

California State Assembly



Informational Hearing Agenda

Assembly Budget Subcommittee No. 6 on Public Safety

Assemblymember James Ramos, Chair

Monday, March 2, 2026
2:30 P.M. – State Capitol, Room 447

Items To Be Heard		
Item	Description	Page
5225	California Department of Corrections and Rehabilitation	2
Issues	<ol style="list-style-type: none">1. Population Projections and Updated Assessment of Impacts from Proposition 362. Lump Sum Payments3. Statewide Correctional Video Surveillance Completion and Statewide Fire Alarm Replacements and Fire Watch Budget Proposals4. Closure of California Rehabilitation Center (CRC) and Overview of Deactivated Facilities	 2 6 11 13
8940 8140	California Military Department Office of State Public Defender	19
Issues	Non-Presentation Items <ol style="list-style-type: none">5. Continuation of Contraband Interdiction6. Utility Baseline and Federal Trust Fund Authority Increase7. Racial Justice for All Act Implementation	19 19 19 20

Public Comment will be taken in person after the completion of all panels and any discussion from the Members of the Subcommittee.

Items To Be Heard

5225 – California Department of Corrections and Rehabilitation (CDCR)

Issue 1: Population Projections and Updated Assessment of Impacts from Proposition 36

CDCR will provide an overview of the state’s prison population projections and their preliminary assessment of Proposition 36’s impact on the state prison population.

Panel

- Cathy Jefferson, Deputy Director, Office of Research, CDCR
- Caitlin O’Neil, Legislative Analyst’s Office
- Department of Finance

Background

The Governor’s Budget proposal includes \$14.2 billion (\$13.8 billion General Fund and \$400,000 million other funds) and 58,052.8 budgeted positions.

There are currently 31 prisons across the state. The total prison population as of February 10, 2026 was 90,035 (86,391 male and 3,644 female). Of this total, 86,963 individuals are housed in state prisons, 1,768 are housed in camps, 178 are in the Department of State Hospitals, and 1,136 are in various other placements including community reentry programs. The available design capacity of the prisons is 71,656, which equates to a court ordered maximum capacity of 98,527 beds. The court ordered restriction does not apply to camp beds and the total available prison capacity excludes beds available in community reentry programs and other placements which currently total over 1,300 additional beds. In total, current state prison capacity is approximately 102,000 beds with a total 90,035 incarcerated population.

CDCR projects the average daily incarcerated population for 2025-26 to be 89,162 and 87,613 in 2026-27. In the longer term, the population is projected to decline to 84,644 by June 30, 2030. Last year’s analysis indicated that Proposition 36 was expected to increase CDCR’s population by 1,878 in 2025-26 and 3,597 upon broader implementation. Recent projections using updated data indicate that the impacts will be lower: 562 in 2025-26 and 1,200 upon full implementation.

The average parolee population is projected to be 33,816 in 2025-26 and is expected to decline to 32,432 in 2026-27. The parole population is projected to decline further to 30,785 by June 30, 2030.

Legislative Analyst’s Office (LAO)

The LAO provides the following analysis and recommendations:

Estimated Population Impact of Proposition 36 Reduced. The department’s overall population projections reflect its estimated impact of Proposition 36 (2024), which went into effect on December 18, 2024. The measure increased penalties for various theft and drug crimes, making some people eligible for a prison sentence. For example, it made theft of \$950 or less a felony instead of a misdemeanor if a person has certain past theft convictions. Additionally, it allows people who possess specific illegal drugs (such as fentanyl) to be charged with a “treatment-mandated felony” instead of a misdemeanor if they have certain past drug convictions. Those who decline or do not complete treatment can be convicted of a felony. As shown in the following table, CDCR estimates that Proposition 36 will cause the average daily prison population to be 562 people (or 0.6 percent) higher than otherwise in 2025-26 and 978 people (or 1.1 percent) higher in 2026-27. The department’s estimates of the impact of the measure on the prison population have come down by about 70 percent compared to what was estimated at the 2025-26 May Revision. This is largely due to the availability of six months of actual data to inform the current estimates. The department also updated its estimates of the impact on the parole population. It now estimates that Proposition 36 will *reduce* the parole population by about 1 percent in the near term because it will lengthen some people’s prison terms, thereby delaying their release to parole.

CDCR Proposition 36 Population Impact Estimates

	Prison Population			Parole Population		
	Estimate as of 2025-26 May Revision	Estimate as of 2026-27 Governor’s Budget	Change	Estimate as of 2025-26 May Revision	Estimate as of 2026-27 Governor’s Budget	Change
2025-26	1,878	562	-1,316	5	-126	-131
2026-27	3,522	978	-2,544	63	-248	-311

Net Decreases in Current- and Budget-Year Funding Adjustments. Relative to what was assumed in the *2025-26 Budget Act*, the Governor’s budget reflects net decreases in baseline spending for both the current year (\$6.6 million) and the budget year (\$31 million). This reflects lower costs due to updated prison population estimates, offset partially by higher costs related to such things as pharmaceutical purchases and conversion of certain housing units to accommodate populations that require higher staffing levels.

