MARCH 18, 2026

Overview of State Correctional Population and Spending Trends

PRESENTED TO:

Assembly Budget Subcommittee No. 7 on Accountability and Oversight

Hon. Gregg Hart, Chair

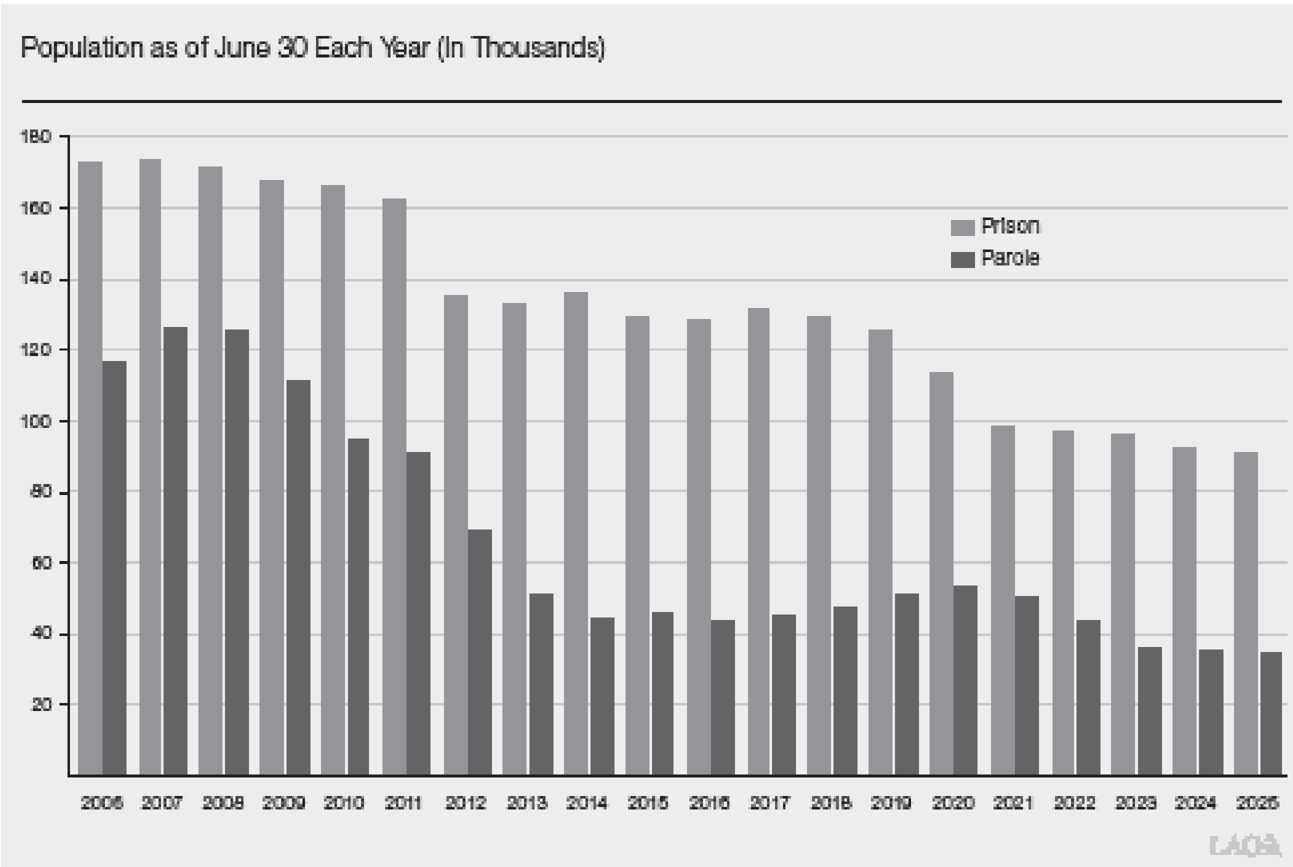
LEGISLATIVE ANALYST'S OFFICE

Overview of Handout

At the request of staff, we have created this handout, which provides the following background information on the California Department of Corrections and Rehabilitations (CDCR):

- Prison and parole population trends over the past 20 years.
- Total operational spending over the past 20 years.
- Total operational spending by category.
- Prison spending per person.
- Budget savings due to recent prison capacity reductions.
- Recent efforts to reduce CDCR spending through efficiencies.

