

2004

Children's Hospital Projects. Grant Program.

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PROP

61

**Children’s Hospital Projects.
Grant Program. Bond Act. Initiative Statute.**

Summary

Authorizes \$750 million general obligation bonds for grants to eligible children’s hospitals for construction, expansion, remodeling, renovation, furnishing and equipping children’s hospitals. Fiscal Impact: State cost of about \$1.5 billion over 30 years to pay off both the principal (\$750 million) and interest (\$756 million) costs of the bonds. Payments of about \$50 million per year.

What Your Vote Means

Yes

A **YES** vote on this measure means: The state could sell \$750 million in general obligation bonds for the construction, expansion, remodeling, renovation, furnishing, equipping, financing, or refinancing of children’s hospitals.

No

A **NO** vote on this measure means: The state would not sell the \$750 million in general obligation bonds proposed for these purposes.

Arguments

Pro

Everyday, California’s Children’s Hospitals save lives. Children with leukemia, cancer, cystic fibrosis, and heart disease. 80% of children with leukemia are making it. 90% are coming through delicate heart surgery. Proposition 61 doesn’t raise taxes. It does give the sickest kids in California the best care on earth.

Con

Rebuilding a few children’s hospitals will make some building contractors richer; however, it will not, by itself, provide health care for anyone. What we need—in California and across America—is some sort of “single-payer” health care system which cuts out the middlemen and profiteers.

For Additional Information

For

Charity Bracy
California Children’s
Hospitals Association
3914 Murphy Canyon Road,
Suite 125
San Diego, CA 92123
858-974-1644
cbracy@ccha.org
www.SaveTheChildrens
Hospitals.com

Against

Gary B. Wesley
Attorney at Law
707 Continental Circle
Mountain View, CA 94040
408-882-5070

PROP

62

**Elections. Primaries.
Initiative Constitutional Amendment
and Statute.**

Summary

Requires primary elections where voters may vote for any state or federal candidate regardless of party registration of voter or candidate. The two primary-election candidates receiving most votes for an office, whether they are candidates with “no party” or members of same or different party, would be listed on general election ballot. Exempts presidential nominations. Fiscal Impact: No significant net fiscal effect on state and local governments.

What Your Vote Means

Yes

A **YES** vote on this measure means: All voters would receive the same primary election ballot for most state and federal offices. The top two vote-getting candidates—regardless of political party identification—would be placed on the general election ballot.

No

A **NO** vote on this measure means: Voters would continue to receive primary election ballots based on political party identification. The top vote-getting candidate from each political party would be placed on the general election ballot.

Arguments

Pro

The Voter Choice Primary Initiative allows every voter—including independent voters—to vote for the best candidate for office, regardless of party, in primary elections. It is similar to the method Californians have used for the past century to elect mayors, council members, county supervisors, and district attorneys.

Con

Proposition 62 is based on Louisiana’s radical election system. There, it helped KKK leader David Duke run for Governor. It:
 • ELIMINATES VOTER CHOICE in General Elections
 • UNDERCUTS opportunities for WOMEN and MINORITY candidates
 • Makes the Legislature LESS ACCOUNTABLE
 Don’t bring Louisiana’s dirty politics to California!
 Vote NO!

For Additional Information

For

Californians for an Open
Primary
4150 Riverside Drive, Suite 204
Burbank, CA 91505
818-843-1487
info@openprimary.org
www.openprimary.org

Against

Greg Hill
Californians for Election
Accountability
921 11th Street, Suite 400
Sacramento, CA 95814
info@NOon62.com
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PROPOSITION

61

**CHILDREN’S HOSPITAL PROJECTS.
GRANT PROGRAM.
BOND ACT. INITIATIVE STATUTE.**

OFFICIAL TITLE AND SUMMARY

Prepared by the Attorney General

**Children’s Hospital Projects. Grant Program.
Bond Act. Initiative Statute.**

- Authorizes \$750,000,000 in general obligation bonds, to be repaid from state’s General Fund, for grants to eligible children’s hospitals for construction, expansion, remodeling, renovation, furnishing and equipping children’s hospitals.
- 20% of bonds are for grants to specified University of California general acute care hospitals; 80% of bonds are for grants to general acute care hospitals that focus on children with illnesses such as leukemia, heart defects, sickle cell anemia and cystic fibrosis, provide comprehensive services to a high volume of children eligible for government programs, and that meet other stated requirements.

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

- State cost of about \$1.5 billion over 30 years to pay off both the principal (\$750 million) and the interest (\$756 million) costs of the bonds. Payments of about \$50 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.

