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CALIFORNIA STATE SENATE
COMMITTEE ON BUDGET AND FISCAL REVIEW
LEGISLATIVE OFFICE BUILDING – ROOM 502
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Agenda

May 5, 2026

9:00 a.m. – 1021 O Street, Room 1200

BILL

AUTHOR

SUBJECT

AB 108

Gabriel

Budget Act of 2025

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

Bill No:	AB 108	Hearing Date:	May 5, 2026
Author:	Gabriel		
Version:	May 4, 2025 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Scott Ogus		

Subject: Budget Act of 2025

Summary: This bill is a Budget Bill Junior. The bill increases a General Fund appropriation in the Budget Act of 2025 to support grants to hospitals in immediate and significant financial distress and makes other technical changes.

Proposed Law: This bill amends the Budget Act of 2025 as follows:

- 1) Increases General Fund expenditure authority for the Department of Health Care Access and Information (HCAI) by \$25 million to support grants to hospitals in immediate and significant financial distress to help prevent the closure of those hospitals.
 - a. Hospitals eligible for grant funds must meet the following criteria:
 - i. The hospital must have less than 10 days cash on hand
 - ii. The hospital must have demonstrated best efforts to exhaust other financial options
 - iii. More than 50 percent of the hospital's payer mix is composed of government payers and uninsured patients
 - iv. The hospital must be a not-for-profit or public hospital
 - v. Any other criteria determined by HCAI, in consultation with the Department of Finance
 - b. Exempts HCAI from certain provisions of the Public Contract Code.
 - c. Authorizes HCAI to implement, interpret, or make specific the provisional language through information notices or similar instructions, without taking regulatory action.
 - d. Requires any unobligated funds be returned to the General Fund as of June 30, 2026.
- 2) Notwithstanding Section 16180(b)(3) of the Government Code for 2025-26 to allow for the property tax postponement disbursements from the Senior Citizens and Disabled Citizens Property Tax Postponement Fund to exceed one percent of available funds for residential dwellings that are manufactured homes on a one-time basis.

- 3) Makes other technical changes.

Fiscal Effect: Increases General Fund expenditure authority for the Department of Health Care Access and Information (HCAI) by \$25 million to support grants to hospitals in immediate and significant financial distress to help prevent the closure of those hospitals.

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