

2023-24 Governor's Budget Highlights

Budget Overview

The 2023-24 Governor's Proposed Budget reflects an increase of approximately \$486 million from the 2022 Budget Act for the California Department of Corrections and Rehabilitation (CDCR). The proposed budget includes \$14.5 billion for CDCR and of that, \$14.1 billion is from the state's General Fund and \$0.4 billion is from other fund sources. The Average Daily Adult incarcerated population is estimated to be 93,396 in 2023-24 and the Average Daily Parole population is estimated to be 41,345 in 2023-24.

California is projecting a budget deficit in the near term and revenues are approximately \$29.5 billion lower than projected, which results in a projected budget gap of \$22.5 billion in 2023-24. In order to close the projected budget shortfall, the 2023-24 Governor's Budget includes a variety of solutions such as reductions, spreading funding for previously approved items over multiple years instead of one or two, and shifting the cost of programs from the General Fund to other available funding sources. In order to present a balanced budget, the 2023-24 Governor's Budget limits investments to the most critical areas.

One of the most significant adjustments to CDCR's budget is the reduction related to the recently announced prison closures and facility deactivations. On December 6, 2022, the closure of California City Correctional Facility and the deactivation of six facilities at various institutions by March 31, 2024, and Chuckawalla Valley State Prison by March 31, 2025 was announced. Chuckawalla Valley State Prison closure will be captured in the 2024-25 Budget.

As currently estimated, the closures and deactivations will result in an ongoing reduction of 2,288.7 positions and \$417.3 million General Fund (CCC: 776.9 positions; \$131.9 million; Cal City: 644 positions; \$135.3 million; Facility Deactivations: 867.8 positions; \$150.1 million). As closure plans are refined, the total position and funding reduction will be adjusted at the May Revision.

The Governor's Budget also includes the net reduction of \$95.6 million (\$78.3 million General Fund and \$17.3 million other funds) and 603.1 positions in 2023-24 for the closure of the Division of Juvenile Justice, transferring care of the juvenile ward population to the counties.

Additionally, the Governor's Budget also proposes to reduce funding previously appropriated for deferred maintenance and COVID-19 Workers' Compensation costs.

CDCR is continually working to improve the new staff misconduct processes related to allegations from the incarcerated population, parolees, and third-party sources. Funding is included for refining the department's staff misconduct allegation complaint screening, referral, tracking processes and mechanisms, and the associated investigative and disciplinary processes. Funding is also included to continue deployment of a statewide audio/visual surveillance system at the remaining institutions that will effectively increase CDCR's capability to address potential concerns of staff and incarcerated individual misconduct. The added benefit of surveillance devices will serve as an effective instrument for contraband interdiction and investigations for CDCR.

The Budget includes funding to ensure the appropriate level of care and accommodations to the developmentally disabled incarcerated population. Additionally, the COVID-19 Pandemic continues to

affect aspects of prison operations and the Budget includes resources for COVID-19 prevention, mitigation, and response measures.

The Budget also includes funding to support the department's information technology and facility needs as follows:

- Continued development and implementation of the Department's comprehensive eDiscovery platform to centrally retrieve, manage, and store electronically stored information and enable secured delivery to internal and external entities that are part of litigation, discovery, and Public Record Act processes;
- Critical upgrade of CDCR's Business Information System, System Applications and Products (SAP) software to the new system offering referred to as S/4 HANA; and
- Roof replacements for Richard J. Donovan Correctional Facility.

Finally, the Budget includes various technical and employee compensation adjustments associated with previously bargained Memoranda of Understanding, such as General Salary and Retirement increases. Below is a summary of the adjustments to CDCR's budget (in order of magnitude). The 2023-24 Governor's Budget includes:

\$141.8 million for COVID-19 Direct Response Expenditures—One-time funding in fiscal year 2023-24 for continued costs related to response and mitigation from the impacts of the COVID-19 Pandemic.

\$87.7 million for Statewide Correctional Video Surveillance Continuation—Funding to implement audio/video surveillance systems at the remaining state-owned institutions.

\$30.7 million for Free Voice Communication (SB 1008)—Funding to provide free voice calling to all incarcerated persons and their families pursuant to Chapter 827, Statutes of 2022 (Senate Bill 1008).

