

SUBCOMMITTEE NO. 5

Agenda

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



Thursday, March 12, 2026
9:30 a.m. or Upon Adjournment of Session
State Capitol – Room 112

Consultant: Nora Brackbill

ITEMS FOR DISCUSSION..... 2

5227 Board of State and Community Corrections 2

 Issue 1: Overview and Grant Administration..... 2

5225 Department of Corrections and Rehabilitation..... 6

 Issue 2: Overview 6

 Issue 3: Lump Sum Payments 9

 Issue 4: Population Estimate and Prison Capacity 12

NON-DISCUSSION ITEMS..... 19

5225 Department of Corrections and Rehabilitation..... 19

 Issue 5: Facility and Capital Outlay Proposals..... 19

Public Comment

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ITEMS FOR DISCUSSION

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS

Issue 1: Overview and Grant Administration

Panelists.

- Aaron Maguire, Executive Director, Board of State and Community Corrections (BSCC)
- Colleen Curtin, Deputy Director, Corrections Planning and Grant Programs, BSCC
- Allison Ganter, Director, In-Custody Death Review, BSCC
- Caitlin O'Neil, Principal Fiscal and Policy Analyst, Legislative Analyst's Office (LAO)
- Kyle Gayman, Finance Budget Analyst, Department of Finance (DOF)
- Anthony Franzoia, Principal Program Budget Analyst, DOF

Proposal. The Governor's budget includes \$334.2 million and 187 positions for the Board of State and Community Corrections in 2026-27. This includes 11 new proposed positions (authority only) for the administration of various state and federal grants.

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 that includes:

- 12 members appointed by the Governor and confirmed by the Senate, including:
 - Chair.
 - Secretary of the California Department of Corrections and Rehabilitation (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.

Proposed Budget. The Governor’s budget includes \$334 million and 187 positions for BSCC in 2026-27, with the majority (\$238 million) for Corrections Planning and Grant Programs. The remaining funding covers developing and enforcing standards for local correctional facilities and various other administrative and research programs.

BSCC’s proposed budget includes \$135.3 million General Fund, \$63.5 million Federal Trust Fund, \$52.6 million Second Chance Fund (BSCC’s allocation from the Proposition 47 Safe Neighborhood and Schools Fund), \$30.8 million Cannabis Tax Fund, and \$52 million Gun Violence Prevention and School Safety Fund, as shown below.

3-YEAR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2024-25	2025-26	2026-27	2024-25*	2025-26*	2026-27*
4940 Administration, Research and Program Support	46.2	59.0	60.0	\$28,707	\$47,248	\$59,100
4945 Corrections Planning and Grant Programs	36.1	44.0	54.0	465,552	327,767	238,390
4950 Local Facility Standards and Operations	27.0	30.0	30.0	5,324	6,177	6,185
4952 In-Custody Death Review Division	1.8	24.0	24.0	362	5,299	5,314
4955 Standards and Training for Local Corrections	12.7	13.0	13.0	23,650	23,989	23,993
4965 County Facility Construction	5.5	6.0	6.0	1,067	1,190	1,192
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	129.3	176.0	187.0	\$524,662	\$411,670	\$334,174
FUNDING				2024-25*	2025-26*	2026-27*
0001 General Fund				\$312,983	\$190,218	\$135,341
0890 Federal Trust Fund				41,468	63,538	63,493
3287 Second Chance Fund				161,028	59,225	52,591
3354 Cannabis Tax Fund - Board of State and Community Corrections, State and Local Government Law Enforcement Account - Allocation 3				9,183	42,259	30,764
3437 Gun Violence Prevention and School Safety Fund				-	56,430	51,985
TOTALS, EXPENDITURES, ALL FUNDS				\$524,662	\$411,670	\$334,174

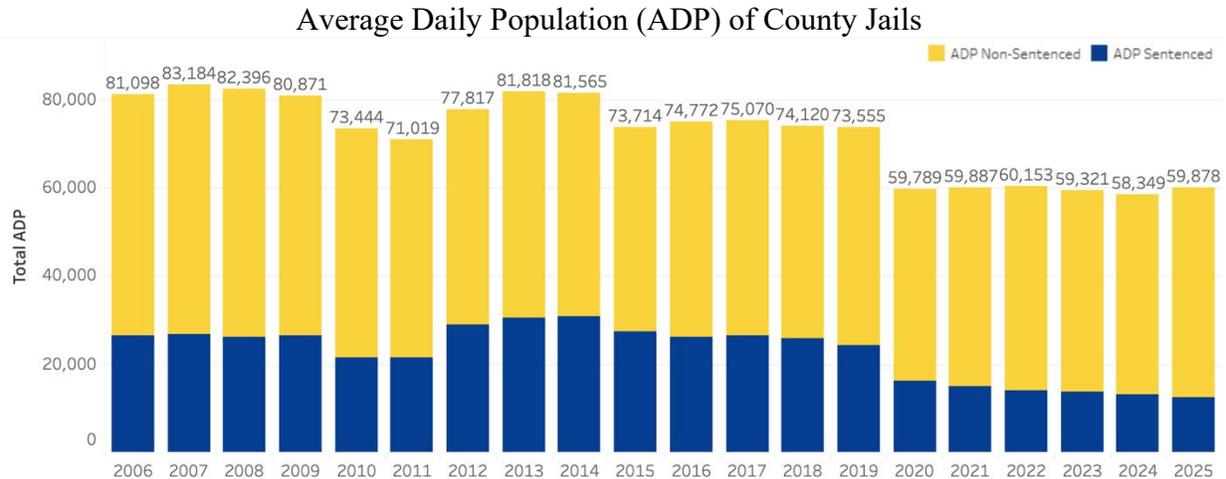
Source: DOF¹, Expenditures in Thousands

Jail Oversight and In-Custody Death Review. BSCC oversees local detention facilities, including setting minimum standards and inspecting for compliance. The state has established minimum standards for local facilities, currently codified in Titles 15 and 24 of the California Code of Regulations. BSCC is responsible for creating these standards, updating them every two years, inspecting each facility at least once every two years, and reporting on facility compliance. The inspections usually involve a combination of reviewing the facility’s written policies and touring the facility to assess implementation. BSCC standards are a minimum requirement, and counties

