

California's Opportunity: Closing Prisons and Reinvesting in Higher Education

*A Fiscal and Policy Analysis for California's
Long-Term Prosperity*

Center on Juvenile and Criminal Justice | October 2026



Executive Summary

California stands at a rare intersection of fiscal responsibility, public safety, and generational opportunity. Decades-long declines in crime, arrests, and incarceration, driven primarily by broad societal and generational changes rather than increased imprisonment, have fundamentally altered the state's correctional needs. Simultaneously, the cost of higher education has risen dramatically as public investment has failed to keep pace with enrollment growth and inflation, shifting the financial burden onto students and families.

California's prison system was built for a scale of incarceration that no longer exists. Since its 2007 peak, the state's prison population has fallen by nearly 50 percent, returning to levels which have not been seen since the early 1980s. Official projections from the California Department of Corrections and Rehabilitation (CDCR) indicate continued declines through at least 2028 (CDCR, 2024). These trends reflect structural and generational shifts in behavior, demographics, technology, and social norms that are unlikely to reverse in the foreseeable future (CDCR, 2024).

Yet, California continues to operate and fund a prison infrastructure designed for a much larger incarcerated population. The state now maintains 19,000 excess prison beds, equivalent to five fully staffed facilities, at enormous ongoing cost (LAO, 2023; LAO 2024). Each prison costs hundreds of millions of dollars annually to operate. Maintaining surplus capacity diverts billions of general-fund dollars from higher-return public investments, particularly education.

Core Argument

California should seize this moment to right-size its prison system and reinvest the savings where they will produce the greatest long-term benefit: higher education. This is not a retreat from public safety; it is an evidence-based modernization of state policy grounded in demographic and fiscal realities.

This report recommends that California:

- Close six to eight state prisons by 2028, prioritizing high-vacancy, high-cost, and structurally obsolete facilities;
- Establish a Prison Savings Reinvestment Fund to capture and protect savings generated by prison closures and continued population declines; and
- Redirect up to \$1.5 billion annually into the University of California (UC), California State University (CSU), and California Community Colleges (CCC) systems to reduce tuition, expand accessibility, improve quality and lower student debt.

Table 1. Prison Population & Spending vs. In-State Tuition

Metric	Value
Peak Prison Population (2006)	~174,000
Current Prison Population	~90,600 (Dec. 2025)
Population Reduction Since Peak	~50%
Estimated Excess Prison Beds	19,000–23,000
Annual Cost Per Incarcerated Person	\$127,800 (FY 2025–26)
Potential Annual Savings from Closures	\$1.0–\$1.5 billion
Annual In-State UC Tuition (fees)	~\$15,000–\$16,000
Annual In-State CSU Tuition (fees)	~\$6,450–\$7,488 (FY 2025–26)

Table: Center on Juvenile and Criminal Justice • Source: PPIC 2025, LAO 2026a, LAO 2024, LAO 2025b, LAO 2023, UC Office of the President 2026, CSU 2025 • Created with Datawrapper

The evidence is clear: the historic decline in crime cannot be explained primarily by increased imprisonment or policing intensity. Crime has fallen across states and nations with widely varying criminal justice policies, incarceration rates, and enforcement strategies (Pew Charitable Trusts, 2014; Raphael & Stoll, 2013). Long-term reductions began in the early 1990s and accelerated as younger cohorts became less likely to commit a crime than any generation in modern recorded history (Zimring, 2007; DOJ, 2023). Arrest rates among youth and young adults, the strongest predictors of future prison admissions, have declined by 80–90% (KidsData.org, 2023). These generational shifts ensure that prison populations will continue to fall irrespective of policy changes.

This is a fundamental policy mismatch. California is overinvesting in correctional capacity that it no longer needs while underinvesting in educational opportunity that it urgently requires. Closing unneeded prisons and reinvesting the savings in higher education would simultaneously maintain public safety, reduce recurring expenditures, expand college access, increase lifetime earnings and tax revenues, and advance equity by shifting resources from punitive systems to institutions that expand opportunity.

Methodology

This report synthesizes administrative data, peer-reviewed research, and official state fiscal and population projections to evaluate California's correctional capacity and long-term budget priorities. Crime, arrest, and incarceration trends are drawn primarily from the California Department of Justice (CA DOJ), the California Department of Corrections and Rehabilitation

(CDCR), the Federal Bureau of Investigation (FBI), and analyses published by the Public Policy Institute of California (PPIC).

Prison population projections rely exclusively on CDCR baseline forecasts. The analysis does not assume additional sentencing reforms, changes in policing practices, speculative future reductions in crime, or unverified demographic shifts beyond those reflected in official state projections. This conservative approach ensures that estimates of excess capacity and potential closures are grounded in the state's own published assumptions.

Fiscal estimates are based on Legislative Analyst's Office (LAO) reports, enacted state budgets, and comparable correctional cost studies. Per-facility and system-wide savings estimates rely on structural operating costs rather than temporary year-to-year fluctuations. All fiscal modeling uses conservative assumptions and excludes potential additional savings from future policy reforms, staffing restructuring, automation, health care cost adjustments, or facility repurposing. Projected savings should therefore be interpreted as baseline, not maximum, estimates.

Higher education funding and cost trends are drawn from official reports and budget documents from The University of California (UC), The California State University (CSU), and the California Community Colleges (CCC), supplemented by national higher education finance data. Where applicable, comparisons use consistent enrollment-adjusted metrics to ensure longitudinal accuracy. All monetary figures are reported in nominal dollars unless otherwise specified.

