



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Sheriff's Office



Date: May 11, 2015
Board Meeting Date: June 16, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Greg Munks, Sheriff

Subject: Annual Report on the Inmate Welfare Trust Fund

RECOMMENDATION:

Accept the report on the Inmate Welfare Trust Fund for the period of July 1, 2013 through June 30, 2014.

BACKGROUND:

The Inmate Welfare Trust Fund has been set up under California Penal Code §4025, which provides that the Sheriff may operate a commissary in the jail, and that profits shall be deposited into an Inmate Welfare Fund. Section 4025 also provides that refund, rebate, or commissions received from a telephone company for inmates' use of telephones shall be deposited into the Inmate Welfare Fund. The fund may only be used primarily for the benefit, education, and welfare of the inmates, and maintenance of Sheriff's Office correctional facilities. This includes the cost of operating programs to benefit the inmates, including, but not limited to, education, drug and alcohol treatment, welfare, library, accounting, and other programs deemed appropriate by the Sheriff. Section 4025 further specifies that an itemized report of disbursements must be submitted annually to the Board of Supervisors. Also included in this report is a summary of income.

DISCUSSION:

The Inmate Welfare Trust Fund generates revenues from two main sources. These are Inmate Commissary Sales and Inmate Telephone Commissions from Securus Technologies, Inc., the current Inmate Telephone Service provider.

Total gross revenue in FY2013-14 was \$2,428,961. This includes commissary sales, including prepaid calling cards, of \$1,572,053 and revenues from telephone commissions and other sources of \$856,908.

The total disbursements were \$2,342,898, which includes the cost of goods sold of \$897,216, operating and other expenses of \$464,679, and other disbursements of

\$981,003. At year end, the operation provided excess revenue over expenditure by \$86,063. This year end, operating surplus was added to the beginning fund balance ending with a closing fund balance of \$649,780 as of June 30, 2014.

During this fiscal year, a Federal Communications Commission (FCC) ruling on capped interstate inmate calling rates affected the Minimum Annual Guaranteed (MAG) Commissions payable by Securus Technologies to the Inmate Welfare Trust Fund. The vendor projected a loss of \$25,000 due to this ruling and the MAG was reduced from \$820,000 to \$795,000.

The Inmate Welfare Trust Fund Committee reviews the projected fund balance and revenue stream for the following year. The program providers will be contacted and informed of the anticipated level of awards for FY 2015-16.

The Inmate Welfare Trust Fund is used to pay for a variety of in-custody support and reentry preparation services for inmates and the operation of the inmate library system. The fund also pays for the purchase of items that are used for and by the inmates for recreation and self-development, such as televisions and stand-alone computers. These items are placed in the day rooms and housing units throughout the Sheriff's Office correctional facilities.

Acceptance of this report contributes to the Shared Vision 2025 of a Safe Community by enhancing the ability of the Sheriff's Office to continue providing recreational, educational and behavioral modification services to the inmates in the County correctional facilities. This will contribute to safe neighborhoods.

PERFORMANCE MEASURES:

Measure	FY 2013-14 Actual	FY 2014-15 Projected
Number of new admissions in Choices Program	413	356
Number of Mental Health intake assessments	3,116	2,999
Number of inmates assessed for GED Program	213	195
Number of inmates participating in religious services (coordinated by Service League)*	10,984	9,824
Number of inmates participating in Project Read literacy services*	215	510

** One or more services may have been received by inmates during FY2013-14*

FISCAL IMPACT:

A committee consisting of the Assistant Sheriff, the Captain of the Corrections Division and a community representative oversees the Inmate Welfare Trust Fund operation. The committee approves yearly fund requests from the service providers and the facilities. The committee also makes recommendations for award of contracts, most of which (because of the dollar amount) come before the Board of Supervisors for approval. The

personnel budget for the inmate commissary positions is contained within the Sheriff's Office annual budget, and is fully offset by commissary fund transfers.

The fund has been audited by Macias, Gini & O'Connell LLP, Certified Public Accountants.

There is no net county cost to the County's General Fund for the operation of the Inmate Welfare Fund Trust.

SHERIFF'S DEPARTMENT
INMATE WELFARE TRUST FUND
BALANCE SHEET FY2013-14

ASSETS

CASH	\$1,442,728.87
CLAIM ON CASH	\$8,202.80
COMMISSARY INVENTORY	\$32,800.04
ACCTS/REC.	\$0.00
PREPAID EXPENSES	\$0.00
INTEREST RECEIVABLE	\$1,682.70
DUE FROM OTHERS	\$0.00
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TOTAL ASSETS	<u>\$1,485,414.41</u>

DUE TO OTHERS	\$0.00
PRIOR YEAR ACCRUALS	\$0.00
ACCOUNTS PAYABLE**	\$57,690.57
LIAB FOR PHONE CARD COMM	\$115,220.00
DEFERRED REVENUE	\$662,500.00
ACCRUED SALES TAX	\$223.66
TRUST FUND BALANCE	\$649,780.18
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$1,485,414.41</u>
AS OF 6/30/14	\$0.00

