

DATE 8/17/2021 BY B3

Response to Grand Jury Report Form

Report Title: County Jail Inmate Telephone and Commissary

Report Date: June 20, 2021

Response by: Mark Essick Title: Sheriff

Agency/Department Name: Sonoma County Sheriff's Office

FINDINGS: F1, F2, F3, F5, F6, F7, F8

I (we) agree with the findings numbered **F5**.

I (we) disagree wholly or partially with the findings numbered: **F1, F2, F3, F6, F7, F8**.

Attach a statement specifying any portions of the findings that are disputed with an explanation of the reasons.)

RECOMMENDATIONS: R1, R2, R3, R4, R5, R6, R7

Recommendations numbered: **R3**, have been implemented.
(Attach a summary describing the implemented actions.)

Recommendations numbered: **R6** have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)

Recommendations numbered: **R1, R2, and R5** require(s) further analysis.
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the Grand Jury report.)

Recommendations numbered: **R4 and R7** will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: 8/10/21 Signed: M Essick

Number of pages attached: **10**
(See attached Civil Grand Jury Response Requirements)

SONOMA COUNTY SHERIFF'S OFFICE

RESPONSE TO THE 2020-2021 GRAND JURY REPORT

Sonoma County Sheriff's Office: County Jail Inmate Telephone and Commissary

Commissary services are non-mandated amenities made available to inmates in the Sonoma County Adult Detention facilities in order to provide inmates the opportunity to obtain food products, beverages, and other items that are otherwise not available. There is no legal requirement for the County to provide commissary services in the jail. California Penal Code 4025 indicates the prices of the articles offered for sale at the jail store shall be fixed by the sheriff, and the profit, along with commission received from inmate phone calls, shall be deposited in the Inmate Welfare Trust.

FINDINGS

F1. Sonoma County Sheriff's Office commission-based contract with Global Tel Link unreasonably inflates the cost of telephone communication for incarcerated people and their families in the community.

RESPONSE: The respondent wholly disagrees with the finding.

The Sheriff's Office Detention Division has received inmate phone services from Legacy Inmate Communications since 2017, and anticipates that the proposed transition to GTL will occur in August 2021. The Sheriff's Office acknowledges the costs of telephone communication for the incarcerated and their families may appear to be unreasonable if one does not understand all that goes into the provision of inmate phone services, however, the safety and security measures required of communication systems within a jail environment require a significant amount of infrastructure and expense to establish and maintain. The rates charged for Sonoma County inmate phone services (\$0.21/minute for debit/prepaid and \$0.25/minute for collect calls) meet the Federal Communications Commission's (FCC) inmate calling service rates, and those initially proposed by California Public Utilities Commission (CPUC) staff in April 2021 for interim rate relief for inmate phone services. To correct an error in the Grand Jury Report (page 1, paragraph 2): The service rate charged by Sonoma County is not "well above what is available to inmates in other California counties." On the contrary, according to the CPUC Proposed Decision regarding Interim Rate Caps (July 2021) pre-paid, call per minute rates charged to Sonoma County inmates are well below the county jail state average of \$0.31/minute. The Grand Jury report contained significant misinformation in its discussion about the Sheriff's Office contract amendment with Legacy in June 2019 (page 5, paragraph 2). Phone commissions declined in FY 2018-19 as the result of a contract dispute, not declining phone usage as reported. As stated in the amended agreement, the Sheriff's Office agreed to forfeit commission on debit card calls. In order to preserve funding for inmate programs, commission on other services increased by 10%. The Grand Jury reported in error that "After signing, all phone charges at the jail increased and the additional revenue flowed into the IWT." In fact, the amendment shows that rates remained

exactly the same as the original contract. Phone charges did not increase, and the cost of calls was not impacted whatsoever. It was the commission structure that changed, and the overall result, as anticipated by the Sheriff's Office, was an ongoing loss of phone revenue, as shown below:

FY 16-17	\$415,514
FY 17-18	\$373,577
FY 18-19	\$316,845
FY 19-20	\$271,305*
FY 20-21	\$144,566*

*Revenue for fiscal years 19-20 and 20-21 were further impacted by lower inmate population due to COVID-19; and in FY 20-21, by the implementation of the free daily 10-minute phone calls, the cost of which is being deducted from commission revenue.