Importantly, this analysis is based on multi-year structural trends and cost baselines rather than any single enacted budget year, including FY 2026–27. Its conclusions are grounded in long-term demographic, fiscal, and institutional realities—not short-term budget cycles or temporary political conditions.

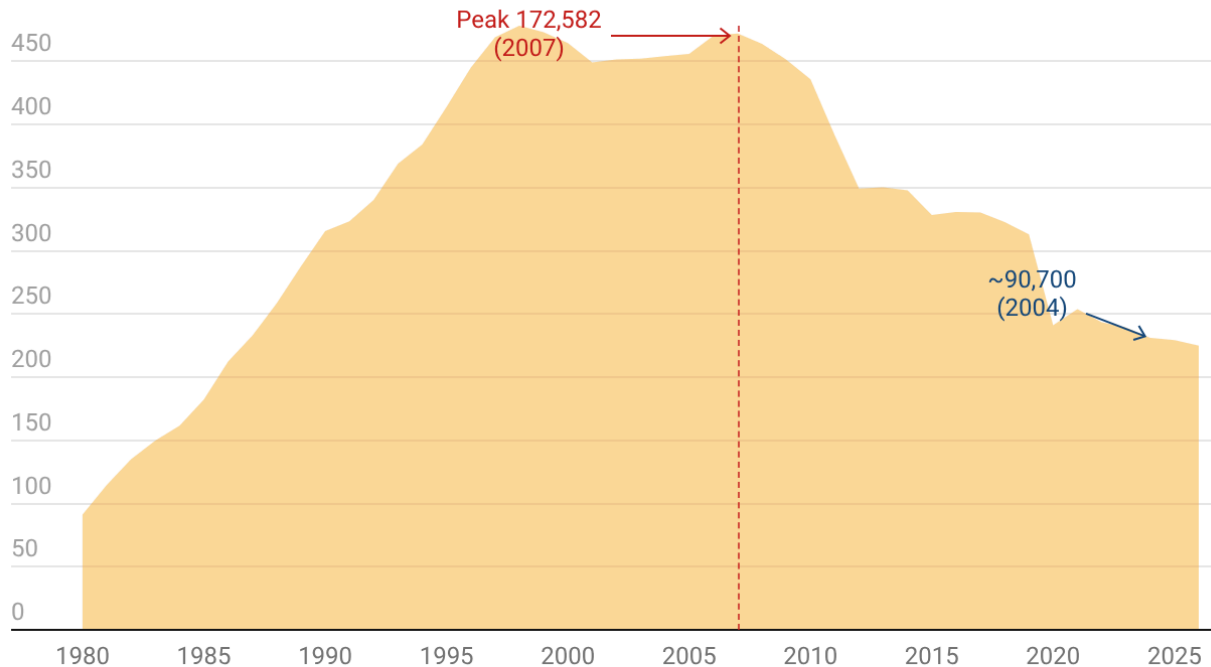
1. Prison Population Trends

California's prison population has experienced a sustained and structural decline that has fundamentally altered the state's correctional needs. After peaking at approximately 173,000 incarcerated individuals in October 2006, the adult prison population had fallen to approximately 90,600 as of December 2025—a reduction of nearly 50% (CDCR, 2024). When youth custody is included, the state's total incarcerated population has returned to levels not seen since the early 1980s, prior to the era of mass incarceration.

Official projections indicate that this contraction is ongoing rather than temporary. CDCR's Spring 2024 Population Projections forecast a further decline to approximately 86,800 incarcerated individuals by 2028 under baseline assumptions (CDCR, 2024). However, Proposition 36 is projected to add fewer than 1,000 additional individuals—a modest increment relative to the broader 80,000-person structural decline. Even accounting for Proposition 36, official projections anticipate a continued long-term downward trajectory through the late 2020s,

as the measure's projected population effects are substantially outweighed by the broader structural decline driven by generational and demographic change (LAO, 2026).

Figure 1. California State Prison Population Trend



Rate by 100,000 population. 2026 is up until the end of August 2026.

Chart: Center on Juvenile and Criminal Justice • Source: Source: CDCR, 2026 • Created with Datawrapper

As the prison population has contracted, California continues to operate infrastructure designed for peak-incarceration conditions. The LAO's 2024 budget analysis found that the state was operating nearly 15,000 empty beds in 2024–25, a figure projected to grow to approximately 19,000 by 2028; enough to deactivate around five additional prisons beyond those already closed (LAO, 2024). This excess capacity is geographically dispersed and disproportionately concentrated in older, higher-cost facilities that were built during the height of prison expansion.

The fiscal implications are substantial, and most come from fixed costs that do not decline with population demands. Correctional institutions' high fixed operating costs are: staffing, health care delivery systems, security infrastructure, utilities, and maintenance expenses, which do not decline proportionally with population reductions. As occupancy decreases, per-capita costs rise. The 2025–26 enacted state budget provides approximately \$13.6 billion for CDCR—a figure that has declined from prior-year highs but remains historically elevated relative to the incarcerated population served (LAO, 2025a). Per incarcerated individual, annual expenditures reached \$127,800 in 2025–26—among the highest in the nation and an increase of more than 160 percent since 2010–11 (LAO, 2025b).

