

UNFINISHED BUSINESS

Bill No: SB 1322
Author: Richardson (D)
Amended: 8/13/26
Vote: 21

PRIOR SENATE VOTES NOT RELEVANT

SENATE HUMAN SERVICES COMMITTEE: 4-0, 8/27/26

AYES: Becker, Ochoa Bogh, Laird, Pérez

NO VOTE RECORDED: Weber Pierson

ASSEMBLY FLOOR: 78-0, 8/25/26 - See last page for vote

SUBJECT: Community Care Expansion Program

SOURCE: Pala Band of Mission Indians

DIGEST: This bill requires the California Department of Social Services (CDSS) to take certain actions related to grant administration of the Community Care Expansion Program should the program obtain additional funding made available to tribes.

Assembly Amendments delete previous language and replaces with current language.

ANALYSIS:

Existing Law:

- 1) Establishes the California Community Care Facilities Act. Defines “residential facility” as any family home, group care facility, or similar facility determined by CDSS, for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual. (Health and Safety Code (HSC) 1500 et seq.)

- 2) Establishes the Community Care Expansion Program. Under the program, qualified grantees shall administer projects for the acquisition, construction, or rehabilitation of property to be operated as residential adult and senior care facilities, or to promote the sustainability of existing licensed residential adult and senior care facilities through the provision of capitalized operating subsidy reserves. (Welfare and Institutions Code [WIC] §18999.97(a))
- 3) Authorizes CDSS to enter into an agreement with one or more entities to facilitate Community Care Expansion Program grant awards. Requires a contracting entity to act as a third-party administrator to provide operational services under the contract with CDSS, which may include, but are not limited to, all of the following:
 - a) Supporting the development of the notice of funding availability.
 - b) Developing an online application portal.
 - c) Executing contracts.
 - d) Processing invoices and making grant payments.
 - e) Providing technical assistance, as specified.
 - f) Reporting. (WIC §18999.97(b)(1))
- 4) Provides that funds appropriated for the Community Care Expansion Program shall be awarded, at the discretion of CDSS, to qualified grantees that include, but are not limited to, counties, tribes, or jointly applying counties and tribes. (WIC §18999.97(b)(2))
- 5) Requires CDSS, subject to an appropriation of funds, to award grants for one or both of the following, as specified in the annual Budget Act:
 - a) To preserve or expand capacity of residential adult and senior care facilities through the acquisition, construction, or rehabilitation of property.
 - b) To provide capitalized operating subsidy reserves to existing licensed residential adult and senior care facilities that serve at least one qualified resident, in order to avoid the closure of facilities and to increase the acceptance of new qualified residents. (WIC §18999.97(c))
- 6) Requires CDSS to develop criteria for the Community Care Expansion Program, including, but not limited to: the methodology and distribution of the funds awarded to qualified grantees; the proportion of funds that may be expended on

capitalized operating subsidy reserves; allowable use of funds awarded; and tracking and reporting procedures. (WIC §18999.97(d))

This bill:

- 1) Requires CDSS, in the event that the Community Care Expansion Program obtains additional funding available to tribes, to develop the grant application for tribes in consultation with tribes. Requires any additional appropriated funds to be available to CDSS to implement this program.
- 2) Specifies that a tribe is exempt from providing real property if federal restrictions limit tribal property ownership.
- 3) Requires CDSS, if a program applicant is a tribe, to include its existing tribal liaison or their designee in discussions throughout the grant process to ensure tribal sovereignty is honored.
- 4) Requires agreements between CDSS and a tribe, if additional funds are appropriated for the program and available to the tribes, to be aligned with the U.S. Department of Housing and Urban Development tribal housing grant agreements, to the extent practicable and consistent with the program.

Background

Purpose of the Bill. According to the author, “California has demonstrated a strong commitment to supporting Native American tribes through the establishment of the Community Care Expansion Program within the Department of Social Services (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. SB 1322 would require CDSS to streamline and improve its grant process, while strengthening the tribal liaison role as a designated point of contact for effective government-to-government communication. By increasing access to funding and ensuring applicants are better supported throughout the process, this bill helps tribal grantees apply for crucial funds with ease without compromising their sovereignty.”

Residential Adult and Senior Care Facilities. Adult residential facilities provide 24-hour, non-medical care and varying levels of supervision for clients ages 18–59 or any person 60 years of age or older if they require the same level of care and supervision as other clients in the facility. Clients may have a mental, physical, or developmental disability. Care and supervision may include, but is not limited to:

assistance in dressing, grooming, bathing, and other personal hygiene; assistance with taking medication; central storing and distribution of medications; arrangement of and assistance with medical and dental care; and maintenance and supervision of client cash resources or property. As of June 2025, the Community Care Licensing Division oversees 6,161 adult residential facilities across the state, with a total licensed capacity of 40,296.

Residential Care Facilities for the Elderly (RCFE) provide 24-hour, non-medical care and supervision for clients 60 years of age or older. This level of care and supervision is for people who are unable to live by themselves but who do not need 24-hour nursing care. Assistance with activities of daily living may include, but is not limited to: assistance with hygiene, dressing, eating, and walking. As of June 2025, the Community Care Licensing Division oversees 7,889 RCFEs across the state, with a total licensed capacity of 174,458.