F2. High mark-ups on commissary and phone card sales place an undue burden on some of the most economically vulnerable families in the County.

RESPONSE: The respondent partially disagrees with the finding.

The Sheriff's Office agrees that lower mark-ups on commissary and phone card sales may make purchasing easier for some people, but disagrees with the assessment that current rates are creating undue burden. The Sheriff's Office provides, at no cost to the inmate, for the essential needs of inmates including three nutritionally balanced meals each day, clothing, medical, dental, and mental health services, incentives for positive behavior, and essential hygiene items (soap and feminine hygiene products). The Sheriff's Office also offers intake and assistance bags at no cost to indigent inmates. These bags include a toothbrush/toothpaste, small deodorant, shampoo, comb, and pencil.

The provision of commissary services are not mandated, but provide additional options for inmates to purchase incidentals and snack items. With the new commissary contract scheduled to take effect later this year, some items such as brushes/combs, deodorant, shampoo/conditioner toothbrush/toothpaste, and shaving cream will be offered through commissary for zero markup as they are considered basic needs. Additionally, inmates receive ten minutes of free phone calls daily and inmates wishing to purchase more phone time or supplementary supplies are provided the option to do so through commissary.

F3. A renegotiated agreement with Global Tel Link, without the excessive mark-up added for commissions, would lower the cost of telephone calls for the incarcerated population.

RESPONSE: The respondent partially disagrees with the finding.

The Sheriff's Office Agreement for Inmate Communication Services is expected to transition to GTL in August 2021, and while negotiating a new agreement without commission might reduce the cost of phone calls for some inmates, it would at the same time limit the capacity of the Inmate Welfare Trust to make free daily calls available to all inmates. So while the Sheriff's Office agrees that reducing phone services commission could lower the phone rates, it would not necessarily save all inmates money, nor provide greater access for low income inmates to make calls, because they would lose the free daily calls they currently receive. Removing and or limiting phone commissions would also require that expenses for Inmate Programs as well as inmate phone infrastructure and maintenance be passed to on the County taxpayers via the County General Fund if an alternative source of funding were not identified.

F5. The Sheriff's Office will be required to find new funding for its Inmate Welfare Trust - supported programs if the California Public Utilities Commission issues its order in the coming year.

RESPONSE: The respondent agrees with the finding.

As explained in F1, the Sheriff's Office is currently within California Public Utilities Commission (CPUC) guidelines, and is charging rates well below the average for California county jails. Sonoma County rates have not been deemed excessive by the CPUC. If the Commission decides to place a lower cap on commissions, the Inmate Welfare Trust will be quickly depleted and a new source of funding will need to be identified in order to maintain Inmate Programs. During a normal, non-pandemic year, Programs include contracts with local nonprofits to deliver a range of services including anger management, parenting, substance use disorder treatment, adult literacy, legal research, assistance-dog puppy training, job and life skills, horticulture, and family liaison/inmate support. The IWT also pays for two positions (Programs Deputy and Programs Admin Aide) that are critical to Inmate Programs operations- work that includes coordination of the aforementioned services in addition to year-round implementation of the accredited high school GED program and Santa Rosa Junior College courses. Procurement of supplies needed to support Programs (art and holiday supplies; books to address different levels of reading proficiency, interests, languages, and faiths; recreational and entertainment equipment; etc.). The Grand Jury argues (page 6, paragraph 5) that only "\$547,484 of the \$921,346, or 60% of the monies expensed in the budget actually directly benefitted the inmates." In making this statement, the Grand Jury has chosen not to count the salaries of these Programs staff members, or the supplies mentioned above and in F7. The Sheriff's Office would like to make clear that the Programs Deputy, Admin Aide, and supplies are providing direct benefit to inmates and is expressly permitted by Penal Code § 4025, to suggest otherwise is both ill-informed and irresponsible. While the Grand Jury "agrees that many of the IWT expenditures remain critically important," the Sheriff's Office maintains that all of the expenditures are critically important.

F6. The Sheriff's Office detention staff holds disproportionate control over the Inmate Welfare Trust Commission with nine seats of the 10-member committee.

RESPONSE: The respondent wholly disagrees with finding.

