



May 14, 2026

Honorable John Laird, 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 and Reimbursements, Support, California Department of Corrections and Rehabilitation

Adult Population Adjustment—The May Revision reflects an estimated average daily adult incarcerated population of 87,611 in fiscal year 2026-27, which is 2 fewer than projected in the Governor's Budget. The projected parolee average daily population is 37,779 in 2026-27, which is 648 more 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 \$26,614,000 and 148.3 positions in 2026-27 and decreased by \$26,662,000 and 157.9 positions in 2027-28 and ongoing.
- Item 5225-001-0917 be increased by \$10,000 in 2026-27 and ongoing.
- Item 5225-002-0001 be increased by \$38,798,000 and 65.2 positions in 2026-27 and increased by \$35,432,000 and 67.5 in 2027-28 and ongoing.
- Item 5225-008-0001 be increased by \$4,000 and decreased by 2 positions in 2026-27 and decreased by \$4,000 and 8 positions in 2027-28 and ongoing.
- Item 5225-009-0001 be increased by \$1,018,000 and 6.4 positions in 2026-27 and increased by \$1,005,000 and 6.4 positions and ongoing.
- Item 5225-014-0001 be decreased by \$1,424,000 in 2026-27 and ongoing.

This reflects a net increase of \$11,792,000 and decrease of 80.1 positions one-time in 2026-27 and an increase of \$8,365,000 and a decrease of 92 positions in 2027-28 and ongoing, comprised of a decrease of \$8,355,000 General Fund and an increase of \$10,000 Inmate Welfare Fund ongoing.

Corcoran State Prison Honor Housing—It is requested that Item 5225-001-0001 be increased by \$9,471,000 in 2026-27 and 49.2 positions and \$12,436,000 and 65 positions in 2027-28 and ongoing, and Item 5225-008-0001 be increased by \$200,000 in 2026-27 and ongoing, to implement behavioral-based single-cell housing units for the Security Level III population to help create a physically and socially safe space where the incarcerated population can focus on programming, education, and rebuilding family connections while reducing violence and other negative pressures for those accepted into the housing units.

Mental Health Resource Teams—It is requested that Item 5225-001-0001 be increased by \$3,430,000 and 18 positions in 2026-27 and \$6,915,000 and 36 positions in 2027-28 and ongoing. It is also requested that Item 5225-002-0001 be increased by \$1,442,000 and 0.9 positions in 2026-27, \$1,650,000 and 1.8 positions in 2027-28, and \$1,648,000 and 1.8 positions in 2028-29 and ongoing to phase in Resource Teams at six institutions.

Mental Health Crisis Intervention Teams—It is requested that Item 5225-001-0001 be increased by \$2,816,000 and 12 positions, and Item 5225-002-0001 be increased by \$4,562,000 and 24 positions in 2026-27 and ongoing, to pilot Crisis Intervention Teams at two male institutions and one female institution.

Mental Health Receiver Staffing—It is requested that Item 5225-001-0001 be decreased by \$3,320,000 ongoing to redirect funding provided for the Office of Special Master staffing. It is also requested that Item 5225-002-0001 be increased by \$9,461,000 and 26 positions in 2026-27, \$10,989,000 and 26 positions in 2027-28, \$32,724,000 and 26 positions in 2028-29, and \$43,507,000 and 26 positions in 2029-30 and ongoing to fund the Mental Health Receiver's Office and various administrative staffing.

Subsistence and Personal Care Medical Funding—It is requested that Item 5225-002-0001 be increased by \$14,631,000 in 2026-27, and \$12.2 million in 2027-28 and ongoing, to address a shortfall in the subsistence and personal care medical funding budget.

Medical Classification Model—It is requested that Item 5225-002-0001 be increased by \$8,870,000 and 60.6 positions in 2026-27, and \$8,979,000 and 60.6 positions in 2027-28 and ongoing, to address increasing medical appointments and medication distribution.

Electronic Health Record System Enhancement—It is requested that Item 5225-002-0001 be increased by \$2.2 million in 2026-27 and 2027-28, and \$4.5 million in 2028-29 and ongoing, to provide resources to add artificial intelligence notetaking functionality within the department's electronic health record system. Additionally, it is requested that provisional language be added (see Attachment 1).

Incarcerated Menopause Program—It is requested that Item 5225-002-0001 be increased by \$1.1 million in 2026-27 to improve access to menopause education and clinical care for aging incarcerated women.

CalAIM Reimbursement Adjustment—It is requested that Item 5225-002-0001 be decreased by \$11,765,000 in 2026-27, and \$7.2 million in 2027-28 and ongoing, to account for additional reimbursements tied to the California Advancing and Innovating Medical initiative. It is also requested that reimbursements be increased by \$11,765,000 in 2026-27.

Workers' Compensation—It is requested that Item 5225-001-0001 be increased by \$100 million in 2026-27 and ongoing related to increased workers' compensation costs.

