

# CRIMINAL JUSTICE AND JUDICIAL BRANCH

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## DEPARTMENT OF CORRECTIONS AND REHABILITATION

The California Department of Corrections and Rehabilitation (CDCR) incarcerates people convicted of the most serious and violent felonies, supervises those released to parole, and provides rehabilitation programs to help people reintegrate into the community. The Department strives to facilitate the successful reentry of the individuals in its care back to their communities, equipped with the tools to be drug-free, healthy, and employable members of society by providing education, treatment, and rehabilitative and restorative justice programs. The May Revision includes total funding of approximately \$14.6 billion (\$14.2 billion General Fund and \$400 million other funds) for CDCR. Of this amount, approximately \$4.2 billion General Fund is for health care programs, which provide incarcerated individuals access to mental health, medical, nursing, and dental care services.

The adult incarcerated population is projected to continue its overall long-term downward trend over the next few years. Spring projections estimate the average daily adult incarcerated population for 2025-26 to be 90,126, an increase of 1.1 percent from the fall 2025 projections, and 87,611 in 2026-27, a decrease of less than 0.01 percent from the fall projections. Over the longer term, the population is projected to decline to 85,210 incarcerated individuals by June 30, 2030. As stated in CDCR's recent *Alternatives to Incarceration* report, while the overall population is projected to

continue its decline, the number of adult incarcerated individuals age 55 and older has grown from 7 percent of the incarcerated population in 2010 to 21 percent—currently more than 19,000 incarcerated individuals. Older incarcerated individuals tend to have complex needs that drive higher costs. In 2024, individuals 60 and older represented 14 percent of the prison population but accounted for approximately 27 percent of health system expenses.

Based on spring projections, Proposition 36, passed in November 2024, is expected to increase CDCR's population by 592 in 2025-26 and 1,547 upon full implementation. The active parolee average daily population is projected to be 33,785 in 2025-26, declining to 33,125 in 2026-27. The parole population is projected to decline further to 31,028 by June 30, 2030.

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### **PRISON CAPACITY**

The adult prison population has steadily declined in recent years, which has allowed CDCR to eliminate its reliance on contract prison capacity and terminate the lease of the California City Correctional Facility (California City). CDCR has also closed three adult institutions, including the Deuel Vocational Institution (Tracy), California Correctional Center (Susanville), and Chuckawalla Valley State Prison (Blythe), and will close a fourth institution, the Correctional Rehabilitation Center (Norco) by October 2026. These four closures will save approximately \$594 million General Fund annually by 2027-28.

Apart from the four full prison closures, since 2021-22, CDCR has closed facilities in six other male institutions and the Folsom Women's Facility within Folsom State Prison. Since 2024-25, CDCR has also deactivated several housing units and facilities. This approach has allowed CDCR to maintain the use of its programming space, allowing the continuation of rehabilitative programming while simultaneously reducing the number of available beds and achieving additional savings. The cumulative savings from all these measures will reach approximately \$4.9 billion by 2027-28.

In assessing capacity, CDCR takes into consideration a variety of factors for the safety and security of its population, specialized bed needs, and available medical and mental health care, educational, and rehabilitation programming space, while also assessing the amount and type of space needed to provide services and a more normalized living environment to support the incarcerated population.

The Administration remains committed to meeting the needs of staff and the incarcerated population, while right-sizing California's prison system to address space

needs as the state transforms the carceral system to one more focused on rehabilitation in preparation for reentry into communities. While the prison population continues to decline, the aging population represents a larger percentage of the overall population and continues to drive medical costs. The Administration's transformational efforts take these factors into consideration.

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## CORCORAN STATE PRISON HONOR HOUSING

Traditional correctional environments are highly regimented, with rigid routines and little expectation of personal responsibility. These environments can erode the very skills individuals need to succeed after release. Two pillars of the California Model directly address this. Normalization restructures the prison environment to more closely mirror life in the community, including the expectations and responsibilities of daily living. Dynamic security promotes a staff-resident professional relationship built on engagement and mutual respect. Together, they create conditions that better prepare individuals for successful reentry; this leads to notably safer communities.

While CDCR has promoted normalization and dynamic security within all institutions, CDCR will begin the implementation of an honor housing unit within Corcoran's 3C facility in September 2026 with a second following in February 2027. This honor housing will have an enhanced focus on normalization and dynamic security, which helps create a physically and socially safe space where the incarcerated population can focus on programming, education, and rebuilding family connections without the fear of violence, bullying, or other negative pressures. This effort is the first-of-its-kind behavioral-based housing for a Level III security population within CDCR. Participation will be voluntary; those who apply and are accepted must agree to specific conditions, including active participation in programming and remaining discipline-free. The facility will operate somewhat independently from the rest of the institution to allow staff and incarcerated persons to develop and acclimate to the concept of normalization within a correctional environment. Corcoran 3C will utilize a single-cell setting and provide access to dedicated reentry support.

