STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 07/23)

Fiscal Year	Business Unit Number	Department
2025-26	5225	California Department of Corrections and Rehabilitation

Hyperion Budget Request Name	Relevant Program or Subprogram
5525-070-BCP-2025-GB	4540024 – Adult Corrections and Rehabilitation Operations - Feeding

Budget Request Title
California-Grown Agricultural Food Funding (AB 778, 2022)

Budget Request Summary
The California Department of Corrections and Rehabilitation requests $5 million General Fund one-time in 2025-26 to comply with statutory requirements to purchase California-grown agricultural products.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	Click or tap here to enter text.

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date
	Click or tap here to enter text.	Click or tap to enter a date.

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. Click or tap here to enter text. **Project Approval Document:** Click or tap here to enter text.

Approval Date: Click or tap to enter a date. **Total Project Cost:** Click or tap here to enter text.

If proposal affects another department, does other department concur with proposal? ☐ Yes ☒ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Lance Eshelman	1/10/2025	Cynthia Mendonza	1/10/2025
Department Director	**Date**	**Agency Secretary**	**Date**
Gena Jones	1/10/2025	Jeff Macomber	1/10/2025

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Justin Adelman	1/10/2025

A. Problem Statement

Chapter 576, Statutes of 2022 (Assembly Bill [AB] 778) requires, by December 31, 2025, a California state-owned or run institution to achieve the goal of ensuring at least 60 percent of the agricultural food products purchased each calendar year are grown or produced in the state.

To meet dietary guidelines, the California Department of Corrections and Rehabilitation (CDCR) uses a statewide standardized menu for all institutions and facilities (with the exception of the California Health Care Facility, which provides specific meals required for their unique medical mission). CDCR also accommodates religious and vegetarian dietary restrictions, as well as other special dietary needs, such as providing higher-calorie meals while serving in fire camps. CDCR is budgeted for meals on a per incarcerated person per day basis.

The last funding adjustment occurred in the 2021 Budget Act, a $0.22 rate adjustment to implement a Healthy Menu, which brought the funded rate to its current $3.40 per incarcerated person per day. As part of the Healthy Menu, the department provides an average of 16 servings of fresh produce per week. With rising food costs nationwide—and California's at-home food costs averaging higher than the nation as a whole, per a recent Legislative Analyst's Office report available at https://lao.ca.gov/LAOEconTax/Article/Detail/766—CDCR anticipates costs to increase as a result of implementing the bill requirements but is unable to estimate impact until updated costs can be identified.

B. Justification

CDCR is budgeted for meals on a per incarcerated person per day basis. Currently, food funding is adjusted twice per year through the population-driven Unallocated Standard Adjustment using the authorized rate of $3.40 per incarcerated person per day. Over time, this funding has not kept pace with rising costs, and the department anticipates further budgetary challenges because of local procurement requirements under AB 778.

An increase to the funding will allow CDCR to be compliant with the state mandate to purchase California-grown products, while demonstrating the department's commitment to sustainability, health and well-being of incarcerated people, and the agricultural communities surrounding institutions throughout the state. Purchasing from local growers shortens the food supply chain and promotes consumption of a variety of fresh produce. Although costs may increase initially, the resulting shortened supply chain process may realize cost savings in the future.

CDCR requests $5 million General Fund one-time, or an additional $0.15 per incarcerated person per day, to account for initial cost escalation associated with California-grown products. Having time to conduct the necessary cost analysis based on purchases after implementation will assist with the development of any potential future permanent funding requests. The increased rate will allow CDCR to comply with state law, support local agriculture, and continue to provide meals with a balanced diet that meets the Recommended Dietary Allowances and Dietary Reference Intakes for the incarcerated population.

Budget Request

(Dollars in thousands)

Projected Food Costs – AB 778	
One-time Food Augmentation	$5,000
2025-26 Fall Pop – Unallocated ADP	91,606
AB 778 Food Rate Increase	**$0.15**

C. Departmentwide and Statewide Considerations

Complying with AB 778 supports California's agricultural sector, known for its enhancement of food safety and reduces environmental impacts. This proposal allows the department to direct purchasing towards California-grown products, allows growers to re-invest back into the economy and local communities, and aligns with CDCR's mission to ensure the provision of nutritious meals to the incarcerated population, contributing to their overall health and successful reintegration into society.

D. Outcomes and Accountability

Increasing the food cost rate to accommodate the requirements of AB 778 supports California's agricultural industry, ensuring fair practices and reducing the environmental footprint associated with food procurement.

E. Implementation Plan

Upon approval of the increased rate, CDCR will adjust its budget allocations to accommodate the procurement of at least 60 percent of agricultural products from California. The Department will collaborate with local growers and suppliers to establish contracts that meet both cost and quality requirements.

F. Supplemental Information

N/A

BCP Fiscal Detail Sheet

BCP Title: California-Grown Agricultural Food Funding (AB 778, 2022)

BR Name: 5225-070-BCP-2025-GB

Budget Request Summary

Operating Expenses and Equipment

Operating Expenses and Equipment	FY24 Current Year	FY25 Budget Year	FY26 BY+1	FY27 BY+2	FY28 BY+3	FY29 BY+4
539X - Other	0	5,000	0	0	0	0
Total Operating Expenses and Equipment	**$0**	**$5,000**	**$0**	**$0**	**$0**	**$0**

Total Budget Request

Total Budget Request	FY24 Current Year	FY25 Budget Year	FY26 BY+1	FY27 BY+2	FY28 BY+3	FY29 BY+4
Total Budget Request	**$0**	**$5,000**	**$0**	**$0**	**$0**	**$0**

Fund Summary

Fund Source

Fund Source	FY24 Current Year	FY25 Budget Year	FY26 BY+1	FY27 BY+2	FY28 BY+3	FY29 BY+4
State Operations - 0001 - General Fund	0	5,000	0	0	0	0
Total State Operations Expenditures	**$0**	**$5,000**	**$0**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$5,000**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	FY24 Current Year	FY25 Budget Year	FY26 BY+1	FY27 BY+2	FY28 BY+3	FY29 BY+4
4540024 - Feeding	0	5,000	0	0	0	0
Total All Programs	**$0**	**$5,000**	**$0**	**$0**	**$0**	**$0**