

# FACT SHEET

## THE CLINIC FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT

# IMPROVING CARE AT COMMUNITY CLINICS

**It's time to ensure community clinics are spending our tax dollars on patient care instead of executive pay and other non-essentials.** At a time when all healthcare facilities are facing massive cuts to federal funding, clinic dollars must go where they truly belong: patient care and the caregivers who provide that care. Voters in California will have the opportunity to ensure that a minimum of 90% of clinic revenues must go to supporting their mission of patient care.

Federally Qualified Health Centers (FQHCs), also known as community clinics, were created to address the fact that many low-income communities struggle to get access to quality healthcare. But many CEOs of these clinics have betrayed that mission by spending millions on executive pay and other non-essentials. Some clinics spend less than 50% of their funding on providing care. It's time to ensure that community clinics are spending our tax dollars on patient care, not executive pay.

This is about transparency and accountability. More than any other healthcare facilities, community clinics are funded by our tax dollars, which means they have an added responsibility to ensure that those funds are used responsibly and for the core mission of the clinics. It's time to demand that community clinics get their priorities straight by investing in expanding access to high-quality, affordable medical care instead of bloated executive pay or other non-essentials.



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## FREQUENTLY ASKED QUESTIONS

### What does the initiative do?

This initiative will require Federally Qualified Health Centers (FQHCs), also known as community clinics, to spend a minimum of 90% of their revenues on caregivers, patient care, and furthering their mission of care. That means taxpayer money is going where it truly belongs: to direct care and the caregivers who provide it.

### Why is it needed?

Community clinics were created to help low-income and underserved communities gain access to quality healthcare. But many CEOs of these clinics have betrayed that mission by spending millions on executive pay and other non-essentials. Some clinics spend less than 50% of their funding on providing care. At a time when all healthcare facilities are facing looming cuts to federal funding, we must ensure that clinic spending is going where it is needed most: patient care and the caregivers who provide that care.

### How does it work?

If a clinic fails to meet the 90% goal (which means they spent more than 10% of revenues on executive pay or other non-essentials) they will be fined. The money from the fines will go into an escrow account that they can earn back if they meet the 90% threshold in future years. This encourages clinics to do the right thing and makes sure funds that can be used for patient care are not lost.

### Can clinics afford this? Will it hurt clinics?

Some community clinics are already meeting this goal, which shows others can do it too. But too many clinics are wasting money on executive pay and non-essentials: there is an estimated \$1.7 billion in the clinics system that is not being spent on the core mission of patient care. This initiative will make sure that healthcare dollars go where they can do the most good. That will improve clinics, not hurt them.

### What's next?

We will submit signatures in April to put this initiative on the ballot so that voters will have the chance to decide during the general election on November 3, 2026.

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