

State of California

SECRETARY OF STATE

June 25, 2026

TO: ALL COUNTY CLERKS/REGISTRARS OF VOTERS AND PROPONENTS (CCROV 26170)

Pursuant to Section 9033(b)(2) of the Elections Code, I hereby certify that **REQUIRES COMMUNITY HEALTH CLINICS SPEND 90% OF REVENUE ON PROGRAM SERVICES. INITIATIVE STATUTE.** (#1986) is qualified for the November 3, 2026, General Election.

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)



IN WITNESS WHEREOF, I hereunto set my hand
and affix the Great Seal of the State of California
this 25th day of June, 2026.


SHIRLEY N. WEBER, Ph.D.
Secretary of State