
SUBCOMMITTEE NO. 5

Agenda

Senator Laura Richardson, Chair
Senator María Elena Durazo
Senator Kelly Seyarto
Senator Aisha Wahab



Thursday, March 13, 2025
9:30 a.m. or Upon Adjournment of Session
State Capitol – Room 112

Consultant: Nora Brackbill

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Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

ITEMS FOR DISCUSSION

0552 OFFICE OF THE INSPECTOR GENERAL

Issue 1: Overview and Elimination of C-ROB and Blueprint Monitoring Functions

Proposal. The proposed budget includes \$52.4 million General Fund and 250.8 positions for the Office of the Inspector General (OIG). The proposed budget also includes statutory changes reflecting the elimination of two aspects of OIG oversight over the California Department of Corrections and Rehabilitation (CDCR): Blueprint monitoring and the California Rehabilitation Oversight Board, or C-ROB.

Background. The OIG was established in 1994 and provides independent oversight of California's prison system. The OIG's duties and authorities have varied over the years. The OIG's current duties are established in Sections 2641 and 6125 through 6141 of the Penal Code. They include:

- Monitoring the processes for employee discipline, handling allegations of staff misconduct, and use-of-force reviews.
- Providing immediate, on-site responses to critical incidents, including riots, use of deadly force, and unexpected inmate deaths.
- Monitoring CDCR's implementation of the reforms outlined in the Blueprint¹.
- Evaluating the quality of medical care.
- Conducting audits (discretionary) and special reviews (requested by the Governor, Assembly or Senate).
- Maintaining a hotline to receive complaints about CDCR from any source.
- Acting as an ombudsperson for sexual abuse complaints and reviewing allegations of mishandled sexual abuse investigations.
- Reviewing complaints of retaliation that departmental staff level against members of their management.
- Vetting wardens and superintendents.
- Chairing C-ROB, the board that provides public oversight of the department's rehabilitative programs.

Operations and Vacancy Reductions. The Budget Act of 2024 included two control sections aimed at improving government efficiencies across state government: Control Section (CS) 4.05, which authorizes the Department of Finance (DOF) to reduce state operations expenditures up to 7.95 percent in fiscal year 2024-25 and ongoing, and CS 4.12, which authorizes DOF to adjust items of appropriation to achieve savings associated with vacant positions in 2024-25 and propose the elimination of vacant positions to achieve ongoing savings beginning in 2025-26. On January 10, 2025, the DOF provided a letter outlining reductions taken under these control sections. According to this letter, the OIG has reductions of \$357,000 and 3 positions related CS 4.12, and \$3.9 million related CS 4.05, all General Fund. Two efficiency reductions require statutory changes, outlined below.

¹ <https://www.cdcr.ca.gov/wp-content/uploads/2019/12/an-update-to-the-future-of-california-corrections-january-2016-1.pdf>

Blueprint Monitoring. In April 2012, in response to federal court oversight, CDCR released "The Future of California Corrections: A Blueprint to Save Billions of Dollars, End Federal Court Oversight, and Improve the Prison System", aka the Blueprint². The Blueprint was updated in 2016. The Office of the Inspector General (OIG) is tasked with monitoring CDCR's implementation of the Blueprint, and has released 13 annual reports. The latest report had one recommendation around standardized staffing³.

C-ROB. C-ROB was created in 2007 as part of the OIG to review various mental health, substance abuse, educational, and employment programs operated by CDCR for both incarcerated individuals and parolees. C-ROB meets at least twice a year, and produces an annual report for the Legislature⁴. C-ROB members include the Inspector General and the Secretary of CDCR in addition to various education, health care, and local representatives.

Staff Recommendation. Hold open.

² <https://www.cdcr.ca.gov/wp-content/uploads/2019/12/an-update-to-the-future-of-california-corrections-january-2016-1.pdf>

³ <https://www.oig.ca.gov/wp-content/uploads/2024/03/13th-Blueprint-Monitoring-Report.pdf>

⁴ <https://crob.ca.gov/wp-content/uploads/2024/10/2024-C-ROB-Annual-Report.pdf>

Issue 2: Complaints of Staff Sexual Misconduct (SB 1069)

Proposal. The proposed budget includes \$3.6 million General Fund and 22 positions in 2025-26, and \$5.7 million General Fund and 29 positions in 2026-27 and ongoing, for the OIG to expand monitoring and investigation of complaints of staff sexual misconduct filed by incarcerated persons, pursuant to SB 1069 (Menjivar), Chapter 1012, Statutes of 2024.

Background. As of March 5, 2025, California held 4,041 women in custody, primarily at two designated women’s facilities: the California Institution for Women (CIW) in Chino and the Central California Women’s Facility (CCWF) in Chowchilla. In September 2024, the U.S. Department of Justice opened a civil rights investigation into sexual abuse by staff at these two prisons, citing hundreds of lawsuits alleging officer sexual abuse at CCWF and CIW⁵.

One prominent case involves a guard at CCWF who was convicted of 64 counts of sexual abuse, including rape and sexual battery, in January 2025⁶. According to records and interviews with survivors, the guard brought women to areas without cameras, such as parole hearing rooms, and threatened the women with rules violation reports if they did not comply. Most of the assaults in the case took place in 2021 and 2022, but court records show that CCWF first received reports of the officer’s abuse in 2014⁷.

In February 2025, a class-action complaint was filed alleging that the only staff gynecologist at CIW repeatedly sexually harassed and abused incarcerated women from 2016 to 2023. The suit also alleges that CIW had first received allegations of misconduct by this doctor in 2017⁸. CIW was also the site of a botched sting operation, in which CIW staff used two women as “bait” to catch a guard engaged in misconduct and failed to intervene when he assaulted them again. In court filings, a CIW lieutenant admitted the officer assaulted the women during the sting, and that investigators monitoring the operation did not stop the attacks⁹.

CDCR’s handling of staff misconduct allegations and employee discipline (discussed below) likely lead to underreporting. Women may also fear retaliation and other negative consequences related to filing a complaint, such as being placed in segregated housing for protection. For example, in 2019, a woman at CIW reported receiving a rules violation report for extortion against her abuser and facing solitary confinement and an extended sentence¹⁰.

Compounding the problem, researchers have noted an overwhelming prevalence of sexual abuse histories within the population of incarcerated women, with some figures suggesting that 86 percent of all women who are incarcerated have experienced sexual violence in their lifetime and 77 percent had experienced partner violence. Note that regulations specify that the legal concept of consent does not exist between CDCR staff and incarcerated individuals, and that any sexual

⁵ <https://www.theguardian.com/us-news/article/2024/sep/05/california-womens-prisons-investigation>; <https://www.justice.gov/archives/opa/pr/justice-department-announces-civil-rights-investigation-correctional-staff-sexual-abuse-two>; <https://www.kqed.org/news/11786495/metoo-behind-bars-new-records-shed-light-on-sexual-abuse-inside-state-womens-prisons>

⁶ <https://www.theguardian.com/us-news/2025/jan/14/california-womens-prison-officer-convicted-sexual-abuse>

⁷ <https://www.theguardian.com/us-news/2023/oct/25/gregory-rodriguez-california-correctional-officer-accused-sexual-assault-womens-prison>

⁸ <https://www.theguardian.com/us-news/2025/feb/05/california-prison-gynecologist-abuse>; <https://abc7.com/post/lawsuit-alleges-women-california-prison-were-victims-sexual-violence-predatory-gynecologist/15870498/>

⁹ <https://www.theguardian.com/us-news/2023/oct/30/california-womens-prisons-correctional-officers-sexual-assault-investigation>

¹⁰ <https://www.theguardian.com/us-news/2023/oct/30/california-womens-prisons-correctional-officers-sexual-assault-investigation>

behavior between them constitutes sexual misconduct and will subject the employee to disciplinary action and/or to prosecution.

PREA and OIG. The Federal Prison Rape Elimination Act (PREA) of 2003 was established to address sexual abuse in carceral settings. The U.S. Department of Justice issues national standards to eliminate sexual abuse in detention facilities, and CDCR must comply or risk losing federal funding. California's Sexual Abuse in Detention Elimination Act (SADEA) requires CDCR to have procedures to protect individuals from sexual abuse and to respond to reports of sexual abuse. The OIG serves as the ombudsperson for complaints related to SADEA and PREA, and reviews allegations of mishandled sexual abuse inquiries or investigations within correctional institutions.

Sexual Assault Response and Prevention Working Group. The 2023-24 Budget Act included \$1 million for CDCR and the Sister Warriors Freedom Coalition to establish a Sexual Assault Response and Prevention Working Group and an Ambassador Program. The 2024-25 Budget Act included an additional \$500,000 to continue this work. One recommendation was to improve the reporting process, and provide additional whistleblower and anti-retaliation measures¹¹.

Process for Handling Allegations of Staff Misconduct. CDCR handles allegations of staff misconduct, including allegations of staff sexual misconduct, through its grievance process. As will be discussed in the next item, this process is the result of orders and significant involvement from the *Armstrong* court. Prior to January 1, 2025, the process worked as follows:

1. *Intake, Screening, and Routing.*

- Grievances are collected by the prison's Office of Grievances, and screened for any urgent issues (i.e. anything that would require an immediate response) within one business day.
- Grievances are sent to the Centralized Screening Team (CST) at the Office of Internal Affairs (OIA) and processed within three to five business days. There, staff decide whether it contains: (1) a serious allegation of staff misconduct that requires investigation by the Allegation Investigation Unit (AIU) at OIA (which includes allegations of sexual misconduct), (2) an allegation of staff misconduct that can be returned to the prison for a local inquiry, or (3) a routine grievance that does not contain any allegations of staff misconduct and can be returned to the prison. CST staff may also follow up with the person who submitted the grievance for more information if needed, and they log the grievance in the Allegation Against Staff Tracking System (AASTS).

2. *Investigation, Inquiry or Other.* Depending on the decision of CST, AIU will perform an investigation within 120 days, or a Locally Designated Investigator (LDI) will perform a local inquiry within 60 days. In the case of a local inquiry, the final report must be reviewed by an AIU Captain before the inquiry is completed. If the LDI establishes reasonable belief that an allegation occurred that is likely to lead to adverse action, the LDI is supposed to

¹¹ https://www.sisterwarriors.org/prison_sexualassault_report

stop the inquiry and escalate the complaint directly to AIU. LDIs are also required to be at least one rank above the highest-ranking officer in the allegation.

3. *Resolution.* The results of the investigation or inquiry are returned to the hiring authority for review and disposition. The reports only contain a finding of facts – it is up to the hiring authority to decide if an allegation of staff misconduct is sustained. Hiring authorities must order some action if an allegation of staff misconduct is sustained. The outcome is recorded in the AASTS.