Community Care Expansion Program. The Community Care Expansion Program was established in 2021 as a component of California's COVID-19 Recovery Plan. The program funds the creation, expansion, and preservation of housing with care and supportive services for older adults and people with disabilities who are at risk of or experiencing homelessness. The Community Care Expansion Program consists of two sub-programs: the Capital Expansion program and the Preservation program.

The Capital Expansion program provides capital project funds and capitalized operating subsidy reserve funds to support the acquisition, construction, and rehabilitation of housing that includes care and supportive services. As of September 2024, CDSS had completed the process of awarding all available Capital Expansion program funding to 61 projects throughout the state. According to the Community Care Expansion Program Midpoint Implementation Report by CDSS, published in April 2026, these awards are anticipated to create 3,170 beds/units available to the Community Care Expansion Program population, as shown in the table below. Funding for the Capital Expansion program included a \$28.5 million set aside for tribal entities.

The Preservation program provides capital project and operating subsidy payment funding to immediately preserve and prevent the closure of existing licensed residential adult and senior care facilities that serve older adults and people with disabilities who are at risk of or experiencing homelessness. Eligible facilities include adult residential facilities, RCFEs, and RCFEs for the Chronically Ill. Of those counties, 22 have entered into contracts with a total of 163 facilities at risk of

closure, resulting in the preservation of 4,467 beds committed for the Community Care Expansion Program population.

The Community Care Expansion Program Midpoint Implementation Report acknowledges that, as the Preservation program proceeds toward full implementation, counties have had to navigate challenges similar to those experienced by Capital Expansion program projects. These include financial strain from rising operational costs without corresponding increases in revenue; risk of closure due to deferment of necessary maintenance; and the need to braid funding sources to offer the services necessary to meet the complex needs of residents. The report closes with potential solutions to continue making tangible differences in communities across California. The report does not mention the possibility of future Community Care Expansion Program funding.

Community Care Expansion Program Funding. Community Care Expansion Program grant funding comes from one-time funding appropriations from the State General Fund, State Fiscal Recovery Fund, and California’s Home and Community Based Services spending plan. The State Fiscal Recovery Fund represents federal American Rescue Plan Act (ARPA) funding received by the state during the COVID-19 pandemic. The Home and Community Based Services spending plan also represents federal funding. There are different obligation and liquidation deadlines associated with each funding source, shown in the table below.

Funding Source	Obligation Deadline	Liquidation Deadline
State General Fund	June 30, 2027	March 31, 2029
State Fiscal Recovery Fund	December 31, 2026	September 30, 2028
California’s Home and Community Based Services Spending Plan	October 31, 2024	December 31, 2024

Related/Prior Legislation

AB 161 (Committee on Budget, Chapter 46, Statutes of 2024), a budget trailer bill, authorized CDSS to accept an alternative legally enforceable agreement in lieu of a deed restriction for a facility awarded Community Care Expansion Program funds.

AB 178 (Committee on Budget, Chapter 45, Statutes of 2022), a budget trailer bill, extended the period to encumber or expend funds for the Community Care Expansion Program until June 30, 2027.

AB 172 (Committee on Budget, Chapter 696, Statutes of 2021), a budget trailer bill, established the Community Care Expansion Program.

SB 129 (Committee on Budget and Fiscal Review, Chapter 69, Statutes of 2021), a budget trailer bill, made \$352.5 million available for the Community Care Expansion Program for encumbrance or expenditure until June 30, 2024. Availability of these funds was contingent upon the passage of related legislation detailing program objectives and implementation design, among other things.

Comments

This bill seeks to establish additional consultation with tribes for the Community Care Expansion Program in the event that the program receives additional funds made available to tribes. According to the bill sponsor, the Pala Band of Mission Indians, the Community Care Expansion Program has presented challenges to tribal communities such as a grant contract that was over 100 pages, infrequent involvement by CDSS's tribal liaison, and concerns about honoring tribal sovereignty. This bill requires CDSS to develop a new grant application for tribal entity applicants and require CDSS to include its tribal liaison in discussions throughout the grant process. This bill additionally specifies that a tribe is exempt from providing real property in lieu of matching funds.

The Community Care Expansion Program was established during the COVID-19 pandemic with one-time funding from the state General Fund and federal funds. According to a program update in November 2023, CDSS received overwhelming interest in the Capital Expansion Program, with 374 applicants requesting \$3.8 billion in funding. While the demand for the Community Care Expansion Program is evident, it is unclear whether the program will receive additional funding.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Assembly Appropriations Committee:

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.

SUPPORT: (Verified 8/27/26)

Pala Band of Mission Indians (source)
California Tribal Business Alliance

OPPOSITION: (Verified 8/27/26)

None received

ASSEMBLY FLOOR: 78-0, 8/25/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: McKinnor

Prepared by: Diana Dominguez / HUMAN S. / (916) 651-1524
8/27/26 11:33:13

**** END ****