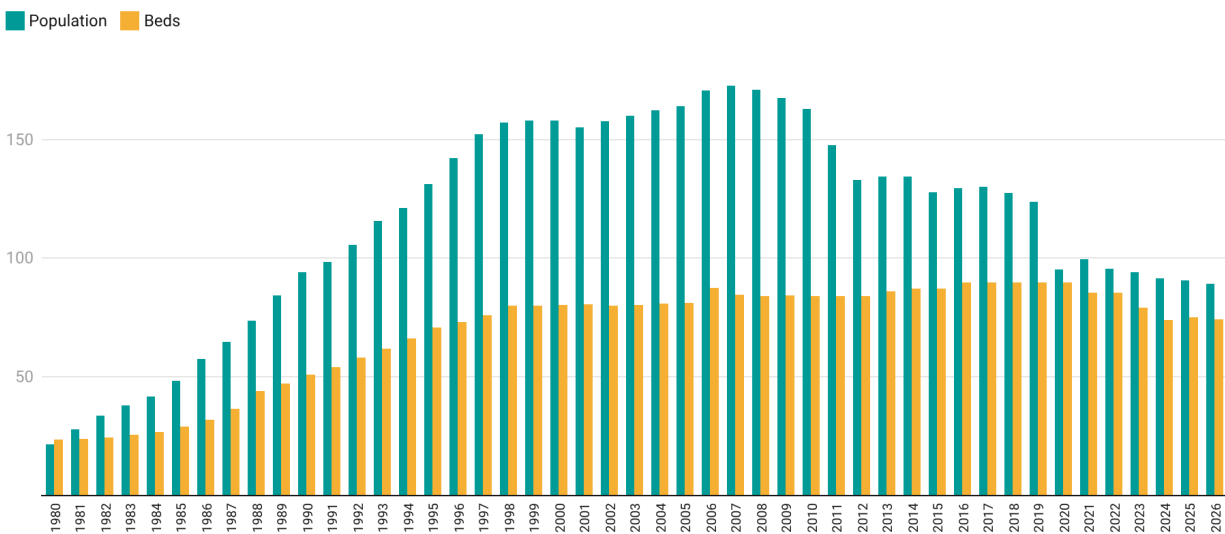
Figure 2. Prison Population vs. Prison Bed Capacity

Chart: Center on Juvenile and Criminal Justice • Source: CDCR, 2026 • Created with Datawrapper

Key Finding

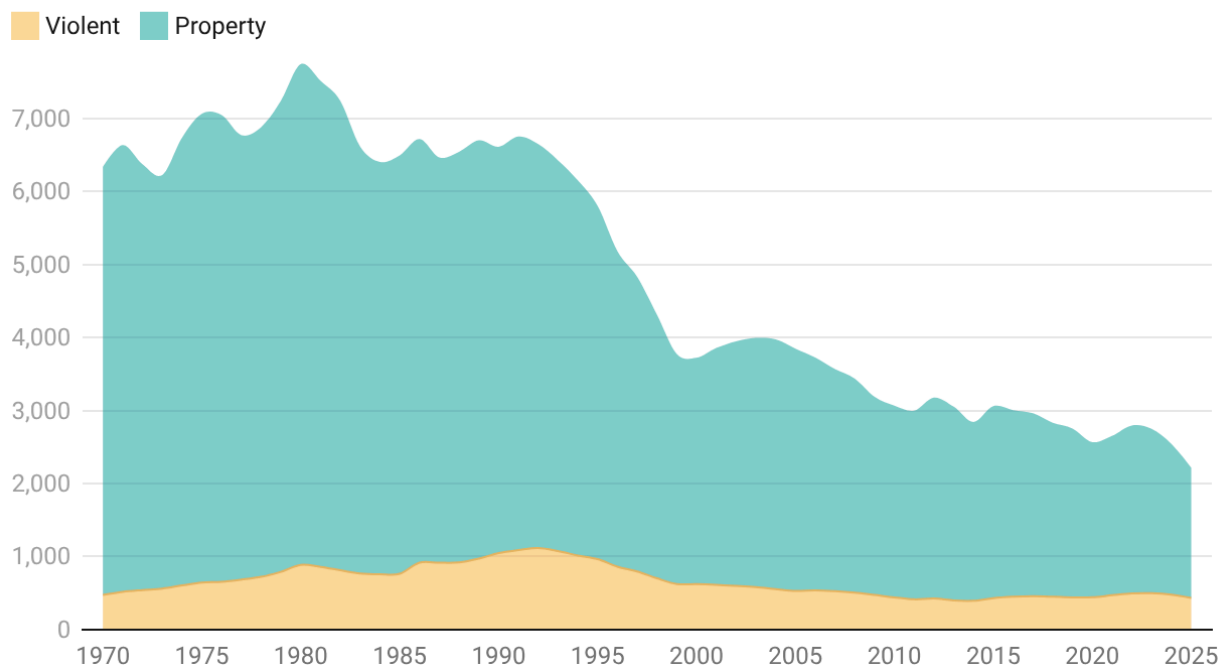
California's current prison footprint is misaligned with present and projected needs. Its scale reflects past policy expansion, not current demographic or crime realities. Adjusting institutional capacity to match sustained population decline is not a speculative reform—it is an evidence-based administrative correction consistent with the state's own projections.

2. Crime Trends

California has experienced a long-term and historically significant decline in crime that mirrors trends observed across the United States and other high-income nations. While criminal justice policy can influence crime at the margins, the scale, timing, and cross-jurisdictional consistency of the decline indicate that its primary drivers lie in broad societal, generational, demographic, and technological changes operating largely outside the correctional system.