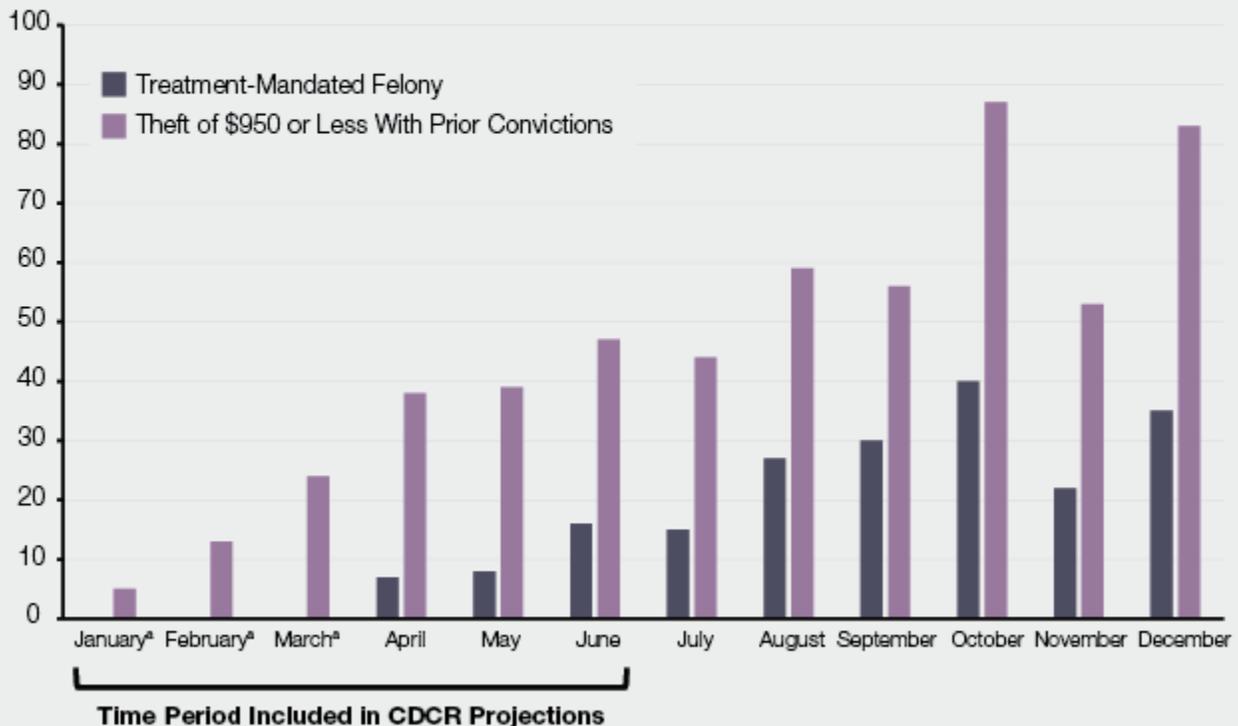
Estimate of Proposition 36 Prison Population Impact May Be Slightly Low. The department did not provide detailed backup showing its methodology to estimate the impact of Proposition 36 on the prison population. However, based on discussions with the department, it is our understanding that CDCR used 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. As shown in Figure 4, 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.

Figure 4

CDCR Projections Based on Time Period With Relatively Low Admissions for Some Proposition 36 Crimes

Monthly Prison Admissions Due to Two Components of Proposition 36



^a Month had fewer than five admissions for the treatment-mandated felony. Precise count was not provided to prevent re-identification of individuals.



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.

Recommendation

Withhold Recommendation Until May Revision. We withhold recommendation on the administration's overall biannual adjustments until the May Revision. We 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.

Staff Recommendation: Hold Open.

Issue 2: Lump Sum Payments

The California Department of Corrections of Rehabilitation will provide an overview of their budget proposal related to lump sum payments.

Panel

- Cynthia Mendonza, Deputy Director, Office of Fiscal Services, CDCR
- Caitlin O’Neil, Legislative Analyst’s Office
- Department of Finance

Background

The Legislative Analyst’s Office provides the following background:

Vacant Positions Create Salary Savings. Under state budgeting practices, departments are budgeted assuming that all of their authorized positions are filled. However, in practice, some amount of authorized positions are vacant at any given time. This is because it takes time to fill newly authorized positions and there is often a lag between the time that one person leaves an existing position and another person is hired as a replacement. This means that departments are budgeted to pay for a larger number of positions than are actually filled at a given time, which generates savings in departments’ budgets. This accrued savings is referred to as “salary savings.”