¹ <https://ebudget.ca.gov/2026-27/pdf/GovernorsBudget/5210/5227.pdf>

each develop their own policies that at least meet these standards. Areas of noncompliance are reported by BSCC, and BSCC staff work with the facilities to address any issues. However, for adult facilities, BSCC does not have any enforcement mechanisms if a facility refuses to comply. For juvenile facilities, if the issues are not addressed within sixty days, the facility is prohibited from housing minors until the issues are fixed.

BSCC also maintains data on local detention facilities, including population. The graph below shows the average daily population of county jails from the BSCC’s Jail Profile Survey dashboard.



Source: BSCC’s Jail Profile Survey²

BSCC is required to review deaths in local detention facilities and make recommendations, pursuant to SB 519 (Atkins), Chapter 306, Statutes of 2023, which was enacted in response to high numbers of in-custody deaths and reports from the LAO and the State Auditor³. More than 2,700 individuals died in California jails from 2005 to 2023, an average of over 140 individuals per year⁴. In the first two months of 2026, ten individuals have died in jails in Los Angeles County alone⁵. The 2024 Budget Act included \$3.3 million one-time General Fund and 15 positions in 2024-25, and \$7.7 million General Fund and 35 positions ongoing beginning in 2025-26, to establish the In-Custody Death Review Division at BSCC and implement SB 519.

Grant Administration. BSCC administers hundreds of millions in grants annually through state and federal programs. For example, BSCC administers a portion of Proposition 47 (2014) funding and the California Violence Intervention and Prevention Grant Program (CalVIP), both discussed below, among others. BSCC notes that an increasing proportion of its grant awards go to smaller, community-based organizations that need additional technical assistance through the process and to comply with state funding requirements.

² <https://public.tableau.com/app/profile/kstevens/viz/JPSTableauDashboard/JailPopulationTrends2006to2023Dashboard>

³ <https://information.auditor.ca.gov/reports/2021-109/index.html>

⁴ <https://calmatters.org/justice/2024/03/death-in-california-jails/?series=california-jails-inmate-deaths>

⁵ <https://lasd.org/transparency/icd/>; <https://www.latimes.com/california/story/2026-02-11/inmate-deaths-la-county-jail-conditions>; <https://www.latimes.com/california/story/2026-03-03/la-county-mens-central-jail-closure-plan>

Position Authority Proposal. Departments that administer grants are typically allowed to use a portion of grant funds for administration. BSCC is requesting 11 additional permanent positions to establish expertise in grant management and ensure fiscal and legal compliance. The positions would be funded by the administrative funds associated with grants administered by BSCC.

Gun Violence Prevention and School Safety Fund. BSCC's proposed budget includes \$56.4 million in 2025-26 and \$51.9 million in 2026-27 for CalVIP from the Gun Violence Prevention and School Safety Fund, pursuant to AB 28 (Gabriel), Chapter 231, Statutes of 2023. The revenues for this fund come from an 11 percent excise tax on the gross retail sales of firearms, firearm precursor parts, and ammunition. CalVIP provides competitive grants to local governments and community-based organizations in communities for evidence-based gun violence reduction initiatives (Section 14131 of the Penal Code).

Proposition 47 Grant Funding. BSCC administers a portion (65 percent) of Proposition 47 (2014) savings that provide grants to public agencies for programs that reduce recidivism and support mental health services and treatment. The proposed budget estimates \$81.3 million in Proposition 47 funding in 2026-27. Proposition 36 (2024) affects this portion of Proposition 47 funding in two ways: (1) it explicitly allows the use of this funding for the implementation of programs for treatment-mandated felonies, and (2) it will reduce the amount of funding available through the Proposition 47 mechanism by reducing the estimated prison savings. The most recent cohort of Proposition 47 grantees was awarded in September 2025⁶. A total of \$127 million was provided to 24 grantees, including nine that specifically requested funding for Proposition 36 programs and clients. BSCC had received a total of 67 applications requesting \$380 million.

LAO Comment. The LAO raised two concerns with the administration's calculations of the Proposition 47 savings: (1) an inaccurate assumption that all components of Proposition 36 undo Proposition 47, and (2) the impact of Proposition 36 on the prison population might be underestimated (as discussed in the next issue). The LAO recommends directing the administration to correct its Proposition 47 savings estimate methodology in the May Revision.

