



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 11/10/2020

To: Board of Supervisors

Department or Agency Name(s): Sheriff's Office

Staff Name and Phone Number: Liz Parra, 565-3116

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Inmate Welfare Trust Annual Report

Recommended Action:

Receive the Fiscal Year 2019-2020 Inmate Welfare Trust Fund Annual Report. The funds described in this Report provide funding for programs primarily for the benefit, education, and welfare of the inmates confined within the Sonoma County adult detention facilities.

Executive Summary:

California Penal Code Section 4025 (e) requires that this itemized annual report of the activity of the Inmate Welfare Trust Fund be submitted to the Board of Supervisors for review. Accordingly, the Fiscal Year 2019-2020 Inmate Welfare Annual Report is attached for the Board's information and review.

Discussion:

California Penal Code Section 4025 allows the Sheriff to authorize expenditures from the Inmate Welfare Trust Fund for items or programs primarily for the benefit, education, and welfare of inmates confined within the Sonoma County detention facilities. Any funds that are not needed for the benefit, welfare, education of inmates may be expended by the Sheriff for the maintenance of jail facilities, or for other programs as deemed appropriate by the Sheriff. Inmate Welfare funds must be expended in accordance with the California Penal Code, Section 4025(e).

The Sheriff is also authorized to operate a jail store, known as the Inmate Commissary, to sell goods to inmates. The Inmate Commissary is operated through the Jail Stores Trust Fund. All revenues from the operation of the Inmate Commissary are deposited in the County Treasury for the benefit of the Inmate Welfare Trust Fund. Expenditures from the Jail Stores Trust are primarily for the purchase of goods to sell to inmates through the Commissary. Per Sections 4.2 B(a) and 4.15 A, of the Inmate Welfare and Jail Stores Trust Policy, the profits generated from these sales is transferred to the Inmate Welfare Trust Fund.

Revenues cover the following three major expenditure categories in the Inmate Welfare Trust: salaries and benefits, inmate education programs, and service and supplies. The total costs for salaries and benefit in FY 19-20 was \$317,571, \$252,060 on inmate educational programs, and \$112,376 on services and supplies. Details of these expenditures are outlined in Exhibit B of the Report.

The Inmate Welfare Trust (IWT) maintains a reserve to cover unexpected shortfalls in revenues and to fund unanticipated expenditures. Throughout the history of the Inmate Welfare Trust and Jail Stores Trust funds, there have been periods when the funds have failed to generate profit, and the fund balances were needed to offset operating shortages. The IWT Committee, comprised of nine members, including Sheriff's Office administrative and operational managers and one member of the public, has deliberately avoided spending the accumulated fund balance over the past several years due to volatility in the revenue sources. This volatility has been impacted by the sweeping changes to California's criminal justice system since the implementation of the Public Safety Realignment initiative in 2011. Prior to Realignment, revenue shortfalls required the County General Fund to subsidize jail programs in the County's adult detention facilities. Additionally, in 2013, the Federal Communications Commission (FCC) ordered a cap on phone rates in all prisons and jails. In the years following the rate cap, a series of court challenges created uncertainty for the future of phone commission revenue. Not knowing how these FCC changes would impact revenues, the IWT continued to maintain a fiscally conservative approach to spending in the event that fund balance would be needed to offset declining phone commission revenue. FY 17-18 was the first full fiscal year phone revenues were received under the new rates.

The inmate phone commission debate has continued with a new phone commission structure taking effect in June 2019, resulting in less revenue in FY 19-20. Additionally, the COVID-19 pandemic has resulted in a reduction of the jail population that in turn has impacted telephone revenue for the fourth quarter of FY 19-20. As a result, phone revenue was approximately \$45,000 less than FY 18-19.

In February 2019, SB 555 was introduced in the California State Legislature. The bill, if approved, would have not only place a limit on communication charges but also on the amount that could be charged for commissary items. The mark-up for goods sold in the Inmate Commissary would have had a maximum mark-up of 10%, and inmate telephone rates would be capped at \$0.05 per minute. Governor Newsom vetoed the bill on September 30, 2020. With the veto of SB 555 by the Governor, we expect that future legislation is likely to be proposed in the next session to regulate revenue sources, thereby decreasing funding for jail programs.

FY 19-20 Financial Summary

The revenues for Jail Stores Trust were \$1,434,117 and expenditures were \$1,365,319, for a net increase in fund balance of \$68,797. The Annual Report's Exhibit A includes an itemized list of revenues and expenditures. Ending fund balances for the Jail Stores Trust in FY 18-19, FY 19-20, and projected balance for FY 20-21, are referenced in the table below.

Revenues for the Inmate Welfare Trust were \$830,522. Expenditures totaled \$682,007 for a net increase of \$148,515. The Annual Report's Exhibit B includes an itemized list of revenues and expenditures. The ending fund balances for the Inmate Welfare Trust in FY 18-19, FY 19-20, and projected balance for FY 20-21, are referenced in the table below.

On July 15, 2019, a FY 18-19 year-end transfer of profits was made from the Jail Stores Trust to the Inmate Welfare Trust. This left a \$100,000 fund balance in the Jail Stores Trust. However, prior to fiscal year closing, several additional payable invoices were recorded. These additional expenditures reduced the fund balance to \$54,711. This is less than the targeted \$100,000 fund balance, per Sections 4.2 B(a) and 4.15 A, of the Inmate Welfare and Jail Stores Trust Policy.

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On July 20, 2020, a FY 19-20 year-end transfer was made from the Jail Stores Trust to the Inmate Welfare Trust. This left a \$100,000 fund balance in the Jail Stores Trust. However, prior to the fiscal year closing, additional revenue increased the fund balance to \$123,508. In this case, the target was more than \$100,000 fund balance, but less than the \$125,000 fund balance, for an additional profit transfer, per Sections 4.2 B(b).

Ending Fund Balance			
	Actual FY 18-19	Actual FY 19-20	Projected FY 20-21
Inmate Welfare Trust Fund	\$ 1,487,666	\$ 1,636,181	\$ 1,581,383
Jail Stores Trust Fund	\$ 54,711	\$ 123,508	\$ 100,000
Trust Fund Totals	\$ 1,542,377	\$ 1,759,689	\$ 1,681,383

The Sheriff is requesting that the Board receive the Fiscal Year 2019-2020 Trust Fund Annual Report.

Prior Board Actions:

Acceptance of the Inmate Welfare Trust Annual Report since the inception of the Inmate Welfare Trust.

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

This item is requesting acceptance of a prior year fiscal report and serves as a historical record for the Inmate Welfare Trust and Jail Stores Trust. The item has no fiscal impact.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

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Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

FY 2019-2020 Inmate Welfare Trust Annual Report

Related Items “On File” with the Clerk of the Board:

N/A