Departments Typically Use Salary Savings to Pay Certain Costs That Are Not Formally Budgeted. Under state budgeting practices, departments are not formally budgeted for certain costs and, as a result, are expected to absorb them within existing resources. For example, when an employee separates from state service, they receive a payment for any unused leave that is considered “compensable”—primarily, vacation and annual leave. Departments are typically expected to pay for these separating employee leave cashouts using salary savings. In addition, the state typically does not provide systematic, regular adjustments to state department budgets to reflect the rising costs of doing business including rising rent or fuel costs or growth in overtime costs due to salary increases. Departments have had to find ways to pay for these rising costs, often using salary savings.

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.

...Causing a Structural Shortfall in CDCR's Budget. The decline in CDCR's vacancy rate has reduced the department's salary savings. However, the costs, which the department has traditionally absorbed using salary savings, such as separating employee leave cashouts, have not been commensurately reduced. This has left a structural shortfall in some items of appropriation within CDCR's budget. (This structural shortfall is in addition to an unallocated \$125 million General Fund reduction in 2025-26, growing to \$375 million in 2027-28 and ongoing, that the administration is expecting to achieve through operational efficiencies identified with the help of a contractor. To the extent these efficiencies do not materialize, the structural shortfall in CDCR's budget would become worse. We are reviewing information provided by the administration on the status of this work and will communicate our findings to the Legislature.)

Administration Has Responded Through a Combination of Actions. The administration has responded to this shortfall in CDCR's budget through a combination of actions:

- **Reducing Costs.** CDCR indicates that it is attempting to achieve temporary cost savings through a variety of actions, including limiting travel, training, and overtime where possible, as well as not filling vacant positions as fast as it otherwise would. These actions "free up" resources that can be used to address the shortfall.
- **Seeking a Current-Year Augmentation.** 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. Given that the notification came late in the fiscal year, the Legislature had little choice but to provide the reappropriations. (These prior-year funds were unspent due to savings associated with various factors, including vacant positions, population reductions, and prison facility deactivations.)
- **Seeking Augmentations Through the Budget Process.** In recent years, the Governor has proposed and the Legislature has approved several augmentations to provide funding for cost drivers that CDCR has traditionally absorbed, often through salary savings. For example, the *2024-25 Budget Act* provided \$23.1 million General Fund (increasing to \$46.2 million annually beginning in 2025-26) to pay for increased utility costs. In addition, the *2025-26 Budget Act* provided \$31.4 million General Fund in 2025-26 and ongoing to accommodate growth in food costs.

Governor's Proposal

The Governor's Budget proposes \$91 million General Fund in 2026-27 and ongoing for lump sum payments for CDCR to pay accrued leave balances (referred to as "lump sum payments") to employees upon retirement or separation. CalHR requires employees who are above the vacation/annual leave cap to submit leave reduction plans.

From 2020-21 to 2024-25, lump sum payments averaged \$128.5 million annually. As of June 2025, CDCR employees had accrued 21.3 million hours of leave resulting in \$1.2 billion in leave liability, approximately half of which is attributable to Bargaining Unit (BU) 6 employees (i.e., peace officers and safety employees). BU 6 positions are "posted," meaning they operate 24

hours per day to supervise the incarcerated population and cannot be held vacant; nursing positions at CCHCS are likewise posted. Employees that accrue these hours may use them in the future or if unused, it is paid out upon retirement or separation. CDCR's position authority has been reduced in recent years through prison closures, facility deactivations, and Control Section 4.12, leading to a lower vacancy rate and less salary savings than historically available.

The requested funding was calculated as the most recent two-year average of lump sum payments in Programs 4530, 4540, 4550, 4650, 4655, 4660, and 4670, which contain most of the Department's BU 6 and healthcare positions. This funding will enable the department to supplement vacancy savings and fund lump sum payments. According to CDCR, the requested funding will also help manage the 2025 Personal Leave Program and the associated increase in accumulation caps from 640 to 760 hours, which is anticipated to increase the department's leave liability.

Legislative Analyst's Office (LAO)

The Legislative Analyst's Office provides the following analysis and recommendations:

New General Fund support must meet a higher bar for approval as they necessitate reduced General Fund spending elsewhere. Given the structural shortfall in CDCR's budget, we find the proposed funding for separating employee leave cashouts to be reasonable in the near term as this is an unavoidable expense.

...But Unclear if Ongoing Funding Is Needed for Separating Employee Leave Cashouts. It is unclear if the currently low vacancy rate causing CDCR's structural shortfall is an ongoing condition. It is possible that after the department is no longer deactivating facilities in close succession, CDCR's vacancy rate will increase to historical levels. If this occurs, CDCR could have sufficient salary savings to pay these costs without the proposed dedicated funding.