Staff Comment. BSCC noted that they currently do not always use the full amount of administration funding allocated to them, but they do expect to use the full amount going forward. Specifically, BSCC reported using less than that maximum administrative amounts for the Proposition 47 (2014) and Proposition 64 (2016) grant programs prior to 2025. For the Proposition 47 grant, from 2016 to 2024, BSCC only used an average of \$800,000 for administration, but had the authority to use up to \$2.9 million. For Proposition 64 from 2019 to 2024, those amounts were \$378,000 and \$3.2 million, respectively. BSCC noted that in these cases, the remaining administrative funding was transferred to local assistance. However, in 2025 and moving forward, BSCC plans to use the entire administrative amount to support the proposed positions. Therefore, while the proposal does not request new General Fund and it is within BSCC's existing authority to spend this funding on administrative duties, the Legislature may want to consider whether there will be an impact on these grant programs.

Staff Recommendation. Hold open.

⁶ <https://www.bscc.ca.gov/events/board-meeting-agenda-09-11-2025/>

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION

Issue 2: Overview

Panelists.

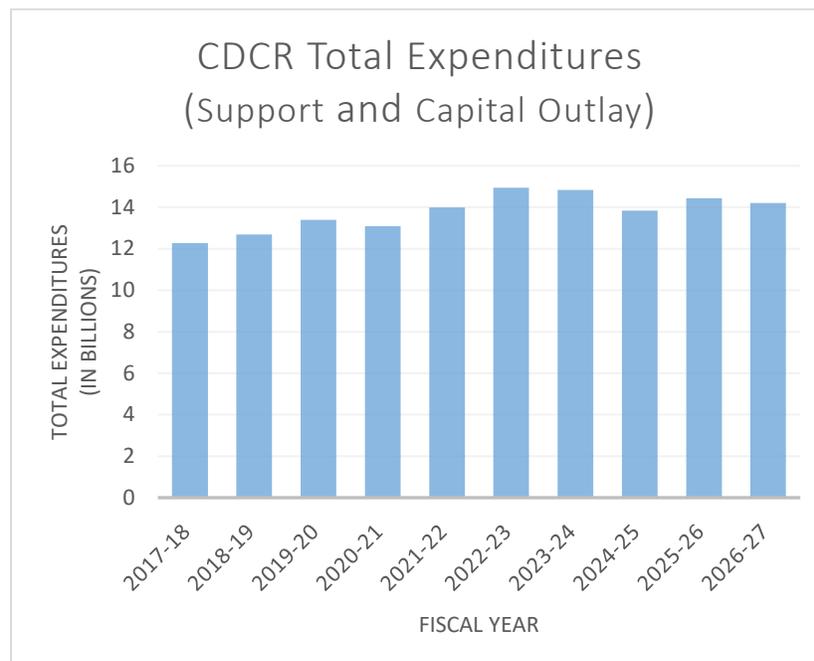
- Jeffrey Macomber, Secretary, CDCR
- Cynthia Mendonza, Deputy Director Office of Fiscal Services, CDCR

DOF and LAO are available for questions.

Background.

The California Department of Corrections and Rehabilitation (CDCR) is responsible for the incarceration of certain adults convicted of felonies, including the provision of rehabilitation programs, vocational training, education, and health care services. As of March 4, 2026, CDCR was responsible for an incarcerated population of 89,816 individuals⁷. Most of these people are housed in the state's 31 prisons and 34 firefighting and conservation camps. The Department also supervises and treats about 33,000 adults on parole, is responsible for the apprehension of those who commit parole violations, and operates one juvenile conservation camp.

The Governor's budget proposes total funding of \$14.2 billion (\$13.8 billion General Fund and \$400 million other funds) for CDCR in 2026-27, which represents a small decrease as compared to 2025-26. The proposed budget would provide CDCR with a total of 58,100 positions in 2026-27, a decrease of 549 (1 percent) from the revised 2025-26 level.



⁷ <https://www.cdcr.ca.gov/research/wp-content/uploads/sites/174/2026/03/Tpop1d260304.pdf>

CDCR's budget includes \$4.1 billion General Fund for health care programs. Below is a breakdown of CDCR's budget, in thousands, by program.

2026-27 Proposed Budget for CDCR by Program (*Dollars in Thousands)

Code	Program	Positions	Dollars*
4500	Corrections and Rehabilitation Administration	2,620.0	\$494,662
4505	Peace Officer Selection and Employee Development	495.5	\$132,609
4510	Department of Justice Legal Services	-	\$74,032
4530	Adult Corrections and Rehabilitation Operations-General Security	23,119.8	\$5,116,234
4540	Adult Corrections and Rehabilitation Operations-Inmate Support	6,784.6	\$1,861,006
4550	Adult Corrections and Rehabilitation Operations-Institution Administration	2,740.7	\$827,880
4555	Parole Operations-Adult Supervision	1,601.1	\$368,351
4560	Parole Operations-Adult Community Based Programs	133.5	\$270,121
4565	Parole Operations-Adult Administration	317.5	\$86,306
4570	Sex Offender Management Board and Saratso Review Committee	5.0	\$1,825
4575	Board of Parole Hearings-Adult Hearings	222.5	\$62,728
4580	Board of Parole Hearings-Administration	79.2	\$12,254
4585	Rehabilitative Programs-Adult Education	1,503.5	\$271,708
4590	Rehabilitative Programs-Cognitive Behavioral Therapy and Reentry Services	294.2	\$215,763
4595	Rehabilitative Programs-Adult Inmate Activities	263.8	\$113,339
4600	Rehabilitative Programs-Adult Administration	170.3	\$30,085
4650	Medical Services-Adult	13,012.9	\$2,742,898
4655	Dental Services-Adult	861.5	\$181,372
4660	Mental Health Services-Adult	3,474.4	\$746,155
4665	Ancillary Health Care Services-Adult	-	\$462,121
4670	Dental and Mental Health Services Administration-Adult	352.8	\$78,011
Totals, Positions and Expenditures (excluding Infrastructure)		58,052.8	\$14,149,460
Infrastructure Expenditures		-	\$62,226
Totals, Positions and All Expenditures		58,052.8	\$14,211,686

Operational Efficiencies and Budget Shortfall. Various steps have been taken in recent budgets to reduce state spending through operational efficiencies. The Budget Act of 2024 included two control sections (CS), CS 4.05 and CS 4.12, directing the Department of Finance and state departments to (1) identify efficiencies to reduce General Fund state operations expenditures by up to eight percent and (2) eliminate vacant positions and related funding.