The Sheriff's Office recognizes nine of the ten-member committee are from within the Sheriff's Office. The Sheriff's Office is unaware of any requirements, guidelines, or recommendation on the size, make-up, or rank for local county jail Inmate Welfare Trust committees (IWTC), therefore disagrees with the finding. Nothing in Penal Code § 4025 and 5006 even requires the Sheriff to form a IWTC. There is no requirement for the make-up of IWTC in local jails, only State prisons, which operate a much more complex system. The current Sonoma County Inmate Welfare Trust Committee consists of one community member, the Inmate Programs Sergeant, the Inmate Programs/Classification Lieutenant, the Planning and Research Lieutenant, the Detention Operations Captain, the Detention Special Services Captain, the Sheriff's Supervising Accountant, the Detention Administrative Services Officer and a Department Analyst.

F7. The high mark-up on the commissary and phone card sales continued while visitation and inmate supportive programs, which are funding (sic) by the Inmate Welfare Trust revenues, were cancelled.

RESPONSE: The respondent partially disagrees with the finding.

The sale of commissary and phone cards continued throughout the pandemic, using regular commissary pricing. Public visiting was canceled in March 2020 in response to the public health crisis. In an effort to make more calls available during this difficult time, the Inmate Welfare Trust Committee approved funding for the ongoing distribution of free 90-minute phone cards to all inmates who wanted them; and later, when the option became available through the contract vendor, transitioned to ten minutes of free calls per inmate daily. Inmates wanting additional phone time were able to purchase it through the commissary. Although most programs were canceled due to COVID restrictions, others continued and these services and fixed costs were paid for by the Trust. The two Inmate Programs staff positions funded by the Trust (Programs Administrative Aide and Programs Deputy) worked throughout the pandemic on providing and enhancing remote learning access and maintaining high school and JC classes, as well as sporadic but intensive activities that continued in spite of the pandemic, such as facilitating inmate voting in the November elections. Other fixed Inmate Welfare Trust costs included inmate cable television services, copier lease and maintenance for the high school, inmate incentives (televisions, snacks, movies, and project supplies); inmate newspaper and media subscriptions; inmate programs computer tablets; and inmate education supplies. Fixed commissary costs (paid for with commissary revenue) include labor expenses for detention assistant and detention assistant supervisor time spent ordering, stocking, maintaining, and delivering commissary items; equipment maintenance; administrative overhead (payroll, purchasing, and personnel), and auditing services.

F8. The high mark-up on the commissary and phone card sales result in over \$1.6 million accumulated excess in the Inmate Welfare Trust.

RESPONSE: The respondent partially disagrees with the finding.

The Sheriff's Office agrees that revenue from commissary and phone commissions are deposited into the Inmate Welfare Trust, but disagrees with the Grand Jury's assessment that the fund balance represents "accumulated excess."

The Grand Jury has misinterpreted information regarding Inmate Welfare Trust funds and activities, including Bullet 1, page 1: The Sheriff's Office does not gain "revenue in excess of \$1 million per year" as reported by the Grand Jury. During the past four years, net gain was: \$121,175 in FY 17-18; \$152,864 in FY 18-19; \$148,516 in FY 19-20; and \$35,770 in FY 20-21. The Inmate Welfare Trust fund balance (now at \$1.6M) is an accumulated balance that has historically been much lower. Prior to FY 12-13 the fund balance was impudently low for an operating account at less than \$100,000.

The Committee has taken a conservative approach to managing the funds. In part to maintain a prudent reserve, to ensure funds are only spent on activities that directly benefit inmates, and because commission levels are revisited nearly annually on a statewide basis. SB 555 was vetoed by the Governor in September 2020 due to the damage it would cause to inmate programs statewide. Given the volatility of the on-going commission debate the funding generated from commissions is considered vulnerable. It should also be understood that situations that are outside the IWT Committee's control have significantly impacted spending in recent years, and as a result, the balance is higher than the Committee planned it would be. Most recently, funding that was ear-marked for three-year service provider contracts went unspent because providers were unable to deliver services due to COVID restrictions.