Food Funding Premise—It is requested that Item 5225-001-0001 be increased by \$10,973,000 in 2026-27 and ongoing to address projected increases in food costs for the incarcerated population resulting from recent statutory changes that require CDCR to procure 60 percent of food from within California, and a change to the methodology going forward to reflect actual food costs, including costs for procuring California grown foods.

Industrial Workers' Compensation – Institution Claims and Regional Staffing—It is requested that Item 5225-001-0001 be increased by \$7,182,000 and 34 positions in 2026-27, \$7,113,000 and 34 positions in 2027-28, \$5,938,000 and 34 positions in 2028-29 and 2029-30, and \$5,624,000 and 34 positions in 2030-31 and ongoing to regionalize and augment Return-to-Work Coordinator staffing, which will reduce industrial workers' compensation caseloads and costs.

Utilities Adjustment—It is requested that Item 5225-001-0001 be increased by \$3,419,000 ongoing related to increased utilities costs. This update supplements the previous adjustment for utilities costs included in the Governor's Budget.

Operational Improvement Savings—The May Revision reflects refined savings estimates for the Department of Corrections and Rehabilitation's operational improvement efforts. It is requested that the following items be amended for this purpose:

- Item 5225-001-0001 be decreased by \$34,665,000 and 99.8 positions in 2026-27, \$162,512,000 in 2027-28, \$177,728,000 in 2028-29, and \$192,825,000 in 2029-30 and ongoing.
- Item 5225-002-0001 be decreased by \$15,290,000 and 34 positions in 2026-27, \$26,738,000 in 2027-28, \$27,952,000 in 2028-29, and \$29,254,000 in 2029-30 and ongoing.

Operational Improvements—It is requested that Item 5225-001-0001 be increased by \$250 million to offset a placeholder savings amount included in the Governor's Budget.

Reappropriation: Reception Center Processing Time Reduction—It is requested that Item 5225-494 be added to extend the encumbrance date of a one-time \$2 million appropriation in the 2025 Budget Act from June 30, 2026, to June 30, 2027. This extension will allow the department to execute a contract to reduce reception center processing timelines, as requested by the Legislature. Additionally, it is requested that provisional language be added (see Attachment 2).

The May Revision proposes the following adjustments to enable CDCR to implement recently chaptered legislation:

Incarcerated Firefighter Pay: Chapter 681, Statutes of 2025 (AB 247)—It is requested that Item 5225-001-0001 be increased by \$5,159,000 and 6 positions in 2026-27, and \$2,617,000 and 6 positions in 2027-28 and ongoing, to develop a payroll system capable of tracking and paying an increased wage of \$7.25 per hour, commensurate with the federal minimum wage, to incarcerated firefighting hand crews while they are on an active fire incident. It is also requested that reimbursements be increased by \$10,648,000 in 2026-27. Additionally, it is requested that provisional language be added (see Attachment 3).

Record Expungement for Incarcerated Firefighters: Chapter 746, Statutes of 2025 (SB 245)—It is requested that Item 5225-001-0001 be increased by \$391,000 in 2026-27 and \$241,000 in 2027-28 to provide the courts with certifications of successful participation as a conservation campfire hand crew or as a firefighter in an institutional firehouse for the purpose of record expungement.

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 Alyssa Cervantes, Anthony Franzoia, 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 Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
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
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office
Jeffrey Macomber, Secretary, California Department of Corrections and
Rehabilitation
Jason Johnson, 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
Madelynn McClain, Director, Division of Administrative Services, California
Department of Corrections and Rehabilitation
Alex Norring, Assistant Secretary, Legislative Affairs, 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 the following provision to Item 5225-002-0001:

14. Of the amount appropriated in Schedule (1) of Item 5225-002-0001, up to \$2,200,000 is available for the department to implement artificial intelligence notetaking capabilities for the department's electronic health record system. On a quarterly basis in 2026-27, the department shall submit implementation progress reports to the Department of Finance, describing, at a minimum, what steps the department took in the past quarter to implement this change, what steps the department plans to take in the upcoming quarter, and what obstacles remain for full implementation.

5225-494—Reappropriation, Department of Corrections and Rehabilitation. The amount 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 \$2,000,000 in Item 5225-026-0001, Budget Act of 2025 (Chs. 4, and 5, Stats. 2025)

Add the following provision to Item 5225-001-0001:

9. Of the amount appropriated in Schedule (1) and Schedule (6) of Item 5225-001-0001, up to \$4,623,000 and \$536,000, respectively, is available for the department to implement the provisions of Chapter 681, Statutes of 2025 (AB 247). On a quarterly basis in 2026-27, the department shall submit implementation progress reports to the Department of Finance, describing, at a minimum, what steps the department took in the past quarter to implement the bill's provisions, what steps the department plans to take in the upcoming quarter, and what obstacles remain for full implementation.