New Staff Misconduct Regulations Effective January 2025. Due the volume of grievances received, CDCR modified the staff misconduct process through emergency regulations, effective January 1, 2025¹². Major changes include:

- Eliminates local inquiries. Grievances will now either go to OIA for investigation or are handled as a routine grievance through the institution (including lower-level allegations that will be returned to the institutions for routine inquiry).
- Establishes a new centralized hiring authority unit for the review and resolution of investigations conducted by AIU.
- Creates multi-disciplinary grievance teams to meet with individuals who frequently file grievances and help resolve their issues or open investigations.
- Enhances internal auditing to help ensure corrective and disciplinary actions are taken.

Source of Allegations. CST screens grievances from the following sources: CDCR Form 602-1 (Custody Grievance), CDCR Form 602-HC (Health Care Grievance), and CDCR Form 1824 (Reasonable Accommodation Request). In addition, CST also accepts grievances filed by third parties, including from or on behalf of *Armstrong* plaintiffs, and from anonymous parties, CDCR staff, and families.

OIG Oversight of the Staff Complaint and Employee Discipline Processes. The OIG is currently tasked with monitoring the staff complaint process and the employee discipline process. On March 10, 2025, the OIG released their annual monitoring report¹³. According to the report,

The OIG determined the department's performance was poor both in conducting staff misconduct investigations and in handling the employee disciplinary process. From January 1, 2024, through December 31, 2024, the OIG monitored and closed 162 staff misconduct investigations and the employee disciplinary process, if any, for those cases. The OIG assigned one of three overall ratings for each case: superior, satisfactory, or poor. The department's overall performance was poor in 119 of 162 cases, or 73 percent, and satisfactory in 43 cases, or 27 percent.

¹² https://www.cdcr.ca.gov/regulations/wp-content/uploads/sites/171/2025/01/2024-1206-02EON-Approval_12.26.24.pdf

¹³ <https://www.oig.ca.gov/wp-content/uploads/2025/03/2024-Staff-Misconduct-Investigation-Monitoring-Report.pdf>

Current Resources. The 2019-20 budget package provided OIG with five positions and about \$780,000 in ongoing General Fund support to monitor the staff complaint process. The 2022-23 budget included an additional \$7.9 million in 2022-23 and \$15.1 million ongoing to provide contemporaneous monitoring of the new staff complaint process, including reviewing screening decisions and monitoring investigations.

SB 1069 (Menjivar), Chapter 1012, Statutes of 2024. SB 1069 authorizes the OIG to monitor, and in certain cases, investigate, allegations of staff sexual misconduct with an incarcerated person. As noted above, the OIG currently monitors CDCR’s handling of allegations of staff misconduct of various types, and these resources will enable the OIG to oversee more of the allegations of sexual misconduct, as outlined below.

- The OIG will monitor a greater volume of the investigations CDCR performs into allegations of staff sexual misconduct. CDCR receives approximately 1,400 claims of staff sexual misconduct annually. The OIG currently monitors roughly 30 of those cases annually, and expects to monitor approximately 350 of those per year moving forward.
- If deemed necessary, the OIG will conduct supplemental investigations into allegations of staff sexual misconduct.
- The OIG will report on its oversight of staff sexual misconduct investigations.
- The OIG will expand its review of grievances and allegations submitted to CDCR’s Centralized Screening Team, to enable the OIG to have greater visibility on the complaints that the Centralized Screening Team decides not to refer for investigation. The OIG plans to monitor approximately 9,600 more grievance decisions per year.

New Positions Requested. The OIG requests 14 positions be authorized and established effective July 1, 2025; 8 positions be authorized and established January 1, 2026; and an additional 7 positions be established July 1, 2026 to align with planned timelines for hiring and onboarding of new staff. The OIG intends to divide 12 new Attorney IV positions across its three regional offices (North, Central, and South). Each attorney will report to an Attorney Supervisor, who will report to a Chief Assistant Inspector General. See table below.

Classification	July 1, 2025	January 1, 2026	July 1, 2026	Total
Chief Assistant Inspector General	1			1
Attorney Supervisor	1	1	1	3
Attorney IV	4	4	4	12
Deputy Inspector General, Senior	1			1
Deputy Inspector General	1			1
Associate Deputy Inspector General	3	1	2	6
Associate Governmental Program Analyst	1			1
Office Technician	1	2		3
Information Technology Specialist I	1			1
Total	14	8	7	29

LAO Comment.

Administration Plans to Reassess OIG and CDCR Resource Needs in Light of January 1, 2025 Process Change. The Administration reports that the proposal for OIG to implement SB 1069 (Menjivar), Chapter 1012, Statutes of 2024 was developed based on CDCR's old process for handling allegations that existed before the January 1, 2025 change. Accordingly, OIG may need a different level and/or type of resources to implement SB 1069 under the new process. In addition, the new process could affect the level and/or type of resources needed in both CDCR and OIG's base budgets. The Administration indicates it intends to conduct a review this spring of resource needs for both departments to align their operations with the new process.

LAO Recommendation.

Withhold Action Until Administration Reassesses Resource Needs Under New Process. The LAO recommends that the Legislature withhold action on this proposal until the Administration reassesses the level and type of resources needed for OIG and CDCR to operate under the new process created by the regulations and, if needed, revises the funding requested to implement SB 1069 (Menjivar), Chapter 1012, Statutes of 2024 accordingly.

Staff Recommendation. Hold open.

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION**Issue 3: *Coleman v. Newsom* and Class Action Update**

Background. CDCR faces numerous, long-standing, and still heavily litigated class action lawsuits due to the continued mistreatment of incarcerated people. The oldest of these cases is *Coleman*, filed in 1990¹⁴. In fiscal year 2023-24, CDCR spent \$45.8 million on direct legal costs related to 17 class action lawsuits. The majority of this was spent on two cases: *Coleman* (\$25.8 million) and *Armstrong* (\$14.9 million). These were followed by *Plata* (\$2 million), and the rest of the cases were less than \$1 million each. Background on *Coleman* and on the other major cases is included below. Costs included in this number are DOJ legal fees, outside counsel, plaintiff's counsel fees, and court expert and special master fees. Note that these costs do not include CDCR's internal team of class action attorneys, who handle the ongoing legal workload and compliance issues associated with these cases; the many other staff dedicated to court compliance; or the costs of remedial measures themselves, such as reforms to the staff complaint process described in the previous issue.

Coleman. The *Coleman* case is a class action lawsuit filed in 1990 on behalf of all California state prisoners with serious mental illness. As of January 13, 2025, there are 35,227 individuals included in the *Coleman* class. The case alleges that CDCR provides inadequate mental health care that places prisoners at serious risk of death, injury, and prolonged suffering. In 1995, the federal court found that prison officials violated the cruel and unusual punishment clause of the Constitution by not providing adequate mental health care, in particular “the court found overwhelming evidence of significant and chronic understaffing among mental health care service providers in California’s prison system, rising to the level of a violation of the Eighth Amendment”¹⁵. The court issued an injunction requiring major changes in the prison mental health system, and approved CDCR’s remedial plan for providing mental health care. The court also appointed a Special Master who, among other things, monitors and reports on CDCR’s compliance with the plan.

In fiscal year 2023-24, CDCR expended a total of \$25.8 million in direct costs related to the *Coleman* class action. This consists of \$4.2 million in defense litigation costs (fees and costs paid to the Office of the Attorney General and to additionally retained contract counsel), \$5.0 million in fees and costs paid to plaintiffs’ counsel, \$7.6 million in fees and costs paid to defense experts, and \$9 million paid to the court for disbursement to the court-appointed Special Master’s team, which has grown to 32 court-appointed individuals.

Mental Health Services Delivery System. In agreement with the *Coleman* court, CDCR implemented the Mental Health Services Delivery System (MHSDS), which is “designed to provide an appropriate level of treatment and to promote individual functioning within the clinically least restrictive environment consistent with the safety and security needs of both the inmate-patient and the institution.”¹⁶

¹⁴ Note that the current full name of this case is *Coleman v. Newsom*, but as the cases have lasted longer than the governors, they are often referred to solely by the plaintiffs’ names.

¹⁵ https://rbgg.com/wp-content/uploads/ORDER-Finding-Defendants-in-Civil-Contempt-Ordering-Payment-of-Fines_06.25.24.pdf

¹⁶ <https://cchcs.ca.gov/wp-content/uploads/sites/60/2021-Program-Guide-2.1.22.pdf>

Recent Developments and Fines. The *Coleman* case continues to be heavily litigated, as the state has yet to achieve the minimum staffing levels ordered by the court in 2009. In 2017, the court concluded that enforcement proceedings would be required. However, enforcement was delayed by a whistleblower report in 2018 that revealed that defendants knowingly presented misleading information to the court, and then the onset of the COVID-19 pandemic. The court approved revisions to the staffing plan in 2021.

On February 28, 2023, the state was issued a federal court order which stated that fines would be assessed beginning April 1, 2023, if the state was not in compliance with the staffing plan. To reach the compliance, the state must have enough positions to meet the ratios set out in the staffing plan, and the positions must be no more than 10 percent vacant across five key mental health staff positions.

FILL RATES FROM APRIL 2023-APRIL 2024

	Psychiatrists	Psychologists	Social Workers	Medical Assistants	Recreation Therapists
Apr 2023	90%	65%	73%	76%	91%
May 2023	94%	65%	75%	77%	92%
June 2023	93%	64%	76%	78%	91%
July 2023	89%	62%	73%	68%	88%
Aug 2023	91%	62%	74%	69%	90%
Sep 2023	89%	61%	73%	71%	89%
Oct 2023	90%	61%	73%	76%	90%
Nov 2023	87%	60%	72 %	79%	87%
Dec 2023	87%	60%	72%	86%	87%
Jan 2024	86%	61%	74%	86%	57%
Feb 2024	85%	59%	71%	85%	58%
Mar 2024	86%	59%	71%	85%	51%
Apr 2024	87%	60%	83%	92%	77%

On June 25, 2024, the federal court ordered the state to pay \$112 million in accumulated fines, and found CDCR in contempt for failing to provide adequate mental health care¹⁷. The table above is taken from the court order, and shows the vacancy rates for the five positions. As of December 2024, CDCR had an overall vacancy rate of 31.1 percent in its mental health services program.

The state, in defense, has argued substantial compliance and impossibility of the court's orders, and is pursuing an appeal. On November 12, 2024, the United States Court of Appeals for the Ninth Circuit stayed the District Court's order to pay fines. Oral arguments on the appeal were heard on December 6, 2024, and an opinion has yet to be issued. The court is also reported to be considering receivership¹⁸.

By the time of the stay, the state had accrued \$162 million in fines, between \$6 million and \$11 million per month from April 2023 through October 2024. A total of \$155.1 million has been deposited into a recently created special fund, the "Mental Health Staffing Special Deposit Fund", which, with the agreement of the court and plaintiffs, will be spent to reduce the vacancy rates in these positions. The fines are still accruing; however, spending out of the fund and additional

¹⁷ https://rbgg.com/wp-content/uploads/ORDER-Finding-Defcs-in-Civil-Contempt-Ordering-Payment-of-Fines_06.25.24.pdf

¹⁸ <https://www.kqed.org/news/12002854/court-weighting-takeover-of-mental-health-care-in-california-prisons>

deposits are stayed pending the appeal. The 2024-25 Budget Act also included provisional language authorizing the Controller to pay any fines ordered in *Coleman*.

