



May 14, 2025

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to and Addition of Various Budget Bill Items, Support and Capital Outlay,
California Department of Corrections and Rehabilitation**

The May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Withdrawn/Partially Withdrawn Governor's Budget Proposals:

Americans with Disabilities Act Facility Improvements—It is requested that Item 5225-001-0001 be decreased by \$23.1 million in fiscal year 2025-26 associated with the withdrawal of this proposal related to ADA facility improvements.

Public Safety Radio Replacement—It is requested that Item 5225-001-0001 be decreased by \$19,829,000 ongoing associated with the withdrawal of this proposal related to public safety radio replacement.

Air Cooling Pilot Program—It is requested that Item 5225-001-0001 be decreased by \$6,039,000 in 2025-26 and \$25.4 million in 2026-27 associated with the partial withdrawal of this proposal related to the Air Cooling Pilot Program. It is also requested that provisional language be added to extend the expenditure and encumbrance period through June 30, 2028 (see Attachment 1).

COVID-19 Mitigation Costs—It is requested that Item 5225-021-0001 be decreased by \$7,816,000 in 2025-26 associated with the partial withdrawal of this proposal related to COVID-19 mitigation efforts.

The remaining adjustments included in the May Revision are listed below:

Operational Improvements—It is requested that Item 5225-001-0001 be decreased by \$125 million in 2025-26 to reflect operational efficiencies related to headquarters, contract management, overtime, and modifying various aspects of health care programs. It is also requested that provisional language be added to Item 5225-001-0001 authorizing the Department of Finance to transfer expenditure authority of up to \$125 million in 2025-26 between schedules within this item and order funds be transferred between Items 5225-001-0001, 5225-002-0001, 5225-008-0001, 5225-009-0001, 5225-012-0001, 5225-014-0001, 5225-016-0001, 5225-021-0001, 5225-025-0001, 5225-093-0001, 5225-094-0001, and 5225-101-0001 (see Attachment 2).

Adult Population Adjustment—The May Revision reflects an estimated average daily adult incarcerated population of 91,205 in 2025-26, which is 2,073 fewer than projected in the Governor's Budget. The projected parolee average daily population is 39,461 in 2025-26, which is 642 fewer than projected in the Governor's Budget. It is requested that the following items be amended for this purpose:

- Item 5225-001-0001 be decreased by \$16,399,000 and 125.1 positions in 2025-26 and \$16,420,000 and 124.2 positions in 2026-27 and ongoing.
- Item 5225-001-0917 be decreased by \$424,000 in 2025-26 and ongoing.
- Item 5225-002-0001 be increased by \$82,503,000 and 90.8 positions in 2025-26 with varying amounts in the subsequent years, resulting in an increase of \$65,353,000 and 90.8 positions ongoing.
- Item 5225-008-0001 be decreased by \$158,000 ongoing and 6.5 positions in 2025-26 and increased by 4 positions in 2026-27 and ongoing.
- Item 5225-009-0001 be decreased by \$1,223,000 and 5 positions in 2025-26 and ongoing.
- Item 5225-014-0001 be increased by \$15,000 in 2025-26 and ongoing.

Statewide Fire Alarm Replacements and Fire Watch—It is requested that Item 5225-001-0001 be increased by \$37,311,000 in 2025-26 and \$44,184,000 in 2026-27 and 2027-28 to replace fire alarm control panels and systems at two institutions that currently require staff to perform fire watch duties as mandated by the Office of the State Fire Marshal.

Increased Department Legal Costs—It is requested that Item 5225-001-0001 be increased by \$4,290,000 in 2025-26 and ongoing to address increased legal costs.

Family Liaison Services and Gender-Responsive Contract Costs—It is requested that Item 5225-001-0001 be increased by \$2,644,000 beginning in 2025-26 through 2027-28 for contracted costs related to Family Liaison Services and Gender-Responsive, Trauma Informed consulting services.

Utilities Adjustment—It is requested that Item 5225-001-0001 be increased by \$357,000 in 2025-26 and ongoing related to increased utilities costs. This adjustment supplements the decreased utilities costs included in the Governor's Budget.

