



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
SHERIFF'S OFFICE



DATE: December 20, 2004
BOARD MEETING DATE: January 11, 2005
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: Sheriff Don Horsley *DH*
SUBJECT: Annual Report on the Inmate Welfare Trust Fund

RECOMMENDATION:

Accept the report on the Inmate Welfare Trust Fund for the period July 1, 2003 through June 30, 2004.

VISION ALIGNMENT:

Commitment(s): Provide equal access to educational opportunity and ensuring basic health and safety for all.

Goal(s): #4 Residents have many educational and training opportunities beyond high school", #6 "Residents have access to healthcare and preventive care", and #8 "Help vulnerable people - the aged, disabled, mentally ill, at risk youth and others - achieve a better quality of life".

The Inmate Welfare Trust Fund provides funding for activities and services to incarcerated inmates so that they continue their education and increase their sense of responsibility to the community. The inmates have access to education, healthcare and training in various activities while incarcerated. The skills learned should help inmates when they are released back into the community. They may be able to obtain a steady job and stay out of future trouble.

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 commission 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 county jail facilities, which 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.

Revenue and Fund Balance

The department generates revenues from 2 main sources. These are from Commissary sales and Inmate Telephone Commission. Evercom Systems, Inc provides the inmate telephone service. This company has been the Contractor for the last 3 years. The contract expired on October 30, 2004 and the County exercised its option to renew this for a further term which your Board has recently approved. The extension is now for a further 3 years and will expire on October 30, 2007. Upon expiration of this extension, County will issue an RFP seeking responses from interested vendors seeking opportunity to provide this service.

During the 2nd half of the fiscal year, Evercom introduced pre-paid calling cards to the inmates. As a pilot project this was initially introduced in the Women's Corrections Center. Since the initial bugs and problems have been resolved, effective December 9, 2004 the cards have also been introduced into Men's Correctional Facility. Pre-paid calling cards allow inmates to make calls to telephones that previously were not possible, such as cell phones and to overseas numbers. This helps inmates keep in touch with their loved ones locally and overseas. Currently the cost of calls made using the pre-paid cards are a flat rate. This should help the inmates and their families better manage their phone bills. The introduction of the pre-paid phone cards should also generate additional revenue for the inmate welfare fund as the inmates can now call telephone numbers that they couldn't on collect calls. District Attorney's Office and Law Enforcement personnel from around the County, State and Federal agencies have also been very complimentary of the systems recording and monitoring feature, which has assisted Law Enforcement personnel with investigations and in protecting victims and witnesses.

The other major revenue generation is from commissary sales to the inmates. Consistent with state law and regulations, the inmate commissary is operated for the purpose of providing various personal items, authorized non-prescription medicines in limited dosages, and foodstuffs to the inmates. All medication dispensed through the commissary is first approved by the medical unit staff. The County dietitian and the facility Commanders or their designees also review other foodstuffs, before being offered for sale to the inmates. The commissary is operated from an automated computer system which maintains individual inmates account balances and keeps a running balance and transaction history of all transactions for the inmate.

The commissary employs four full time and two part time staff, and they provide commissary service at least twice a week to approximately 1200 inmates. Apart from this the Sheriff's Fiscal Unit also provides fiscal and administrative support for this operation. The total commissary sales for year 2003-2004 were \$1,147,235 with a net profit of \$204,522 or 17.82% of gross sales.

Fund Balance

We are pleased to inform the Board that for FY2003/2004, the net income for the Inmate Welfare Trust Fund was \$951,993. The sources to this revenue were: Inmate Telephone Commissions (\$700,616); Commissary sales (\$204,522); interest earned on fund balance

(\$28,941); and miscellaneous revenue, including patient fees revenue and discounts earned (\$17,914). The closing fund balance as of June 30, 2004 was \$628,251.

Disbursements: Rehabilitation, Education and Recreation

The total disbursement for the year was \$1,240,178. Contracted services for inmates were for \$1,130,334 and other disbursements of \$109,844.

The Inmate Welfare Trust Fund contracts with the Mental Health and Public Health Divisions of San Mateo County Health Services to provide a chemical dependency recovery and substance abuse program (CHOICES), an AIDS prevention and treatment program, as well as a Mental Health inmate counseling program. These services are available to all inmates in County Correctional Facilities.