The May Revision includes \$9.7 million General Fund and 49 positions in 2026-27, and \$12.6 million and 65 positions in 2027-28 and ongoing for this effort. The reactivation of 3C as an honor housing unit will be done in conjunction with the deactivation of facilities at California State Prison, Solano and Avenal State Prison, while also reactivating different housing units at Avenal State Prison and a facility at the California Institution for Men. Combined, this results in a systemwide reduction of 75 beds. The net

effect of these reactivations and deactivations is a decrease of \$2.4 million General Fund in 2026-27 and an increase of \$0.6 million General Fund in 2027-28 and ongoing.

The creation of the honor housing unit at Corcoran is consistent with the California Model's emphasis on normalizing CDCR's prison environment and promoting rehabilitation and reentry for the incarcerated population. The 2025 Budget Act included resources to staff and support the recently completed Learning Center at the San Quentin Rehabilitation Center (SQRC). Increasing single-celled housing is intended to improve the safety and security of the incarcerated population and staff by decreasing the density housed within prisons and increasing access to programming opportunities.

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### **OPERATIONAL IMPROVEMENTS**

In September 2025, the Department of Finance and the Boston Consulting Group (BCG) entered into a contract to identify and develop process improvements within CDCR and the Department of Health Care Services to achieve ongoing savings. BCG worked with CDCR and Finance throughout the fall and early spring to explore viable savings opportunities, focusing on the following: (1) optimizing certain sectors of CDCR's workforce, making sure the right positions are in the most effective places; (2) improving CDCR's workers' compensation process to reduce cost pressures created by growing caseloads; and (3) finding efficiencies in contracts for goods and services, particularly in existing contracts with the California Correctional Training and Rehabilitation Authority (CALCTRA, formerly CalPIA).

Overall savings for these areas are expected to achieve a total of about \$360 million General Fund through 2029-30. Notably, CDCR will eliminate 136.8 positions to optimize their workforce, regionalize and augment Return-to-Work Coordinators, and streamline the CALCTRA health care facility cleaning contract. Specifically, the May Revision reflects General Fund savings of about \$20 million in 2025-26, \$42 million in 2026-27, \$82 million in 2027-28, \$100 million in 2028-29, and \$116 million ongoing beginning in 2029-30. In addition, CDCR and Finance will continue to evaluate other areas identified by BCG that could present future savings opportunities. As such, the May Revision also assumes ongoing annual savings of \$100 million General Fund beginning in 2027-28.

## SIGNIFICANT BUDGET ADJUSTMENTS

The May Revision proposes additional resources to address essential CDCR workload and baseline costs:

- **Incarcerated Firefighter Pay (AB 247, 2025)**—\$15.8 million (\$5.2 million General Fund and \$10.6 million in reimbursement authority) in 2026-27, and \$13.3 million (\$2.6 million General Fund and \$10.6 million in reimbursement authority) in 2027-28 and ongoing to implement Chapter 681, Statutes of 2025 (AB 247). The General Fund portion is to develop a payroll system capable of tracking and paying an increased wage to incarcerated firefighting hand crews, and the reimbursement authority will enable CDCR to pay incarcerated firefighters the federal minimum wage of \$7.25 per hour, while on an active fire incident, through CALFIRE's E-Fund.
- **Food Funding Adjustment**—\$10.9 million ongoing General Fund 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 of future food cost adjustments that incorporates the cost of statutory requirements and actual food costs.
- **Industrial Workers' Compensation – Institution Claims and Regional Staffing**—\$7.2 million General Fund and 34 positions in 2026-27, decreasing to \$5.6 million in 2030-31 and ongoing, to regionalize and augment CDCR's Return-to-Work Coordinator staffing, which will reduce industrial workers' compensation caseloads and costs over time.

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## HEALTH CARE SERVICES FOR INCARCERATED INDIVIDUALS

The May Revision continues the state's commitment to delivering quality health care services to incarcerated individuals. This includes approximately \$4.2 billion General Fund in 2026-27 for CDCR health care programs, which provide incarcerated individuals access to medical, nursing, mental health, and dental care services that are consistent with the standards and scope of care appropriate within a custodial environment.