\$26.8 million for Increased Inmate Welfare Fund Authority—Increases annual purchasing authority to maintain sufficient canteen supplies for the incarcerated population.

\$22.7 million Comprehensive Employee Health Program—Funding to maintain a comprehensive Employee Health Program to mitigate risks and drive compliance with federal and state regulated employer obligations.

\$10.0 million for eDiscovery Ongoing Needs—Funding to continue development and implementation the Department's comprehensive eDiscovery platform to centrally retrieve, manage, and store electronically stored information and enable secured delivery to internal and external entities.

\$9.6 Million for Staff Misconduct Investigation Expansion—Funding to continue refining the department's updated staff misconduct allegation complaint screening, referral, tracking processes and mechanisms, and the associated investigative and disciplinary processes.

\$8.1 million for BIS Migration to S4 HANA—Funding to upgrade CDCR's Business Information System, System Applications and Products (SAP) software to the new system offering, S/4 HANA. SAP will no longer support the version that CDCR currently utilizes.

\$3.9 million for Statewide Mental Health Program Regional Staffing Augmentation—Funding to enhance regional oversight and support provided to the institutional Suicide Prevention coordinators, regional psychiatric oversight and support, and utilization management.

\$3.6 million for DOJ Legal Service Fees—Funding to support increased costs of legal representation for CDCR and its employees in state and federal court cases.

\$3.2 million for The Joint Commission Accreditation—Funding to support the continued effort to establish and sustain constitutionally adequate health care.

\$2.8 million for Clark Compliance—Funding to support the remedial measures associated with the Clark class action lawsuit at institutions with the highest populations with developmental disabilities.

\$2.3 million for Expanded County of Release Eligibility (SB 990)—Funding to process increased transfer requests resulting from Chapter 826, Statutes of 2022 (Senate Bill 990).

\$2.2 million for The Integrated Gender Affirming Healthcare Program—Funding to deliver competent gender-affirming care to the incarcerated population for the transgender, non-binary, and intersex patients per Departmental policy and California State Law, Penal Codes 2605 and 2606.

\$2.1 million for Roof Replacement Design and Construction—Funding for three permanent Senior Architects in the Division of Facility Planning, Construction and Management and the design phase of construction of roof replacements at the Richard J. Donovan Correctional Facility. \$62.6 million is included in 2024-25 for the construction phase.

\$1.9 million for Employment Leave Expansion (AB 1041)—Funding to comply with the anticipated workload increase associated with the expansion of individuals that an employee may take leave for as established by Chapter 748, Statutes of 2022 (Assembly Bill 1041).

\$1.1 million for Prisons: Visitation (SB 1139)—Funding to comply with various requirements for emergency in-person contact visits and video calls when an incarcerated person is hospitalized due to a serious or critical medical condition related to Chapter 837, Statutes of 2022 (Senate Bill 1139).

\$0.5 million for Court Compliance Initiative—Funding to support court-mandated remedial measures associated with the Clark and Armstrong class action lawsuits at institutions with the highest populations of incarcerated persons with disabilities.

-\$8.0 million reduction for Technical Adjustment—Various net-zero adjustments to properly align authority and a reduction in funding to transfer \$8.0 million General Fund in 2023-24 and ongoing from CDCR to the California Arts Council to support the Arts in Corrections program.

-\$11.7 million reduction for CalAIM Technical Adjustments—Reduction in funding to support the first phase of implementation of the California Advancing and Innovating Medi-Cal (CalAIM) Justice-Involved Initiative.

-\$33.3 million reduction for Cal City Closure—Reduction in funding to reflect the lease termination for California City Correctional Facility. The estimated annual ongoing reduction is \$135.3 million.

-\$95.5 million reduction for DJJ Closure—Reduction in funding for the closure of the Division of Juvenile Justice.

-\$131.8 million reduction for CCC Closure—Reduction in funding to reflect the closure of California Correctional Center. The estimated annual ongoing reduction is \$131.9 million.

