

OFFICIAL TOP FUNDERS. Valid only for DECEMBER 2025

**REQUIRES COMMUNITY HEALTH CLINICS SPEND 90% OF REVENUE
ON PROGRAM SERVICES. INITIATIVE STATUTE.**

Petition circulation paid for by
Californians for Responsible Healthcare, Sponsored by Service Employees
International Union- United Healthcare Workers West

Committee major funding from:
SEIU United Health Care Workers West

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OFFICIAL TITLE AND SUMMARY (SAME AS ON PETITION)

The Attorney General of California has prepared the following circulating title and summary of the chief purpose and points of the proposed measure:

(25-0008A1) **REQUIRES COMMUNITY HEALTH CLINICS SPEND 90% OF REVENUE ON PROGRAM SERVICES. INITIATIVE STATUTE.** Requires nonprofit Federally Qualified Health Centers (community clinics that provide primary care to medically underserved areas and populations) to spend at least 90% of their revenue on program services advancing their charitable purpose, including but not limited to patient services, rather than management and overhead. Department of Public Health may waive spending requirement in exceptional circumstances. Authorizes Attorney General to publish guidance defining qualifying expenditures. Imposes monetary penalties for noncompliance, which may be refunded if centers become compliant within five years. Authorizes criminal charges for false reports and schemes to artificially increase spending ratio. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: State cost of up to the low tens of millions of dollars annually to enforce the new requirement that nonprofit safety net health clinics spend at least 90 percent of annual revenue on certain types of expenses, much of which would be covered by fees and penalties charged on the affected entities. (25-0008A1)