Existence of Structural Shortfall Raises Broader Concerns. The department did not provide a detailed accounting of its structural shortfall. Moreover, the department's actual costs in a given year are influenced by various factors—some of which are outside of its control, such as trends in prison admissions—making precise cost projection difficult. Accordingly, it is possible that a shortfall still exists in the current and/or budget year despite previous and proposed augmentations intended to help close it. This raises two concerns:

- **Undermines Budget Transparency.** As previously discussed, CDCR has approached the shortfall, in part, by attempting to manage to its budget. This means that the department is either not doing or delaying activities that it is budgeted to do in order to free up funding to address the shortfall. However, because these decisions are typically internal to the administration and made after the budget is enacted, it is difficult for the Legislature to know what activities are affected and what programmatic implications that may have. This is problematic as CDCR might choose to not implement or delay activities that are a legislative priority.

- **Department Could Still Overrun Its Budget.** Without full information about the size of the shortfall and the activities that the administration is undertaking to attempt to close it, it is difficult to assess the likelihood of whether CDCR will again need a current-year augmentation at the end of the fiscal year. This is particularly problematic as the fiscal difficulties facing the state mean that such augmentations come at the cost of other General Fund priorities.

Recommendations

Approve Funding for Separating Employee Leave Cashouts on a Limited-Term Basis. Given that CDCR's need for the \$91 million for separating employee leave cashout payments may not be ongoing, we recommend providing the funding only on a three-year, limited-term basis. This will provide an opportunity for the Legislature to reassess the department's vacancy rate and funding need in the future. If the Legislature directs CDCR to close an additional prison, as we recommend in the "Prison Closure" section of this brief, it could be reasonable to approve this funding on a longer-term basis, such as for five years. This is because a further prison closure could keep vacancy rates low for a longer period of time.

Require Administration to Report by January 10, 2029 to Inform Future Funding Decisions. We recommend the Legislature require CDCR to provide it with key information to inform its deliberations about whether the \$91 million for separating employee leave cashout payments will be needed in 2029-30 and ongoing.

Specifically, we recommend that the Legislature adopt budget bill language requiring CDCR to report by January 10, 2029 the following data for 2026-27 and 2027-28 for each collective bargaining unit representing its employees: (1) the number of hours and associated dollar value of compensable leave cashed out by existing employees through leave buy-back programs (programs in which the state offers to pay employees for their compensable leave before they separate from state service), (2) the number of hours and associated dollar value of leave cashout payments made to separating employees, (3) average compensable leave balances, (4) numbers of vacant and filled positions, and (5) projections of changes in the number of vacant and filled positions. In addition, the report should include discussion of whether, and if so why, the administration believes additional years of dedicated funding for these payments are needed. This would inform the 2029-30 budget process when the dedicated funding for separating employee leave cashout payments would expire under our recommendation. If the Legislature chooses to provide the funding for a limited period that is longer than three years, then it could set the due date for this report such that the report would be available to inform budget deliberations prior to the expiration of the funding.

Exercise Oversight of Structural Shortfall. We recommend 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 makeup 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.

Staff Recommendation: Hold Open.

Issue 3: Statewide Correctional Video Surveillance Completion and Statewide Fire Alarm Replacements and Fire Watch Budget Proposals

The California Department of Corrections (CDCR) will provide an overview of their budget proposals.

Panel

- Sarah Larson, Director, Division of Facility Planning, Construction, and Management, CDCR
- Cynthia Mendonza, Deputy Director, Office of Fiscal Services, CDCR
- Mikel Chick, Chief, Unified Communications and Collaboration, and Contraband, Division of Enterprise Information Services, CDCR
- Caitlin O'Neil, Legislative Analyst's Office
- Department of Finance

Governor's Proposal

Statewide Correctional Video Surveillance Completion. The Governor's Budget proposes \$10 million General Fund in 2026-27 to finalize implementation of audio video surveillance systems (AVSS) at the two remaining prisons. In 2023-24, funding was authorized to finalize AVSS implementation at the final group of institutions, which included California Men's Colony, California Institution for Men, California Rehabilitation Center, Correctional Training Facility, and Pelican Bay State Prison. Due to cost increases, the remaining funding is not sufficient to complete all remaining institutions in 2025-26. In 2024-25, CDCR delayed all remaining AVSS implementation and returned \$27.2 million one-time as a General Fund solution. The funding was reinstated and split between two fiscal years: \$16.4 million in 2025-26, and \$10.8 million in 2026-27, and was used for equipment, staffing, and guarding costs. However, due to increased costs based on market inflation, the amount originally budgeted is now insufficient in both the current and budget year to complete the remaining institutions.