PROPOSAL

This measure authorizes the state to sell \$750 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 other children’s hospitals likely to meet the eligibility criteria specified in the measure, which 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 the 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

FIGURE 1	
CHILDREN’S HOSPITALS ELIGIBLE FOR PROPOSITION 61 BOND FUNDS	
Specifically Identified as Eligible	
	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 Hospital Children’s Hospital
	University of California, San Francisco Children’s Hospital
Likely to be Eligible	
	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

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 \$750 million in bonds authorized by this measure were sold at an interest rate of 5.25 percent and repaid over 30 years, the cost to the state General Fund would be about \$1.5 billion to pay off both the principal (\$750 million) and the interest (\$756 million). The average payment for principal and interest would be about \$50 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.

ARGUMENT in Favor of Proposition 61

California Children's Hospitals treat children with the most serious and deadly diseases like LEUKEMIA, CANCER, HEART DEFECTS, SICKLE CELL ANEMIA, DIABETES, AND CYSTIC FIBROSIS.

Over 1 million times last year, children facing life-threatening illness or injury were cared for at regional Children's Hospitals without regard to a family's income or ability to pay. Children are referred to these pediatric centers of excellence for treatment by other hospitals in California.

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.

We know. Our children have all been cared for at a California Children's Hospital.

Proposition 61, the CHILDREN'S HOSPITAL BOND, will help make room in these wonderful hospitals to treat the children who need care.

PROPOSITION 61 DOES NOT RAISE TAXES. The bonds will be repaid from the existing State budget.

PROPOSITION 61 FUNDS WILL ALLOW CHILDREN'S HOSPITALS TO INCREASE BED CAPACITY TO ENSURE THAT SICK AND INJURED CHILDREN HAVE ACCESS TO A REGIONAL FACILITY where they can receive the kind of care that our children got. Children's Hospitals' emergency rooms are critically overcrowded and need enough capacity to handle the seriously ill and injured children sent to them.

Regional Children's Hospitals provide specialized care to children throughout California. For example:

- 87% of the inpatient care for children who need heart surgery;
- 95% of all surgery for children who need organ transplants;

- More than 64% of the inpatient care for children with cancer.

The nation's premier pediatric research centers are in Children's Hospitals, making them the source of medical discoveries and advancements that benefit all children. *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 now greater than 80 percent.*

PROPOSITION 61 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. These nonprofit 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 those kids' lives, helping them to 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.*

Please join our families and millions of others whose children need California's Children's Hospitals. **PLEASE VOTE YES ON PROPOSITION 61.**

TRENT DILFER, *Parent*

ERIKA FIGUEROA, *Parent*

DAVID LIU, *Parent*

REBUTTAL to Argument in Favor of Proposition 61

Rebuilding hospitals can make some select contractors rich—but it does not guarantee health care for anyone.

The principal problem in California—and across America—is that we have an estimated 44 million legal residents (including children) who have no health insurance and tens of millions more who have inadequate coverage.

Persons without adequate health insurance delay seeking care (until they end up in expensive emergency rooms) and government-operated hospitals, as well as the many so-called “nonprofit” corporations that run most hospitals, seek to charge the uninsured up to 3 times the rates negotiated by public and private insurers.

The current health care system in California and in our country is littered with middlemen and profiteers who steal limited resources from actual care.

Put differently, the current system is wasteful and unfair. We need a “single-payer” health care system in which every legal resident receives basic health coverage.

In a political system ludicrously dependent upon private campaign contributions, entrenched special interests are able to give money to our elected officials so that *their* special interests are preserved or enhanced.

If we continue to have a national government beholden to the rich, the California Legislature should establish or offer voters a statewide “single-payer” system in which persons can have more or less insurance—but every legal resident has some insurance.

Closing our eyes to the real problems will NOT make California or America safer or better.

GARY B. WESLEY, *Attorney at Law*

ARGUMENT Against Proposition 61

California voters have already approved billions of dollars in bond sales and have mortgaged the future.

The Legislature can always come up with yet another “motherhood and apple pie” project that would be nice.

However, *raising the money* (at this time of deficits and

high debt) *by more borrowing is not responsible.*

Not only the principal but also decades of interest would have to be repaid.

GARY B. WESLEY, *Attorney at Law*

REBUTTAL to Argument Against Proposition 61

We've never heard of this attorney who opposes Proposition 61. Have you?

He says that Proposition 61 will hurt California's future. He's wrong.

PROPOSITION 61 WILL GIVE THOUSANDS AND THOUSANDS OF SICK KIDS A CHANCE TO HAVE A FUTURE—beat their illnesses and live long and happy lives.

Many mothers of critically ill children worked hard to collect the signatures to put the Children's Hospital Bond on your ballot because California's Children's Hospitals save lives every single day!

Children with leukemia, cancer, sickle cell anemia, cystic fibrosis, and heart disease. Children who are severely injured in car wrecks and house fires.

