



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



DATE: November 14, 2007
BOARD MEETING DATE: December 4, 2007
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: Sheriff Greg Munks
SUBJECT: Annual Report on the Inmate Welfare Trust Fund

RECOMMENDATION:

Accept the report on the Inmate Welfare Trust Fund for the period July 1, 2006 through June 30, 2007.

VISION ALIGNMENT:

The recommended action aligns with the following Vision 2010 commitments and goals:
Commitment: Provide equal access to educational opportunity and ensuring basic health and safety for all. **Goals:** #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 to find gainful employment when they are released back into the community, and thus help avoid recidivism.

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

The department generates revenues from two main sources. These are from Inmate Commissary sales and Inmate Telephone Commission. Securus Technologies (formerly Evercom Systems, Inc) currently provides the inmate telephone service. Total revenues in FY2006-07 were \$2,561,846. This includes commissary sales, including prepaid calling cards, of \$1,569,084, and revenues from telephone commissions and other sources of \$992,762.

In the Spring of 2004, pre-paid calling cards were introduced, as an alternative to previous collect-call-only communications. Since then, there has been a steady increase in calling card use. Prepaid calling cards enable the inmates and their families to better budget and manage their telephone bills. Pre-paid calling cards also allow inmates to make calls to telephones that previously were not possible, such as to cell phones and to some international numbers (such as Mexico and Central America.) This helps inmates keep in touch with their families locally and long-distance. Total commission revenues to the Fund from inmate telephone services amount to just over \$800,000 annually, from both collect and pre-paid calls.

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 five full time staff, and they provide commissary service at least twice a week to approximately 1300 inmates. The Sheriff's Fiscal Unit also provides fiscal and administrative support for this operation.

Expenses and Disbursements

Total expenses and disbursements for the year were \$2,400,550. This includes \$831,958 in cost of goods sold, including pre-paid phone cards, at the commissary, \$1,149,046 in disbursements including contracted services, and \$419,545 in other operating expenses.

The Inmate Welfare Trust Fund contracts with the Service League, which provides a variety of in-custody support and post-release services for inmates, and operates the inmate library system. The Fund also 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), as well as a Mental Health inmate counseling program. These services are available to all inmates in County Correctional Facilities. Finally, the Fund contracts with the County Superintendent of Schools for operation of a GED certificate program for the inmates, and with Project READ for reading skills programming.

In addition to contracts, 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.

Fund Balance

In summary, the inmate Welfare Trust Fund brought in total net revenues of \$1,202,224 and spent \$1,149,046 in FY 2006-07, for a balance of \$53,178. This current year balance was added to the beginning fund balance of \$775,771, for a closing fund balance of \$828,949 as of June 30, 2007.

New Telephone Provider RFP

Last fiscal year Sheriff's Office undertook a major project on behalf of the Inmate Welfare Fund. The inmate telephone service contract with Securus Technologies, Inc. expires October 2007. An RFP was issued to find a vendor to provide Inmate Telephone Service to inmates in the County's Correctional Facilities. Through this RFP process a new vendor has been selected. The new contract is scheduled to be presented to the County's Board of Supervisors' on November 27, 2007, for approval and acceptance. The changeover will commence shortly thereafter. It is anticipated that the changeover process will take at least two months. During this period the current vendor has agreed to continue providing service until the new vendor is ready to cut-over service to its own platform.

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

The fund is audited annually by the County Controllers Office Audit Division. This audit schedule was once mandated under State law; now it is permissive, however, we have chosen to continue an annual audit to ensure that the highest fiduciary standards are maintained.

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 FUND
FY 2006-2007

STATEMENT OF REVENUES, DISBURSEMENTS AND CHANGES IN FUND BALANCE

REVENUES

Commissary Operations

Commissary Sales		
Commissary	\$1,208,644.30	
Prepaid Phone Cards	<u>\$360,440.00</u>	\$1,569,084.30
Cost of Goods Sold:		
Beginning Inventory - 07/01/06		
Commissary	\$20,930.95	
Prepaid Phone Cards	<u>\$11,774.00</u>	\$32,704.95
Add: Purchases		
Commissary	\$570,715.46	
Prepaid Phone Cards	<u>\$252,000.00</u>	\$822,715.46
Cost of Goods Available for Sale		
Commissary	\$591,646.41	
Prepaid Phone Cards	<u>\$263,774.00</u>	\$855,420.41
Less: Ending Inventory - 6/30/2007		
Commissary	\$12,009.69	
Prepaid Phone Cards	<u>\$11,452.00</u>	\$23,461.69
Cost of Good Sold		
Commissary	\$579,636.72	
Prepaid Phone Cards	<u>\$252,322.00</u>	\$831,958.72
Gross Profit		
Commissary	\$629,007.58	
Prepaid Phone Cards	<u>\$108,118.00</u>	\$737,125.58
Less: Gross Profit Prepaid Phone Cards		<u>(\$108,118.00)</u>
Gross Commissary Profit (excluding Prepaid Phone Cards)		<u>\$629,007.58</u>
Operating Expenses:		
Salaries and Benefits	\$393,462.69	
Office Supplies	\$2,078.51	
Paper Products	\$0.00	
Phones	\$28.37	
Meetings, Conf., Training, Mileage	\$0.00	
Commissary Samples	\$51.00	
Service League Children's Xmas Contribution	\$1,000.00	
Computer Equipment	\$13,041.10	
Computer/Electronics Equip Maint	\$0.00	
Automation Service	\$659.00	
Water	\$0.00	
Stringer (Copy Machine)	\$2,769.92	
Office Furniture	\$1,893.52	
Grocery Bags	<u>\$4,561.30</u>	<u>\$419,545.41</u>
Net Profit/(Loss)		\$209,462.17

Other Revenues

Interest Earned	\$46,783.11	
* Inmate Phone Commission	\$700,337.68	
Inmate Prepaid Phone Card Commission	\$108,118.00	
Contract Execution Payment	\$125,000.00	
Patient Fees	\$12,485.16	
Discount Earned	\$7.78	
Misc. Revenues	\$30.00	
		<u>\$892,761.73</u>
Total Revenues		\$1,202,223.90

Disbursements

Contractual Services	\$1,082,945.60	
Contingencies	\$43,862.53	
Facility Budgets	\$22,237.88	
Radio Equipment (Motorola)	\$0.00	
		<u>\$1,149,046.01</u>

Excess Disbursements over Revenues \$53,177.89

Add: Beginning Fund Balance - July 1, 2006	\$775,770.79
Prior Year Adjustment	\$0.00
Fund Balance as of 06/30/07	<u>\$828,948.68</u>

* (including PAC BELL, SECURUS Commissions)

SHERIFF'S DEPARTMENT
INMATE WELFARE TRUST FUND
BALANCE SHEET - FY 2006-2007

ASSETS

CASH	\$973,405.13
COMMISSARY INVENTORY	\$23,461.69
INTEREST RECEIVABLE	\$12,436.40
TOTAL ASSETS	<u>\$1,009,303.22</u>

ACCOUNTS PAYABLE	\$179,706.67
ACCRUED SALES TAX	\$647.87
TRUST FUND BALANCE	\$828,948.68
TOTAL LIABILITIES AND FUND BALANCE	<u>\$1,009,303.22</u>

AS OF JUNE 30, 2007

\$0.00