## SIGNIFICANT BUDGET ADJUSTMENTS

- **Subsistence and Personal Care Medical Funding**—\$14.6 million General Fund in 2026-27, and \$12.2 million in 2027-28 and ongoing, to fund one-time purchases of

medical supplies and adjust the Subsistence and Personal Care budget to reflect actual costs.

- **Medical Classification Model Adjustment**—\$8.9 million General Fund and 60.6 positions in 2026-27 and ongoing to address increased medical appointments and medication administration.
- **CalAIM Reimbursement Augmentation**—A net-zero shift of \$11.8 million in 2026-27, and \$7.2 million in 2027-28 and ongoing, from General Fund to reimbursement authority to allow the department to collect additional pharmaceutical reimbursements tied to the California Advancing and Innovating Medi-Cal Justice Involved Initiative.
- **Electronic Health Record System Enhancement**—\$2.2 million General Fund in 2026-27, \$2.2 million in 2027-28, and \$4.5 million in 2028-29 and ongoing to provide resources to add artificial intelligence notetaking functionality within CDCR's electronic health record system.
- **Incarcerated Menopause Program**—\$1.1 million General Fund in 2026-27 to improve access to menopause education and clinical care for aging incarcerated women.

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## MENTAL HEALTH RECEIVERSHIP

In August 2025, the *Coleman* Court appointed a Receiver over CDCR's Mental Health Program and granted the Mental Health Receiver all powers vested by law in the Secretary of CDCR, as related to the administration, control, management, operation, and financing of CDCR's Mental Health Services Delivery System and provision of mental health services to class members. The Governor's Budget included \$33.9 million from the Mental Health Services Deposit Fund (SDF) to support staffing costs of the Receiver's office and to continue clinical staff bonuses ordered by the court. The SDF was established by the *Coleman* Court for the accumulation of fines imposed on CDCR for staffing vacancies above ten percent for specified clinical staff. In total, the state deposited \$155.2 million into the SDF; however, the appeals court later adjusted accrued fines to approximately \$113 million.

The May Revision proposes additional resources to support the Mental Health Program and relies on the SDF for certain expenses relating to human resources, risk management, and centralizing and expanding the use of internships for clinical classifications. Based on the proposals included in the May Revision, the balance of the SDF will be exhausted by 2027-28. Specifically, the May Revision includes:

- **Mental Health Receiver Staffing**—\$6.4 million from the SDF, \$5.2 million General Fund, \$1 million Behavioral Health Services Act Funding, and 26 positions in 2026-27; \$39.1 million SDF, \$5.1 million General Fund, \$2.6 million Behavioral Health Services Act Funding, and 26 positions in 2027-28; \$9.9 million SDF, \$26.8 million General Fund, \$2.6 million Behavioral Health Services Act Funding, and 26 positions in 2028-29; and \$40.2 million General Fund in 2029-30 and ongoing to expand the use of internships and other training programs for mental health clinicians, and augment various mental health and administrative positions to promote the hiring and retention of mental health clinicians.
- **Resource Teams**—\$3.6 million General Fund, \$1.2 million Behavioral Health Services Act Funding, and 18.9 positions in 2026-27, and \$7.3 million General Fund, \$1.2 million Behavioral Health Services Act Funding, and 37.8 positions in 2027-28 and ongoing, to expand the use of Resource Teams. This is a joint proposal between CDCR and the Mental Health Receiver's Office. The goal of a Resource Team is to help Psychiatric Inpatient Program and other high-risk, high-needs mental health patients develop pro-social skills, avoid stagnation, and optimize their ability to advance under psychiatric care. CDCR currently has three Resource Teams at California State Prison, Sacramento, Salinas Valley State Prison, and SQRC. This proposal will expand Resource Teams to three institutions in 2026-27 and three additional institutions in 2027-28, for a total of nine Resource Teams statewide.
- **Crisis Intervention Teams**—\$7.4 million General Fund and 36 positions in 2026-27 and ongoing to pilot the use of Crisis Intervention Teams (CITs) at three institutions, including two male and one female. This is a joint proposal between CDCR and the Mental Health Receiver's Office. The use of CITs is intended to allow assessment of an emergency physically closer to the source of the stressor to allow staff to address concerns that could otherwise lead or have led to self-harm or suicidal behavior.

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## PUBLIC SAFETY

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### PROPOSITION 47 SAVINGS

Proposition 47, passed in 2014, requires misdemeanor rather than felony sentencing for certain property and drug crimes. Proposition 47 invests savings from reduced prison utilization in prevention and supporting community programs; funds are allocated according to the formula specified in the ballot measure, which requires 65 percent be allocated for grants to public agencies to support various recidivism reduction

programs (such as mental health and substance use treatment services), 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victim services. The May Revision estimates net General Fund savings of \$89.1 million in 2026-27.