Thanks to the miraculous work, the finest pediatric research, and the loving care kids get at California's

Children's Hospitals, survival rates are improving dramatically.

Today, 80% of children with leukemia are making it and 90% survive delicate heart surgery.

This attorney tries to make a joke out of Proposition 61 by calling it a “motherhood issue.”

It is a “motherhood issue.” And AS MOTHERS AND FATHERS OF VERY SICK KIDS WE ARE FIGHTING FOR THEIR LIVES.

Please vote YES on Proposition 61, the Children's Hospital Bond.

JENNIFER HUMMER, *Parent*

DAVID LIU, *Parent*

DEBBIE CERVANTES, *Parent*

Proposition 59

This amendment proposed by Senate Constitutional Amendment 1 of the 2003–2004 Regular Session (Resolution Chapter 1, Statutes of 2004) expressly amends the California Constitution by amending a section thereof; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO SECTION 3 OF ARTICLE I

SEC. 3. (a) The people have the right to instruct their representatives, petition government for redress of grievances, and assemble freely to consult for the common good.

(b) (1) *The people have the right of access to information concerning the conduct of the people’s business, and, therefore, the meetings of public bodies and the writings of public officials and agencies shall be open to public scrutiny.*

(2) *A statute, court rule, or other authority, including those in effect on the effective date of this subdivision, shall be broadly construed if it furthers the people’s right of access, and narrowly construed if it limits the right of access. A statute, court rule, or other authority adopted after the effective date of this subdivision that limits the right of access shall be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.*

(3) *Nothing in this subdivision supersedes or modifies the right of privacy guaranteed by Section 1 or affects the construction of any statute, court rule, or other authority to the extent that it protects that right to privacy, including any statutory procedures governing discovery or disclosure of information concerning the official performance or professional qualifications of a peace officer.*

(4) *Nothing in this subdivision supersedes or modifies any provision of this Constitution, including the guarantees that a person may not be deprived of life, liberty, or property without due process of law, or denied equal protection of the laws, as provided in Section 7.*

(5) *This subdivision does not repeal or nullify, expressly or by implication, any constitutional or statutory exception to the right of access to public records or meetings of public bodies that is in effect on the effective date of this subdivision, including, but not limited to, any statute protecting the confidentiality of law enforcement and prosecution records.*

(6) *Nothing in this subdivision repeals, nullifies, supersedes, or modifies protections for the confidentiality of proceedings and records of the Legislature, the Members of the Legislature, and its employees, committees, and caucuses provided by Section 7 of Article IV, state law, or legislative rules adopted in furtherance of those provisions; nor does it affect the scope of permitted discovery in judicial or administrative proceedings regarding deliberations of the Legislature, the Members of the Legislature, and its employees, committees, and caucuses.*

Proposition 60

This amendment proposed by Senate Constitutional Amendment 18 of the 2003–2004 Regular Session (Resolution Chapter 103, Statutes of 2004) expressly amends the California Constitution by amending a section thereof; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO ARTICLE II

That Section 5 of Article II thereof is amended to read:

SEC. 5. (a) The Legislature shall provide for primary elections for partisan offices, including an open presidential primary whereby the

candidates on the ballot are those found by the Secretary of State to be recognized candidates throughout the nation or throughout California for the office of President of the United States, and those whose names are placed on the ballot by petition, but excluding any candidate who has withdrawn by filing an affidavit of noncandidacy.

(b) *A political party that participated in a primary election for a partisan office has the right to participate in the general election for that office and shall not be denied the ability to place on the general election ballot the candidate who received, at the primary election, the highest vote among that party’s candidates.*

Proposition 60A

This amendment proposed by Senate Constitutional Amendment 18 of the 2003–2004 Regular Session (Resolution Chapter 103, Statutes of 2004) 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 AMENDMENT TO ARTICLE III

That Section 9 is added to Article III thereof, to read:

SEC. 9. *The proceeds from the sale of surplus state property occurring on or after the effective date of this section, and any proceeds*

from the previous sale of surplus state property that have not been expended or encumbered as of that date, shall be used to pay the principal and interest on bonds issued pursuant to the Economic Recovery Bond Act authorized at the March 2, 2004, statewide primary election. Once the principal and interest on those bonds are fully paid, the proceeds from the sale of surplus state property shall be deposited into the Special Fund for Economic Uncertainties, or any successor fund. For purposes of this section, surplus state property does not include property purchased with revenues described in Article XIX or any other special fund moneys.

Proposition 61

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

The people of the State of California do enact as follows:

SECTION 1. Part 6 (commencing with Section 1179.10) is added to Division 1 of the Health and Safety Code, to read:

PART 6. CHILDREN’S HOSPITAL BOND ACT OF 2004

CHAPTER 1. GENERAL PROVISIONS

1179.10. *This part shall be known and may be cited as the Children’s Hospital Bond Act of 2004.*

1179.11. *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:*

(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*

Proposition 61 (cont.)