Other Major Class Action Lawsuits.

Armstrong. The *Armstrong* case is a class action lawsuit filed in 1994 on behalf of prisoners with disabilities. The lawsuit alleged that people with certain disabilities did not have equal access to prison programs, services, and activities, as required by the Americans with Disabilities Act (ADA). In 1999, CDCR negotiated a settlement in the lawsuit and developed the Armstrong Remedial Plan (ARP) to address the areas of noncompliance. The federal court ordered prison officials to follow the ADA, to provide disability accommodations, and to make sure that the prisons are accessible for class members. The *Armstrong* case primarily covers six institutions: Richard J. Donovan Correctional Facility; California State Prison, Los Angeles County; California State Prison, Corcoran; Kern Valley State Prison; Substance Abuse Treatment Facility; and the California Institution for Women.

This case continues to be heavily litigated, as the courts have repeatedly found CDCR to be in violation of the ADA and the ARP. The *Armstrong* plaintiffs continue to be concerned about the treatment of the class members, including allegations of abuse and violence by CDCR staff, retaliation or threats of retaliation for filing staff complaints, lack of accommodations for deaf prisoners, the problem of equal access to job and program assignments for people with disabilities, statewide durable medical equipment reconciliation and accuracy of disability tracking information, accommodations for blind and low vision class members, and more. Some of the declarants also alleged instances in which correctional officers at RJD retaliated against incarcerated people by charging incarcerated people with false rules violations reports. The *Armstrong* litigation has led to increased use of surveillance systems and body-worn cameras, and significant reforms to the process for handling allegations of staff misconduct, among other court orders.

In fiscal year 2023-24, CDCR spent \$14.9 million on direct legal costs related to *Armstrong*. This was largely driven by plaintiffs' counsel fees (\$12.6 million), but also included DOJ fees (\$1.3 million) and court expert fees (\$1 million).

Plata. The *Plata* case is a class action lawsuit filed in 2001 that includes all prisoners. The lawsuit alleged that CDCR inflicted cruel and usual punishment by being deliberately indifferent to serious medical needs. A settlement agreement was reached in 2002, but a lack of progress led a federal judge to place California's prison medical care system under the control of a court-appointed Receiver in 2005¹⁹. In fiscal year 2023-24, CDCR spent \$2 million on direct legal costs related to *Plata*. This was largely driven by plaintiffs' counsel fees (\$1.3 million), but also included DOJ fees (\$304,000) and contract counsel fees (\$406,000).

In 2007, OIG began inspecting CDCR's medical care at the suggestion of the Receiver and in coordination with the parties in *Plata*. In 2011, the Legislature amended the OIG's authority in Penal Code section 6126(f) to require that "the Inspector General shall conduct an objective,

¹⁹ https://prisonlaw.com/post_case/plata-v-brown/

clinically appropriate, and metric-oriented medical inspection program to periodically review delivery of medical care at each state prison.”

In 2015, the Court issued an order that outlined the process for the transfer of medical care back to the state, at the discretion of the Receiver. As of January 24, 2025, the medical care at 29 institutions has been delegated back to the state. The delegation of healthcare at 5 institutions remains.

As part of *Plata* oversight, in 2021, CDCR was ordered to mandate vaccinations for employees entering CDCR institutions and incarcerated persons who work outside of an institution or accept in-person visitation, to protect the health and rights of the incarcerated population²⁰. However, the Administration appealed the mandate, and a stay was granted on November 26, 2021. The Administration argued that the mandate would lead to staffing shortages²¹. As of March 10, 2025, 62 percent of staff completed their primary vaccination series, with some individual institutions as low as 43 percent²².

Three-Judge Court. In January 2010, a special three-judge court ordered California to reduce its prison population to 137.5 percent of design capacity within two years. This was in response to *Coleman* and *Plata* plaintiffs, who believed that a remedy for unconstitutional medical and mental health care could not be achieved without reducing overcrowding. They had moved their respective District Courts to convene a three-judge court empowered by the Prison Litigation Reform Act of 1995 to order reductions in the prison population. This decision was upheld by the Supreme Court of the United States in 2011. In fiscal year 2023-24, CDCR spent \$7,000 on DOJ fees related to the three-judge court.

Ashker. The *Ashker* case is a class action lawsuit filed in 2012 on behalf of prisoners held in the Security Housing Unit (SHU) at Pelican Bay State Prison. The case charges that prolonged solitary confinement violates the Eighth Amendment’s prohibition against cruel and unusual punishment, and that the absence of meaningful review for SHU placement violates the prisoners’ rights to due process. The case reached a settlement in 2015. In January 2019 and again in February 2022, the court ordered continued monitoring due to ongoing constitutional violations²³. However, in 2023, CDCR adopted emergency regulations to create less-restrictive “Restricted Housing Units”. As of December 2023, only 45 individuals or 0.1% of CDCR’s population were housed in a SHU based on disciplinary findings, and none solely due to gang affiliation. On March 11, 2024, the district court officially ended the case. In fiscal year 2023-24, CDCR spent \$238,000 on DOJ fees related to this case.

Clark. The *Clark* case is a class action lawsuit filed in 1996 on behalf of incarcerated individuals with developmental disabilities. The lawsuit alleged that CDCR violated the ADA, section 504 of the Rehabilitation Act, and the Eighth and Fourteenth Amendments of the U.S. Constitution. The Clark Remedial Plan (CRP) was developed through settlement negotiations between the parties and was approved by the court in 2001. The CRP outlines CDCR’s Developmental Disability Program (DDP), which is the department’s plans, policies, and procedures for incarcerated

²⁰ <https://prisonlaw.com/wp-content/uploads/2021/09/21.09.27-Doc-3684-Order-re-mandatory-vaccinations.pdf>

²¹ <https://www.latimes.com/california/story/2021-11-04/newsom-guards-challenge-vaccine-mandates-at-prisons>

²² <https://www.cdcr.ca.gov/covid19/population-status-tracking/>

²³ <https://ccrjustice.org/home/what-we-do/our-cases/ashker-v-brown>

individuals with developmental disabilities to ensure that they are appropriately identified and housed; ensure the safety of those with victimization concerns; ensure equal access to CDCR's programs, services, and activities; and provide accommodations in due process events. As of November 15, 2022, there were 1,153 individuals in CDCR institutions encompassed within the DDP. There is a related program called the Disability Placement Program (DPP), and together the policies of DPP/DDP are outlined in the ARP and the CRP. In fiscal year 2023-24, CDCR spend \$717,000 on the *Clark* case, including \$610,000 plaintiffs' counsel fees and \$107,000 in DOJ fees.

Staff Recommendation. This item is informational, and no action is needed.

Issue 4: California Institution for Men 50-Bed Mental Health Crisis Facility Staffing

Proposal. The proposed budget includes 13.4 positions and \$3.0 million General Fund in 2025-26, expanding to 20.4 positions and \$4.4 million General Fund in 2026-27, and ongoing to staff a licensed 50-bed Mental Health Crisis Facility at the California Institution for Men (CIM). Additionally, the 34 unlicensed beds currently operated at CIM would be deactivated and the \$16.4 million General Fund and 86.2 positions currently supporting these beds would be shifted to staff the new facility, so CDCR would have a total of \$19.4 million and 99.6 positions to staff the facility in 2025-26, growing to \$20.8 million and 106.6 position in 2026-27 and ongoing.

Background. The California Correctional Health Care System (CCHCS) provides a spectrum of mental health services. These include:

- *Correctional Clinical Case Management System (CCCMS).* CCCMS is outpatient treatment for individuals who are stable in general population and do not require 24-hour care, and is available at most prisons.
- *Enhanced Outpatient Program (EOP).* EOP is outpatient treatment available for individuals who need more treatment or have more severe symptoms and may not be stable enough for general population, but who would benefit from the structure of a therapeutic environment that is less restrictive than inpatient settings. EOP programs are typically run in separate housing units.
- *Mental Health Crisis Beds (MHCBs).* MHCBs provide short-term, 24-hour acute care for individuals with severe symptoms that cannot be managed by an outpatient treatment program. Individuals are supposed to be transferred to a MHCB within 24 hours (which may require transfer to another institution), and are not supposed to stay in them for more than 10 days. After that, they may be transferred back to a housing unit if they are stable, or they may be admitted to a longer-term inpatient facility. The annual cost of operating each MHCB is around \$400,000—including custody staff. Currently, there are 392 MHCBs at men’s prisons and 41 MHCBs at women’s prisons. MHCBs must be licensed by the California Department of Public Health. However, CDCR is allowed to operate 53 unlicensed MHCBs due to a waiver from the *Coleman* court.
- *Inpatient Programs.* CDCR operates a variety of inpatient programs, which are designed to provide more intensive treatment for patients who cannot function adequately or stabilize in an outpatient program or short-term inpatient program. CDCR has both Acute Psychiatric Programs (APPs), which are generally for stays of up to 45 days, and Intermediate Care Facilities (ICFs) for longer stays. CDCR operates APPs at San Quentin Rehabilitation Center, California Health Care Facility, California Medical Facility, and California Institution for Women. CDCR operates ICFs at San Quentin Rehabilitation Center, California Health Care Facility, California Medical Facility, Salinas Valley State Prison, and California Institution for Women. In some cases, individuals may be transferred to programs at state hospitals. There is a total of 1,632 of these beds—1,296 in prisons and 336 in state hospitals. The annual costs of these beds range from \$246,000 to \$393,000, depending on the setting.

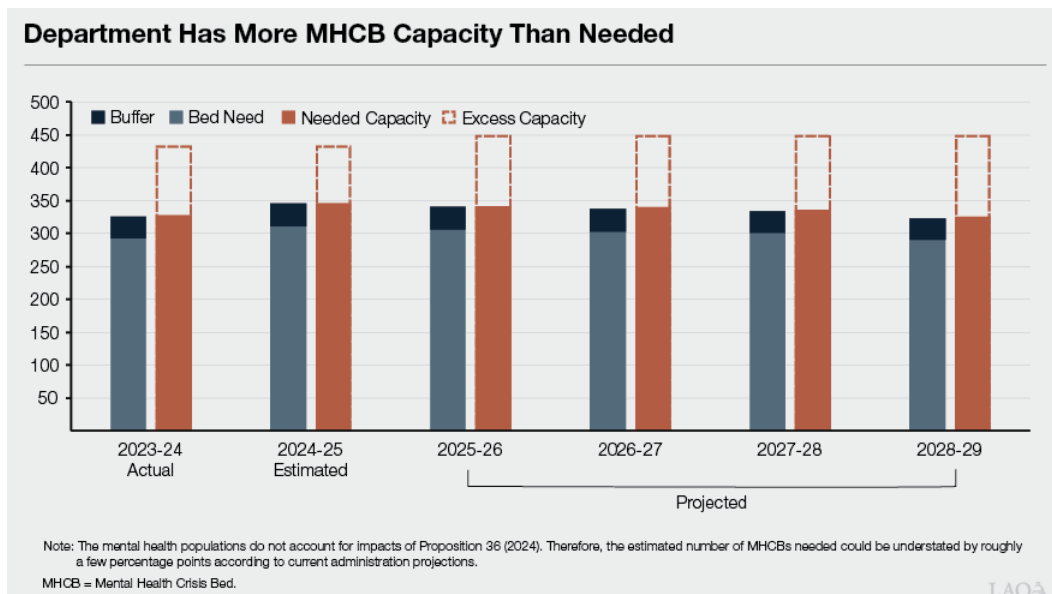
The number of inpatient beds CDCR operates are a part of a *Coleman* court-required bed plan, based on projected need with at least a 10 percent buffer. CDCR cannot modify the number of beds without notifying the Special Master and receiving approval from the *Coleman* court.