Long-Term Declines Across Jurisdictions

Violent and property crime in California peaked in the early 1990s, consistent with national trends, and has fallen substantially since then. By 2024, statewide crime rates remain dramatically below their late twentieth-century highs (CA DOJ, 2024). Violent crime declined from over 1,100 incidents per 100,000 residents in the early 1990s to approximately 480 per 100,000 in 2024. Property crime fell even more dramatically, from over 5,600 incidents per 100,000 in 1990 to roughly 2,083 per 100,000 in 2024 (Figure 3).

Figure 3. California Violent and Property Crime Rates

Rates per 100,000 population

Chart: Center on Juvenile and Criminal Justice • Source: DOJ, 2025 • Created with Datawrapper

These patterns are not unique to California. Nationwide, crime declined sharply from the early 1990s through the mid-2010s across states with widely divergent criminal justice policies—including states with high incarceration rates and those with comparatively low incarceration, jurisdictions that expanded prison capacity and those that did not (Pew Charitable Trusts, 2014; Raphael & Stoll, 2013).

Internationally, similar declines occurred across Western Europe, Canada, Australia, and parts of East Asia—countries with incarceration rates far below those of the United States and substantially different policing systems (Farrell et al., 2014). The cross-jurisdictional convergence of crime trends across systems with fundamentally different punishment regimes strongly suggests that incarceration levels and enforcement intensity cannot account for the majority of the decline.

Generational Change as a Central Mechanism

The most consistent predictor of sustained crime reduction is the dramatic decline in criminal involvement among younger cohorts (CJCJ, 2016). Arrest, victimization, and self-report data demonstrate that adolescents and young adults today are substantially less likely to engage in violent or property crime than comparable cohorts in the late twentieth century (CA DOJ, 2023; CA DOJ, 2024). In California, juvenile felony arrest rates have fallen by more than 90% since their late twentieth-century peak (KidsData.org, 2023; CA DOJ, 2023).

Importantly, these generational shifts began prior to major recent sentencing reforms and are observable in jurisdictions that did not significantly reduce incarceration or police staffing. Since crime declined across different places and during the same period, it is difficult to conclude that criminal justice policy alone was responsible for the decline. (Farrell et al., 2014; Zimring, 2007; Raphael & Stoll, 2013).

Structural and Technological Influences

A substantial body of criminological research identifies structural changes that reduce criminal opportunity and motivation, including:

- Increased digital engagement and shifts in youth socialization patterns;
- Reduced alcohol consumption among adolescents;
- Improvements in vehicle and property security technologies;
- Demographic aging of the population; and
- Changes in routine activity patterns across age cohorts.

Collectively, these structural changes reduce opportunities for crime irrespective of enforcement strategy (Farrell et al., 2011; Blumstein & Wallman, 2006). The broader evidence suggests that fewer individuals, particularly young individuals, are engaging in criminal behavior.

3. Arrest Trends

Arrest trends in California provide some of the clearest forward-looking evidence that sustained reductions in crime and incarceration are rooted in broad generational and societal change rather than shifts in policing intensity or sentencing severity. Because arrests, particularly among youth and young adults, historically precede prosecution, conviction, and incarceration, they function as a leading indicator of future prison admissions (Raphael & Stoll, 2013).

Collapse in Youth Arrests

Since the mid-2000s, youth arrests in California have declined at an unprecedented scale. Total arrests of youth under age 18 have fallen by approximately 85–90% since their late twentieth-century peak, representing the largest and most sustained reduction in juvenile justice system contact in modern state history. Juvenile felony arrest rates have declined by more than 90% since 1980 (KidsData.org, 2023; CA DOJ, 2023).

The magnitude of this decline is historically extraordinary. This contraction spans multiple gubernatorial administrations, prosecutorial philosophies, and law enforcement resource levels, suggesting that it reflects deeper behavioral and demographic change rather than short-term enforcement strategy (Zimring, 2007; Farrell et al., 2014).

Declines Among Young Adults

The trend extends beyond juveniles. Arrests among young adults ages 18–29, historically the age group with the highest offending rates and the primary source of prison admissions, have

declined substantially over the past two decades (Figure 4). When fewer individuals are arrested during peak offending ages, fewer enter the criminal justice pipeline at each subsequent stage: from charging and sentencing to imprisonment (Raphael & Stoll, 2013).

Implications for Future Incarceration

The predictive relationship between youth arrest rates and future prison admissions is well established. As the pool of individuals entering the system reduces, downstream incarceration necessarily declines unless sentencing severity increases dramatically, an assumption not reflected in current law or CDCR projections (CDCR, 2024).