Food Costs Adjustment—The Governor's Budget included a request of \$32,124,000 in 2025-26 and ongoing to increase the statewide feeding rate, calculated as per person per day based on the projected average daily population at adult institutions, to better match costs associated with providing meals to the incarcerated population.

It is requested that Item 5225-001-0001 be decreased by \$691,000 in 2025-26 and ongoing to account for the projected decrease to the average daily population at the adult institutions.

Technical Adjustments—It is requested that Item 5225-001-0001 be increased by \$722,000 and 5 positions in 2025-26 ongoing and Item 5225-002-0001 be decreased by \$914,000 and 5 positions in 2025-26 and ongoing to realign resources across items and programs and correct technical issues from the Governor's Budget. It is also requested that \$63,000 within Item 5225-008-0001 be shifted from Program 4600-Rehabilitative Programs-Adult Administration to Program 4590-Rehabilitative Program-Cognitive Behavioral Therapy and Reentry Services to better align funding and positions with program functions. It is also requested that \$2,702,000 and 12 positions in 2025-26 and ongoing within Item 5225-009-0001 be shifted from Program 4575-Board of Parole Hearings-Adult Hearings to Program 4580-Board of Parole Hearings-Administration to better align funding and positions with program functions. It is also requested that \$1,094,000 and 3 positions within Item 5225-001-3085, and \$658,000 and 4 positions within Item 5225-002-0001, be shifted from Program 4670-Dental and Mental Health Services Administration-Adult to Program 4650-Medical Services-Adult to correct a miscoding.

CalAIM Justice-Involved Initiative – Program Support—It is requested that Item 5225-002-0001 be decreased by \$6,197,000 in 2025-26, increased by \$3,829,000 in 2026-27, and decreased by \$11 million and increased by 65 positions in 2027-28 and ongoing to implement the California Advancing and Innovating Medi-Cal Justice-Involved Initiative. It is also requested that Item 5225-502-0995 be increased by \$21.5 million in 2025-26 and \$11 million in 2026-27 and ongoing to account for increased federal reimbursements through this initiative (see Attachment 3).

Lease Revenue Debt Service Adjustments—It is requested that Item 5225-093-0001 be decreased by \$8,829,000 in 2025-26 and Item 5225-094-0001 be increased by \$8,829,000 in 2025-26 to shift the appropriate authority to assist with completing county projects at associated institutions (see Attachment 4 and 5).

Reappropriation and Repurposing of Statewide Roofs Replacement Funding—It is requested that Item 5225-490 be added to reappropriate and repurpose \$50.8 million in roof replacement funding from the 2023 Budget Act and \$62,001,000 in roof replacement funding from the 2024 Budget Act. These funds are to be repurposed for use on various statewide roof replacement projects and for kitchen repairs at California State Prison, Corcoran and Salinas Valley State Prison (see Attachment 6).

Work Privileges for Incarcerated College Students—It is requested that statutory changes be made to provide privileges awarded to incarcerated individuals working full-time or in rehabilitative programming to individuals who are full-time college students.

Licensure of Mental Health Professionals—It is requested that statutory changes be made to broaden the pre-licensure employment waiver option to include all mental health professionals.

Tuberculosis Testing—It is requested that statutory changes be made to limit tuberculosis testing requirements to only those employees working in institutional settings and allow new employees to complete this testing during their first week of their employment.

The effect of my requested action is reflected on the attachments.