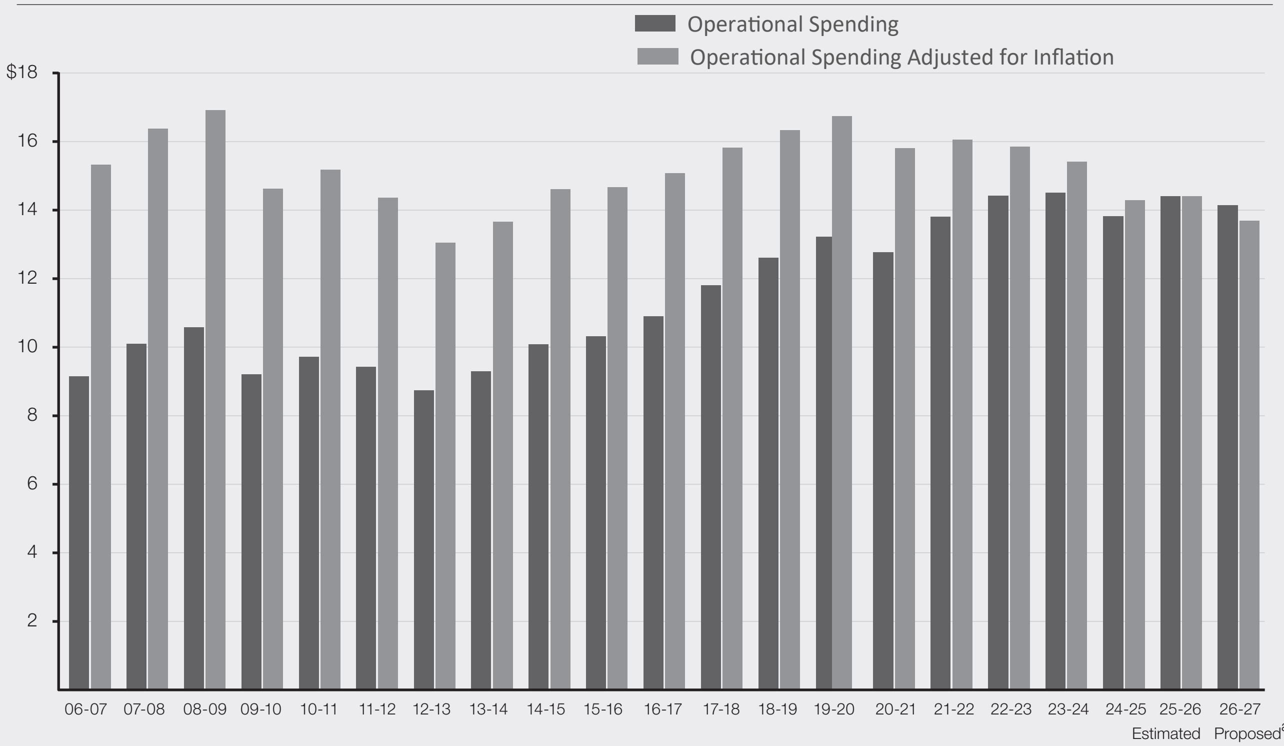
Prison and Parole Populations Have Declined Significantly Over the Past Two Decades



- Over the past two decades, the prison population declined by about 82,000 people (48 percent) from an all-time peak of about 173,000. The parole population also declined by 82,000 (71 percent) over the same period.
- These declines were primarily driven by changes to sentencing law. For example, in 2011, responsibility for incarcerating and supervising certain people was "realigned" from the state to counties along with a percentage of state sales tax revenue (about $2.2 billion in 2026-27).

CDCR Spending Has Fluctuated

(In Billions)



[a] Proposed CDCR spending does not reflect anticipated increases in employee compensation costs because they are accounted for elsewhere in the budget.