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Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Items 5227-105-0001 and 5227-122-0001, Local Assistance, Board of State and Community Corrections

Vertical Prosecution Grant Program to Combat Human Trafficking—It is requested that Item 5227-105-0001 be added in the amount of \$10 million one-time in fiscal year 2026-27 to develop and implement a competitive Vertical Prosecution Grant Program to Combat Human Trafficking. It is also requested that provisional language be added (see Attachment 1).

Missing and Murdered Indigenous People Grant Program—It is requested that Item 5227-122-0001 be added in the amount of \$10 million one-time in 2026-27 to provide grants to federally recognized Indian tribes to support efforts to identify, collect case-level data, publicize, and investigate and solve cases involving missing and murdered indigenous people. It is also requested that provisional language be added (see Attachment 2).

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

Chief Deputy Director

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and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office
Aaron R. Maguire, Executive Director, Board of State and Community Corrections

5227-105-0001—For local assistance, Board of State and Community
Corrections 10,000,000

Schedule:

(1) 4945-Corrections Planning and Grant Programs 10,000,000

Provisions:

1. The funding appropriated in this item shall be available for competitive grants to district attorneys for a Human Trafficking Vertical Prosecution Grant Program.
2. In awarding the funds, the Board of State and Community Corrections shall, at minimum, require the grantee to demonstrate the following on its application for the competitive grant:
 - (a) Data indicating high levels of human trafficking in the jurisdiction.
 - (b) How the additional funds will be used to meaningfully address human trafficking in the jurisdiction. If the jurisdiction already employs a vertical prosecution methodology, the application shall describe the resources dedicated and why additional resources are needed. If the jurisdiction does not employ a vertical prosecution methodology, the application shall describe the existing hurdles of implementing a vertical prosecution model in their jurisdiction to prosecute these crimes without this grant.
3. The Board of State and Community Corrections shall prioritize grants for jurisdictions with high levels of human trafficking.
 - (a) The county receiving the competitive grant shall do the following:
 - (b) Employ a vertical prosecution methodology for human trafficking crimes.
 - (c) Dedicate at least one deputy district attorney and one district attorney investigator whose primary role is the investigation and prosecution of human trafficking crimes.
 - (d) Provide the Board of State and Community Corrections with annual data on the number of human trafficking cases filed by that county, the number of human trafficking convictions obtained, and the sentences imposed for those convicted of human trafficking in that county. The county shall also provide the number of instances where vertical prosecution was used to obtain those convictions and the sentences imposed. The county shall also provide the number of human trafficking-related crimes that were charged overall in the jurisdiction that did not use the vertical prosecution model and the resulting number of convictions.

- (e) Enter into an agreement, either by contract or a memorandum of understanding, with an advocacy agency funded by a district attorney's office that provides services, counseling, or both, to victims of human trafficking to ensure that victims and witnesses of human trafficking, as appropriate, receive services.
- 4. On or before June 30, 2030, the Board of State and Community Corrections shall submit to the Legislature and the Governor a report relating to the information provided in subdivision (d) of Provision 3, and how the funding was used, and a description of the outcomes of the grant.
- 5. Funding received by district attorney offices pursuant to this program shall be used to supplement, and not supplant, existing financial resources.
- 6. Of the amount appropriated in this item, up to 5 percent shall be available for transfer to Item 5227-001-0001 for administrative costs. Funds transferred pursuant to this provision are available for encumbrance or expenditure until June 30, 2031.
- 7. Funds appropriated in this item are available for encumbrance or expenditure until June 30, 2031.

5227-122-0001—For local assistance, Board of State and Community
Corrections 10,000,000

Schedule:

(1) 4945-Corrections Planning and Grant Programs 10,000,000

Provisions:

1. These funds shall be awarded by the Board of State and Community Corrections as competitive grants to federally recognized Indian tribes in California to support efforts to identify, collect case-level data, publicize, and investigate and solve cases involving missing and murdered indigenous people. The Board shall consult with and include stakeholders from the indigenous community to inform the grant outreach process and the process to select and administer grants.
2. Grants should focus on activities including, but not limited to, developing culturally based prevention strategies, strengthening responses to human trafficking, and improving cooperation and communication on jurisdictional issues between state, local, federal, and tribal law enforcement to investigate and solve cases involving missing and murdered indigenous people. Allowable expenditures may include reimbursement to eligible tribes for contracted services with local law enforcement agencies for staffing in support of eligible grant activities.
3. Of the amount identified in this item, up to 5 percent shall be available for transfer to Item 5227-001-0001 for administrative costs. Funds transferred pursuant to this provision are available for encumbrance or expenditure until June 30, 2032.
4. Funds appropriated in this item are available for encumbrance or expenditure until June 30, 2032.
5. The Board of State and Community Corrections shall provide a report to the relevant policy and fiscal committees of the Legislature by December 31, 2031, that includes, but is not limited to, information about the grant recipients, the allocation of funds, and applicable metrics and outcomes of the program.