If you have any questions or need additional information regarding this matter, please call Lynne Ishimoto, Anthony Franzola, or Ryan Weinberg, Principal Program Budget Analysts, at (916) 445-8913.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Laura Richardson, Chair, Senate Budget and Fiscal Review
Subcommittee No. 5
Honorable James Ramos, Chair, Assembly Budget Subcommittee No. 6
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Jeffrey Macomber, Secretary, California Department of Corrections and Rehabilitation
Tammy Foss, Undersecretary, Operations, California Department of Corrections
and Rehabilitation
Jennifer Barretto, Undersecretary, Administration, California Department of
Corrections and Rehabilitation
Dr. Diana Toche, Undersecretary, Health Care Services, California Department of
Corrections and Rehabilitation
Stacy Lopez, Director, Division of Administrative Services, California Department of
Corrections and Rehabilitation
Sarah Larson, Assistant Secretary, Legislative Affairs, California Department of
Corrections and Rehabilitation
Cynthia Mendonza, Deputy Director, Fiscal Services – Division of Administrative
Services, California Department of Corrections and Rehabilitation
Clark Kelso, Receiver, California Department of Corrections and Rehabilitation
Lara Saich, Director, Health Care Policy and Administration, California
Department of Corrections and Rehabilitation
Duane Reeder, Deputy Director, Fiscal Management Section, California
Department of Corrections and Rehabilitation

Add Provision 5 to Item 5225-001-0001 as follows:

5. Of the amount specified in Schedule 6 of this item, up to \$17,567,000 is specified for the purpose of the Air Cooling Pilot Program and shall be available for encumbrance or expenditure until June 30, 2028.

Add Provision 6 to Item 5225-001-0001 as follows:

6. Schedule (1) of this item reflects an unallocated reduction of \$125,000,000 for 2025-26 for the purposes of effectuating planned savings from various operational efficiencies across the department. To implement this plan, upon order of the Department of Finance, up to \$125,000,000 may be transferred between schedules in this item and the Department of Finance may order that funds be transferred between this item and schedules within other items of appropriation for the Department of Corrections and Rehabilitation as follows: Items 5225-001-0001, 5225-002-0001, 5225-008-0001, 5225-009-0001, 5225-012-0001, 5225-014-0001, 5225-016-0001, 5225-021-0001, 5225-025-0001, 5225-093-0001, 5225-094-0001, and 5225-101-0001. The aggregate appropriation adjustments allocated under this provision shall balance to \$0. The Department of Finance shall notify the Joint Legislative Budget Committee 30 days prior implementing any adjustments authorized under this provision.

Add Provision 13 to Item 5225-002-0001 as follows:

13. The amount appropriated in Schedules (1) and (4) incorporates General Fund offsets of \$5,000,000 and \$6,000,000, respectively, based on anticipated federal reimbursements for the California Advancing and Innovating Medi-Cal Justice Involved Initiative (CalAIM). Notwithstanding any other law, upon order of the Department of Finance, the amounts available in Schedules (1) and (4) of this item may be adjusted to align with actual or estimated reimbursement amounts under CalAIM.

"5225-093-0001—For support of Department of Corrections and Rehabilitation, for rental payments on lease-revenue bonds~~279,753,000~~ 270,924,000

Schedule:

(1) 4540-Adult Corrections and Rehabilitation Operations—Inmate Support.....~~279,753,000~~ 270,924,000

Provisions:

1. The Controller shall transfer funds appropriated in this item for base rental as and when provided for in the schedule submitted by the State Public Works Board. Notwithstanding the payment dates in any related Facility Lease or Indenture, the schedule may provide for an earlier transfer of funds to ensure debt requirements are met and pay base rental in full when due.

2. The Controller shall transfer for additional rental no later than 30 days after enactment of this budget, ~~\$4,276,000~~ \$4,220,000 of the amount appropriated in this item, to the Expense Account in the Public Buildings Construction Fund.

3. This item may be adjusted pursuant to Section 4.30. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30."

"5225-094-0001—For support of Department of Corrections and Rehabilitation, for rental payments on lease-revenue bonds~~90,828,000~~ 99,657,000

Schedule:

(1) 4540-Adult Corrections and Rehabilitation Operations—Inmate Support.....~~90,828,000~~ 99,657,000

Provisions:

1. The Controller shall transfer funds appropriated in this item for base rental as and when provided for in the schedule submitted by the State Public Works Board. Notwithstanding the payment dates in any related Facility Lease or Indenture, the schedule may provide for an earlier transfer of funds to ensure debt requirements are met and pay base rental in full when due.