Staff Comment. The 2023 Budget Act included \$93 million over three years for equipment and consulting services for audio video surveillance systems in 10 prisons. Funding for staffing was included, as well as \$7.2 million in ongoing funding beginning in 2026-27 for equipment refresh needs. Funds were delayed for one year in 2024-25 and reinstated in 2025-26. With the closure of the California Rehabilitation Center, the total number of prisons in this project have been reduced from 10 to 9.

The Subcommittee may wish to inquire about internal cost controls CDCR employs when it pursues significant investments in its prisons. Considering the scope of the project has been reduced from 10 prisons to 9, but the purported cost has increased by nearly 20% in a relatively short period of time, begs the question as to whether factors (aside from inflation) under the control of the department could mitigate such increases. For example, did the one-year delay result in unnecessarily higher costs?

Statewide Fire Alarm Replacements and Fire Watch. The Governor’s Budget proposes \$15.2 million one-time General Fund in 2026-27 to support costs associated with fire watch coverage at various institutions with deficient fire alarm systems. This proposal also requests a one-year extension to the reversion period and a one-year reappropriation of funding for previously approved projects.

Staff Comment. The Subcommittee may wish to inquire whether fire watch coverage is a cost-effective strategy. For example, would it be more fiscally efficient in the long term to invest in fire alarm systems in the prisons that have durable longevity? Are there ways to reduce staffing costs associated with the fire watch strategy?

Legislative Analyst’s Office (LAO)

The Legislative Analyst’s Office provides the following recommendation:

Approve Fire Watch Funding. We recommend the Legislature approve the one-time \$15.2 million General Fund proposed for fire watch. Given the important safety function these funds support and CDCR’s inability to address these costs due to the structural shortfall, this proposal meets the high bar for additional General Fund spending that we think needs to be applied when assessing proposals, as discussed in the “General Fund Condition” section of this brief.

Staff Comment. The LAO’s recommendation regarding the AVSS proposal will be provided at a later hearing.

Staff Recommendation: Hold Open.

Issue 4: Closure of California Rehabilitation Center and Overview of Deactivated Facilities

CDCR will provide an overview of its proposal related to the closure of the California Rehabilitation Center (CRC) and a status update on closed CDCR facilities.

Panel

- Sarah Larson, Director, Division of Facility Planning, Construction, and Management, CDCR
- Lynne Ishimoto, Assistant Deputy Director, Facility Support, Division of Adult Institutions
- Caitlin O'Neil, Legislative Analyst's Office
- Department of Finance

Background

The adult prison population has steadily declined in recent years, which has provided opportunities for CDCR to assess its infrastructure and institution needs, to ensure that California's prison system is right-sized while continuing to serve its incarcerated population. In August 2025, CDCR announced the planned closure of CRC by October 2026.

Governor's Proposal

The Governor's Budget proposes 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 CRC. After accounting for the Department's retention requests of approximately \$37.7 million, this results in a total ongoing reduction of \$138.0 million.

Exclusive of personnel tied to Patton State Hospital and personnel performing shut down activities, this request assumes that all custody and non-custody personnel are moved from CRC by October 2026. CDCR will continue to refine these costs based on actual staff movement and will provide updates in a future proposal, if warranted. As part of the closure process, the incarcerated population at CRC will be rehoused at other adult institutions. Thus, the associated population-related adjustments for 2026-27 and 2027-28 for CRC will be reduced to zero and distributed to the institutions receiving the CRC population. In addition to the savings of \$90.7 million General Fund for 2026-27 and \$138.1 million in 2027-28 and ongoing, CCHCS achieved savings of \$8.9 million General Fund for 2026-27 and \$13.4 million for 2027-28 and ongoing related to institution-specific population adjustments, such as clinics, specialty beds, and operating expenses and equipment. The total General Fund savings related to CRC's closure are \$99.6 million in 2026-27 and \$151.5 million in 2027-28 and ongoing.

Status of Deactivated CDCR Facilities. The following table provides an overview of the deactivated facilities, including any identified plans for disposition:

Deactivated Facility Name	Current Disposition (Not Identified as Surplus, ID'ed to DGS Surplus, etc.)	Year Deactivated	Current Budget to Maintain	Any Identified Plans for Disposition
Background Investigative Unit - Covina	Declared as Excess to Programmatic Need to DGS	2009	\$ 20,000	Under Executive Order N-06-19, DGS identified Covina for the development of affordable housing, publicly identified as the Covina Affordable Housing Project. DGS is currently working with a developer and will be utilizing a transfer of jurisdiction to the Housing and Community Development Department as soon as the developer has completed due diligence and secured financing.
Heman G. Stark Youth Correctional Facility	Declared as Excess to Programmatic Need to DGS	2010	\$ 148,500	Legislation enacted in Chapter 768, Statutes of 2024 (SB 536) authorized DGS to sell or lease to the City of Chino for fair market value by December 2028.
Preston Youth Correctional Facility	Declared surplus through Chapter 505, Statutes of 2013 (AB 826)	2011	\$ 20,000	CDCR is currently working with DGS on transfer of jurisdiction to CAL FIRE, finalized TOJ expected in summer 2026.
McCain Valley Conservation Camp	Declared as Excess to Programmatic Need to DGS	2020	\$ 222,000	DGS is currently working on a final site license agreement for potential on-site energy generation.
Deuel Vocational Institution	Declared as Excess to Programmatic Need to DGS	2021	\$ 573,500	According to DGS, there is a current farm lease on the farmland portion of this property. The remaining property will be made available for lease in the near future.
California Correctional Center	Not Identified as Surplus or Excess to Programmatic Need	2023	\$ 77,000	Current operations and co-located facilities are dependent on the shared infrastructure, making separation that allows for independent operations challenging, possibly requiring future projects to detach utilities and dependent systems sufficiently and allow for future sale/transfer of the deactivated facility.
N.A. Chaderjian Youth Correctional Facility	Not Identified as Surplus or Excess to Programmatic Need	2023	\$ 75,000	Current operations and co-located facilities are dependent on the shared infrastructure, making separation that allows for independent operations challenging, possibly requiring future projects to detach utilities and dependent systems sufficiently and allow for future sale/transfer of the deactivated facility.
O.H. Close Youth Correctional Facility	Not Identified as Surplus or Excess to Programmatic Need	2023	\$ 75,000	Current operations and co-located facilities are dependent on the shared infrastructure, making separation that allows for independent operations challenging, possibly requiring future projects to detach utilities and dependent systems sufficiently and allow for future sale/transfer of the deactivated facility.
Ventura Youth Correctional Facility	Declared as Excess to Programmatic Need to DGS	2023	\$ 270,000	CDCR is currently working with DGS on transfer of jurisdiction to CAL FIRE, finalized TOJ expected in spring 2026.
Chuckawalla Valley State Prison	Not Identified as Surplus or Excess to Programmatic Need	2024	\$ 241,000	Current operations and co-located facilities are dependent on the shared infrastructure, making separation that allows for independent operations challenging, possibly requiring future projects to detach utilities and dependent systems sufficiently and allow for future sale/transfer of the deactivated facility.
Northern California Women's Facility	Declared as Excess to Programmatic Need to DGS	2024	\$ 118,500	CDCR submitted for consideration for surplus to the Director of DGS, October 2024. According to DGS, this property will be advertised and made available for lease or purchase proposals.

Legislative Analyst's Office (LAO)

The LAO provides the following recommendations:

Approve Adjustments Related to CRC Closure. We recommend the Legislature approve the proposed adjustments related to the planned closure of CRC. These adjustments will help align the CDCR budget with the reduced prison capacity, as well as help reduce ongoing state General Fund costs.

Various Proposals	Non-Presentation	Budget
------------------------------	-------------------------	---------------

CDCR and the Department of Finance are available for any questions from the Subcommittee regarding any of the following budget proposals:

1. California Health Care Facility (CHCF), Stockton: Potable Water Treatment System. The Governor's Budget proposes \$6,570,000 for the Construction phase of the CHCF Potable Water Treatment System. The project includes the design and construction of a potable water treatment system. Total project costs are estimated at \$8,511,000, including Preliminary Plans (\$959,000), Working Drawings (\$982,000), and Construction (\$6,570,000). The construction amount includes \$3,219,000 for the construction contract, \$161,000 for contingency, \$891,000 for architectural and engineering services, \$515,000 for agency retained items, and \$1,784,000 for other project costs. The Preliminary Plans began in July 2024 and will be completed in October 2025. The Working Drawings are estimated to begin in October 2025 and will be approved in September 2026. Construction is scheduled to begin in January 2027 and will be completed in April 2028. The purpose of this project is to design and construct a potable water treatment system with a disinfection boosting station at CHCF to supplement the disinfection of potable water delivered through the water distribution system.

2. Valley State Prison (VSP), Chowchilla: new Potable Water Wells. The Governor's Budget proposes \$1,561,000 for the Working Drawings phase for the VSP Potable Water Wells project. The project includes design and construction of two new ground water wells. Total project costs are estimated at \$18,408,000, including Preliminary Plans (\$1,150,000), Working Drawings (\$1,561,000), and Construction (\$15,697,000). The construction amount includes \$9,941,000 for the construction contract, \$497,000 for contingency, \$1,292,000 for architectural and engineering services, \$614,000 for agency retained items, and \$3,353,000 for other project costs. The current project schedule estimates Preliminary Plans will begin in July 2025 and will be completed in September 2026. The Working Drawings are estimated to begin in September 2026 and will be approved in July 2027. Construction is scheduled to begin in November 2027 and will be completed in May 2029.