Figure 4. California Arrest Rates by Age Cohort

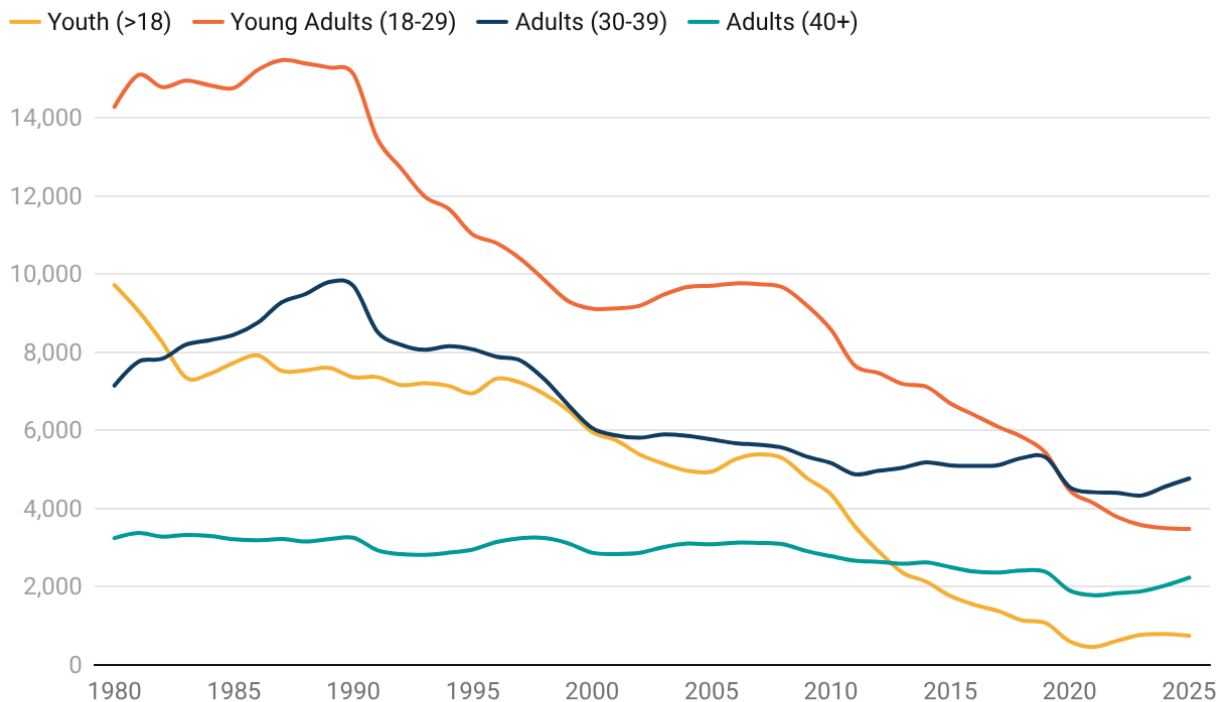


Chart: Center on Juvenile and Criminal Justice • Source: DOJ, 2026 • Created with Datawrapper

Planning Implication

California's future prison population will continue to shrink because the inflow of new entrants has decreased. Maintaining prison infrastructure designed for historical arrest volumes is misaligned with current demographic realities. Right-sizing correctional capacity in response to sustained arrest declines is a rational administrative response to structural changes already embedded in the state's own data and projections.

4. Higher Education Costs

While incarceration and arrest rates have declined sharply, California's public higher education system has faced sustained fiscal pressure. Over the past several decades, state support has fluctuated significantly, and during major economic downturns,¹ per-student funding declined sharply. Institutions increasingly relied on tuition increases to offset reductions in General Fund support, shifting a growing share of costs onto students and families (SHEEO, 2023).

In the early 1970s, tuition at the University of California was effectively tuition-free for California residents, with students paying only modest registration fees (AFSCME Local 3299, 2014). The California State University system operated under a similar low-fee structure consistent with the state's Master Plan commitment to broad access (State of California, 2025; California State University, 2025). Today, that commitment has eroded significantly (California Budget & Policy Center, 2023; LAO, 2025a).

Table 2. Tuition Cost and General Fund Spending

Metric	Value
UC Annual In-State Tuition & Fees	~\$15,000–\$18,000
CSU Annual In-State Tuition & Fees	~\$6,450–\$7,488 (FY 2025–26)
UC Total Annual Cost of Attendance	>\$35,000 (many campuses)
CSU Total Annual Cost of Attendance	>\$25,000 (many campuses)
National Inflation-Adj. Tuition Increase (since 1980)	~3×
State General Fund Support per UC Student	~\$16,000–\$18,000/yr
State General Fund Support per CSU Student	~\$10,000–\$11,000/yr
Annual Cost per Incarcerated Person	\$127,800 (FY 2025–26)

Table: Center on Juvenile and Criminal Justice • Source: University of California Office of the President; University of California Office of the President (2026); California State University (2025); LAO, 2025; PPIC, 2019; College Board, 2024; Bureau of Labor Statistics; LAO, 2026b; LAO, 2026c; LAO 2026d; LAO, 2025b • Created with Datawrapper