2. The Controller shall transfer for additional rental no later than 30 days after enactment of this budget, ~~\$1,454,000~~ \$1,510,000 of the amount appropriated in this item, to the Expense Account in the Public Buildings Construction Fund.

3. This item may be adjusted pursuant to Section 4.30. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30."

5225-490—Reappropriation, Department of Corrections and Rehabilitation. The amounts specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2027:

0001—General Fund

- (1) Up to \$50,800,000 in Provision 1 of Item 5225-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for use on various statewide roof replacement projects, including, but not limited to the California Institution for Men, the California Medical Facility, and the Richard J. Donovan Correctional Facility.
- (2) Up to \$62,001,000 in Provision 1 of Item 5225-001-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for use on various statewide roof replacement projects, including, but not limited to the Richard J. Donovan Correctional Facility, for use on kitchen repairs at California State Prison, Corcoran, and for use on kitchen repairs at Salinas Valley State Prison.



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Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 5225-301-0001, Capital Outlay, Department of Corrections and Rehabilitation

It is requested that Item 5225-301-0001 be decreased by \$500,000 in fiscal year 2025-26 to remove the study appropriation for the Statewide Budget Packages and Advanced Planning that was included in the Governor's Budget. It is also requested that provision 1 be eliminated.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Koreen H. von Ravenhorst, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Dave Lewis, Director, Facility Planning, Construction and Management, Department of
Corrections and Rehabilitation
Michelle Weaver, Deputy Director, Facility Planning, Construction and Management,
Department of Corrections and Rehabilitation
Michael Potter, Associate Director, Facility Planning, Construction and Management,
Department of Corrections and Rehabilitation
Sarah Johnson, Chief of Planning and Finance, Department of Corrections and
Rehabilitation

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Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 5227-491, Support, and Statutory Changes, Board of State and Community Corrections

Adult Reentry Grant Reappropriation—It is requested that Item 5227-491 be amended to extend the encumbrance availability of \$2,850,000 in Adult Reentry Grant Program administrative funds for two additional years, from June 30, 2027, until June 30, 2029 (see Attachment 1). The resources were originally appropriated in Item 5227-103-0001 in the 2024 Budget Act.

The following statutory changes are also requested:

Changes to Strengthen Cannabis Enforcement—Statutory changes are requested to authorize the Board of State and Community Corrections' (BSCC) Proposition 64 Public Health and Safety Grant Program, which is funded through Allocation 3 of the Cannabis Tax Fund, to award grants to local governments that prohibit cannabis cultivation if they authorize retail cannabis sales and requires the BSCC to prioritize grants to be directed to local illicit cannabis enforcement efforts. These changes expand collaboration with local law enforcement and encourage retail participation to stabilize the legal market and promote consumer safety. See the Department of Cannabis Control May Revision Finance Letter for additional information.

Suitability of Facilities for the Confinement of Juveniles—Statutory changes are requested to authorize the BSCC to bring a civil action when a juvenile detention facility is found by the BSCC to be unsuitable for the confinement of youth. These changes will allow a superior court to order specified relief, including corrective action or injunctive relief, for a facility that fails to meet the state's minimum standards for operating a juvenile detention facility.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Anthony Franzoia, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

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Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Aaron R. Maguire, Executive Director, Board of State and Community Corrections

"5227-491—Reappropriation, Board of State and Community Corrections. The amounts specified in the following citations are reappropriated for the purposes of administering the Adult Reentry Grant Program and shall be available for encumbrance or expenditure as specified below:

0001—General Fund

- (1) \$3,350,000 of Item 5227-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), which shall be available for encumbrance or expenditure until June 30, 2026.
- (2) \$2,850,000 of Item 5227-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), which shall be available for encumbrance or expenditure until June 30, 2027.
- (3) \$2,850,000 of Item 5227-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023), which shall be available for encumbrance or expenditure until June 30, 2028.
- (4) \$2,850,000 of Item 5227-001-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024), which shall be available for encumbrance or expenditure until June 30, 2029."