



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE ALEX PADILLA

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FOR IMMEDIATE RELEASE

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Proponents Withdraw Initiative Measure Related to Hospitals and Executive Compensation

SACRAMENTO - Secretary of State Alex Padilla today announced that an initiative currently in the signature verification process has been withdrawn by the proponents.

The Attorney General's official title and summary of the initiative is as follows:

HOSPITALS. EXECUTIVE COMPENSATION. INITIATIVE STATUTE. Prohibits hospitals, hospital groups, hospital-affiliated medical foundations and physicians groups, and health care districts 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 all executives receiving compensation or severance packages above this amount. 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 of nonprofit corporations. 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 specified hospitals. (15-0111.)**

The measure collected 649,582 signatures. County elections officials were in the process of verifying the signatures through a random sample.

Pursuant to Elections Code 9604(b), proponents may withdraw an initiative any time before the Secretary of State certifies it as qualified. The 131-day qualification deadline for the November 8, 2016, General Election is June 30.

The proponents of this initiative, Benjamin L. Tracey and Nathan Jon Selzer can be reached c/o George M. Yin (213) 452-6565.

For more information about how an initiative qualifies for the ballot in California, go to <http://www.sos.ca.gov/elections/ballot-measures/how-qualify-initiative/>

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