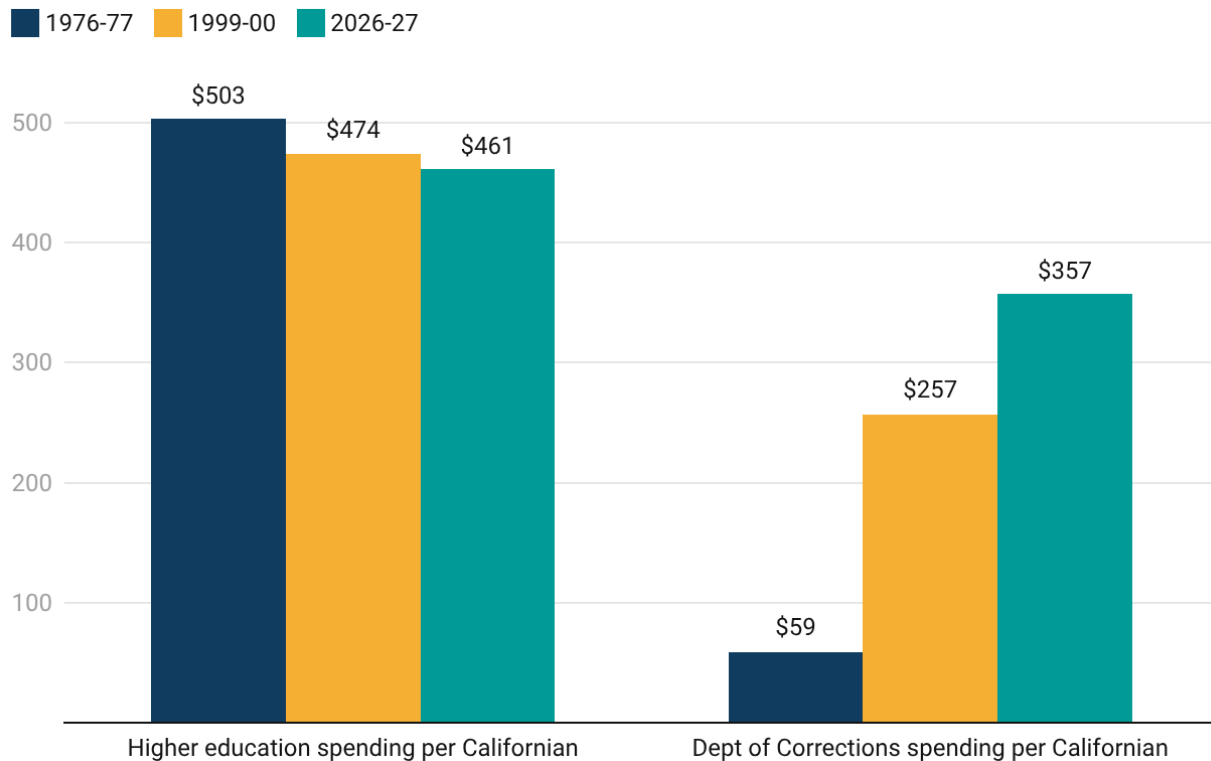
State Budget Priorities in Real Dollars

In the 1980s and early 1990s, higher education General Fund support exceeded corrections spending. That relationship reversed in the early 2000s. Since then, corrections spending has grown substantially faster and now exceeds combined UC and CSU General Fund appropriations by several billion dollars annually, even after adjusting for inflation (DOF, 2024; SHEEO, 2023). Amid the reductions of state investment in higher education, students have

¹ Major economic downturns included the early 1990s recession (1990-91) and the Great Recession (2007-09), both of which led to significant cuts in state higher education appropriations (SHEEO, 2023)

been left to shoulder the cost. Compared to public university students in 1976, those in 2026 pay 9 times as much in tuition (accounting for inflation).

Figure 5. State is Spending More per Person on Prisons and Less per Person on Higher Education



In constant 2026 Consumer Price Index (CPI)

Chart: Center on Juvenile and Criminal Justice • Source: Legislative Analyst Office (LAO), (1995, 1997, 2000, 2007, 2024, 2026) • Created with Datawrapper

The Structural Imbalance

The result is a clear and long-term fiscal imbalance:

- Prison populations have fallen nearly 50% since 2007;
- Correctional spending remains historically high in real terms;
- Enrollment demand for public higher education remains strong; and
- Real per-student public investment has stagnated relative to long-term need.

The state spends roughly seven to eight times more per incarcerated individual than per CSU student, and six to seven times more per incarcerated individual than per UC student, despite the fact that higher education enrollment vastly exceeds the incarcerated population and generates substantially greater long-term economic returns (LAO, 2025b; CSU, 2025; UC Office of the President, 2024; University of California, 2026).

This imbalance is not driven by contemporary crime conditions. It reflects accumulated policy commitments from a prior era of prison expansion that continue to shape budget allocations today.

5. Fiscal Opportunity: Redirecting Prison Savings to Higher Education

California's sustained decline in incarceration presents a rare opportunity to generate recurring General Fund savings while maintaining public safety. Unlike marginal program reductions, prison closures eliminate large, ongoing fixed costs associated with staffing, health care delivery, utilities, maintenance, and security infrastructure (LAO, 2023). Because incarceration declines are structural rather than cyclical, these savings are durable and scalable.

Cost Structure of California's Prison System

California operates one of the most expensive prison systems in the United States (USAFacts, 2025). The state spent \$127,800 per incarcerated person annually as of the 2025–26 enacted budget, an increase of more than 160% since 2010–11, driven primarily by personnel compensation, correctional health care mandates, and the maintenance of aging facilities (LAO, 2025b). Despite a nearly 50% decline in the prison population since its 2006 peak, the 2025–26 budget appropriates approximately \$13.6 billion for CDCR (LAO, 2025a). This represents a downward trend from prior years but remains historically high on a per-capita basis.

Correctional costs are predominantly fixed or semi-fixed in the short to medium term. Staffing ratios, perimeter security, medical facilities, and utilities do not decline proportionally as the incarcerated population falls. As a result, operating partially empty prisons is significantly less cost-efficient than consolidating populations and closing entire institutions (LAO, 2023). Structural savings materialize only when full facilities are decommissioned.

Fiscal Impact of Prison Closures

Independent fiscal assessments estimate that closing a single state prison generates annual operating savings in the range of \$150 million, depending on facility size, staffing configuration, and health care infrastructure (LAO, 2023). This is consistent with real-world experience: California's 2025 announcement of the closure of a Riverside County facility projected savings of approximately \$150 million annually (CalMatters, 2025). While closures entail transitional costs, including employee relocation, retraining, contract adjustments, and potential environmental remediation, these are largely one-time expenses typically recouped within several fiscal years (LAO, 2023; CalMatters, 2025).