Proposition 36, passed in 2024, established a treatment-mandated felony for drug possession that can be charged under specified circumstances. Proposition 36 is projected to increase the state prison population and therefore decrease savings associated with Proposition 47 in future years. Remaining Proposition 47 monies may be used to fund court-ordered treatment programs to address the new treatment-mandated felony offense. Allowable uses may include expanding or enhancing court-ordered substance use disorder and/or mental health treatment or providing case management and wraparound services that facilitate successful reintegration, including housing, employment support, and job training.

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### **COMMUNITY CORRECTIONS PERFORMANCE INCENTIVE GRANT**

The California Community Corrections Performance Incentive Act, Chapter 608, Statutes of 2009 (SB 678), was created to provide incentives for counties to reduce the number of felony probationers sent to state prison. Since its inception, the program has allocated more than \$1.5 billion to counties for their role in reducing prison admissions. In recent years, annual funding was held constant due to the COVID-19 Pandemic's effect on probation populations, law enforcement practices, and court processes. The 2025 Budget Act included statutory changes to modify the formula to specify a fixed statewide annual allocation of \$103.7 million General Fund. This amount can be reduced if counties exceed their baseline return-to-prison rates, and increased if counties exceed performance expectations, compared to performance in calendar years 2022 and 2023. The May Revision estimates \$132.2 million General Fund in 2026-27 for the program.

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### **BOARD OF STATE AND COMMUNITY CORRECTIONS**

The Board of State and Community Corrections (BSCC), in addition to responsibilities such as oversight of local detention facilities and review of in-custody death incidents, administers up to 20 state and federal grant programs, totaling approximately \$400 million annually for over 400 individual grant agreements. Some of these grants include Proposition 47, the Adult Reentry Grant, and the California Violence Intervention and Prevention Program.

## SIGNIFICANT BUDGET ADJUSTMENTS

- **Vertical Prosecution Grant Program to Combat Human Trafficking**—\$10 million one-time General Fund for BSCC to administer a competitive Vertical Prosecution grant program aimed at preventing human trafficking. Vertical prosecution, where a single prosecutor handles the case from beginning to end, is often favored for cases involving particularly sensitive crimes, like human trafficking, because that prosecutor can become more knowledgeable about the details of the case, develop a comprehensive legal strategy for the matter, and establish rapport with the victims.
- **Missing and Murdered Indigenous People Grant Program**—\$10 million one-time General Fund for BSCC to administer a competitive grant program for federally recognized Indian tribes supporting efforts to identify, collect case-level data, publicize, and investigate and solve cases involving missing and murdered indigenous people (MMIP). To date, BSCC has been allocated \$37.3 million for MMIP grants—\$4 million in 2022-23, \$16 million in 2023-24, and \$17.3 million in 2024-25.

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## OFFICE OF EMERGENCY SERVICES

The Office of Emergency Services (Cal OES) serves as the state's leadership hub during all major emergencies and disasters. This includes responding, directing, and coordinating local, state, and federal resources, and mutual aid assets across all regions to support the diverse communities across the state. Cal OES also builds disaster resilience by supporting local jurisdictions and communities through planning and preparedness activities, training, and facilitating the immediate response to an emergency through the longer-term recovery phase. During this process, Cal OES serves as the state's overall coordinator and agent to secure federal government resources through the Federal Emergency Management Agency. The May Revision includes \$3.2 billion (\$567.8 million General Fund) and 1,927.8 positions for Cal OES.

## SIGNIFICANT BUDGET ADJUSTMENTS

The May Revision proposes the following resources:

- **Next Generation 9-1-1 (NG 9-1-1) Transition**—\$141.9 million one-time State Emergency Telephone Number Account to continue the NG 9-1-1 deployment and transition the architecture from a regional model to a unified statewide system model. The new statewide architecture resolves existing interoperability challenges,

creates one cohesive network with public-safety-grade resiliency, and significantly reduces operational complexity for Public Safety Answering Points (PSAPs). The one-time funding requested will: (1) begin the transition to a unified model, (2) maintain the services of the current regional providers as the transition takes place, (3) update the call handling equipment used by the PSAPs that are beyond their expected lifespan as well as systems that are not NG 9-1-1 compliant, and (4) implement a modern, reliable system for the greater Los Angeles region prior to the 2028 Olympic and Paralympic Games and a safer future for large-scale events and beyond.