CIM Mental Health Crisis Facility. Most of the state’s unlicensed MHCBS are in a 34-bed facility operated at CIM in Chino. Since 2017, the state has approved a total of \$141.1 million (\$7.5 million General Fund and \$133.6 million lease revenue bond authority) to construct a 50-bed mental health crisis facility at CIM to (1) replace the unlicensed MHCBS with licensed beds and (2) reduce the amount of time it takes to transfer people in Southern California prisons to MHCBS by adding 16 MHCBS in the region. The only licensed beds in the Southern region are a 12-bed facility in California State Prison, Los Angeles County in Lancaster, and a 16-bed facility at Richard J. Donovan Correctional Facility in San Diego. By comparison, the central region has eight facilities with a total of 138 beds, and the northern region has eight facilities with a total of 203 beds. The project at CIM is expected to be completed in October 2025.

As of February 3, 2025, 28 of the unlicensed beds at CIM were occupied, and CDCR expects the new 50 licensed beds to be used at or near capacity. CDCR also noted that CIM’s staffing fill rate is at 78 percent for psychiatry, 84 percent for psychology, 117 percent for social work, and 112 percent for Recreation Therapists. Currently, the only tele-clinicians they have a need for are 2 psychiatrists. The adjacent California Institution for Women also has high staffing fill rates.

LAO Comments.

Activation of Mental Health Crisis Facility Would Increase Amount of Statewide Excess Capacity. The LAO notes that while the project will convert unlicensed beds to licensed beds and help address capacity limitations in the Southern California region, the department has excess MHCBS capacity when viewed at the statewide level, as shown in the figure below. CDCR needs 341 MHCBS systemwide in 2025-26, but it is proposing to operate 449 MHCBS—an excess of 109 MHCBS (84 at men’s prisons and 25 at women’s prisons). The LAO anticipates that even after adjusting for the effects of Proposition 36, there will still be excess capacity.



CDCR Also Continuing to Operate Excess APP and ICF Bed Capacity. As shown in the figure below, CDCR is also operating excess capacity in other types of inpatient beds, including 205 APPs, 327 ICFs at both men’s prisons and state hospitals, 32 APP/ICF beds at women’s prisons, and 13 APP/ICF beds for the condemned population. Similar to MHCBS, adjusting the population for Proposition 36 would somewhat reduce the amount of excess capacity in these beds, but the department would likely still be operating significantly more inpatient beds than needed.

Department Has More Acute Psychiatric Program (APP) and Intermediate Care Facilities (ICF) Beds Than Needed

	2025-26			2029	
	Proposed Capacity	Projected Bed Need	Excess Capacity	Projected Bed Need	Excess Capacity
ICF ^a	1,028	702	327	667	361
APP	489	285	205	271	218
Women’s prisons ^b	75	43	32	42	33
Condemned population	40	27	13	25	15
Totals	1,632	1,056	577	1,005	627

^a306 of these beds are in state hospitals.
^b30 of these beds are in state hospitals.
 Note: Totals may not add due to rounding.

Source: LAO²⁴

Reducing Excess Capacity Would Create Savings and Help With Court Compliance. If the department were to reduce MHCBS, APP, and ICF bed capacity, the LAO estimates that this could result in annual ongoing savings ranging from tens of millions of dollars to more than \$100 million, depending on the number of actual beds that are deactivated. The savings primarily would result from the elimination of hundreds of mental health positions needed to staff these beds. The reductions in staffing would have the added effect of reducing the vacancy rate of mental health staff. This would help the state comply with the *Coleman* court’s order to reduce mental health vacancies, likely allowing the state to reduce the amount of fines that would be levied on the state. As such, there could be additional significant fiscal benefits from rightsizing inpatient mental health bed capacity based on the projected need. CDCR would need to notify the Special Master and receive approval from the *Coleman* court to make changes in bed need capacity.

LAO Recommendation.

Approve Activation. The LAO recommends approving the proposed activation of the CIM mental health crisis facility. Doing so would allow the department to convert unlicensed MHCBS to licensed beds. This could improve the quality of care provided by the state. Furthermore, it could reduce the time it takes to transfer people from the Southern California region to MHCBS.

Direct CDCR to Seek Approval to Align Inpatient Bed Capacity With Updated Bed Need Study. Given that CDCR’s estimates indicate there would be 686 excess inpatient beds—including

²⁴ https://lao.ca.gov/Publications/Report/4986#Inpatient_Mental_Health_Beds

MHCBs and other inpatient beds operated by CDCR and DSH—in 2025-26, the LAO recommends that the Legislature direct CDCR to seek approval from the *Coleman* court to reduce excess capacity as part of the May Revision. Specifically, the LAO recommends directing CDCR to seek authorization from the *Coleman* court to include a proposal in the May Revision to reduce inpatient bed capacity based on a revised bed need study. To ensure excess capacity does not accumulate in future years, the LAO further recommends that the Legislature add budget bill language requiring CDCR to regularly seek adjustments to its inpatient mental health bed capacity based on the bed need study. The LAO anticipates these changes would reduce CDCR costs—both from operating the excess capacity and avoided fines—by potentially more than \$100 million annually, if all the excess beds are approved for deactivation by the *Coleman* court. This would not only free up General Fund resources that could be used to address the multiyear deficits facing the state, but could help CDCR comply with the *Coleman* court order to reduce mental health vacancies. To the extent the *Coleman* court denies a plan to deactivate excess bed capacity, it would benefit the Legislature to understand what criteria, threshold, or buffer the state would have to achieve under the *Coleman* court in order to deactivate some, if not all, of the excess capacity. The Legislature could consider having CDCR work with Special Master to produce such a report at that time.

Direct CDCR to Account for Transportation Savings. As discussed above, the new MHCB facility would likely reduce transportation costs, as fewer people in Southern California would need to be transferred to beds in more northern parts of the state. However, the Governor’s proposal does not account for these potentially modest savings. The LAO recommends that the Legislature also direct CDCR to include a proposal at the May Revision that accounts for such savings.

Staff Recommendation. Hold open.

Issue 5: Suicide Watch Augmentation

Proposal. The Governor’s budget includes a \$13.6 million General Fund augmentation in 2025-26 and ongoing to fund costs associated with suicide watch workload.

Background.

In 2023, 30 individuals died by suicide in CDCR custody²⁵. CDCR has various suicide prevention practices, many of which are outlined in the MHSDS. For example, all staff are required to complete suicide prevention training every year. The *Coleman* Special Master’s team also has a subset of experts who provide oversight of CDCR’s suicide prevention program.

One of CDCR’s prevention policies is suicide watch, which is short-term intensive monitoring, typically one-on-one by health care staff, provided when a person in prison is suspected of being a danger to themselves. This is typically provided by certified nursing assistants (CNAs), but may be provided by other staff if CNAs are not available. Data provided by CDCR indicate CNAs cost about \$42 per hour, while the department spends an average of about \$69 per hour when using other positions for this work. CNAs also have a high vacancy rate, typically about 20 to 30 percent. CDCR is not requesting additional positions; instead, the requested funds would largely pay for using more costly positions when CNAs are unavailable.

Total resources for suicide watch are currently about \$12.8 million annually. Prior to the 2017-18 budget, CDCR managed suicide watch workload within its existing resources by often redirecting correctional and healthcare staff and using overtime. However, as suicide watch hours increased, it became more challenging for the department to redirect resources and staff for suicide watch without negatively affecting other workload. In the 2017-18 budget, CDCR received \$3 million ongoing General Fund and 185 CNA positions for suicide watch workload. While the full cost of these position was around \$12 million, at the time, CDCR indicated it could use preexisting funding in its budget for overtime and other costs to absorb the remaining \$9 million cost of the suicide watch workload. Separately, the biannual population adjustment process provides additional funding for CNA positions based on the number of health care beds CDCR operates. Some of these CNAs can also be used for suicide watch, but the process does not make any specific adjustments to suicide watch staffing based on changes in population. The 2024-25 budget provided CDCR with \$3.8 million General Fund and a total of 197.5 CNA positions for suicide watch. If combined with the \$9 million in costs CDCR reports it has typically absorbed for suicide watch workload, total resources for suicide watch in 2024-25 are about \$12.8 million. However, CDCR consistently overspends this amount, as shown in the figure below from the LAO, and redirects funding from other areas of the department to do so.

²⁵ <https://cchcs.ca.gov/wp-content/uploads/sites/60/2023-Annual-Report-on-Suicides-and-Prevention-Efforts-in-CDCR-ADA-Compliant.pdf>

CDCR Consistently Spends More Than Budgeted on Suicide Watch

(In Millions)

	2020-21	2021-22	2022-23	2023-24	2024-25 ^a
Authorized expenditures ^b	\$12.9	\$12.8	\$12.8	\$12.8	\$12.8
Actual expenditures	30.3	31.6	29.2	33.7	31.2
Difference	-\$17.4	-\$18.8	-\$16.4	-\$20.9	-\$18.4

^aEstimated.

^bIncludes \$9 million in costs that the department has historically absorbed.

CDCR = California Department of Corrections and Rehabilitation.

Source: LAO²⁶

The Governor’s budget includes a \$13.6 million General Fund augmentation in 2025-26 and ongoing to fund costs associated with suicide watch workload. This would bring total budgeted resources for suicide watch to \$17.4 million annually. The requested amount reflects that CDCR reports it can continue to absorb \$9 million on an ongoing basis as well as an additional \$5 million of suicide watch workload—for a total of \$14 million annually. As such, the total resources for suicide watch would be \$31 million on an ongoing basis.

LAO Comment.