The Fund contracts with the County Superintendent of Schools for operation of a GED certificate program for the inmates. A library is also maintained in the facility for the inmates. This is contracted with the Service League, which also provides a variety of in-custody support and post-release services for inmates.

The Fund also pays for the purchase of some items that are used for and by the inmates for recreation and self-development, such as televisions and stand-alone computers, which are placed in the day rooms and housing units throughout the Sheriff's Correctional Facilities, or used in conjunction with other special programs, such as the computer training component of the Bridges Program.

Administrative & Fiscal Impact.

A committee consisting of the Assistant Sheriff, the Captain of the Sheriff's Detention 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 authorized commissary positions is contained within the Sheriff's annual budget, and is fully offset by commissary fund transfers. Since there has been a decline in telephone commissions, which account for over 70% of Inmate Welfare Revenue, the committee had again asked its service providers to reduce their requests for FY2004/05 by 15%, except for Service League and Choices Program which was reduced by 7.5%. This will ensure that disbursements made to service providers are within the amount of total revenue received during that year.

The fund is audited annually by the County Auditors.

There is no Net County Cost to the County's General Fund for the operation of the Inmate Welfare Fund Trust.

RECOMMENDED
Paul J. Stanek
ASSISTANT COUNTY MANAGER

SHERIFF'S DEPARTMENT
INMATE WELFARE TRUST FUND
BALANCE SHEET - FY 2003-2004

ASSETS

CASH	\$718,215.45
CLAIM ON CASH	\$12,235.00
COMMISSARY INVENTORY	\$47,685.18
INTEREST RECEIVABLE	\$5,972.81
DUE FROM OTHERS	\$0.00
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TOTAL ASSETS	<u>\$784,108.44</u>

ACCOUNTS PAYABLE	\$153,859.96
ACCRUED SALES TAX	\$1,997.47
TRUST FUND BALANCE	\$628,251.01
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$784,108.44</u>

AS OF JUNE 30, 2004

\$0.00

SHERIFF'S DEPARTMENT
INMATE WELFARE FUND
FY 2003-2004

STATEMENT OF REVENUES, DISBURSEMENTS AND CHANGES IN FUND BALANCE

REVENUES

Commissary Operations

Commissary Sales		\$1,147,235.17
Cost of Goods Sold:		
Beginning Inventory - 07/01/03	\$45,283.04	
Add: Purchases	\$547,852.28	
Cost of Goods Available for Sale	\$593,135.32	
Less: Ending Inventory - 6/30/2004	\$47,685.18	\$545,450.14
Gross Profit		\$601,785.03
Operating Expenses:		
Salaries and Benefits	\$373,145.93	
Office Supplies	\$1,037.98	
Paper Products	\$0.00	
Phones	\$260.71	
Meetings, Conf., Training, Mileage	\$324.97	
Service League Childrens Xms Contribution	\$1,000.00	
Computer Equipment	\$11,798.02	
Office Furniture	\$586.72	
Automation Service	\$621.00	
Water	\$42.60	
MBA of CA(Copy Machine)	\$3,796.09	
Grocery Bags	\$4,648.61	\$397,262.63
Net Profit/(Loss)		\$204,522.40

Other Revenues

Interest Earned	\$28,940.61	
* Telephones	\$700,615.95	
Patient Fees	\$14,004.53	
Discount Earned	\$2,410.57	
Misc. Revenues	\$1,499.83	\$747,471.49
Total Revenues		\$951,993.89

Disbursements

Contractual Services	\$1,130,334.25	
Contingencies	\$46,252.17	
Facility Budgets	\$17,840.83	
Radio Equipment(Motorola)	\$45,750.81	
		\$1,240,178.06

Excess Disbursements over Revenues (\$288,184.17)

Add: Beginning Fund Balance - July 1, 2003		\$916,435.18
Prior Year Adjustment		\$0.00
Fund Balance as of 06/30/04		\$628,251.01

* (including PAC BELL, EVERCON Commissions)
* Prepaid phonecards profit Feb-June