On page 5, paragraph 1, the Grand Jury admits it did not review complete financial information, yet concluded in error that "In each of two years under review the IWT Committee decided not to spend all of the commissions it collected. A total of \$274,037 went to IWT surplus." In fact, this was not a "decision not to spend" and with full analysis, it is clear that the Committee had indeed planned to spend more than it received in revenue in recent years. This information is detailed in the approved budgets, The Sheriff's Office was not able to fund certain contracts as intended due to unforeseen circumstances. For example, the IWT had at one time paid a large portion of the cost of Starting Point, the in-custody substance use disorder treatment program provided by County Department of Health Services. Unfortunately, the program gradually shrank due to the County's inability to provide clinicians. Spending for Starting Point was \$224,882 in FY 17-18; \$156,309 in FY 18-19, and \$0 in FY 19-20. The last clinician position was ultimately cut from County Health Services budget in FY 20-21 due to the loss of the remaining (non-General Fund) funding, and the position has not been restored. The Inmate Welfare Trust Committee fully intends to continue to support a substance use disorder treatment program, but must wait for the results of a Request for Proposals and new contract, before funding can be initiated again. COVID-19 continues to impact the ability to spend because the rules governing activities in congregant living environments like the jail simply will not allow for these types of in person activities.

RECOMMENDATIONS

R1. The Sheriff's Office work with the Board of Supervisors to replace the current commission-based audio and video contract with Global Tel Link, using a model based on the San Francisco County Sheriff's Department, by December 31, 2021.

RESPONSE: The recommendation requires further analysis.

The Sheriff's Office is open to considering the elimination of commission and examine the San Francisco Sheriff's Department model with the Sonoma County Board of Supervisors at any time. The Sheriff's Office recognizes that this would require a major on-going funding commitment from the Board. It should be acknowledged that the decision by the San Francisco Sheriff's Department, in partnership with the Board of Supervisors, to stop charging commission and assume full fiscal responsibility for inmate phone infrastructure and maintenance, came with substantial financial commitment by the Board of Supervisors of San Francisco in the form of General Funds. All San Francisco County inmates can now make free phone calls. Phone calls are paid for by City and County of San Francisco with General Fund dollars. This model of phone service delivery will cost the City and County of San Francisco \$1.5M in new expenses over a three year period (per their GTL contract term August 1, 2020 – July 31, 2023). It is unclear what impact this change has had on their inmate programs, and whether or not they have been discontinued or funded through alternative means and if so what those means are. The elimination of commission-based audio and video services and replacing it with the San Francisco County Sheriff's Department model would require extensive conversations and funding commitments by the Sonoma County Board of Supervisors.

The Sheriff's Office has no issue with changing this structure (partially or wholly), and allowing the Board to direct ongoing General Fund dollars to assume the cost. The Sheriff's Office is not supportive of sacrificing Inmate Programs, because they are critical to relieving stress, enabling self-reflection, and providing education and enrichment to inmates facing the realities of incarceration and the inherent loss of freedom that it represents. They are fundamental to re-entry with family and community and provide essential life skills to inmates who will reenter our community. Absent the commissions and \$142,564 from the Community Corrections Partnership (Realignment), funding for inmate programs and phone services does not currently exist in the Sheriff's Office Adopted budget. If commissions cease to be collected, the Board will need to make deliberate funding decision to continue inmate programs and inmate phone services. In FY 19-20, the cost to house each inmate in the County's adult detention facilities was \$221.15/day. The Sheriff's Office is acutely aware of and sensitive to the fiscal pressure the Sheriff's Detention Division budget has on the General Fund, and the Sheriff's Office has made deep cuts in recent years (\$5 million from the Detention Division in FY 20-21), along with other County Departments, in order to reach County budget goals. Additionally, the Sheriff's Office has

responsibly ensured that Inmate Trust revenue goes exclusively to inmate benefit. The Inmate Welfare Trust is regularly audited by the County's Auditor, Controller, Treasurer, Tax Collector (ACTTC) and these audits are shared with the Board of Supervisors by ACTTC. Many of the services provided by the Detention Division are mandated and cannot be cut; others, including commissary, are voluntary and based on the benefit of inmates and the capacity of the Sheriff's Office to provide them. If funding is not guaranteed for inmate commissary and inmate programs, they will need to be discontinued, and the people most impacted will be the inmates that receive the benefit.

The Sonoma County Detention facilities provide many more options to inmates than other county detention facilities. We are proud of the work we do for the benefit of incarcerated individuals. The Sheriff's Office is not opposed in any way to a conversation regarding how these programs are funded; as long as it's comprehensive and collaborative.