The 2024 Budget Act assumed that CDCR would achieve savings of \$392.1 million ongoing. However, the 2025 Governor's budget reflected lower savings of \$267.6 million in 2024-25,

\$185.8 million in 2025-26, and \$193.6 million ongoing. The enacted 2025 Budget Act reflected even slightly lower savings, of \$178.2 million in 2025-26 and \$186.0 million in 2026-27 and ongoing. CDCR also eliminated nearly 1,200 vacant positions, effective January 1, 2026.

In addition to the above reductions, the 2025-26 Budget Act reflected additional assumed General Fund savings of \$125 million in 2025-26, \$480 million in 2026-27, \$554 million in 2027-28, and \$635 million in 2028-29 and ongoing, through operational improvements identified with the assistance of an outside consultant. The contract with the consultant identified two workstreams to focus on for CDCR: (1) procurement and inventory management, and (2) efficiency of administrative functions. However, the Governor's proposed budget for 2026-27 again reflects lower levels of savings, with estimated ongoing savings of \$375 million. The Administration has not been able to share whether CDCR is on track to achieve these assumed savings, even for the current year. The Administration has also indicated that it anticipates the May Revision will reflect lower levels of savings resulting from the contract than were assumed in the Governor's budget; however, the Administration did not provide a sense of magnitude of the anticipated erosion in savings.

On May 19, 2025, the Administration notified the Legislature that CDCR was projected to exceed its 2024-25 budget by about \$358 million and requested reappropriations of previously unspent funds from prior years to address this shortfall. This included deficits of \$231 million in the general security program and \$144 million in the medical care program. According to the Administration, the deficits were primarily due to spending on lump sum retirement payouts, workers' compensation, security staff overtime, and contract specialty medical services. The prior-year funds were unspent due to savings associated with various factors, including vacant positions, population reductions, and prison facility deactivations.

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

Issue 3: Lump Sum Payments

Panelists.

- Cynthia Mendonza, Deputy Director Office of Fiscal Services, CDCR
- Caitlin O’Neil, Principal Fiscal and Policy Analyst, LAO
- Kyle Gayman, Finance Budget Analyst, DOF
- Anthony Franzoia, Principal Program Budget Analyst, DOF

Proposal. The proposed budget includes \$90.1 million ongoing General Fund to pay accrued leave balances to employees upon retirement or separation from state service.

Background. Lump sum payments are made to employees leaving state service who are owed accrued leave balances. CDCR stated that from 2020-21 to 2024-25, lump sum payments averaged \$128.5 million annually. The amount requested in this proposal was calculated as the most recent two-year average of lump sum payments in the programs that contain most of CDCR’s posted peace officer and nurse positions, which must have 24-hour coverage and cannot be left vacant. These positions can have difficulty using their leave and contribute significantly to CDCR’s leave liability. While CalHR requires employees who are above the leave cap to submit reduction plans, CDCR noted that not all posted staff are able to reduce their balances below the cap.

Vacancy savings have historically covered the costs of these payments. However, as shown in the table below from the LAO, the vacancy rate has decreased for non-healthcare staff, both custody and non-custody. This is largely driven by (1) position reductions due to prison closures, and (2) vacancy reductions included in the 2024-25 budget agreement. The Administration reports that from 2022-23 to 2025-26, CDCR saw a reduction of approximately \$490 million in vacancy savings, and California Correctional Health Care Services saw a reduction of approximately \$44 million. In addition to lump sum payments, these savings had been used to cover overtime, workers’ compensation, temporary help, and contract medical services, among others.

CDCR Vacancy Rate Has Decreased for Non-Health Care Staff

Fiscal Year	Health Care		Custody		Non-Custody	
	Positions	Vacancy Rate	Positions	Vacancy Rate	Positions	Vacancy Rate
2022-23	18,215	25%	38,072	18%	9,267	19%
2023-24	18,232	27	36,098	12	8,028	12
2024-25	18,083	25	34,719	8	7,849	7

CDCR = California Department of Corrections and Rehabilitation.

Source: LAO⁸

Impact of Operational Efficiency Reductions and Vacancy Sweep. As noted in the previous item, the 2024-25 and 2025-26 budgets assumed significant, unallocated reductions to CDCR’s budget, including vacancy reductions. However, these savings were not achieved in full. In addition, these reductions have contributed to a structural shortfall in the department, and may have contributed

⁸ https://lao.ca.gov/Publications/Report/5137#Structural_Shortfall_and_Funding_for_Separating_Employee_Leave_Cashouts

to the need for the 2024-25 augmentation request and for proposals like this one, which provide new expenditure authority to CDCR to cover an existing cost.

LAO Comments and Recommendations.

