a compelling interest in protecting minors from the known risks of secret abortions, including the danger of not obtaining prompt care for health- and life-threatening complications when a minor's parent or responsible family member is unaware that she has undergone a secret abortion. The people also have a compelling interest in preventing sexual predators from using secret abortions to conceal sexual exploitation of minors.

#### SEC. 3. Parental Notification

Section 32 is added to Article I of the California Constitution, to read:

SEC. 32. (a) *For purposes of this section, the following terms shall be defined to mean:*

(1) "Abortion" means the use of any means to terminate the pregnancy of an unemancipated minor known to be pregnant except for the purpose of producing a live birth. "Abortion" shall not include the use of any contraceptive drug or device.

(2) "Medical emergency" means a condition which, on the basis of the physician's good-faith clinical judgment, so complicates the medical condition of a pregnant unemancipated minor as to necessitate the immediate abortion of her pregnancy to avert her death or for which a delay will create serious risk of substantial and irreversible impairment of a major bodily function.

(3) "Parent" means a person who, at the time notice or waiver is required under this section, is either a parent if both parents have legal custody, or the parent or person having legal custody, or the legal guardian of an unemancipated minor.

(4) "Adult family member" means a person at least 21 years of age who is the grandparent, stepparent, foster parent, aunt, uncle, sibling, half-sibling, or first cousin of an unemancipated minor.

(5) "Notice" means a written notification, signed and dated by a physician or his or her agent, informing the parent or adult family member of an unemancipated minor that she is pregnant and has requested an abortion.

(6) "Unemancipated minor" means a female under the age of 18 years who has not entered into a valid marriage and is not on active duty with the armed services of the United States and has not received a declaration of emancipation under state law. For the purposes of this section, pregnancy does not emancipate a female under the age of 18 years.

(7) "Physician" means any person authorized under the statutes and regulations of the State of California to perform an abortion upon an unemancipated minor.

(b) Notwithstanding Section 1 of Article I, or any other provision of this Constitution or law to the contrary and except in a medical emergency as provided for in subdivision (f), a physician shall not perform an abortion upon a pregnant unemancipated minor until at least 48 hours has elapsed after the physician or the physician's agent has delivered written notice to her parent