- **Southern Emergency Operations Facility**—\$12.5 million ongoing General Fund to hire and onboard staff and bring the Southern Emergency Operations facility online to full functionality to absorb Southern Region staff and operations once the facility is complete.
- **Nonprofit Security Grant Program**—\$40 million one-time General Fund to support physical security enhancements to nonprofit organizations that have historically been targets of hate-motivated violence.
- **Victims of Crime Act Supplemental Funding**—\$25 million one-time General Fund to supplement decreasing federal funding supporting a variety of services for victims of crime. This one-time augmentation will significantly alleviate the service level reductions that would otherwise be necessary.

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## DEPARTMENT OF JUSTICE

As the chief law officer of the state, the Attorney General has the responsibility to see that the laws of California are uniformly and adequately enforced. This responsibility is fulfilled through the diverse programs of the Department of Justice (DOJ). The DOJ provides litigation services on behalf of the people of California; serves as legal counsel to state agencies; provides oversight, enforcement, education, and regulation of California's firearms laws; provides evaluation and analysis of physical evidence; and supports the data needs of California's criminal justice community. The Budget includes total funding of approximately \$1.4 billion (\$514.2 million General Fund) to support the DOJ.

### ANTITRUST LITIGATION FUNDING

In response to the federal government's recent retreat from enforcing antitrust laws, the May Revision includes \$14.3 million Special Funds in 2026-27, declining to \$10.5 million in

2029-30, to address an anticipated increase in antitrust workload. The lack of federal oversight in this area leaves California individuals and businesses vulnerable to predatory business practices that threaten affordability and consumer rights.

California has been a leader in this area, most recently dedicating \$8 million annually since the 2023 Budget Act, specifically to prosecute antitrust violations in the gas and oil, technology, and agricultural sectors. These resources allow DOJ to conduct independent investigations and litigation and to enforce California's antitrust laws in these sectors of the economy.

## OTHER SIGNIFICANT BUDGET ADJUSTMENTS

- **Medi-Cal Fraud and Elder Abuse: Federal Grant Authority**—\$16.2 million ongoing (\$4.1 million False Claims Act Fund and \$12.1 million Federal Trust Fund) to accept a federal grant award from the Office of Inspector General to support expanded investigations, enforcement activities, and prosecutions related to Medi-Cal fraud and elder abuse.
- **Legal Services Revolving Fund Ongoing Workload**—\$10.8 million ongoing Legal Services Revolving Fund to maintain current service levels and address increased demand for legal services from client agencies.
- **Completing Organized Retail Criminal Enterprise Investigations**—\$2.2 million one-time General Fund to provide DOJ with resources to resolve 27 existing cases stemming from the original funding provided in 2022-23.
- **Fingerprint System Modernization**—\$4.3 million Fingerprint Fees Account in 2026-27, \$5.5 million in 2027-28, and \$1.1 million in 2028-29 and ongoing to upgrade biometric identification systems to cloud-based infrastructure.
- **Registry of Charities and Fundraisers New Online System IT Support**—\$260,000 Registry of Charities and Fundraisers Fund in 2026-27 and \$251,000 in 2027-28 and ongoing to manage the Registry's upgraded infrastructure, provide technical support to end users, and assist with hardware, software, data management, and reporting.

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## JUDICIAL BRANCH

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, the Habeas Corpus Resource Center, and the Judicial Council. The Judicial Council is responsible for managing the resources of the Judicial Branch. The trial courts are

funded with a combination of General Fund, county maintenance-of-effort requirements, fines, fees, and other charges. Other levels of the Judicial Branch receive most of their funding from the General Fund. The May Revision includes total funding of \$5.3 billion (\$3.3 billion General Fund) in 2026-27 for the Judicial Branch, of which \$3 billion is provided to support trial court operations.

### **SIGNIFICANT BUDGET ADJUSTMENTS**

- **Language Access in the California Courts**—\$20 million Trial Court Trust Fund (TCTF) annually in 2026-27 and 2027-28 to address rising court interpreter costs and support language access and interpreter services in all case types in the trial courts. These resources will draw down the accumulated balance in the TCTF resulting from previous allocations to the Judicial Branch and provide increased flexibility for trial court operation costs.
- **Appellate Court Security**—\$1.6 million Appellate Court Trust Fund annually in 2026-27 through 2029-30 to continue resources for appellate court security previously funded on a limited-term basis.
- **State Court Facilities Construction Fund (SCFCF) Backfill**—A reduction of \$10 million General Fund annually in 2026-27 and 2027-28 to reflect the updated General Fund backfill need of the SCFCF based on current revenue estimates.