Approve Funding for Separating Employee Leave Cashouts on a Limited-Term Basis. Given the structural shortfall in CDCR's budget, the LAO finds the proposed funding for separating employee leave cashouts to be reasonable in the near term as this is an unavoidable expense. However, the LAO notes that it is unclear if ongoing funding is needed for this purpose. The LAO recommends providing the funding only on a three-year, limited-term basis. The LAO also recommends requiring the administration to report on leave payouts by January 10, 2029. This will provide an opportunity for the Legislature to reassess the department's vacancy rate and funding need in the future.

Existence of Structural Shortfall Raises Broader Concerns. The LAO notes that CDCR did not provide a detailed accounting of the structural shortfall that led to this proposal, which raises two concerns: (1) it undermines budget transparency, and (2) the department could still overrun its budget. The LAO recommends that the Legislature direct the department to report in spring budget hearings on what specific steps it is taking in the current year and is considering or planning to take in the budget year to free up funding to address the shortfall, the size of the shortfall, and what unbudgeted costs currently make up the shortfall. In responding, the department should discuss the programmatic implications of any steps it is taking to address the shortfall as well as the expected budgetary savings attributable to them. This would allow the Legislature to ensure any actions CDCR is taking are consistent with its priorities and to assess whether it will need to take further actions to address a shortfall.

Assumed Operational Efficiency Savings. The LAO noted in a recent report that the unallocated savings from efficiency reductions assumed in the 2024-25 and 2025-26 budgets have both eroded⁹. The LAO recommends using spring budget hearings to prepare for expected updates at the May Revision, reassessing the contract with the outside consultant as part of the May Revision work, requiring quarterly updates, and viewing unallocated savings proposals skeptically.

Staff Comments.

Structural Budget. Proposals that provide new expenditure authority for existing costs, like this one, raise broader questions about CDCR's budget, especially given the need for the \$358 million augmentation in 2024-25. In particular, it is unclear if or how CDCR could achieve even lower levels of assumed operational savings, or if those savings will end up being offset with new spending proposals and augmentations. The Legislature may want to ask the Administration about cost control measures in place to prevent the need for another augmentation request, and may want to consider additional reporting and oversight measures, such as those recommended by the LAO above.

Vacancy Savings. While vacancy savings have significantly decreased since 2022-23, the current levels are similar to or greater than pre-pandemic levels. For example, the average vacancy savings

⁹ <https://lao.ca.gov/Publications/Report/5156>

in the Medical Services program for 2016-17 through 2018-19 were \$130 million, and for 2023-24 through 2025-26 were \$305.6 million. For non-custody staff, those numbers were \$67.9 million and \$103.7 million, respectively, and for custody staff, \$380 million and \$373 million, respectively. It is possible that the costs covered out of these vacancy savings have increased over the same period due to inflation or other reasons, leaving less available to cover lump sum payments. However, this raises additional questions about these other costs and why they have increased. The Legislature may want to consider additional reporting and oversight measures to provide transparency into the use of vacancy savings.

Staff Recommendation. Hold open.

Issue 4: Population Estimate and Prison Capacity

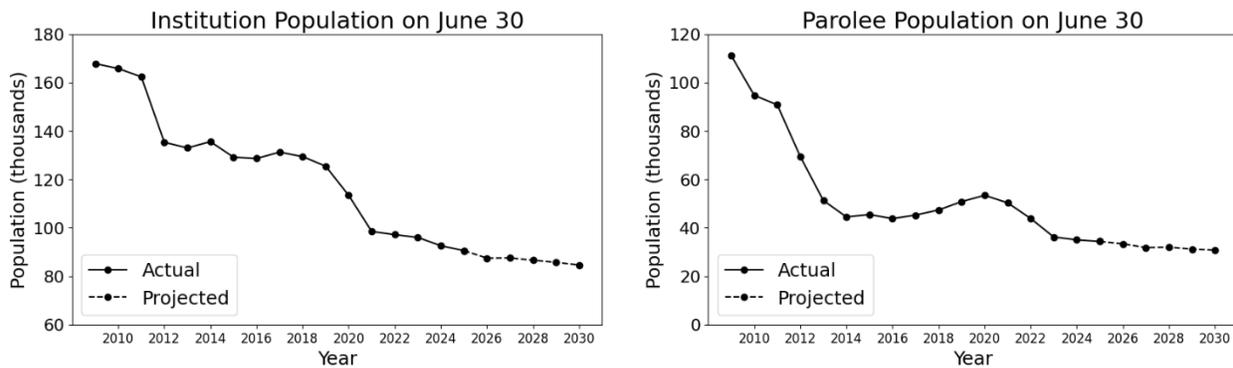
Panelists.

- Cathy Jefferson, Deputy Director, Office of Research, CDCR
- Sarah Larson, Director, Facility Planning, Construction & Management, CDCR
- Cynthia Mendonza, Deputy Director Office of Fiscal Services, CDCR
- Caitlin O’Neil, Principal Fiscal and Policy Analyst, LAO
- Kyle Gayman, Finance Budget Analyst, DOF
- Anthony Franzoia, Principal Program Budget Analyst, DOF

Proposal. The proposed budget reflects the following:

- *Adult Institution Population.* The average daily adult incarcerated population is projected to be 89,162 in 2025-26 and 87,613 in 2026-27, both decreases as compared to spring projections. The population is projected to continue to decline in the long term, to 84,664 in 2030.
- *Parolee Population.* The parolee average daily population is projected to be 33,816 in 2025-26 and 32,432 in 2026-27. The parolee population is expected to decline in the long term, to 30,785 in 2030.
- *Closure of California Rehabilitation Center.* The proposed budget includes a reduction of \$90.7 million General Fund and 521.8 positions and an increase of \$53,000 Inmate Welfare Fund in 2026-27, and a reduction of \$138.1 million General Fund and 778.0 positions and an increase of \$91,000 Inmate Welfare Fund in 2027-28 and ongoing to reflect the closure of California Rehabilitation Center.