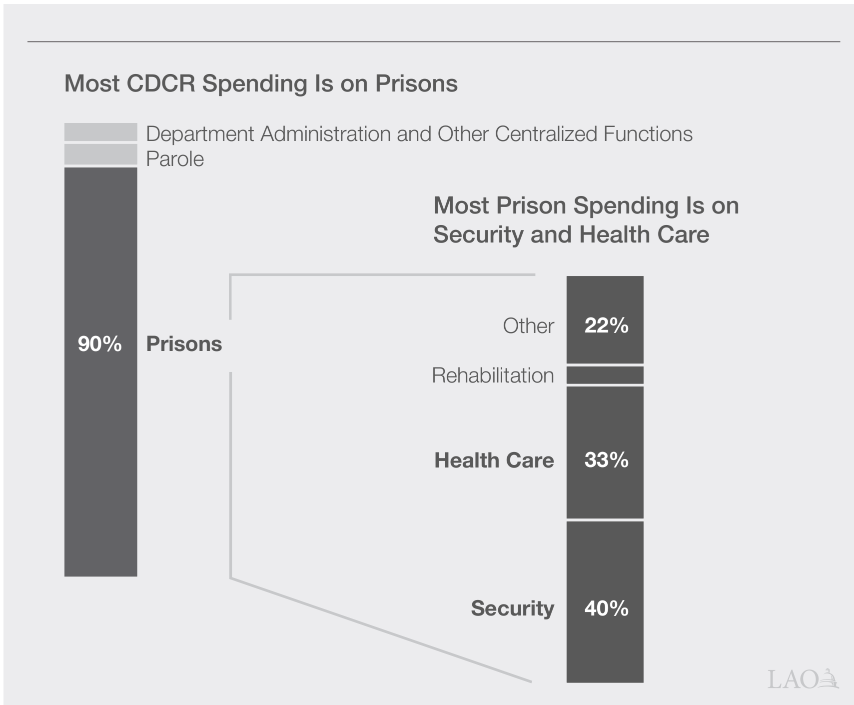
- CDCR operational spending increased by about $5 billion (55 percent) between 2006-07 and 2026-27. However, when adjusted for inflation, the proposed 2026-27 level is about $1.6 billion (11 percent) below the 2006-07 level. Over this period, CDCR spending decreased from about 9 percent of total General Fund spending to about 6 percent.

CDCR Spending Has Fluctuated

(Continued)

- The amount of CDCR spending in a given year is influenced by the scale of its operations, such as the number of prisons it operates. However, it is also influenced by the budget context. For example, in some years, the state took actions to close budget shortfalls that reduced CDCR spending, such as shifting a portion of staff pay to the future through furloughs.
- In 2024-25 (the most recent actual data available), CDCR had about 50,000 filled positions. The department had roughly the same number of filled positions in 2006-07, despite a much higher population. This is primarily because CDCR has made major operational changes, including reducing overcrowding and improving the delivery of health care.

Prison Security and Health Care Are Major Contributors to CDCR Spending



- About 90 percent of CDCR's operational spending is driven by the costs of housing and providing services to the prison population, primarily in the state's 31 prisons. The remaining 10 percent is associated with (1) supervising and providing services to the parole population and (2) performing centralized functions, including department administration and support services, internal affairs, Board of Parole Hearings, and information technology.
- Nearly three-quarters of spending on prisons is driven by the costs of providing security and delivering medical, mental health, and dental care to the prison population.

Prison Security and Health Care Are Major Contributors to CDCR Spending

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- About 5 percent of prison spending goes to educational, vocational, and other rehabilitative and reentry preparation programs (such as cognitive behavioral therapy). These programs are primarily operated by state staff or contractors. A very small portion are operated by community-based organizations.
- The remaining 22 percent of prison spending pays for various other costs, such as administration, maintenance, correctional counseling services, food, and clothing.