SHERIFF'S DEPARTMENT
INMATE WELFARE FUND
FY 2013-2014

STATEMENT OF REVENUES, DISBURSEMENTS AND CHANGES IN FUND BALANCE

REVENUES

Commissary Operations

Commissary Sales		
Commissary	\$1,296,652.60	
Prepaid Phone Cards	\$275,400.00	\$1,572,052.60
Cost of Good Sold		
Commissary	\$696,906.25	
Prepaid Phone Cards	\$200,309.48	\$897,215.73
Gross Profit		
Commissary	\$599,746.35	
Prepaid Phone Cards	\$75,090.52	\$674,836.87
Less: Gross Profit Prepaid Phone Cards		(\$75,090.52)
Gross Commissary Profit (excluding Prepaid Phone Cards)		\$599,746.35
Operating Expenses:		
Salaries and Benefits	\$421,866.59	
Office Supplies	\$1,645.51	
Paper Products	\$482.54	
Phones	\$0.00	
Meetings, Conf., Training, Mileage	\$0.00	
Commissary Uniforms	\$622.06	
Commissary Samples	\$0.00	
Service League Children's Xms Contribution	\$0.00	
Computer Equipment	\$0.00	
Computer/Electronics Equip Maint	\$0.00	
Automation Service	\$676.00	
Water	\$0.00	
Toshiba (Copy Machine)	\$2,866.82	
Vehicle Expenses	\$0.00	
Equipment Repair	\$0.00	
Office Furniture	\$0.00	
Grocery Bags	\$7,434.16	\$435,695.70
Other Expenses:		
Audit Fees	\$0.00	
Motor Vehicle expenses (Public Works)	\$0.00	
Auto Liability Insurance	\$0.00	
General Liability Insurance	\$0.00	
Contract Expenses (COMICS)	\$0.00	
Computers/Printers/Fax Repairs	\$0.00	
Bond Insurance	\$0.00	
Misc. Expenses	\$0.00	
Admin Overhead Costs	\$29,082.84	\$29,082.84
Net Profit(Loss)		\$135,067.81

Other Revenues

Interest Earned	\$7,084.15	
Inmate Phone Commission	\$815,833.33	
Inmate Prepaid Phone Card Commission	\$75,090.52	
Patent Fees	\$12,096.67	
Bad Debt Recovery (Lehman)	\$16,702.03	
Misc. Revenues	\$5,192.00	\$931,998.70
Total Revenues		\$1,067,066.51

Disbursements

Services		
Contractual Services	\$948,784.00	
Facility Budgets	\$32,219.19	\$981,003.19

Excess Disbursements over Revenues

\$86,063.32

Add: Beginning Fund Balance - July 1, 2013

\$563,716.86

Prior Year Adjustment

\$0.00

Fund Balance as of 06/30/14

\$649,780.18

INMATE WELFARE FUND
FY 2013-14
CONTRACTUAL

	SERVICE	COUNTY	MENTAL	CHOICES	PROJECT	TOTAL
DATE	LEAGUE	SCHOOLS	HEALTH	PUBLIC HEALTH	READ	
07/01/13	\$469,054.00	\$124,306.00	\$137,477.00	\$202,967.00	\$15,000.00	\$948,804.00
09/05/13	\$56,308.39					\$56,308.39
10/01/13			\$34,369.25	\$50,741.75		\$85,111.00
10/17/13	\$54,661.13					\$54,661.13
12/19/13	\$56,180.21					\$56,180.21
01/03/14	\$55,054.96					\$55,054.96
01/13/14			\$34,369.25	\$50,741.75		\$85,111.00
01/16/14	\$54,499.27					\$54,499.27
02/07/14	\$54,682.03					\$54,682.03
03/07/14	\$55,881.00					\$55,881.00
03/11/14		\$31,076.50				\$31,076.50
03/11/14		\$31,076.50				\$31,076.50
03/31/14	\$60,436.85					\$60,436.85
04/01/14			\$34,369.25	\$50,741.75		\$85,111.00
04/03/14	\$21,350.16					\$21,350.16
04/09/14		\$31,076.50				\$31,076.50
06/19/14					\$2,434.20	\$2,434.20
06/19/14					\$4,303.01	\$4,303.01
06/19/14					\$4,598.64	\$4,598.64
06/19/14					\$3,644.15	\$3,644.15
06/30/14		\$31,076.50				\$31,076.50
06/30/14			\$34,369.25	\$50,741.75		\$85,111.00
TOTAL	\$469,054.00	\$124,306.00	\$137,477.00	\$202,967.00	\$14,980.00	\$948,784.00
REM.BAL	\$0.00	\$0.00	\$0.00	\$0.00	\$20.00	\$20.00