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:

(A) Provided 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) 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) Provided medical education of at least eight (rounded to the nearest 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 1179.32.

(d) "Fund" means the Children's Hospital Fund created pursuant to Section 1179.20.

(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 such costs are incurred after January 31, 2003. "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

1179.20. The proceeds of bonds issued and sold pursuant to this part shall be deposited in the Children's Hospital Fund, which is hereby created.

1179.21. 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.

1179.22. The authority is authorized to award grants to any children's hospital for purposes of funding projects, as defined in subdivision (g) of Section 1179.11.

1179.23. (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 1179.11.

(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 1179.11.

1179.24. (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) An application for funds shall be submitted to the authority for approval as to its conformity with the requirements of this part. 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 1179.11 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 1179.23. Notwithstanding this grant limitation, any funds available under subdivision (a) of Section 1179.23 that have not been exhausted by June 30, 2014, shall become available for an application from any children's hospital identified in paragraph (1) of subdivision (b) of Section 1179.11.

(d) A children's hospital identified in paragraph (2) of subdivision (b) of Section 1179.11 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 seventy-four million dollars (\$74,000,000) from funds available for grants to all children's hospitals pursuant to subdivision (b) of Section 1179.23. Notwithstanding this grant limitation, any funds available under subdivision (b) of Section 1179.23 that have not been exhausted by June 30, 2014, shall become available for an application from any children's hospital defined in paragraph (2) of subdivision (b) of Section 1179.11.

(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 one percent, whichever is less.

1179.25. 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

1179.30. Bonds in the total amount of seven hundred fifty million dollars (\$750,000,000), 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.

1179.31. 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.

1179.32. (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 fund pursuant to this part.

1179.33. 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 1179.21 and, if so, the

Proposition 61 (cont.)

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.

1179.34. 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.

1179.35. 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 1179.36, appropriated without regard to fiscal years.

1179.36. 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.

1179.37. 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.

1179.38. 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 program funded through this bond act.

1179.39. The authority may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account 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.

1179.40. 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.

1179.41. 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.

1179.42. 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.

1179.43. 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 62

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

This initiative measure amends a section of the California Constitution, and amends, adds, and repeals sections of the Elections Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

VOTER CHOICE OPEN PRIMARY ACT

SECTION 1. Title.

This measure shall be known and may be cited as the "Voter Choice Open Primary Act."

SEC. 2. Findings and Declarations.

The people of the State of California hereby find and declare all of the following:

(a) The current system of primaries in California limits voters' choices, and has resulted in a steady decline in voter participation in this state.

(b) The "Voter Choice Open Primary Act" will establish an election system in California that will allow all voters to vote for state elected offices and federal elected offices on a primary election ballot regardless of the party registration of the candidates or the voters.

(c) A voter choice open primary will ensure California voters more choice, greater participation, increased privacy, and a sense of fairness without burdening political parties' constitutional rights. Encouraging California citizens to vote is a legitimate and essential objective of this state, and will preserve constitutional order by ensuring a strong, participatory democratic process.

(d) A voter choice open primary will permit California voters to select the candidate they most prefer, regardless of the candidate's party

registration. This type of primary will result in more competitive election contests in which candidates will be able to take positions on a wide range of issues.

(e) A voter choice open primary will give California voters a real choice. They will be able to vote for any candidate for any voter-nominated office in the primary election, and will not be limited to voting only for those candidates of the party, if any, with which the candidates are registered.

(f) A voter choice open primary will guarantee competition in the general election. California voters will be given two competitive choices in the general election, involving greater voter participation than in the primary election. This will replace the current system in which the political parties protect incumbents through reapportionment plans, making over 90 percent of all state legislative and congressional seats safe for incumbents or candidates of one or the other of the major parties.

(g) A voter choice open primary will result in greater voter participation. By allowing voters complete freedom of choice among many candidates for office, regardless of the candidates' party registration, a voter choice open primary will encourage increased voter participation. In addition, some two million voters who have chosen not to register with a party, comprising some 15 percent of all California voters, will have a chance to participate fully in the voter choice open primary.

(h) A voter choice open primary will result in a greater number of candidates running for state elected offices and federal elected offices. Candidates who are not registered with a political party will now be able to compete in primary elections.

(i) A voter choice open primary will preserve the right of California's political parties to endorse candidates for voter-nominated offices by any method selected by the parties.

(j) A voter choice open primary will not infringe on the constitutional rights of political parties. California political parties will continue to decide whether non-party members: (1) may participate in the selec-