Background. As shown below, the prison population has significantly decreased over the past twenty years in response to litigation, policy reforms, the COVID-19 pandemic, and other factors.



Data from CDCR¹⁰

The total population has decreased nearly 50 percent from the peak in 2006, and nearly 30 percent over the past ten years. In addition, over the next five years, a further decrease of 6.5 percent is

¹⁰ <https://www.cdcr.ca.gov/research/population-reports-2/>

expected. The parole population has also declined, reflecting the declining prison population, changes to parole terms, realignment, and other policy reforms.

Prison Overcrowding and the Three-Judge Panel. In October 2006, CDCR's population was 173,479, with prisons operating at more than 200 percent of design capacity¹¹. In January 2010, a special three-judge court ordered California to reduce its prison population to 137.5 percent of design capacity within two years¹². The ruling was part of a consolidated proceeding that included the plaintiffs of two major class action lawsuits related to access to healthcare: *Coleman v. Newsom*, which was filed in 1990 on behalf of all California state prisoners with serious mental illness, and *Plata v. Newsom*, which was filed in 2001 on behalf of all prisoners. Both lawsuits are still active today and have resulted in significant federal oversight of CDCR's healthcare system. The plaintiffs of those two cases believed that a remedy for unconstitutional medical and mental health care could not be achieved without reducing overcrowding. They 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 response, the state took steps to expand capacity and reduce the population and reached the 137.5 percent milestone in 2015. The state's response included:

- *Expanding Capacity.* CDCR expanded capacity in their health care facilities and utilized out-of-state, private, and local facilities. However, as the population declined, the state ended its use of these placements.
- *Public Safety Realignment.* In 2011, the responsibility for some offenders, primarily newly-convicted, low-level offenders without current or prior serious or violent offenses, was shifted from the state to counties, meaning those individuals served their sentences in county jails rather than state prisons.
- *Policy Reforms.* The state expanded credit-earning opportunities, created a parole consideration process for nonviolent, determinately-sentenced incarcerated persons who have served the full term of their primary offense in state prison, expanded medical and elderly parole, and made other significant sentencing reforms to reduce the amount of time individuals spend in state prison. Some of these were court-ordered changes and were enacted as part of Proposition 57 in 2016.

COVID-19 Impact. The COVID-19 pandemic has contributed to a sharp decrease in the prison population over the past few years. This decline has been attributed to halted intake from county jails, expedited release and community supervision programs for individuals with non-violent offenses, and an initial decrease in crime during the lockdowns. CDCR also released people deemed at high risk medically for COVID-19 on a case-by-case basis. In previous years, the Administration had projected a short-term increase in the prison population as intake from counties resumed and other pandemic impacts ended or ramped down. However, the population has not

¹¹ <https://www.cdcr.ca.gov/news/2019/06/25/california-department-of-corrections-and-rehabilitation-exits-last-out-of-state-prison/>

¹² <https://rbgg.com/news/coleman-plata-supreme-court/>

returned to expected levels. This may reflect changes in crime trends during the pandemic, more time served at the county level than anticipated, or other unknown factors.

Population Projections. CDCR updates its population projections twice a year, in the fall and spring, based on projected changes in the prison and parole populations. The fall projections incorporate data through June, with some adjustments based on legislation and other timely factors, and are used to set the population-adjusted funding level for CDCR in the January Governor’s budget. The adjustments are made both on the overall population and various subpopulations. In addition, some adjustments include factors other than population trends, such as inflation. Each spring, as part of the May Revision, the Administration modifies the adjustments using data through December.

Changes from Spring to Fall 2025 Projections. As compared to the spring 2025 projections, which were used as the basis for the enacted 2025 Budget Act, the fall 2025 projections are trending lower, as shown in the table below. CDCR attributes this to two main factors: lower projected court commitments, and lower Proposition 36 (2024) impacts, discussed below.

Comparison of Fall 2025 to Spring 2025 Total Institution Population Projections

June 30	Spring 2025	Fall 2025	Difference	Percent Difference
2025	90,871	90,584	-287	-0.3%
2026	92,397	87,487	-4,910	-5.3%
2027	92,863	87,567	-5,296	-5.7%
2028	91,569	86,604	-4,965	-5.4%
2029	89,692	85,715	-3,977	-4.4%
2030	N/A	84,664	N/A	N/A

Notes: Fall 2025 data as of June 30, 2025, denotes actual population counts.

Source: CDCR Fall 2025 Population Projections¹³

Proposition 36. The passage of Proposition 36 (2024) is expected to impact CDCR’s population by changing some misdemeanors into felonies, lengthening some felony sentences, and requiring specified felonies to be served in prison. The impact of Proposition 36 is estimated to be 562 in 2025-26 and 1,200 upon full implementation, which is about 70 percent lower than the spring projections. CDCR noted that previous projections used data from the implementation of Proposition 47 (2014), but these projections were based on actual Proposition 36 admissions data for the first half of 2025. The Administration noted that the spring 2026 projections, which will inform the May Revision, will include a full year of admissions data, through December 2025.

