



DEBRA BOWEN

CALIFORNIA SECRETARY OF STATE

NEWS RELEASE

DB14:001

FOR IMMEDIATE RELEASE

January 3, 2014

CONTACT: Nicole Winger

(916) 653-6575

Hospital Administrator Compensation Initiative Enters Circulation

Nonprofit Hospitals. Executive Compensation. Initiative Statute.

SACRAMENTO – Secretary of State Debra Bowen today announced the proponents of a new initiative may begin collecting petition signatures for their measure.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponents and to the Secretary of State, and the initiative may be circulated for signatures. The Secretary of State then provides calendar deadlines to the proponents and to county elections officials. The Attorney General's official title and summary for the measure is as follows:

NONPROFIT HOSPITALS. EXECUTIVE COMPENSATION. INITIATIVE STATUTE. Prohibits nonprofit hospitals, hospital groups, and hospital-affiliated medical foundations and physicians groups from paying annual compensation (salary, perks, paid time off, bonuses, stock options, etc.) or providing severance packages to executives, managers, and administrators in an amount exceeding the salary and expense allowance of the President of the United States (currently \$450,000). Requires annual public disclosure of ten highest-paid executives and five largest severance packages. Authorizes Attorney General monitoring and enforcement or taxpayer litigation. Penalties for violation include fines, revocation of tax-exempt status, and appointment of Attorney General representative to board of directors. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **State administrative costs in the low millions of dollars annually to enforce the measure, with authority to recover costs through fees assessed on nonprofit hospitals.** (13-0042.)

The Secretary of State's tracking number for this measure is 1627 and the Attorney General's tracking number is 13-0042.

The proponents for the measure, Rebecca Eve Malberg and Stanley Alan Lyles, must collect signatures of 504,760 registered voters – the number equal to five percent of the total votes cast for governor in the 2010 gubernatorial election – in order to qualify it for the ballot. The proponents have 150 days to circulate petitions for the measures, meaning the signatures must be collected by June 2, 2014.

The proponents can be reached at (916) 442-2952.

To sign up for regular ballot measure updates via email, RSS feed, or Twitter, go to www.sos.ca.gov/multimedia.

###