

Karol Swartzlander, Executive Director Gavin Newsom, Governor

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March 18, 2025

Assembly Member Corey Jackson, Chair Assembly Budget Sub Committee #2 Human Services State Capitol, Room 8230 Sacramento, CA 95814

RE: Support for \$100M One-Time Budget Request for the California Community Care Expansion Program (CCE)

Dear Honorable Chair,

On behalf of the California Commission on Aging (CCoA), I respectfully request that the Subcommittee hear and consider a one-time \$100 million budget allocation to support the California Community Care Expansion (CCE) Program. This critical investment will strengthen the state's long-term care infrastructure by expanding housing and supportive services for older adults and individuals with disabilities.

As an independent advisory body established under the Older Californians Act, CCoA serves as the principal advocate for California's older adults before the Governor, Legislature, and state and federal agencies. Our diverse Commission includes consumers, aging services providers, researchers, and academicians, bringing decades of expertise in aging policy and service delivery.

Access to stable housing is a fundamental need, particularly for the state's most vulnerable populations. The number of older adults experiencing homelessness is rising at an alarming rate—more than a quarter of California's unsheltered adults without children are aged 55 or older, and the number of adults over 65 accessing homelessness services is growing faster than any other demographic. Licensed assisted living facilities are a key part of the solution, particularly those serving individuals on Supplemental Security Income, State Supplementary Payments (SSI/SSP), or the Cash Assistance Program for Immigrants (CAPI) who are experiencing or at risk of homelessness. These facilities provide both housing and essential care, stabilizing vulnerable older adults and preventing homelessness.

Since its establishment in 2021, the CCE Program has addressed this critical gap by funding housing providers that serve low-income older adults and individuals with disabilities. To date, the California Department of Social Services (CDSS) has awarded \$570 million in competitive grants across 61 projects, creating 3,104 beds in permanent supportive housing, licensed residential care facilities, and recuperative/respite care settings. Over time, these projects are projected to serve 94,000 individuals.

Despite its success, demand for CCE funding has far outpaced supply. More than \$3.8 billion in funding was requested, yet only \$570 million was available. With CCE



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expansion funds now exhausted, the need for additional investment is urgent. A one-time \$100 million allocation—including 5% for state administrative costs and 5% for inflation adjustments—would support the creation of an estimated 474 additional beds, further expanding vital housing and care options for at-risk older adults.

Without additional funding, the "Expansion" division of the Community Care department will be eliminated, resulting in the loss of trained staff, critical local partnerships, and a pipeline of over 370 ready-to-build applicants. This will create unnecessary delays in the development of much-needed housing while the Governor's yet-to-be-established Department of Housing and Homelessness will endeavor to recreate a similar program.

Addressing older adult homelessness has been a clear state priority, and continued investment in CCE is essential to expanding affordable housing options. CCE provides older adults with limited financial resources the ability to live in residential care settings—often a more suitable and cost-effective alternative to institutional care.

We recognize the fiscal challenges involved in budget allocations. However, by 2030—just five years from now—the oldest baby boomers will reach age 85, a stage in life when long-term care needs significantly increase. Investing in CCE now, alongside maintaining full funding for Home Safe and HDAP, will yield long-term cost savings by delaying or preventing high-cost skilled nursing placement, ultimately reducing Medi-Cal expenditures and strengthening California's long-term care system.

We appreciate your leadership and commitment to programs that support California's aging population. By prioritizing proven initiatives like CCE, we can create a financially sustainable safety net and ensure older adults and individuals with disabilities have access to the housing and care they need.

The Commission stands ready to partner with the administration and its agencies and departments. We look forward to working with you to advance this critical investment in our long-term care infrastructure.

Thank you for your time and consideration.

Sincerely,

Dr. David Lindeman

Chair

California Commission on Aging