

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

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. (15-0100.)