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|------|------------------|----------------|--------------|-----------------|------------------|--------------|--|
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Code: Section:

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HEALTH AND SAFETY CODE - HSC

DIVISION 1. ADMINISTRATION OF PUBLIC HEALTH [135 - 1179.102] (*Division 1 enacted by Stats. 1939, Ch. 60.*)

PART 6.3. CHILDREN'S HOSPITAL BOND ACT OF 2018 [1179.81 - 1179.102] (*Part 6.3 added November 6, 2018, by initiative Proposition 4, Sec. 1.*)

CHAPTER 2. The Children's Hospital Program [1179.83 - 1179.88] (*Chapter 2 added November 6, 2018, by initiative Proposition 4, Sec. 1.*)

1179.83. 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.

(*Added November 6, 2018, by initiative Proposition 4, Sec. 1. Effective December 19, 2018.*)

1179.84. 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.

(*Added November 6, 2018, by initiative Proposition 4, Sec. 1. Effective December 19, 2018.*)

1179.85. The authority is authorized to award grants to any children's hospital for purposes of funding projects, as defined in subdivision (g) of Section 1179.82, or to a hospital pursuant to subdivision (c) of Section 1179.86.

(*Added November 6, 2018, by initiative Proposition 4, Sec. 1. Effective December 19, 2018.*)

1179.86. (a) Eighteen 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 1179.82.

(b) Seventy-two 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 1179.82.

(c) Ten percent of the total funds available for grants pursuant to this part shall be available for grants to hospitals that provide pediatric services to children eligible for the California Children's Services Program that are either (1) a public hospital as defined in paragraph (25) of subdivision (a) of Section 14105.98 of the Welfare and Institutions Code, or (2) a general acute care hospital licensed pursuant to Section 1250 of this code that is, or is an operating entity of, a California nonprofit corporation. The funds shall be used solely for constructing, expanding, remodeling, renovating, furnishing, or equipping the pediatric program of an eligible hospital. A children's hospital as defined in subdivision (b) of Section 1179.82 shall not be eligible for grants under this subdivision, except that any funds available under this subdivision that have not been exhausted by June 30, 2033, shall become available for an application from any such children's hospital. The authority shall award grants under procedures it shall adopt to further the purposes of this subdivision.

(*Added November 6, 2018, by initiative Proposition 4, Sec. 1. Effective December 19, 2018.*)

1179.87. (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 1179.82 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 1179.86.

Notwithstanding this grant limitation, any funds available under subdivision (a) of Section 1179.86 that have not been exhausted by June 30, 2033, shall become available for an application from any children's hospital identified in paragraph (1) of subdivision (b) of Section 1179.82.

(d) A children's hospital identified in paragraph (2) of subdivision (b) of Section 1179.82 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 hundred thirty-five million dollars (\$135,000,000) from funds available for grants to all children's hospitals pursuant to subdivision (b) of Section 1179.86. Notwithstanding this grant limitation, any funds available under subdivision (b) of Section 1179.86 that have not been exhausted by June 30, 2033, shall become available for an application from any children's hospital defined in paragraph (2) of subdivision (b) of Section 1179.82.

(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.

(Added November 6, 2018, by initiative Proposition 4, Sec. 1. Effective December 19, 2018.)

1179.88. The California State Auditor 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.

(Added November 6, 2018, by initiative Proposition 4, Sec. 1. Effective December 19, 2018.)