Proposed Funding May Be More Than Needed... Under the Governor’s proposal, CDCR would receive an ongoing amount of funding that reflects the costs of redirecting more expensive positions to suicide watch. However, there are a couple of reasons to think the full \$13.6 million requested by CDCR might not be necessary to pay the future costs of suicide watch. First, CDCR reports hiring 79 CNAs in a single hiring event in January 2025. This suggests CDCR is experiencing greater success in reducing the CNA vacancy rate, which would reduce the cost of suicide watch. For example, if CDCR successfully fills all of its vacant CNA position, these lower-cost positions could reduce the annual cost of suicide watch by about \$2.8 million. Second—even if CDCR cannot maintain its success in recruiting CNAs—costs could be lower if the department is successful in its efforts to identify a classification that is easier to fill and has a lower cost than some of the positions that are currently used.

...And Would Not Adjust to Changes in Suicide Watch Workload. Currently—and under the Governor’s proposal—CDCR receives more or less a set amount of funding for suicide watch irrespective of changes in the size of the population. However, it is possible that suicide watch hours could increase or decrease in the future with changes in the prison population. For example, data published by CDCR show that nearly two-thirds of suicide decedents had a mental health designation in 2023, and nearly 90 percent in 2022. To the extent there are changes in the population at risk of suicide, it could drive changes in suicide watch workload. If the number of suicide watch hours needed declines, then the department would be overfunded for these services.

²⁶ https://lao.ca.gov/Publications/Report/4986#Suicide_Watch

On the other hand, if the number of suicide watch hours were to increase, CDCR would be underfunded and likely be forced to use higher-cost positions rather than CNAs because of its limited position authority.

LAO Recommendation.

Approve One-Time Funding. Because suicide watch is critical to patient safety and the department has struggled to fill these positions in recent years, the LAO recommends the Legislature approve the proposal on a one-time basis. However, the ongoing costs of suicide watch are still uncertain as there are reasons to think it might decline in the future—particularly if CDCR takes the steps recommended to reduce costs. Limiting the funding to one-time would give the Legislature a natural opportunity to reassess the ongoing level of funding needed for suicide watch as part of the 2026-27 budget process, and allow the department time over the next year to implement the steps we recommend below.

Direct CDCR to Take Steps to Reduce Costs of Suicide Watch. In order to reduce the costs of suicide watch and more closely track changes in workload, the LAO recommends the Legislature direct CDCR to (1) continue efforts to fill CNA vacancies, (2) create an alternative classification for suicide watch staff, and (3) develop a population-driven budgeting methodology for suicide watch. To help the Legislature ensure that CDCR is making adequate progress on these steps, the LAO recommends directing the department to report on these efforts no later than January 10, 2026. This would allow the Legislature to consider the report as it is determining the ongoing funding level for suicide watch as part of the 2026-27 budget process.

Staff Recommendation. Hold open.

Issue 6: Workers' Compensation

Proposal. The proposed budget includes the following resources for CDCR/CCHCS:

- \$8.5 million General Fund in 2025-26 and ongoing to address a shortfall in the workers' compensation authority and to reassess expenditures annually as part of the Governor's Budget process.
- \$33 million one-time General Fund in 2025-26 and \$35 million in 2026-27, and 16 two-year limited-term positions for workers' compensation workload and costs related to COVID-19.

Background. CDCR has roughly half of the state employee workers' compensation claims, including for claims related to COVID-19. CCHCS employs various strategies and mitigation measures related to workers' compensation, including addressing training needs, exploring possibilities for accommodations or light duty return to work, working with institutions to make sure work areas are safe, and providing proactive wellness support and education resources.

CDCR's workers' compensation claims are administered by the State Compensation Insurance Fund (SCIF). CDCR/CCHCS receive a monthly report from SCIF that identifies the number of individual claims reported at CDCR/CCHCS headquarters, institutions, and field locations. In addition to the individual claims, state paid industrial and non-industrial (I/NI) disability programs and unemployment insurance costs are included within workers' compensation expenditures.

CCHCS has maintained an authority of approximately \$52.0 million for workers' compensation from 2020-21 to 2024-25, while the actual expenditures have ranged from approximately \$57.3 million to a projected \$62.7 million. CCHCS projects to expend \$64.3 million for workers' compensation in 2025-26, which creates a total shortfall of \$11.7 million.

Resource History
(Dollars in thousands)

Program Budget	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Authorized Expenditures	\$51,695	\$51,563	\$52,421	\$52,327	\$52,630 ¹	\$52,630 ¹
Actual Expenditures	\$57,347	\$62,944	\$63,866	\$62,799	\$62,706 ²	\$64,318 ³
Shortfall	-\$5,652	-\$11,381	-\$11,445	-\$10,472	-\$10,076	-\$11,688
Requested Amount (Institutions only)						\$8,472

¹Authorized expenditures are a projection based on the average expenditures from 2016-17 to 2023-24.

²2024-25 actual expenditures are a projection, based on three months of actual expenditures extrapolated based upon average expenditures from 2021-22 to 2023-24.

³2025-26 actual expenditures are a projection based on the projected expenditures for 2024-25 plus an annual increase of 2.57 percent (average amount of annual increase encountered from 2021-22 to 2023-24).

CCHCS is requesting \$8.5 million to cover the expenditures associated with the workers’ compensation costs of institution-based employees, and will absorb a portion of the costs within existing resources.

COVID-19 Compensation. SB 1159 (Hill), Chapter 895, Statutes of 2020, as extended by AB 1751 (Daly), Chapter 758, Statutes of 2022, specified that COVID-19 is an occupational injury in certain circumstances, and therefore eligible for workers’ compensation benefits. CDCR has had 18,860 reported COVID-19 workers’ compensation claims. 17,775 (94.25 percent) of the claims have been closed and 1,085 (5.75 percent) remain open. In 2024, CDCR is averaging 93.25 new claims per month. The annual cost of these claims are as follows:

- \$19.6 million in 2021-22.
- \$22.6 million in 2022-23.
- \$26.2 million in 2023-24.

To manage the workload associated with tracking and processing additional claims, CDCR and CCHCS received 27 four year limited-term positions in the 2021 Budget Act. This funding comes to an end June 30, 2025. CDCR/CCHCS are requesting to extend 16 positions and funding by two more years (\$33 million one-time in 2025-26 and \$35 million one-time in 2026-27), and will continue to assess need beyond that. CDCR states that ongoing and permanent funding may be required because of moderate and severe COVID-19 claims remaining open for extended periods of time.

Workload History

Workload Measure	2021-22	2022-23	2023-24	2024-25*	2025-26*	2026-27*
COVID-19 average open workers' compensation claims	913	1,067	1,210	1,310	1,389	1,472

* Projected open claims in fiscal years.

Staff Recommendation. Hold open.

Issue 7: Community Reentry Programs for Supervised Persons

Proposal. The Governor’s budget proposes \$32 million General Fund in 2025-26, \$34.6 million in 2026-27, \$37.3 million in 2027-28, \$40.1 million in 2028-29, \$42.9 million in 2029-30, and ongoing increases annually thereafter to reduce the impact of inflation on parole rehabilitation programs. The Governor’s budget also includes \$12.9 million General Fund in 2025-26 and 2026-27 to extend RHW for an additional two years and add services not currently provided, such as SUD treatment assessment and programming.

Background. CDCR is responsible for supervising roughly 35,000 individuals on parole. CDCR provides rehabilitative services to parolees, typically through contracts with providers in the community. There are a variety of programs, including some residential, that can last up to 6 months or a year. Within these programs, people can receive various services such as substance use disorder (SUD) treatment, case management, sex offender treatment, and employment assistance. The revised 2024-25 budget includes \$233.9 million total funds for these programs, including \$191.1 million from the General Fund. Details of some of these programs are outlined below.

Specialized Treatment for Optimized Programming (STOP). STOP provides a range of services to people on parole, but primarily focuses on various types of SUD treatment. These include residential and outpatient services, but exclude Medication Assisted Treatment (MAT). CDCR currently has agreements with nonprofit and private contractors that administer STOP in six regions throughout the state. These regional STOP contractors (1) pay local STOP network providers to deliver services through subcontracts, (2) connect people with these providers, and (3) conduct oversight of the services provided. There are 172 service providers and 515 programs statewide. In 2024, the STOP network provided services to about 8,600 people on parole. CDCR data indicates that about 70 percent of those individuals enrolled in at least one STOP service for more than 30 days. Of those, the average completion rate across all services was 53.1 percent.

Day Reporting Centers (DRCs). DRCs offer a “one-stop shop” for people on parole to be connected to various nonresidential services, some of which are offered on site. The programs generally focus on addressing factors that might contribute to future criminal activity such as anger management, but also have a limited ability to connect people with transitional housing. There are 17 DRCs throughout California that served about 4,500 people in 2023-24.

Long-Term Offender Reentry and Recovery (LTORR). LTORR programs are substance-free, residential programs that provides housing, meals, and various services. The services generally focus on the needs of people that have served long prison sentences, such as employment and computer-supported literacy. There are 14 LTORR programs throughout California that served about 1,700 people in 2023-24.

Returning Home Well (RHW). The 2022-23 budget included \$10.6 million annually for three years for the RHW program to provide emergency transitional housing services to people on parole. To implement the program, STOP contracts were amended to include additional housing-only services. The RHW program serves people for a maximum of 180 days or 6 months. In 2023-24,

the RHW program served a total of about 1,500 people. The department is required to submit a report by March 1, 2026 that presents metrics and outcomes associated with the program.

Inflation. CDCR contract rates have not kept up with increased costs of inflation, resulting in a lack of providers willing to bid, and can contribute to reduced quality services. To address this, the 2024-25 budget provided several parole rehabilitation programs whose contracts were set to expire with a \$2.3 million General Fund increase in 2024-25 and an ongoing 2 percent annual cost-of-living increase thereafter. This funding provided cost-of-living increases specifically to five DRCs and six LTORR programs. The funding requested this year is consistent with this methodology.

Medi-Cal Funded Services. Some people on parole—particularly those receiving MAT—receive SUD treatment services outside of CDCR’s contracts. Usually, these services are funded through Medi-Cal, the state’s Medicaid program, which provides health care coverage for low-income Californians and is overseen by the state Department of Health Care Services (DHCS). Medi-Cal SUD treatment services are administered locally by county behavioral health departments. Under the Medi-Cal billing structure, counties receive a fee-for-service reimbursement for behavioral health services based on an established fee schedule. Counties then negotiate payment terms and rates for the provision of services with providers. Federal reimbursements rates range from 50 percent to 90 percent depending on various factors such as income, services received, and whether the person has dependent children. Most people being released from prison qualify for Medi-Cal and are therefore eligible for these services. CDCR screens people before release and, as of 2023-24, submits Medi-Cal applications for about 83 percent of people released, while the remainder did not have applications submitted for various reasons, such as having access to other insurance or refusing service. Between July 2023 and June 2024 (the most recent data available), Medi-Cal applications were submitted for about 24,900 people who were released. Of these applicants, about 20,100 (81 percent) were approved, 35 (less than 1 percent) were denied, and the remaining 4,800 (16 percent) were pending at the time of release.

