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## AB-892 Kern County Hospital Authority. (2023-2024)

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### Assembly Bill No. 892

#### CHAPTER 676

An act to add Sections 101855.3 and 101855.4 to the Health and Safety Code, relating to health and care facilities.

[ Approved by Governor September 27, 2024. Filed with Secretary of State September 27, 2024. ]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 892, Bains. Kern County Hospital Authority.

Existing law, the Kern County Hospital Authority Act, establishes the Kern County Hospital Authority, which maintains and operates the Kern Medical Center and is governed by a board of governors that is appointed, both initially and continually, by the board of supervisors. Existing law requires the authority to provide management, administration, and other controls as needed to operate the medical center, and maintain its status as a designated public hospital. Existing law requires the authority to maintain financial and accounting records.

Existing law, the California Public Records Act, requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Existing law requires the authority to comply with the act, except as specified.

This bill would subject the Kern Medical Center Foundation to the California Public Records Act in the same manner as the authority.

The bill would require the authority and the Kern Medical Center Foundation to maintain accounting records and to report accounting transactions in accordance with generally accepted accounting principles, as specified. The bill would require the authority, at least once every 12 months, to engage the services of a qualified accountant of accepted reputation to conduct a financial audit of the accounts and records of both the authority and the Kern Medical Center Foundation, as specified, to prepare a report of the audit, and to make copies of the reports available to the public on the authority's internet website.

By creating new duties for the authority, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Kern and Kern Medical Center Foundation.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 101855.3 is added to the Health and Safety Code, to read:

**101855.3.** In addition to the requirements of any other applicable law, the Kern Medical Center Foundation shall be subject to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code) in the same manner as the authority.

**SEC. 2.** Section 101855.4 is added to the Health and Safety Code, to read:

**101855.4.** (a) The authority shall maintain accounting records and shall report accounting transactions in accordance with generally accepted accounting principles adopted by the Governmental Accounting Standards Board of the Financial Accounting Foundation.

(b) The Kern Medical Center Foundation shall maintain accounting records and shall report accounting transactions in accordance with generally accepted accounting principles published and maintained by the Financial Accounting Standards Board.

(c) At least once every 12 months, the authority shall engage the services of a qualified accountant of accepted reputation to conduct a financial audit of the accounts and records of both the authority and the Kern Medical Center Foundation, and the authority shall prepare a report of the audit. Any financial audit conducted pursuant to this subdivision shall conform to generally accepted government auditing standards and shall follow principles adopted by the Governmental Accounting Standards Board of the Financial Accounting Foundation. The authority shall make copies of the audit reports available to the public on the authority's internet website.

**SEC. 3.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

**SEC. 4.** The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique operating structure of the authority authorized by state law.