With an estimated 19,000 or more excess prison beds projected by 2028 under CDCR's own baseline assumptions, equivalent to the capacity of approximately five full institutions, California retains sufficient surplus capacity to close additional prisons while maintaining operational flexibility for population fluctuations (LAO, 2024). Critically, these closures do not require changes to sentencing statutes or parole policy. As of 2025, the state had already closed four

prisons under Governor Newsom and announced a fifth closure, validating the operational feasibility of the approach (CalMatters, 2025).

Estimated Savings Scenarios

Under conservative assumptions that exclude speculative reforms:

- Closure of five to eight prisons would generate approximately \$750 million to \$1.5 billion in annual General Fund savings, depending on facility characteristics;
- Continued population declines, reduced overtime expenditures, lower contract health care costs, and deferred capital spending could plausibly add \$300–\$600 million annually by the late 2020s.

Conservative Projection

A reasonable and defensible savings range approaches \$750 million–\$1.5 billion per year in recurring General Fund relief once closures are fully implemented. These projections intentionally avoid optimistic assumptions regarding automation, pension restructuring, or future sentencing reform.

Reinvestment Capacity in Higher Education

A recurring savings stream of \$1.0–\$1.5 billion would materially reshape California's higher education funding landscape. At current levels, this amount represents roughly 10–15% of combined UC and CSU General Fund support, or a substantial share of annual tuition revenue across both systems (LAO, 2025c; LAO, 2026a). Depending on allocation design, reinvestment could:

- Fund significant tuition stabilization or reductions for all students;
- Expand enrollment capacity to meet suppressed demand;
- Support a statewide tuition guarantee for low- and middle-income families; or
- Offset student debt burdens through need-based grant expansion.

Because prison closures generate ongoing operating savings rather than one-time funds, reinvestment can be structured as a stable, multi-year funding source which is essential for tuition policy, faculty planning, and institutional budgeting.

Economic Returns

Redirecting resources from incarceration to higher education yields substantially stronger long-term economic returns. Postsecondary attainment increases lifetime earnings, workforce participation, and tax contributions while reducing long-term reliance on public assistance and, over time, lowering criminal justice system involvement (Brookings Institution, 2013; Georgetown Center on Education and the Workforce, 2021). From a fiscal perspective, reallocating dollars from underutilized correctional infrastructure to higher education improves both immediate budget efficiency and long-term revenue capacity.

6. Policy Recommendations

The foregoing analysis establishes a compelling fiscal and demographic case for right-sizing California's prison system and redirecting savings into higher education. The following six recommendations translate this analysis into actionable policy. They are sequenced to build political momentum, manage fiscal and operational risk, and ensure that savings are protected and invested with lasting effect.

Recommendation 1: Enact a Prison Closure Timeline and Facility Prioritization Framework

Timeframe: Immediate – FY 2026–27

The Legislature should direct CDCR, in consultation with the Legislative Analyst's Office, to publish a ranked list of closure candidates within 120 days of enactment. Prioritization criteria should weight facility vacancy rates, per-bed operating cost, physical age and deferred maintenance obligations, geographic clustering (to enable regional consolidation), and proximity to remaining active institutions.

- Authorize closure of at least three facilities by end of FY 2027–28, with two additional closures contingent on population projections remaining on trajectory;
- Establish statutory definitions of 'excess capacity' and 'structural vacancy' to prevent discretionary avoidance of closure obligations;
- Require CDCR to submit an annual excess-capacity report to the Legislature and Department of Finance; and
- Direct the LAO to conduct independent fiscal validation of realized savings within 18 months of each closure.

Recommendation 2: Establish the Prison Savings Reinvestment Fund

Timeframe: FY 2027–28 Budget Act

Net savings generated by prison closures and population-driven cost reductions should be captured in a dedicated, constitutionally protected Prison Savings Reinvestment Fund rather than absorbed into the General Fund baseline. This structural protection is essential to ensure that savings translate into sustained educational investment rather than short-term budget relief.

- Require Department of Finance to transfer documented net savings to the Fund within 90 days of fiscal year close;
- Restrict Fund disbursements to UC, CSU, and CCC General Fund augmentations, with a minimum of 60% directed to undergraduate tuition stabilization or reduction;
- Mandate independent annual audits of Fund inflows, outflows, and the fiscal methodology used to calculate net savings; and
- Sunset automatic transfer provisions after ten years, subject to Legislative reauthorization following a comprehensive program review.

Recommendation 3: Implement a Statewide Tuition Stabilization Guarantee

Timeframe: FY 2028–29

Reinvestment funds should be deployed first to halt further tuition increases at UC and CSU and, over time, to roll back tuition to inflation-adjusted 2010 levels for students from low- and middle-income households. A credible multi-year tuition commitment would reduce enrollment uncertainty, improve degree completion rates, and lower long-term student debt burdens—particularly for first-generation and Pell-eligible students.

- Negotiate a binding four-year tuition compact with UC and CSU Boards of Trustees, contingent on reinvestment fund disbursements meeting annual projections;
- Expand Cal Grant eligibility thresholds to cover students at community colleges enrolling in transfer-pathway programs;
- Require UC and CSU to report annually on tuition revenue composition, institutional cost drivers, and financial aid effectiveness; and
- Commission an independent study on the feasibility and cost of restoring a low-fee structure at CSU consistent with the 1960 Master Plan for Higher Education.