California Advancing and Innovating Medi-Cal (CalAIM). The CalAIM initiative is a large set of reforms in Medi-Cal to expand access to new and existing services and streamline how services are arranged and paid. Under CalAIM, DHCS has been implementing two new Medi-Cal benefits targeted at the subset of Medi-Cal beneficiaries with the most complex care needs. These complex care needs include issues related to homelessness. Notably, several housing-related services—such as housing navigation services and term-limited payments for housing (such as for security deposits or first month’s rent)—are included in CalAIM as optional benefits and have been implemented by at least one Medi-Cal managed care plan in all 58 counties. (Over 90 percent of Medi-Cal beneficiaries are enrolled in Medi-Cal managed care plans, which are responsible for arranging and paying for most Medi-Cal services on behalf of their members.) Recently, DHCS received federal approval to provide transitional rent to eligible Medi-Cal members and draw down federal funding. The transitional rent service covers up to six months of rent for certain people including those transitioning into the community from correctional facilities or transitioning from homelessness. The benefit will be mandatory to provide for certain beneficiaries beginning January 2026, and mandatory for all eligible people beginning January 2027—though these services can be offered now. Similar to Medi-Cal SUD treatment, between 50 percent and 90 percent of the cost of these services will be covered by federal reimbursements.

Proposed Resources. The Governor’s budget proposes \$32 million General Fund in 2025-26, \$34.6 million in 2026-27, \$37.3 million in 2027-28, \$40.1 million in 2028-29, \$42.9 million in 2029-30, and ongoing increases annually thereafter to reduce the impact of inflation on parole rehabilitation programs. This consists of (1) a roughly 30 percent one-time catch-up adjustment and (2) an ongoing 2 percent annual cost-of-living increase for 14 contracts that are set to expire on June 30, 2025: two DRCs, six LTORR programs, and all STOP contracts. The one-time catch-up adjustment is calculated based on when the service was first provided in each county and the cost-of-living increases that have occurred in that area since. The Administration is proposing this catch-up adjustment because the department has not increased funding in previous years for these contracts and is concerned that it will not receive any bidders on these contracts as previously happened at two locations with expired contracts. Of the total:

- \$3.7 million in 2025-26 (increasing to \$5.1 million by 2029-30 and growing annually thereafter) would be allocated to the DRCs and LTORR programs.
- \$28.3 million in 2025-26 (increasing to \$37.8 million by 2029-30 and growing annually thereafter) would be allocated to STOP contracts.

In addition, the Governor’s budget also includes \$12.9 million General Fund in 2025-26 and 2026-27 to extend RHW for an additional two years and add services not currently provided, such as SUD treatment assessment and programming. This consists of \$10.6 million in each year to maintain the existing housing program and \$2.3 million to support additional non-housing services for the RHW population, such as services related to SUD treatment and anger management. The department indicates that the additional services are necessary because people in the RHW program have an assessed need for these services. The STOP network, which already provides the housing services, would provide the additional services as well. Absent the proposal, funding for the program would expire June 30, 2024.

LAO Comment.

Inflation Increases Appear Reasonable for Parole Rehabilitation Programs. Cost-of-living increases for parole rehabilitation programs appear reasonable because it could mitigate the erosion of the quantity and quality of services that can be caused by inflation. Because costs have increased due to inflation in recent years, it is plausible that providers are less willing to extend their existing contracts. In addition, other providers that don’t already offer these services (1) may be less willing to do so, (2) would do so by providing lower-quality services, or (3) would provide services to fewer people. This trend would make it difficult for CDCR to find quality providers and ensure people on parole receive rehabilitation programming. For example, CDCR reports it was not successful in obtaining bids for DRC and LTORR contracts that had been set to expire at the end of 2023-24, which were advertised at the same or similar rates to the prior contracts for these services. The department reported that the 2024-25 funding increases for those contracts appear to have allowed it to successfully obtain contractors for some of these services, though the contracting process is still ongoing.

Parole Rehabilitation Programs Have Not Been Evaluated for Cost-Effectiveness. Ensuring that programs are cost-effective helps ensure that the state is allocating its limited resources for

rehabilitation programs in a manner that has the maximum effect on people successfully completing their parole terms and not committing additional crime. Accordingly, to the extent that the state is not allocating its resources to the most cost-effective programs, it is potentially allowing more crime to occur than would otherwise be the case. Although some metrics exist about participants, the department generally lacks robust evaluations of the actual cost-effectiveness of its parole rehabilitation programs. This makes it difficult for the department to determine which rehabilitation programs are cost-effective, whether there are potential obstacles or challenges preventing them from operating cost-effectively, and whether some are more cost-effective than others. As such, it is difficult for the Legislature to assess which programs are the most successful at reducing recidivism and to target funding towards those programs.

Current Structure of STOP Makes It Costlier to State and Potentially Less Effective. In a 2021 report from the LAO²⁷, they found that SUD treatment provided through Medi-Cal has several advantages over CDCR-funded SUD treatment. Specifically, Medi-Cal-funded SUD treatment (1) provides care based on medical necessity, (2) allows care to continue beyond parole, and (3) makes greater utilization of federal funding—all of which the existing parole SUD treatment structure under STOP does not do. In addition, nearly all Medi-Cal enrollees in the state receive comprehensive SUD treatment services modeled after the American Society for Addiction Medicine Criteria. These findings indicate that the state is operating a parole SUD treatment system that is potentially less effective and costlier than Medi-Cal’s existing SUD treatment structure.

In December 2024, CDCR surveyed over 80 STOP network providers on the feasibility of becoming Medi-Cal licensed providers. This would be necessary for these providers to give Medi-Cal funded care to people on parole. Over half of the respondents indicated that they are in the process or would like to become Medi-Cal licensed providers. The survey findings are encouraging in that they indicate a willingness from providers to leverage Medi-Cal SUD treatment. To the extent these providers are able to become Medi-Cal licensed providers and CDCR is able to successfully refer people on parole to them, it could improve the quality of care and reduce state costs. The CDCR report did, however, outline challenges STOP network providers cited in transitioning to Medi-Cal. For example, some providers indicated they had not pursued Medi-Cal licensure due to not knowing how to apply, administrative burdens, and cumbersome certification requirements. The report also suggests that some of these challenges could be addressed through technical assistance.

Ongoing Need for RHW Unclear. Because the report on the metrics and outcomes associated with RHW will not be available until March of 2026, it is difficult for the Legislature to assess whether the program merits ongoing funding. For example, the department is expected to report on return-to-prison rates, reconviction rates, and housing status after leaving the program for RHW participants. Without such information, it is difficult to know whether the program is effective at reducing crime or homelessness among those exiting prison. Also, as discussed above, under CalAIM, Medi-Cal managed care plans are starting to provide housing services targeted to those at risk of homelessness and those transitioning from incarceration, which would include people on parole. This means the program targets a very similar population as RHW. For example, under CalAIM, Medi-Cal already provides housing services—such as housing deposit support—to

²⁷ <https://lao.ca.gov/Publications/Report/4411>

high-risk, high-need populations. Moreover, Medi-Cal managed care plans will eventually be required to provide access to six-month transitional housing rental assistance to eligible populations, including people on parole. To the extent people on parole receive these services, the state could draw down federal funds for those that are Medi-Cal eligible, potentially resulting in lower state costs than providing these services through RHW.

LAO Recommendation.

Require CDCR to Increase Utilization of Medi-Cal for Parole SUD Treatment and Require Evaluation. In order to capitalize on the advantages of Medi-Cal-funded SUD treatment programs for people on parole and the willingness of some providers to become Medi-Cal licensed providers, the LAO recommends a series of steps to increase the utilization of these programs for people on parole. These steps include connecting all people on parole with medically appropriate SUD treatment, requiring STOP network providers become Medi-Cal providers and ensure continuity of care, structuring funding to streamline billing and reduce workload, and ensuring costs are not shifted to counties and non-reimbursable services are maintained.

Under this structure, most expenditures on parole SUD treatment would shift from CDCR to Medi-Cal. As such, CDCR would eventually no longer need the full \$98 million (General Fund) currently proposed for STOP in 2025-26, which includes the \$28.3 million cost-of-living increase requested for these services. While this would increase Medi-Cal costs, it would allow for federal reimbursements for a significant portion of the cost of parole SUD treatment service. The LAO estimates this could generate low to mid tens of millions of dollars in net General savings annually.

Provide Requested STOP Funding on a Limited-Term Basis to Allow for Transition. The LAO recommends funding the portion of the Governor's proposal related to STOP (\$28.3 million) for at least one year, to provide CDCR, DHCS, counties, and the STOP network providers time to implement their recommendations.

Direct CDCR to Contract for Evaluation of Restructured Parole SUD Treatment Programs. The LAO recommends that the Legislature direct the department to partner with external researchers to evaluate parole SUD treatment following the changes discussed above. This could result in some modest additional one-time costs for the department that would likely be far outweighed by the savings that would be achieved from increasing the use of Medi-Cal for parole SUD treatment.

Reevaluate Ongoing Need For RHW Proposal. To the extent RHW remains a legislative priority, the LAO recommends the Legislature modify the proposal by funding it on a one-year basis instead of two. In March 2026, the Legislature expects to receive more information about RHW implementation, including preliminary rates at which people in the program recommit crimes. With this information, the Legislature will be in a better position to revisit the RHW funding level as it deliberates on the 2026-27 budget. The LAO also recommends modifying the RHW reporting requirement to mandate that CDCR (in consultation with DHCS) also include an analysis of the viability of relying on Medi-Cal rather than RHW for housing people on parole. Under this approach, CDCR would connect people on parole to Medi-Cal providers in the community that can help them receive housing services rather than using RHW. In the report, CDCR should, at minimum, provide information on the relative state cost of relying on Medi-Cal versus RHW and

what the pros and cons of RHW and Medi-Cal funded services are. This would allow the Legislature to assess whether RHW merits separate ongoing funding or if CDCR can instead rely Medi-Cal to provide housing services to people on parole at a lower state cost.

Fund Remaining Programs on a Limited-Term Basis and Require Evaluation. Given that DRCs and LTORR programs have not been evaluated for cost-effectiveness, the LAO recommends that the Legislature direct CDCR to partner with external researchers to do so. The LAO thinks that the modest costs to the state would be justified, as the evaluation would allow the Legislature to determine whether these programs—totaling over roughly \$40 million in annual spending—merit continued support or need to be restructured to be effective. The LAO recommends this evaluation be provided to the Legislature no later than January 10, 2029 to provide the external evaluator time to complete the review. To maintain these programs in operation while the evaluation is being carried out, the LAO recommends providing three years of the proposed increases in funding for DRCs and LTORR programs (\$3.7 million in 2025-26, \$4 million in 2026-27, and \$4.4 million in 2028-29). This would allow the Legislature to review the evaluation as part of its deliberations during the 2029-30 budget process, at which point it could consider whether to provide ongoing funding for these DRCs and LTORR programs.

Staff Recommendation. Hold open.

