

Proposal for 2026-27 Legislative Session

Commissioner: Costa

Proposal Summary: The California Area Agency on Aging Modernization Act would modernize the Older Californians Act by strengthening AAAs as California's designated regional leadership organizations for planning, coordinating, and sustaining the statewide aging services network, and establish a stable state investment to support AAAs and the community-based providers they contract with, ensuring that public funding more adequately reflects the cost of serving older Californians.

Problem: California has made important progress in strengthening its aging network through the Mello-Granlund Older Californians Act and Senate Bill 1249. Those reforms advanced planning, accountability, and statewide coordination. However, they did not create a long-term framework for sustaining the infrastructure needed to carry out these responsibilities.

The current funding structure presents several challenges:

- Growing demand for services driven by demographic change.
- Increasing operational costs affecting community-based providers.
- Workforce shortages across the aging services sector.
- Expanding statutory responsibilities for Area Agencies on Aging.
- Geographic disparities in service delivery.
- Funding uncertainty that limits long-term planning and investment.

Without a comprehensive and sustainable framework, these pressures will continue to reduce service capacity and deepen inequities in access across California.

Solution: Sponsorship of a bill which provides a framework and guidelines for addressing the problem while resolving various interconnected issues in the process:

1. Establish Core Aging Services (Have not yet been put into statute/regulation)

The legislation would define the initial AAA core services as:

- Information and Assistance
- Nutrition Services
- Family Caregiver Support

2. Strengthen Area Agency on Aging Capacity

The proposal recognizes that Area Agencies on Aging perform essential governmental functions beyond direct service delivery, including:

- Regional planning
- Contract administration
- Fiscal oversight
- Quality assurance

- Emergency preparedness
- Community engagement
- Performance measurement
- Provider monitoring

The legislation would establish these responsibilities in statute and recognize the need for sustainable administrative capacity, including sufficient funding to perform these functions effectively.

3. Strengthen the AAA Provider Network

AAAs and contracted community-based organizations form the foundation of California's aging network. The proposal directs CDA to develop a statewide Provider Sustainability Framework that evaluates workforce capacity, operating costs, inflationary pressures, technology needs, transportation costs, and regional differences to inform future funding decisions.

4. Modernize State Funding

Rather than relying on a single allocation methodology to address every objective, the proposal establishes three complementary funding components:

1. AAA Administrative Capacity Investment
2. Service Provision Investment
3. Regional Access Investment

Cost: To be Determined

Prior Legislation: SB1249 addresses the need to establish core services and modernize the Intrastate Funding Formula

Arguments in Support: 1) Recognizes the actual role of AAAs in the aging services delivery network and provides for adequate funding to perform that role.

2) Provides for structured, ongoing funding for aging services providers (AAAs and CBOs) that anticipates current and evolving capacity needs

3) Addresses access needs and aging policy goals without resorting to a zero-sum funding dilemma

Arguments in Opposition: Budget concerns since additional \$ would be budgeted.

Background Information: CDA SB1249 Implementation Hearings; Letters received by CCoA related to IFF and related implementation concerns.

CCoA Policy Priorities: This embodies/is consistent with a primary Commission priority.