Given the enormity of this change, the need for consultation and agreement on alternative funding and budgetary changes, the replacement of the current commission-based audio and video contract with Global Tel Link using a model based on the San Francisco County Sheriff's Department cannot be implemented by December 31, 2021.

R2. By September 30, 2021, the Sheriff's Office develop a new communications model to provide for sufficient telephone kiosks to allow the inmate population free telephone and video visitation for at least 90 minutes per week until such time as a new communication contract is in effect.

RESPONSE: The recommendation requires further analysis.

The Sheriff's Office acknowledges the importance of sufficient telephone kiosks and video visitation for inmates. The transition to GTL has not yet occurred. Detention staff are currently in communication with GTL on equipment needs and requirements including additional telephone kiosks in specific areas as well as video visitation at the Main Adult Detention Facility. The analysis will be available by December 2021 if the transition to GTL occurs as anticipated in August 2021. Delays in transition have the potential to delay implementation of communications equipment. The Sheriff's Office is currently offering 70 minutes of free phone calls per inmate, per week. In order to ensure the Office is able to continue funding for the free phone calls, Sheriff's staff have prepared an American Rescue Plan Act funding request for the Board of Supervisors consideration. If the Board agrees to continue funding for free phone calls, it can be deduced that the demand for phone time will go up therefore requiring additional phone infrastructure. The Sheriff's Detention Division will continue to monitor demand and work with GTL to make appropriate adjustments.

R3. As required by PC § 4025(e), the Sheriff's Office provide an annual report to the Board Of Supervisors detailing line item revenue and expenses within the Inmate Welfare Trust ,

beginning with the fiscal year ending June 30, 2021, with the initial report due by November 30, 2021.

RESPONSE: The recommendation has been implemented.

The Sheriff's Office has been providing an annual report detailing line item revenue and expense within the Inmate Welfare Trust since at least FY 03-04, as required by Penal Code Section 4025 (e). The most recent (Attachment A) was approved by the Board of Supervisors on November 10, 2020. The next Inmate Welfare Trust annual report will be submitted by November 30, 2021.

The IWT annual report is reviewed by the Board of Supervisors, is posted in both Sonoma County Detention facilities, and is made available to inmates. The FY 19-20 Annual Report included discussion of the Committee's conservative spending approach due to the instability of revenue sources that continue to be challenging for agencies throughout the State; as well as the difficulties presented to the Sheriff's Detention Division in spending dollars that were appropriated for three-year service provider contracts which were then unable to deliver services due to COVID restrictions.

R4. The Sheriff's Office use its \$1.6 million Inmate Welfare Trust surplus to remove all charges for telephone service while in-person visitation is suspended, on or before September 30, 2021.

RESPONSE: The recommendation will not be implement because it is not warranted.

The Sheriff's Office understands the importance of in-person visiting for our inmate population and their family and friends. From May 1, 2021 through June 16, 2021, the Sheriff's Office removed the suspension of in-person visiting and introduced an adjusted and cautious visiting schedule with the safety of the public, inmates, and our staff in mind. During this amended schedule, inmates continued to receive one 10-minute phone call per day, free of charge.

On June 17, 2021, the Sheriff's Office returned to normal visiting operations. In addition to the return to normal visiting operations, the Sheriff's Office continues to provide one 10-minute phone call per day to each inmate, free of charge.

R5. The Sheriff's Office reevaluate its commissary markup to be in line with grocery store, as opposed to convenience store, pricing, on or before September 1, 2021.

RESPONSE: The recommendation requires further analysis.

The Sheriff's Office intends to change the pricing structure, but cannot commit to grocery store pricing at the time of this writing. The Sheriff's Office released an RFP earlier this year, for inmate commissary services through which we plan to update and modernize the antiquated commissary system. Basic hygiene supplies are already provided to inmates free of charge, and it is SCSO's intent to charge 0% mark-up on additional hygiene supplies (such as brushes/combs, deodorant, toothbrush/toothpaste, shampoo/conditioner, and shaving cream), and stationery products.