Issue 8: Community Corrections Performance Incentives Grant (SB 678)

Proposal. The proposed budget includes \$126.5 million General Fund for Community Corrections Performance Incentives Grants to county probation departments, and an updated methodology for calculating incentive payments to the counties beginning in 2025-26.

Background. SB 678 (Leno), Chapter 608, Statutes of 2009, also called the California Community Corrections Performance Incentives Act of 2009, was created with two purposes: 1) to alleviate state prison overcrowding and 2) save state General Fund. These purposes are to be accomplished without compromising public safety by reducing the number of individuals on felony supervision (i.e. felony probation, mandatory supervision, post release community supervision) who are sent to state prison. The program is also designed to encourage county probation departments to use evidence-based supervision practices to accomplish these goals. In order to achieve these goals, SB 678 required that a portion of the state savings created when fewer people on felony probation are sent to prison be provided to counties through a performance-based formula. It also required the funds be used to support evidence-based practices—meaning practices shown to be effective at reducing criminal offending. Since the enactment of SB 678, the state has awarded a total of over \$1 billion to county probation departments.

Since passage of the act, the State of California has adopted significant changes in criminal justice policies that directly impacted SB 678—most notably the 2011 Public Safety Realignment, which reduced the number of probationers eligible for revocation to state prison and created two new groups of offenders subject to local supervision. In order to maintain effective incentives and account for the significant changes in criminal justice policy, SB 85, adopted as a trailer bill to the 2015–2016 State Budget, revised the SB 678 funding formula and created a new funding methodology.

The existing statutory formula is based on year-to-year prison revocation metrics and is intended to serve as a financial incentive for probation departments successfully keeping individuals on probation from returning to state prison. Below is a summary of the SB 678 funding formula, which includes three funding components:

- *Funding Component #1: Comparison of county to statewide return to prison rates.* The first funding component measures each county’s performance against statewide failure rates. Each county’s return to prison rate (RPR), which equals the number of individuals on felony probation, mandatory supervision, and PRCS sent to prison as a percentage of the total supervised population, is compared to statewide RPRs since the original SB 678 baseline period (2006–2008).
- *Funding Component #2: Comparison of each county’s return to prison rate and its failure rate in the previous year.* The second funding component is based on how each county performs in comparison to its performance the previous year. Each year a county’s RPR from the previous year is applied to its current year’s felony supervised populations to calculate the expected number of prison revocations. If a county sends fewer individuals on felony supervision to prison than the expected number, the county will receive 35% of the state’s costs to incarcerate an individual in prison multiplied by the number of avoided

prison stays. The number of avoided prison revocations are calculated separately for each felony supervised population (i.e. felony probation, mandatory supervision, Post-Release Community Supervision).

- *Funding Component #3: \$200,000 minimum payment.* The third funding component guarantees a minimum payment of \$200,000 to support ongoing implementation of evidence-based practices. If a county's total payment (from funding components 1 and 2) is less than \$200,000, the Department of Finance will increase the final award amount so that it totals \$200,000.

Yearly Allocations from SB 678. At the end of each calendar year the California Department of Finance determines each probation department's SB 678 funding allocation based on each county's performance as described above. County probation departments must spend SB 678 funds on the implementation or enhancement of evidence-based practices, including, but not limited to, risk/needs assessment, use of graduated sanctions, and provision of evidence-based treatment modalities such as cognitive behavioral therapy.

However, since 2021, the funding allocations have been frozen due to the pandemic's impacts on the data used in the formula. In addition, several recent policy changes have impacted the work of probation departments. These include AB 1950 (Kamlager), Chapter 328, Statutes of 2020, which reduced maximum probation terms to one year for misdemeanors and two years for felonies, and juvenile justice realignment, which is funded with a separate block grant, among other changes that have affected the felony probation population.

Proposed Changes. The proposed budget includes \$126.5 million General Fund for county probation departments. The Governor's budget proposes to update the methodology for calculating incentive payments to the counties beginning in 2025-26. The proposed methodology replaces Component #1 (the comparison to statewide rates) with a "performance maintenance payment," which provides a fixed amount (plus an automatic growth factor for future fiscal years) to each county based on recent funding levels. This component comprises \$104 million of the proposed 2025-26 allocation. The proposed methodology also adjusts Component #2 (the comparison to previous rates in the county) by establishing a new, static baseline, based on a county's average admission-to-prison rate between calendar years 2021 and 2023 (rather than year-over-year performance). It also reduces the portion of state savings passed to counties from 35 percent to 25 percent. The methodology maintains Component #3, the \$200,000 minimum. The proposed statutory changes also include removing outdated references and updating the state prison cost. Together, these proposed changes increase the stability and reduce the incentive of the formula.

LAO Comments and Recommendations.

In October 2023, the LAO released a report on the SB 678 grant program²⁸. In it, the LAO noted that the program appeared to effectively achieve its three goals in the initial years of implementation. However, significant sentencing changes and modifications to the formula over the years have made it unclear whether the program continues to achieve its goals. This is because (1) the effects of SB 678 on the prison population, state savings, and crime are difficult to

²⁸ <https://lao.ca.gov/Publications/Report/4806>

distinguish from other policy changes; (2) components of the current formula do not align with the original goals of the program; and (3) it is unclear whether counties are actually implementing evidence-based practices, which is important for achieving the goal of improving public safety. The LAO also found that it is more challenging to use state savings to incentivize performance given the various sentencing changes affecting felony supervision. However, there are state benefits from supporting evidence-based practices at the local level.

The LAO recommends the Legislature establish a new formula for the SB 678 program to better ensure that the program's goals are achieved. Specifically, the LAO recommends creating a new formula with two portions: (1) a portion based on direct measures of performance and state savings and (2) a portion designed to pay for specific evidence-based practices. This, as well as establishing additional oversight mechanisms of the program, would better ensure the program is effectively reducing failure-to-prison rates for those on county felony supervision, creating state savings, and improving public safety.

Staff Comment.

Maintaining the intent of the funding. This funding is intended to serve as a financial incentive for county probation departments to prevent individuals under their supervision from returning to state prison. The Legislature should consider whether converting \$104 million of this grant to a maintenance payment fulfills the goals of the program.

Oversight. The LAO's report included several recommendations around identifying evidence-based practices and providing additional transparency and oversight. The Legislature should consider whether these aspects should be incorporated into the grant program, and if so, how.

Staff Recommendation. Hold open.

Issue 9: Elimination of the Council on Criminal Justice and Behavioral Health

Proposal. The proposed budget includes savings of \$1.8 million ongoing (\$662,000 General Fund and \$1.1 million Behavioral Health Service Fund) reflecting the elimination of the Council on Criminal Justice and Behavioral Health (CCJBH).

Background. The Council on Criminal Justice and Behavioral Health was established in 2001 to assist and advise the Administration and Legislature on best practices to reduce the incarceration of youth and adults with mental illness and substance use disorders with a focus on prevention, diversion, and reentry strategies. CCJBH includes representatives from CDCR, Department of State Hospitals, Department of Health Care Services, probation, courts, and mental health care professionals.

CCJBH has various projects and focus areas, such as juvenile justice, diversion, reentry, and implementation of CalAIM, among other topics. For example, CCJBH and the non-profit policy research institute RAND created a Juvenile Justice Toolkit, released in April 2024²⁹. CCJBH also collaborated with the Council of State Governments to create a report on mental health diversion, released in June 2024.³⁰ CCJBH released their annual report in February 2024³¹.

The Administration noted that juvenile justice, a significant component of CCJBH's focus, is no longer a part of CDCR or a state responsibility, and that there is overlap between the missions of CCJBH and the Behavioral Health Services Oversight and Accountability Commission (BHSOAC).

Staff Comment. The Legislature may want to consider whether a council or commission specifically focused on the overlap of criminal justice and behavioral health is a priority, and if so, where it should be housed. For example, while BHSOAC does have a criminal justice initiative, that is not their main focus, and the membership is quite different than the CCJBH.

Staff Recommendation. Hold open.

²⁹ <https://public.tableau.com/app/profile/rand.corporation/viz/CAJuvenileJusticeToolkit/Instructions?publish=yes>

³⁰ <https://files.constantcontact.com/95aa10b6901/a51c73d7-4586-4826-bfe4-c809c0398fc2.pdf>

³¹ <https://www.cdcr.ca.gov/ccjbh/wp-content/uploads/sites/172/2024/05/FINAL-CCJBH-2023-Annual-Report-Final.pdf>

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS**Issue 10: Overview and Reappropriation of Mobile Probation Service Center Grant Funding**

Proposal. The Governor’s proposed budget includes \$333.5 million for the Board of State and Community Corrections (BSCC). This includes the reappropriation of \$12.8 million in Mobile Probation Service Center grant funds, originally authorized as part of the 2022 Budget Act.

Background. BSCC was established in its current form in 2012 to provide statewide coordination and technical assistance for local justice systems, largely in response to the 2011 public safety realignment. BSCC develops minimum standards for local detention facilities, inspects and reports on facility compliance, sets training standards for correctional staff, and administers facility funding and numerous grant programs for local corrections and law enforcement entities.

The agency is overseen by a 15-member board, largely consisting of corrections and law enforcement staff, including:

- 12 members appointed by the Governor and confirmed by the Senate, including:
 - Chair.
 - Secretary of CDCR.
 - Director of Division of Adult Parole Operations for CDCR.
 - Sheriff in charge of a small detention facility (capacity of 200 or less).
 - Sheriff in charge of a large detention facility (capacity over 200).
 - Chief probation officer from a small county (population of 200,000 or fewer).
 - Chief probation officer from a large county (population over 200,000).
 - County supervisor or county administrative officer.
 - Chief of police.
 - Member of the public.
 - Licensed health care provider.
 - Licensed mental or behavioral health care provider.
- 3 members appointed by others, including:
 - Judge appointed by Judicial Council of California.
 - Community provider of rehabilitative treatment or services for adult offenders appointed by the Speaker of the Assembly.
 - Advocate or community provider of rehabilitative treatment or services for juvenile offenders appointed by the Senate Rules Committee.

BSCC is also often required to consult stakeholders and subject matter experts. BSCC typically fulfills this requirement through Executive Steering Committees (ESCs), which are appointed by the board to carry out specific tasks and provide recommendations, and working groups, which are appointed by ESCs to carry out subtasks and make recommendations. For example, BSCC routinely appoints an ESC to oversee the review of the local detention facility standards and recommend changes, and the ESC may assign working groups to review specific areas of the standards, such as nutritional health.

Infrastructure Program. The Board of State and Community Corrections (BSCC) and the Department of Corrections and Rehabilitation jointly administer several programs to partially finance the design and construction of county correctional facilities. The programs consist of Adult Local Criminal Justice and Local Youth Offender Rehabilitation facilities. Legislation is comprised of the 2007 Senate Bill 81 (Youth), the 2007 Assembly Bill 900 (Adult), the 2012 Senate Bill 1022 (Adult), the 2014 Senate Bill 863 (Adult), and the 2016 Senate Bill 844 (Adult). Approximately \$294 million has been awarded to 19 counties to build or remodel Youth Offender facilities and approximately \$2.1 billion has been awarded to 53 counties to build or remodel Adult Local Criminal facilities. BSCC oversees 29 of these projects totaling approximately \$918 million authorized from Senate Bill 1022, Senate Bill 863, and Senate Bill 844.

