

(Without Reference to File)

SENATE THIRD READING

SB 108 (Laird)

As Amended May 4, 2026

Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY

Amends the 2025 Budget Act to provide additional funding for hospitals in significant financial distress. Specifically, *this bill*:

Major Provisions

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.
2. Hospitals eligible for grant funds must meet the following criteria:
 - a. The hospital must have less than 10 days cash on hand
 - b. The hospital must have demonstrated best efforts to exhaust other financial options
 - c. More than 50% of the hospital's payer mix is composed of government payers and uninsured patients
 - d. The hospital must be a not-for-profit or public hospital
 - e. Any other criteria determined by HCAI, in consultation with the Department of Finance
3. Exempts HCAI from certain provisions of the Public Contract Code for these provisions and authorizes HCAI to implement, interpret, or make specific provisional language through information notices or similar instructions, without taking regulatory action.
4. Requires the return of any unobligated funds to the General Fund as of June 30, 2026.
5. Allows property tax postponement disbursements from the Senior Citizens and Disabled Citizens Property Tax Postponement Fund to exceed 1% of available funds for residential dwellings that are manufactured homes on a one-time basis. This will allow the State Controller to pay all applicants for this program this fiscal year.

COMMENTS

The bill amends the 2025 Budget Act to allow the Department of Health Care Access and Information with the authority to provide up to \$25 million in total grants to distressed hospitals that are in danger of closure during the current fiscal year, which ends on June 30, 2026.

The lifting of the Senior Citizens and Disabled Citizens Property Tax Postponement fund will allow the State Controller's Office to pay all applicants for the program, which is expected to cost \$63,000.

This bill would amend the 2025 Budget Act, Chapter 4 of the Statutes of 2025 (SB 101), for the sixth time. The budget was previously amended in Chapter 5 of the Statutes of 2025 (AB 102), Chapter 77 of the Statutes of 2025 (AB 104), Chapter 104 of the Statutes of 2025 (SB105), Chapter 4 of the Statutes of 2026 (SB 106), and Chapter 5 of the Statutes of 2026 (AB 107).

According to the Author

This bill amends the budget to provide grant funds to prevent hospital closures.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill could cost up to \$25,063,000 General Fund, depending upon the number of hospitals that meet the grant requirements set forth in this bill.

VOTES**SENATE FLOOR: 28-10-2**

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: May 4, 2026

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

FN: 0002475