3. Continuation of Tattoo Removal Program. The Governor's Budget proposes \$1.2 million General Fund and 1 position in 2026-27 and ongoing to continue the Tattoo Removal Program (TRP), which was previously approved as limited-term in the 2022 Budget Act and is currently set to end on June 30, 2026. This proposal requests to permanently continue the TRP and fill the Supervisor I as a permanent position. The TRP provided tattoo removal equipment to 30 CDCR institutions, including 3 fire camp facilities. Services are provided via a mobile shuttle-style van, which operates as a fully self-contained service unit, and provides approximately 200 treatment days annually statewide, completing over 8,500 tattoo removal treatments.

4. Technical Adjustments. The Governor's Budget proposes a net-zero realignment of budget authority within CDCR programs. Each year, the Budget Act provides CDCR funding and CDCR makes adjustments through various Executive Orders and Budget Revisions. Due to changes in business practices and previous errors in scheduling authority amounts by program, CDCR has

identified necessary technical adjustments among various programs. These technical adjustments will accurately align budget authority with anticipated expenditures.

5. Americans with Disabilities Act (ADA) Facility Improvements. The Governor's Budget proposes \$23.1 million one-time General Fund in 2026-27 for the construction of ADA accessibility improvements at eight designated prisons. CDCR plans to return in future years to request funding for additional phased projects as construction timelines permit for remaining designated institutions, taking into consideration lessons learned from prior cycles, changes to the incarcerated population, and other relevant factors. Failure to construct these improvements to provide incarcerated individuals with disabilities access to programs and services could lead to extended conservatorship and costly court orders related to the *Armstrong* lawsuit.

6. Community Reentry Programs for Supervised Persons- Phase III. The Governor's Budget proposes \$5.3 million General Fund in 2026-27, \$11.4 million in 2027-28, \$12.4 million in 2028-29, \$13.3 million in 2029-30, and \$14.3 million in 2030-31 and ongoing, to implement the third phase of increased funding for post-release community reentry programs for supervised persons.

LAO Recommendation.

1. ***Require Evaluation of All Parole Programs.*** Given that parole programs have not been evaluated for cost-effectiveness, we recommend that the Legislature direct CDCR to partner with external researchers to do so. Such an evaluation could result in modest one-time costs to CDCR that would likely be absorbable, though the Legislature could work with the department to determine whether dedicated funding is necessary. We think that the modest costs to the state would be justified, as the evaluation would allow the Legislature to determine whether all parole programs—totaling over roughly \$270 million in annual spending—merit continued support or need to be restructured to be effective. We recommend this evaluation be provided to the Legislature no later than January 10, 2030 to provide the external evaluator time to complete the review.
2. ***Consider Funding on Limited-Term Basis Pending Results of Evaluation.*** To maintain these programs in operation while the evaluation is being carried out, we recommend the Legislature consider providing three years of the proposed increases in funding. In addition, if the Legislature approves this funding on a limited-term basis, we recommend converting prior-year commitments to limited term as well to maintain consistency across the programs. This would allow the Legislature to review the evaluation as part of its deliberations during the 2030-31 budget process, at which point it could consider whether to provide ongoing funding for these programs.

7. Board of Parole Hearings Information Technology System Contract. The Governor's Budget proposes \$1.2 million General Fund in 2026-27, growing to \$1.5 million in 2029-30 and ongoing, to support increased costs for the Board of Parole Hearings (BPH) Information Technology System's new contract term. As a result of the competitive bid process, the newly executed contract for BITS increased to \$5.5 million in the first year of the contract, growing to

\$5.8 million in the final year, representing a 28 percent starting increase from the previous contract of \$4.3 million. CDCR states it can absorb the previous baseline operating costs of \$2.6 million. BPH received an augmentation of \$1.8 million in 2023-24 to fund increases in the BITS contract at that time.

BPH uses the Board's Information Technology System (BITS), a web-based software application that supports most of BPH's operations, including parole consultations, parole suitability hearings, medical parole hearings, Offender Mental Health Disorder and Sexually Violent Predator reviews, and retention of hearing documentation. BITS also stores data for case management, health care services, victims' services, rehabilitative programs, and the Governor's Office for pardon and commutation processes

8. California Sex Offender Management Board Operational Budget Augmentation. The Governor's Budget proposes \$450,000 General Fund in 2026-27 and ongoing for the operational needs and training requirements of the California Sex Offender Management Board and State Authorized Risk Assessment Tools for Sex Offenders. CDCR supports the operational budget for the California Sex Offender Management Board (CASOMB) and the State Authorized Risk Assessment Tools for Sex Offenders (SARATSO) Review Committee. CASOMB and SARATSO provide certification standards, training, and audit compliance of sex offender treatment programs within California. These programs operate under the guidance of a governing board for CASOMB and a review committee for SARATSO. CASOMB develops standards, policies, and protocols for certifying sex offender treatment providers, while SARATSO oversees risk assessment tools and certifying scorers, who are trained to evaluate sex offenders using authorized risk assessment tools.