Prison Closure and Capacity. As the population has declined in the wake of the Three-Judge Panel ruling, the state has correspondingly reduced capacity. Initially, the state did this by discontinuing contract placements, including in out-of-state and private prisons. The state is now in the position to close state-owned and -operated facilities, saving hundreds of millions to billions of dollars in

¹³ <https://www.cdcr.ca.gov/research/wp-content/uploads/sites/174/2026/01/Fall-2025-Population-Projections.pdf>

operation, maintenance, repair, and other infrastructure costs. The average age of CDCR's correctional facility portfolio exceeds 45 years, with approximately 35 percent of the portfolio exceeding 50 years of age, and there is a backlog of infrastructure needs.

Section 2067 of the Penal Code requires CDCR to reduce capacity to accommodate continued population declines in a "manner that maximizes long-term state facility savings, leverages long-term investments, and maintains sufficient flexibility to comply with the federal court order to maintain the prison population at or below 137.5 percent of design capacity." The statute directs the department to consider the following factors in reducing capacity:

- (1) The cost to operate at the capacity.
- (2) Workforce impacts.
- (3) Subpopulation and gender-specific housing needs.
- (4) Long-term investment in state-owned and operated correctional facilities, including previous investments.
- (5) Public safety and rehabilitation.
- (6) The durability of the state's solution to prison overcrowding.

As CDCR considers further facility deactivations, it must also consider how to best match its facilities to changing population needs. Many institutions serve specialized sectors of CDCR's population, including women's prisons, institutions that focus on health care or contain specialized mental health facilities or programs, different security levels and housing types, accessible facilities, etc. Some institutions also have specialized functions, such as Sierra Conservation Center, which serves as the training hub for people going to conservation camps, and the license plate factory at Folsom, which has produced every license plate made in the state since 1947.

Since 2021, the state has made the following closures and capacity reductions:

- Three state-owned prisons: Deuel Vocational Institution (DVI) in Tracy, California Correctional Center in Susanville, and Chuckawalla Valley State Prison in Blythe.
- The California City Correctional Facility, a leased prison that was operated by CDCR staff.
- 13 yards and 46 housing units at various prisons.

These reductions to state-operated prison capacity have resulted in around \$1 billion in General Fund savings annually. It has also allowed the state to avoid funding infrastructure repairs that would otherwise have been needed to continue operating these facilities. For example, with the closure of DVI in Tracy, the state was able to avoid a water-treatment project—estimated in 2018 to cost \$32 million—that would have been necessary to comply with drinking water standards.

California Rehabilitation Center Closure. The state plans to close an additional prison, the California Rehabilitation Center (CRC) in Norco by October 2026. As of March 4, 2026, CRC's population was 589 individuals, well below the staffed capacity of 2,729. The proposed budget includes a reduction of \$90.7 million General Fund and 521.8 positions and an increase of \$53,000 Inmate Welfare Fund in 2026-27, and a reduction of \$138.1 million General Fund and 778.0 positions and an increase of \$91,000 Inmate Welfare Fund in 2027-28 and ongoing to reflect this closure.

CDCR is requesting to retain \$37.7 million in funding currently aligned under CRC's budget. This includes \$15.1 million General Fund and 80.8 positions in 2026-27, increasing to \$22.7 million General Fund and 121.3 positions in 2027-28 and ongoing, to shift funding for Patton State Hospital perimeter staffing elsewhere in CDCR's budget. Other requests for retained funding include ongoing funding for closed facility operations, transportation and community hospital guarding, workers' compensation payments, and staffing for the Male Community Reentry Program, and one-time funding to relocate Career and Technical Education programs, fleet assets, and other equipment.

The LAO also noted that, based on stakeholder reports, CDCR appears to be moving towards deactivating additional yards at California State Prison, Solano (SOL) in Vacaville and Avenal State Prison (ASP) this spring. When asked directly, CDCR stated that yards at these two prisons have been discussed for deactivation, but that the Governor's budget does not reflect their deactivation. However, the administration declined to share the current status of these yards until the May Revision, and did not confirm or deny whether notifications have gone out to staff and the incarcerated population—or if any other concrete steps have been taken—to begin deactivating these yards.

Facility Capacity. As of March 4, 2026, CDCR's institutional design capacity was 71,649, and the adult institutional population occupied 121 percent of design capacity. Currently, the court-ordered capacity limit means that the state is prohibited from housing more than 98,517 people in state-owned prisons (137.5 percent of the design capacity of remaining facilities). This number will decrease by approximately 2,500 when CRC is closed, but will still be above the projected institutional population of roughly 87,500 in late 2026.

However, the court-ordered capacity limit may not be the optimal operational capacity of the state prison system. As part of the 2023-24 budget, CDCR was required to estimate a system-wide operational capacity that would “allow each facility to operate in a manner that is rehabilitative, safe, and cost efficient”, and include an assessment on space available for programming, health care services, and bed needs, and to comply with class action litigation requirements (Section 5033 of the Penal Code).

The report submitted by CDCR included information on the number of programming and work assignments (not including volunteer-led groups or other activities that are not counted as assignments) available at each institution, based on currently available and budgeted opportunities. However, the report did not define a specific operational capacity, or specify how the number of work assignments would relate to a target operational capacity. The report also did not explore whether there are reasonable ways to increase the number of assignments at a given facility. The other factors mentioned in Section 5033 of the Penal Code are discussed in general terms. For example, the report “assumes institutions have adequate physical space, in most instances, to meet the medical and mental health care needs of patients as required under various class action lawsuits,” and states that “[o]vercrowding in correctional settings creates stressful environments” without defining what population level constitutes overcrowding.