Recommendation 4: Invest in Workforce Transition and Community Impact Mitigation

Timeframe: FY 2027–28 through FY 2030–31

Responsible prison closure requires proactive management of workforce and community impacts. Many correctional facilities are located in rural and economically isolated regions where CDCR employment represents a significant share of the local economy (Prison Policy Initiative).. Failure to address these impacts will generate political resistance that impedes reform, even when the fiscal and demographic case is clear (French, 2022).

- Dedicate a minimum of 8% of annual realized savings to correctional employee transition benefits, including voluntary early retirement, career retraining, relocation assistance, and preference hiring at remaining facilities;
- Direct the California Workforce Development Board to partner with Community Colleges and regional employers to design targeted retraining programs for correctional staff in high-demand sectors;
- Establish a Rural Economic Transition Grant Program funded at \$50 million per closed facility, available to counties and municipalities for economic diversification, infrastructure investment, and workforce development; and
- Explore adaptive reuse of closed facilities for community colleges, behavioral health campuses, veterans' services, or workforce training centers, in partnership with affected local governments.

Recommendation 5: Strengthen Correctional Health Care Efficiency and Constitutional Compliance

Timeframe: Ongoing

California's correctional health care system has operated under federal oversight since the *Plata v. Brown* receivership (*Brown v. Plata*, 2011). Consolidating the incarcerated population into fewer, better-resourced facilities offers an opportunity to improve health care delivery efficiency,

reduce per-capita costs, and accelerate the path to full constitutional compliance—while generating additional fiscal savings that can be redirected to education.

- Direct CDCR to develop a health care consolidation plan concurrent with any closure timeline, ensuring that clinical-to-population ratios improve at remaining facilities;
- Require the Receiver's office to report annually on cost-per-patient trends relative to population consolidation milestones;
- Invest a portion of health care savings in community-based mental health and substance use treatment as an alternative to incarceration for individuals with behavioral health needs; and
- Pursue legislative action to remove barriers to Medi-Cal enrollment for individuals within 90 days of release, reducing post-release recidivism and long-term corrections costs (California Health Care Foundation, 2023).

Recommendation 6: Establish Outcome Accountability Metrics and Legislative Oversight

Timeframe: Annual, beginning FY 2027–28

To build public confidence and ensure policy durability, the Legislature should embed a rigorous accountability framework into the reinvestment program. Fiscal savings and educational investments should be tracked, published, and evaluated against measurable outcomes on an annual basis.

- Require the LAO to publish an annual Prison-to-Education Reinvestment Report tracking: net savings realized, Fund disbursements, tuition changes, Cal Grant disbursements, enrollment trends by income quintile, and completion rates;
- Establish a joint Legislative oversight committee with jurisdiction over the Fund, CDCR closure implementation, and UC/CSU reinvestment accountability;
- Set five-year targets for: (a) tuition as a share of median household income; (b) first-generation student enrollment; (c) Pell-eligible student graduation rates; and (d) correctional spending as a share of state General Fund; and
- Conduct a comprehensive program evaluation after five years, with findings used to inform reinvestment allocation decisions for subsequent periods.

Summary: Recommended Actions

These six recommendations form an integrated policy package. Recommendations 1 and 2 create the structural conditions for savings generation and protection. Recommendations 3 and 5 direct those savings toward high-impact educational and correctional investments. Recommendation 4 addresses implementation risks that could impede progress. Recommendation 6 ensures accountability, transparency, and long-term policy durability.

Conclusion

California's long-term declines in crime, arrests, and incarceration are the result of enduring societal and generational change, not the expansion of policing or imprisonment. Across California, the United States, and other advanced economies, younger generations are committing substantially fewer crimes than any cohort measured in modern history; a pattern that has persisted for more than three decades and transcends criminal justice policy variation (CA DOJ, 2024; Zimring, 2007).

Because these declines are structural rather than cyclical, California's incarcerated population is projected to remain well below its historical peak regardless of future sentencing or enforcement decisions. Official projections anticipate a broadly downward trajectory through the late 2020s (CDCR, 2024). Arrest trends among youth and young adults indicate further structural contraction into the 2030s (CA DOJ, 2023; KidsData.org, 2023). Maintaining a prison system built for a population that no longer exists is therefore analytically unjustified, fiscally inefficient, and misaligned with the state's public safety needs.

At the same time, California faces a growing affordability crisis in higher education. While incarceration rates have fallen sharply, tuition at UC and CSU has risen dramatically as public funding per student has declined (UC Office of the President, 2024; CSU Chancellor's Office, 2024; SHEEO, 2023). The result has been rising student debt, constrained enrollment capacity, and weakened pathways to economic mobility; outcomes that directly undermine long-term economic growth and social stability.

The fiscal analysis in this report demonstrates that California can responsibly close five state prisons while preserving safety, constitutional care standards, and operational flexibility. Doing so would generate up to \$1.5 billion annually in recurring General Fund savings, that can be reinvested in higher education with far greater long-term returns.

California has faced moments like this before. The expansion of the prison system in the late twentieth century was not inevitable; it was the result of political choices made in response to conditions that no longer exist. Today's conditions call for a different choice. The data are clear, the fiscal opportunity is real, and the risks are manageable.

Right-sizing the prison system and reinvesting the savings in higher education is not a retreat from public safety; it is an evidence-based modernization of state policy. By acting now, California can convert a legacy of over-incarceration into a foundation for long-term prosperity, ensuring that public resources are invested not in maintaining the past, but in building the future.

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