

# **CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)**

## **DMV SPECIALIZED LICENSE PLATE PROGRAM**

### **Information Item**

**April 30, 2026**

#### **Background**

California Vehicle Code (“CVC”) Section 5156(a)(1) authorizes a state agency to apply to the Department of Motor Vehicles (“DMV”) to sponsor a Specialized License Plate Program (“Program”). Section 15438(d) of the California Health Facilities Financing Authority Act (Government Code Section 15430 et seq.) (“Act”) authorizes the California Health Facilities Financing Authority (“Authority”) to receive and accept gifts, grants, or donations of money from any individual, association, or corporation. Section 15436 of the Act further authorizes the Authority to delegate powers and duties to the Executive Director, or any other official or employee of the Authority, as it deems appropriate.

The Program, established in 2007, enables state agencies to promote their official policy, mission, or work through the sale of specialized license plates (CVC Sections 5151–5160). After deducting administrative costs, DMV deposits revenues from specialized license plate sales into the Specialized License Plate Fund within the State Treasury. Upon legislative appropriation, funds are allocated to each sponsoring agency in proportion to the Program’s revenues. Each sponsoring agency must expend funds received through the Program exclusively for activities that promote the agency’s official policy, mission, or work (CVC Section 5157(c)).

Authority staff have partnered with the California Children’s Hospital Association (“CCHA”) to develop a specialized license plate that would generate revenue through license plate fees. Revenues generated through the Program would be awarded as grants to the 13 children’s hospitals participating in the Children’s Hospital Programs of 2004, 2008, and 2018. These grants would support hospital expenditures not covered by existing programs.

Examples of eligible expenditures may include salary support for health care professionals, such as art and music therapists, in-hospital educators, and Child Life Specialists; clinical education and workforce training costs, such as pediatric residency and fellowship programs, specialty and certification training, simulation-based education, interdisciplinary training for nurses and allied professionals, and related clinical training equipment used to support the quality and safety of pediatric care; staff who facilitate social and developmental activities for hospitalized children; and recreational amenities, such as wheelchair-accessible playgrounds.

At its September 25, 2025 meeting, staff informed the Authority that they were exploring a partnership with a private corporation to assist with license plate design and potentially provide financial support to offset related startup costs. At that meeting, the Authority delegated authority to the Executive Director to:

- a) Apply to the DMV to sponsor a Specialized License Plate Program (“Application”), and execute and deliver, in the name and on behalf of the Authority, any applications, agreements, certificates, instruments, or other documents necessary or appropriate to comply with DMV requirements in connection with the Application.
- b) Receive and accept donations of money from any source authorized under the Act in connection with the Authority’s Application.
- c) Execute and deliver any additional documents or contracts that the Executive Director, or the Deputy Executive Director, deem necessary, convenient, or advisable in connection with the Authority’s Application.

Staff indicated that they would inform the Authority of any delegated actions taken once the Application was approved by DMV.

### **Actions Taken Under Delegated Authority**

To provide additional transparency, staff are providing this update at the next regularly scheduled meeting rather than waiting until DMV has approved the Application.

Since the September 25, 2025 meeting, the Executive Director has taken the following actions under delegated authority:

- a) **Intellectual Property Agreement.** Executed an Intellectual Property Agreement with a corporate partner. The agreement permits the Authority to use the corporate partner’s name and logo to market and promote the Program and authorizes the Authority to use a license plate design developed by corporate partner. The agreement also establishes the terms governing the use of these materials.
- b) **Website Development Contract.** Executed a contract with a website developer to develop, test, and implement a web application to support the Program. The application will provide public-facing web pages with marketing information, an online application form to capture applicant and payment information, integration with a payment gateway to process transactions, and a staff dashboard to support reporting to DMV and the processing of refunds, if necessary.
- c) **Donation Received.** Received funds from the corporate partner to support program startup costs. These funds will be used to defray the cost of developing a website to market the Program and to collect the minimum 7,500 prepaid applications required by the DMV before the department will begin administering the Program.

### **Next Steps**

Staff will continue working with CCHA and the corporate partner to develop marketing materials and with the website developer to complete development of the program website. This information, along with a financial plan, will be included in the Application submitted to the DMV.

Future steps in the program development process include:

DMV Review and Plate Development

- DMV approval of the Application
- Development of a blank license plate for review
- California Highway Patrol testing and approval of the license plate

Program Launch and Implementation

- Authority begins collecting prepaid applications
- Marketing of the Program begins
- Minimum 7,500 prepaid applications collected
- Administration of the Program transferred to DMV

Program Administration

- Development of program regulations by staff and approval by the Authority
- Annual appropriation and Budget Change Proposal to support the grant program