Proposition 44

July 3, 2026
Initiative 25-0008

BALLOT TITLE AND SUMMARY

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

- Imposes penalties on nonprofit Federally Qualified Health Centers (community clinics providing primary care to medically underserved areas and populations) that spend less than 90% of revenue on "program services" advancing their charitable purpose, including but not limited to patient services. Department of Public Health may waive spending requirements in exceptional circumstances.
- Authorizes Attorney General to publish guidance defining qualifying expenditures.
- Monetary penalties may be refunded if centers become compliant within five years.
- Authorizes criminal charges for false reports or artificially increasing spending ratio.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- Increased state costs in the low tens of millions of dollars per year to enforce the new requirements on certain private nonprofit health care clinics, covered by fees charged to the affected clinics.

SUBJECT TO COURT
ORDERED CHANGES