Proposed Budget. The Governor’s budget includes \$333.5 million and 184 positions for BSCC. BSCC’s budget includes \$261.9 million in local grants in 2025-26, a decrease of over 50 percent compared to 2024-25, largely due to the expiration of limited-term grants authorized in previous budgets. The remaining funding covers developing and enforcing standards for local correctional facilities and for correctional staff training, and covers various administrative and program supports and research programs.

BSCC receives funding from a variety of sources. BSCC’s budget includes \$111.9 million General Fund, \$63.5 million Federal Trust Fund, \$57.1 million Second Chance Fund (BSCC’s allocation from the Proposition 47 Safe Neighborhood and Schools Fund), \$43.6 million Cannabis Tax Fund, and \$57 million Gun Violence Prevention and School Safety Fund (see below).

3-YEAR EXPENDITURES AND POSITIONS †

		Positions			Expenditures		
		2023-24	2024-25	2025-26	2023-24*	2024-25*	2025-26*
4940	Administration, Research and Program Support	41.9	58.0	63.0	\$19,506	\$33,882	\$34,084
4945	Corrections Planning and Grant Programs	50.5	49.0	49.0	733,358	562,130	261,879
4950	Local Facility Standards and Operations	29.1	26.0	26.0	4,974	6,075	6,091
4952	In-Custody Death Review Division	-	10.0	25.0	-	2,063	5,486
4955	Standards and Training for Local Corrections	12.1	13.0	13.0	22,854	23,937	23,947
4965	County Facility Construction	5.7	8.0	8.0	1,170	1,983	1,985
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		139.3	164.0	184.0	\$781,862	\$630,070	\$333,472
FUNDING					2023-24*	2024-25*	2025-26*
0001	General Fund				\$624,696	\$392,408	\$111,915
0890	Federal Trust Fund				38,841	63,539	63,538
3287	Second Chance Fund				32,735	61,353	57,165
3354	Cannabis Tax Fund - Board of State and Community Corrections, State and Local Government Law Enforcement Account - Allocation 3				85,590	57,687	43,641
3437	Gun Violence Prevention and School Safety Fund				-	55,083	57,213
TOTALS, EXPENDITURES, ALL FUNDS					\$781,862	\$630,070	\$333,472

Gun Violence Prevention and School Safety Fund. BSCC receives resources from a newly created special fund, the Gun Violence Prevention and School Safety Fund. The revenues for this fund come from a new 11 percent excise tax on the gross retail sales of firearms, firearm precursor parts, and ammunition, created by AB 28 (Gabriel), Chapter 231, Statutes of 2023. The Governor’s budget reflects an appropriation of \$55.1 million in 2024-25 and \$57.2 million in 2025-26 to

BSCC, which is available for the California Violence Intervention Program. In a November 2024 meeting, BSCC indicated that they expected to start the grant solicitation process for these funds in February 2025.

Operations and Vacancy Reductions. The Budget Act of 2024 included two control sections aimed at improving government efficiencies across state government: CS 4.05, which authorizes DOF to reduce state operations expenditures up to 7.95 percent in fiscal year 2024-25 and ongoing, and CS 4.12, which authorizes DOF to adjust items of appropriation to achieve savings associated with vacant positions in 2024-25 and propose the elimination of vacant positions to achieve ongoing savings beginning in 2025-26. On January 10, 2025, the DOF provided a letter outlining reductions taken under these control sections. According to this letter, BSCC has reductions of \$1.3 million General Fund and 8 positions related CS 4.12, and \$1.4 million (\$1.1 million General Fund and \$258,000 other funds) related CS 4.05.

Reappropriation of Mobile Probation Service Centers Grant Funding. The proposed budget includes the reappropriation of \$12.8 million in Mobile Probation Service Center grant funds, originally authorized as part of the 2022 Budget Act, to extend the reversion date to June 30, 2026.

The 2022 Budget Act appropriated \$20 million General Fund to fund a competitive grant program for county probation departments to establish mobile probation service centers. The grants allow departments to purchase vehicles, equipment, telecommunications, and other technology needed to operate mobile probation service centers to assist probationers, particularly those individuals who are unhoused and struggling with meeting probation requirements.

In April 2023, the Board of State and Community Corrections (BSCC) awarded 25 county probation departments a total of \$17,644,154 in grants. The grant contract term began May 1, 2023, and will end September 30, 2027. Because the MPSC funds have a reversion date of June 30, 2025, the grantees were instructed to complete local procurement processes and purchase all vehicles, technology, and equipment within a designated purchase period of May 1, 2023, to March 15, 2025. The remaining time on the contract, from March 16, 2025, to September 30, 2027, is for implementation, data collection and reporting. No new expenditures may be incurred after March 15, 2025.

However, as of October 2024, grantees have spent approximately \$4.8 million of the total \$17.6 million awarded, and BSCC requests an extension for the remaining balance of \$12.8 million. BSCC anticipates at least nine counties will require an extension. The nine counties are: Butte, Del Norte, Merced, Riverside, San Bernardino, San Diego, Santa Clara, Santa Cruz, and Solano. Many counties reported that lengthy and complicated local procurement processes inhibited their ability to spend the grant funds in a timely manner. The BSCC projects the grantees will not fully expend their grant funds by the reversion date of June 30, 2025.

The BSCC requests an extension of the reversion date to June 30, 2026, for the \$12.8 million balance. This will allow the grantees more time to spend down their funds and better fulfill the purpose of the grant program.

Staff Recommendation. Hold open.

ITEMS FOR COMMENT-ONLY

These items will not be presented, but the Department of Finance and the Legislative Analyst's Office are available to answer questions from the subcommittee members. Public Comment may be provided on these items.

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION

Issue 11: COVID-19 Mitigation Efforts

Proposal. The California Department of Corrections and Rehabilitation/California Correctional Health Care Services request \$12.8 million General Fund in 2025-26 for continued health care costs related to the prevention and mitigation of and response to COVID-19 and implementation of the state's SMARTER Plan. Additionally, budget bill language is requested to allow funds to be reduced if actual or estimated expenditures fall below the requested amount.

From 2019-20 through 2023-24, CCHCS has expended over \$1.0 billion for COVID-19 prevention, mitigation, and response activities. A summary of the expenditures to date, along with projected costs for 2024-25 and 2025-26, are displayed in the CCHCS COVID-19 Cost History table below. Although prior requests have included resources for the California Department of Corrections and Rehabilitation (CDCR) and CCHCS, this proposal only requests resources for CCHCS and health care-specific activities.

CCHCS COVID-19 Cost History¹
(Dollars in Thousands)

Expenditures	2019-20	2020-21	2021-22	2022-23 ²	2023-24	2024-25 ³	2025-26 ⁴
Testing (Employee)	\$0	\$81,197	\$222,540	\$29,659	\$3,619	\$4,323	\$3,191
Testing (Incarcerated Persons)	\$6,093	\$131,813	\$104,183	\$51,429	\$9,365	\$7,490	\$5,061
Medical Expenses (Registry)	\$0	\$99,574	\$18,225	\$22,367	\$0	\$0	\$0
Other Staffing & Operational Costs	\$30,176	\$83,720	\$50,070	\$28,713	\$5,082	\$6,686	\$2,447
Personal Protective Equipment	\$21,309	\$17,884	\$10,641	\$6,627	\$4,179	\$4,802	\$2,089
Cleaning	\$180	\$1,567	\$1,444	\$141	\$0	\$0	\$0
General Fund Solution: COVID-19 Testing Protocols						-\$4,099	
Total	\$57,758	\$415,755	\$407,103	\$138,936	\$22,245	\$23,301	\$12,788

¹ Reflects CCHCS costs only. Does not include costs incurred by CDCR.

² CCHCS received \$41.2 million in California Department of Public Health (CDPH) American Rescue Plan Act Reimbursements, bringing the total cost to the Department down to \$97.7 million.

³ Projected expenditures for 2024-25.

⁴ Projected expenditures for 2025-26.

Staff Recommendation. Hold open.

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS

Issue 12: Remove BSCC Reporting Requirement for County Community Corrections Partnership Plans TBL

Proposal. The 2024-25 budget eliminated \$8 million in funding for counties that provide updated Community Corrections Partnership Plans to BSCC each year as a budget solution. These plans covered 2011 realignment implementation, but largely did not change in recent years. The proposed trailer bill removes requirements for BSCC to annually collect and analyze data regarding the implementation of these plans and to provide a report on the implementation of those plans to the Governor and the Legislature. Previous plans are available on BSCC's website³².

Staff Recommendation. Hold open.

Issue 13: Recidivism Reduction Fund Abolishment Technical Cleanup TBL

Proposal. The 2024-25 budget included a transfer \$7.3 million of unobligated funds from the now unused Recidivism Reduction Fund to the General Fund. The Governor's budget includes statutory changes to eliminate the Recidivism Reduction Fund.

Staff Recommendation. Hold open.

8830 CALIFORNIA LAW REVISION COMMISSION

Issue 14: Data and Research Funding

Proposal. The Committee on Revision of the Penal Code requests \$900,000 in reimbursements in 2025-26 from the Office of the Legislative Counsel (with an offsetting one-time General Fund augmentation to that office's budget) to fund one year of contract research activities, including secure data hosting, with the California Policy Lab (CPL; a University of California program). The 2022 Budget Act provided \$1.8 million to support three years of the Committee and CPL's research activities. The final year of previous funding was for \$900,000, which is the same amount requested here for an additional year of support.

Established in 2020, the Committee makes recommendations to the Governor and Legislature about simplifying and rationalizing criminal law and criminal procedure. The Committee comprises seven members: five members appointed by the Governor, one member appointed by the Assembly, and one member appointed by the Senate.

The Committee helps to provide data and rigorous empirical research around California's criminal legal system, through statutory data gathering authority and collaboration with CPL, which also works with other state entities, including the Department of Social Services, the Employment

³² https://www.bscc.ca.gov/s_communitycorrectionspartnershipplans/

Development Department, the Franchise Tax Board, the Department of Justice, among several others. The administrative data that the Committee has received and will continue to receive is also sensitive. This funding will allow CPL to continue providing security and privacy protections for data obtained by the Committee, as it has for many other state agencies.

The Committee, with assistance from CPL, routinely highlights and addresses racial and other disparities in the current operation of California's criminal justice system and makes recommendations for alternatives to incarceration that are shown to have lower recidivism rates than a jail or prison sentence, such as increasing the capacity of the California Department of Corrections and Rehabilitation's Male Community Reentry Program, which are community correctional centers for people who would otherwise be serving their sentence within a state prison.

Staff Recommendation. Hold open.