LAO Comments.

Estimate of Proposition 36 Prison Population Impact May Be Slightly Low. The department did not provide detailed backup showing its methodology to estimate the impact of Proposition 36 on the prison population. However, based on discussions with the department, it is the LAO's understanding that CDCR used actual admissions data—and in some instances, reviewed individual case files—through June 30, 2025 to identify the number of people who were committed to CDCR due to Proposition 36. (This June 30 cut-off date is a standard feature of CDCR's fall population projection process.) The department then assumed that this rate of admissions observed in the first six months of Proposition 36 implementation would remain constant. This assumption is not unreasonable. However, data provided by CDCR to the Committee on the Revision of the Penal Code and the California Policy Lab suggest the assumption that the rate of Proposition 36 admissions to prison will remain constant could be incorrect. Admissions for two key components of Proposition 36—treatment-mandated felonies and theft of \$950 or less with prior convictions—were higher in the second half of 2025 than the first half the year—the time period CDCR based its projection on.

Prison Population Currently Trending Slightly Higher Than Projections. Over the first half of 2025-26, the actual prison population has been trending slightly higher than CDCR's projections. Specifically, on September 30, 2025, the actual prison population was about 900 people higher (1 percent) than the department projected and about 1,200 higher (1.3 percent) than projected by December 31, 2025. This could be a sign that the impact of Proposition 36 on the prison population is indeed slightly underestimated. However, other factors could also contribute. For example, some large counties had new district attorneys take office in late 2024 and early 2025 who may have subsequently changed policies or practices that impact how often their staff seek prison sentences. Given the recency of such changes, CDCR's population projection methodology, which is based largely on the number of prison admissions in recent years, may not yet have fully detected such new trends.

Administration's Lack of Transparency on Current-Year Changes Limits Legislative Oversight and Hinders Budget Deliberations. As previously discussed, there are some indications that CDCR has begun the process of deactivating yards at SOL and ASP. However, it declined to directly answer the LAO's questions about whether this was true—instead alluding to potential updates that could be provided at the May Revision. In the LAO's view, this lack of transparency presents two major problems. First, it limits the Legislature's ability to provide oversight over a significant operational change that deviates from the budget plan that was enacted for the 2025-26 fiscal year. Under the administration's approach of waiting until May to update the Legislature, it is possible that the yards are deactivated before the Legislature is ever notified of the change. Second, the administration's approach limits important information that is relevant for ongoing legislative deliberations on the 2026-27 budget. For example, deactivation of yards impacts how many full prisons could potentially be closed in future years without having to reactivate capacity at other prisons. This is relevant and critical context for budget deliberations around prison infrastructure and the state's out-year fiscal capacity. The LAO notes that this is not the first time this has occurred. The administration similarly refused to provide information about the actual operational status of its prisons in fall of 2024 when various stakeholders began reporting that CDCR was in

the process of deactivating yards and making other operational changes, such as reducing evening recreational time and modifying standardized security staffing.

LAO Recommendations.

Population Adjustments. The LAO withholds recommendation on the administration's overall biannual adjustments until the May Revision. The LAO will continue to monitor CDCR's populations and the other factors affecting the proposed adjustments and advise the Legislature based on the updated information available at the May Revision, including the administration's revised population projections.

Prison Closure. The LAO finds that the state could close an additional prison within the next few years and still retain a significant buffer to manage unexpected population increases. This could save around \$150 million annually in operational costs and avoid the need for infrastructure projects at the closed prison. Accordingly, the LAO recommends that the Legislature direct CDCR to begin planning to do so. To avoid funding infrastructure projects at a prison that is closed shortly after, the LAO recommends the Legislature reject infrastructure proposals for the Correctional Training Facility in Soledad (as it appears to be a strong candidate for closure) unless the administration identifies a different candidate. In addition, because there are indications the administration has begun deactivating portions of prisons and has declined to provide information to the LAO about this potential change, the LAO recommends requiring CDCR to report in budget hearings about its deactivation activities and enacting statute requiring legislative notification when the department implements capacity reductions going forward.

Staff Recommendation. Hold open.

NON-DISCUSSION ITEMS

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 5: Facility and Capital Outlay Proposals

Proposal. The Governor's budget includes the following proposals related to facilities and capital outlay:

- \$23.1 million one-time General Fund in 2026-27 to complete accessibility improvements at eight institutions: California Institution for Men in Chino; California Institution for Women in Corona; California Medical Facility in Vacaville; Mule Creek State Prison in Ione; Pleasant Valley State Prison in Coalinga; Richard J. Donovan Correctional Facility in San Diego; California State Prison, Solano; and Valley State Prison in Chowchilla.
- \$9.2 million General Fund for three potable water projects, including:
 - \$6.6 million to continue the construction of a potable water treatment system at the California Health Care Facility in Stockton.
 - \$1.6 million for the working drawings phase of a continuing project to construct new groundwater wells to supply Central California Women's Facility and Valley State Prison in Chowchilla.
 - \$1.1 million for the preliminary plans phase of a new project to construct new groundwater wells to supply Correctional Training Facility, Soledad.

LAO Comments and Recommendations. The LAO notes that it would not be cost-effective to start projects at prisons that could be closed, but recommends approving remaining infrastructure proposals.

Staff Recommendation. Hold open.