Other Adjustments:

Population Adjustments— A decrease of \$258.8 million in the budget year. The Fall population estimates the Adult Average Daily Population (ADP) of 93,396 inmates in 2023-24. This is a decrease of 9,536 inmates when compared to the (ADP) projection of 102,932 for 2022-23. The decreased ADP relates to enhanced milestone credits and reduced sentences for inmates. The Fall population estimates the Adult Average Daily Population (ADP) of 41,345 parolees in 2023-24. This is a decrease of 2,246 parolees when compared to the (ADP) of 43,591 in 2022-23.

Included in the Population Adjustment is the funding reduction for the six Facility Deactivations. In total, these deactivations are estimated to save \$150.1 million annually.

Notable population budget adjustment include Board of Parole Hearings (-\$2.8 million), Division of Adult Parole Operations (-\$15 million), California Correctional Health Care Services (-\$103.3 million), Adult Institutions (-\$159.9 million) and PC 4750 (\$24.8 million).

Various Employee Compensation and Retirement Rate Adjustments— An increase of \$266.6 million for employee compensation, staff benefits, and post-employment benefits for various MOU adjustments and General Salary Increases. An increase of \$625.7 million for retirement rate adjustments.

Various Statewide Adjustments/Relief Factor Adjustment— A net increase of \$168.9 million and an increase of 707.4 positions. These adjustments include: Legal Settlement (\$155 million), DVI Lease Revenue Bond Payoff (\$44.6 million), Workers' Compensation Adjustment (\$16.1 million), Utilities and Waste Removal Technical Adjustment (\$4.6 million), DAPO Clinical Position Technical Adjustment (\$1.3 million and 6.3 positions), SWCAP Apportionment (-\$17,000), Lease Revenue Debt Service Adjustments (-\$22.9 million), and Relief Factor (-\$29.7 million and -177.1 positions).

2023-24 Governor's Budget (in order of magnitude)	2023-24 (in millions)	2023-24 Positions
<i>Major Proposals:</i>		
COVID-19 Direct Expenditures	\$141.8	-
Statewide Correctional Video Surveillance	\$87.7	19.0
Free Voice Communication (SB 1008)	\$30.7	2.0
Increased IWF Authority	\$26.8	-
CCHCS: Comprehensive Employee Health Program	\$22.7	148.0
eDiscovery Ongoing Needs	\$10.0	11.0
Staff Misconduct Investigation Expansion	\$9.6	16.0
BIS Migration to S4 HANA	\$8.1	-
CCHCS: Statewide Mental Health Program Regional Staffing Augmentation	\$3.9	13.0
DOJ Legal	\$3.7	-
CCHCS: The Joint Commission Accreditation	\$3.2	15.0
Clark Compliance	\$2.8	17.0
Expanded County of Release Eligibility (SB 990)	\$2.3	10.4
CCHCS: The Integrated Gender Affirming Healthcare Program	\$2.2	7.5
Roof Replacement Design and Construction	\$2.1	3.0
Employment Leave Expansion (AB 1041)	\$1.9	-
CCHCS: Prisons: Visitation (SB 1139)	\$1.1	11.5
Court Compliance Initiative	\$0.5	2.0
Subtotal, Major Proposals	\$361.1	275.4
<i>Technical Adjustments and Reductions:</i>		
Technical Adjustment	(\$8.0)	-
CCHCS: CalAIM Technical Adjustments	(\$11.7)	(81.2)
Cal City Closure	(\$33.3)	(166.0)
DJJ Closure	(\$95.6)	(603.1)
CCC Closure	(\$131.8)	(777.4)
Subtotal, Technical Adjustments and Reductions	(\$280.4)	(1,627.7)
<i>Various Adjustments</i>		
Population Changes	(\$258.8)	(1,311.8)
Subtotal, Various Adjustments	(\$258.8)	(1,311.8)
<i>Baseline Budget Adjustments</i>		
Control Section 3.60 Retirement Adjustment	\$625.7	-
Employee Compensation Item 9800	\$266.6	-
Miscellaneous Adjustments	\$218.6	6.3
Relief Adjustment	(\$29.7)	(177.1)
Subtotal, Baseline Budget Adjustments	\$1,081.2	(170.8)
Total Adjustments	\$903.1	(2,834.9)