Both CASOMB and SARATSO have Special Deposit Funds (SDF) into which grants and certification fees are deposited. In 2010-11, SARATSO was granted \$250,000 one-time to assist with travel, training, public meetings, events, validation studies, and other research related activities, while the CASOMB SDF regularly receives certification application fees from treatment providers and agency applicants, as set forth in Penal Code (PC) section 9003 (a)(3). Treatment providers are charged fees based upon their certification level, but under the PC, fees cannot exceed \$180 per application (totaling approximately \$50,000 in revenue annually), capping the amount the SDF is able to offset business costs. CASOMB and SARATSO SDFs will no longer have sufficient funds to offset rising business costs after 2025-26.

LAO Recommendation: Approve One-Time Funding and Direct Agencies to Provide a New Funding Plan. We recommend approving the requested resources on a one-time basis because this funding will maintain service levels. In addition, we recommend directing the agencies to provide a new funding plan by January 10, 2027 describing how they could restructure their operations and fees to (1) avoid the need for the requested \$450,000 General Fund on an ongoing basis, (2) require less than their current baseline General Fund budget of \$1 million, and (3) require no General Fund support. The plan should consider fee increases (including raising fees above the statutory cap) and ways to increase grant revenue, as well as effects on service levels and broader outcomes, if any, under each of these scenarios. This would better position the Legislature to weigh the trade-offs of providing ongoing General Fund support for

these agencies as it deliberates the 2027-28 budget, when the requested funding would expire under our recommendation.

Staff Recommendation: Hold Open.

Non-Presentation Items

The Department of Finance is available for any questions from the Subcommittee regarding any of the following budget proposals and public comment on these items are encouraged at the designated time.

8940 California Military Department

Issue 5: Utility Baseline and Federal Trust Fund Authority Increase

The Governor's Budget proposes an increase of \$25 million in additional baseline Federal Trust Fund (FTF) spending authority for the Facilities Program, as well as a new utility baseline of \$2,406,000 (General Fund). This proposal aligns FTF authority with federally allocated funding levels and creates a sustainable utility baseline. In addition, budget bill language is proposed that would allow the Military Department to quickly request approval for augmentation to its FTF authority to accept available end of the year federal funds. According to the Military Department, the increased FTF authority and proposed budget bill language would allow CMD to align authority with anticipated annual federal fund allocations, reducing the need to shift projects between federal fiscal years, while posturing them to accept and apply additional available funds and avoid multiple annual section 28.00 requests each year.

The Military Department manages a statewide real property inventory of 5,846 assets, including readiness centers, training sites, ranges, aviation and maintenance shops. These facilities form the core infrastructure that enables the National Guard to train, mobilize, recruit and respond to state emergencies. According to the Military Department, these facilities cannot be adequately sustained without increased FTF Authority aligned to allocated federal funding levels and a dedicated appropriation for annual utility costs.

Issue 6: Drug Interdiction Continuation

The Governor's Budget proposes \$30 million General Fund (\$15 million in 2026-27 and \$15 million in 2027-28) to further expand the Military Department's existing drug interdiction efforts to prevent drug trafficking by transnational criminal organizations throughout the state, with a particular focus on assisting federal, state, local, and tribal law enforcement agencies in combating fentanyl. The 2022 Budget Act included \$15 million in 2022-23 and 2023-24 to support this program. The 2024 Budget Act included another \$15 million in 2024-25 and 2025-26 to continue this program. This brings the total investment to \$90 million for drug interdiction efforts.

8140 Office of State Public Defender

Issue 7. Racial Justice for All Act (AB 256) Implementation

The Governor's Budget proposes 6.0 positions and \$2.1 million General Fund in 2026-27, and \$2 million in 2027-28 and ongoing, to continue to address the provisions of Chapter 739, Statutes of 2022 (AB 256). Assembly Bill 2542 (The Racial Justice Act) was passed by the California Legislature in 2021 and codified at California Penal Code 745 and California Penal Code 1473. The purpose of the new laws was to identify and eliminate racial bias in the criminal legal system and to create a specific remedy when racial bias was identified. Assembly Bill 256 ("The Racial Justice For All Act") applied the rights and remedies retroactively.

The 2023 Budget Act included \$3 million General Fund over three years which is set to expire at the end of fiscal year 2025-26. OSPD has used that funding to hire 6 staff in temporary positions and contract with experts to litigate claims related to racial bias in death penalty cases. Now the funding is set to expire, and OSPD will not be able to retain those positions.

Staff Recommendation: Hold Open.

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 6 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Jennifer Kim.