Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1322 (Richardson) – As Amended June 11, 2026

Policy Committee: Human Services Vote: 7 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the California Department of Social Services (CDSS), in its role as administrator of the Community Care Expansion (CCE) Program, to provide operational services previously provided by a third-party administrator. The bill further requires, if a grant is awarded to a tribe under the program, CDSS to administer the contract directly with the tribal applicant.

Specifically, this bill:

1) Narrows the third-party administrator role in the CCE Program to providing technical assistance and reporting.

2) Requires CDSS, rather than the contracting entity, to be responsible for supporting the development of the notice of funding availability (NOFA), developing an online application portal, executing contracts, processing invoices, and making grant payments.

3) If a grant is awarded to a tribe, requires CDSS to administer the contract and award process directly with the tribal applicant, and exempts the tribe from the requirement to provide real property if federal restrictions limit tribal property ownership, as applicable.

4) If the grant applicant is a tribe, requires CDSS to include its existing tribal liaison in discussions throughout the grant process to ensure tribal sovereignty is honored.

5) For purposes of the CCE Program, requires contracts between CDSS and a tribe to be aligned with the federal Department of Housing and Urban Development (HUD) tribal housing grant agreements.

FISCAL EFFECT:

CDSS estimates ongoing General Fund costs of approximately $27.9 million in the first year and $27.2 million annually thereafter for multiple positions to develop and implement the operational services of the third-party administrator.

CDSS has allocated over $30 million to the third-party administrator, who has sufficient staffing resources to facilitate the grant application, maintain an online application portal, execute contracts, process grant payments, and more. This bill requires CDSS to rebuild an online portal and assume all other responsibilities of the third-party administrator, resulting in the need for over 100 additional positions. CDSS indicates there are approximately 95 remaining contracts that have not yet been executed by the third-party administrator and would require CDSS to help execute.

All prior funding for the CCE program has been allocated and the Budget Act of 2026 does not provide additional funding for the program.

COMMENTS:

1) **Purpose.** According to the author:

> California has demonstrated a strong commitment to supporting Native American tribes through the establishment of the CEC Program within the CDSS. However, CDSS' grant process remains intricate and cumbersome for applicants. Tribes continue to face ongoing challenges in the lengthy grant process, including navigating complex state funding requirements and reconciling state regulations with tribal sovereignty. By increasing access to funding and ensuring applicants are better supported throughout the process, this bill would help tribal grantees apply for crucial funds with ease without compromising their sovereignty.

   This bill is sponsored by the Pala Band of Mission Indians and has no known opposition.

2) **Background.** In 2021, AB 172 (Committee on Budget), Chapter 696, Statutes of 2021, the human services budget trailer bill, established the CCE Program to address the shortage of adult and senior care facilities serving vulnerable populations who are at risk of or experiencing homelessness. The program was part of a larger statewide effort alongside the Department of Health Care Services' Behavioral Health Continuum Infrastructure Program to expand housing and treatment options, prevent homelessness, and reduce unnecessary institutionalization.

   The CCE Program authorizes CDSS to award grants to qualified grantees for the acquisition, construction, or rehabilitation of residential adult and senior care facilities, or to provide capitalized operating subsidies to preserve existing facilities that serve at least one low-income resident, to avoid the closure of facilities, and to increase the acceptance of new qualified residents. Qualified grantees include, but are not limited to, counties, tribes, or jointly applying counties and tribes.

   The CCE Program authorizes CDSS to enter into an agreement with one or more entities to facilitate grant awards. The program requires a contracting entity to act as a third-party administrator to provide operational services, including supporting the development of the NOFA, developing an online application portal, executing contracts, processing invoices and grant payments, providing technical assistance, and reporting.

   The Budget Act of 2021 appropriated $805 million over multiple years to the program, with an additional $55 million allocated in the Budget Act of 2022 for additional operating subsidies. CDSS indicates all grant funds have been awarded, and no additional funding has been appropriated for the program.

According to the author and sponsor, although tribes have received project funding, the CCE Program poses ongoing challenges for tribes when applying for grant funds, including navigating complex grant agreements and contracts and honoring tribal sovereignty throughout the grant process.

To address these issues, this bill requires CDSS to administer a tribal contract and award process directly with the tribal applicant rather than through a third-party administrator, requires tribal liaison involvement, exempts a tribe from providing real property, and requires contracts be aligned with the federal HUD tribal housing grant agreements.

Further, this bill limits the third-party administrator services to technical assistance and reporting and requires CDSS to take on the remaining operational services. This change impacts all program applicants, not only tribes.

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