The Average Cost to Incarcerate a Person in State Prison Is Nearly $130,000 Per Year

2025-26 Enacted Budget

Type of Expenditure	Per Person Cost
Security	**$52,194**
Health Care	**$41,834**
Medical care	26,880
Mental health care	8,123
Pharmaceuticals	4,835
Dental care	1,997
Facility Operations and Records	**$11,747**
Facility operations (maintenance, utilities, etc.)	7,791
Classification services	2,686
Maintenance of records	971
Reception, testing, assignment	267
Transportation	32
Administration	**$10,814**
Support	**$5,709**
Food	3,196
Employment and canteen	1,715
Clothing	397
Religious activities	197
Activities	205
Rehabilitation Programs	**$4,761**
Academic education	2,154
In-prison programs	1,937
Vocational training	671
Miscellaneous	**$728**
Total	**$127,788**

Note: Detail may not add due to rounding.

- The average annual cost for CDCR to incarcerate a person was $127,800 per person at the time the 2025-26 budget was enacted. It represents the amount CDCR was budgeted to spend on average per person on prison operations in 2025-26.
- Since 2010-11, the annual average cost has increased by about $78,900 or 161 percent. (When adjusted for inflation, the average cost increased by $51,500 or 68 percent.) This includes an increase of $28,000 for security and $27,400 for health care. Significant drivers of this increase include spending to comply with court orders (particularly those related to prison overcrowding and health care) and employee compensation costs.

Reductions to Prison Capacity Are Saving Around $1 Billion Annually

Capacity-Related Change	Year	Approximate Ongoing Operational Savings (In Millions)
Full Prisons Closed	**2021 to 2026**	**$656**
Deuel Vocational Institution in Tracy	2021	126
California Correctional Center Susanville	2023	133
California City Correctional Facility[a]	2024	127
Chuckawalla Vally State Prison in Blythe	2024	132
California Rehabilitation Center in Norco[b]	2026	138
Portions of Prisons Deactivated	**2021 to 2024**	**$356**
Headquarters Reductions Tied to Capacity	**2024**	**$11**
Total		**$1,023**

[a] Leased facility operated by state staff.
[b] Closure planned for October 2026.

- In 2021, CDCR completed a multiyear drawdown of people housed in contractor-operated prisons made possible by the declining prison population. The department then began accommodating further population declines by deactivating state-operated prison capacity, which is saving around $1 billion annually in operational costs.
- Deactivation also allows the state to avoid funding infrastructure repairs that would otherwise have been needed. This can represent significant cost avoidance, as the state's prisons have major infrastructure repair needs.

State Has Attempted to Reduce CDCR Spending Through Efficiencies

CDCR General Fund Savings From Recent Efforts to Achieve Efficiencies in State Operations
(In Millions)

	2024-25	2025-26	2026-27	2027-28	2028-29 and Ongoing
Initiated as Part of the *2024-25 Budget Act*					
Target set in June 2024	$392	$392	$392	$392	$392
Achieved as of May 2025	154	177	177	177	177
Initiated as Part of the *2025-26 Budget Act*					
Target set in June 2025		$125	$480	$554	$644
Estimated as of 2026-27 Governor's budget[a]		125	250	375	375

[a] The administration anticipates the 2026-27 May Revision will reflect lower levels of savings than assumed in the Governor's budget but has not provided a sense of how much lower.

CDCR = California Department of Corrections and Rehabilitation.

- The 2024-25 budget assumed savings would be achieved through a combination of operational efficiencies and elimination of vacant positions identified via an exercise coordinated by the Department of Finance (DOF).
- The 2025-26 budget authorized DOF to enter into one or more new contracts to implement process improvements that allow the state to reduce costs. In September 2025, DOF entered into a contract worth up to $20 million with Boston Consulting Group for assistance in creating process improvements in CDCR and the Department of Health Care Services. The work related to CDCR involves:
  - Analyzing procurement and inventory management processes, contracts, and financial data to identify opportunities to save by (1) renegotiating, consolidating, or eliminating contracts and (2) reducing quantities purchased or switching to a different product type.
  - Reviewing staffing and processes for administrative functions (such as workers compensation, human resources, and information technology) to identify inefficiencies that could be eliminated.
- In both cases, savings have fallen short of what was assumed when the proposals were approved.