Additionally, the Sheriff's Office provides inmates with three nutritionally balanced meals a day. The Sheriff's Office believes that a comparison of the Sheriff's Office commissary structure to an organization such as Safeway Inc. is unreasonable. Safeway, Inc. is engaged in the food and drug retailing business in North America. It has a network of distribution, manufacturing, and food processing facilities to support the retail operations, and full array of grocery items, food, and general merchandise and specialty departments (deli, pharmacy, etc.) as well as Starbucks and fuel centers¹ all generating profit from the public at large.

The Sheriff's Office cannot compete with the overall buying power, distribution, and warehousing capabilities of companies such as Safeway, Inc. We have a small storage area, place frequent orders, must conduct background checks for all who enter the facility, and provide staff to assemble and deliver orders twice weekly to more than 700 individuals (1,000 pre-pandemic, in two facilities), many of whom are considered dangerous. The expense associated with the labor intensive distribution of goods in a correctional setting, and the safety and security requirements that protect staff and inmates, far exceed what might be compared to Safeway's environment. For this reason, commissary snack items must be priced in a manner that reflects the unique costs associated with the detention facility operating environment.

The Sheriff's Office will be in a position to discuss pricing by December 2021, as the RFP process continues, proposals are evaluated, and decisions made regarding the available options.

R6. By September 30, 2021, the Sheriff's Office, using the reserve Inmate Welfare Trust funds, resume all inmate programs in existence pre-COVID, with funding at the same level once COVID related restrictions are lifted.

RESPONSE: The recommendations have not yet been implemented, but will be implemented in the future.

The Sheriff's Office recognizes the importance of inmate programs for the advancement of our inmate population and is fully committed to inmate programming. Because of the nature of our congregate settings, Detention staff continue to take all steps necessary to stop the spread of COVID-19 within our facility. One of the effective precautions has been eliminating the prolonged interactions between inmates from different housing areas. Barring unforeseen circumstances, Detention staff will resume pre-pandemic level programming when it is safe to do so.. As recently reported by Public Health, COVID-19 test positivity rates and active case rates, though lower than the height of the pandemic, have increased in previous weeks. The new and possibly more dangerous "Delta variant" has been shown to spread faster within the community. With a high number of unvaccinated inmates, the Delta variant poses a real threat, particularly in congregate living environments. Detention staff are also keeping an eye on "break-through" cases and will continue to monitor COVID-19 case rates to determine the appropriate time to resume pre-

¹ <https://www.forbes.com/companies/safeway/?sh=7fbb45d26d15>

pandemic level programming. As with all COVID-19 related decisions, we will evaluate them in consultation with Public Health and follow best practices and guidelines.

R7. The Sheriff's Office restructure the 10-member Inmate Welfare Trust Committee by December 31, 2021 to include more diverse representation, for example, community members, financial analysts, social workers and educators to bring the Committee more in line with the requirements of Penal Code § 5006 regarding commission membership standards for State Prisons.

RESPONSE: The recommendation will not be implemented because it is not warranted.

The Sheriff relies on the Inmate Welfare Trust Committee for recommendations and direction on inmate programming and the expenditure of Inmate Welfare Trust funds. The Office is dedicated to continually evolving and improving and is always open to evaluating suggestions from the community. As a county detention facility, the Sheriff's Office Inmate Welfare Trust Committee is not mandated to meet the requirements of Penal Code § 5006, which applies only to state prisons.



APPROVED

November 10, 2020

COUNTY OF SONOMA

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

SUMMARY REPORT

THE WITHIN INSTRUMENT IS A
CORRECT COPY OF THE ORIGINAL
ON FILE IN THIS OFFICE

ATTEST: November 10, 2020

Agenda Date: 11/10/2020

#23

SHERYL BRATTON, Clerk/Secretary
BY:

To: Board of Supervisors
Department or Agency Name(s): Sheriff's Office
Staff Name and Phone Number: Liz Parra, 565-3116
Vote Requirement: Majority
Supervisorial District(s): Countywide

AYE NO

GORIN	x	
RABBITT	x	
ZANE	x	
GORE	x	
HOPKINS	x	

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.

Agenda Date: 11/10/2020

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)

Agenda Date: 11/10/2020

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



SONOMA COUNTY SHERIFF'S OFFICE

MARK ESSICK
Sheriff-Coroner

JAMES NAUGLE
Assistant Sheriff
Law Enforcement Division

EDDIE ENGRAM
Assistant Sheriff
Detention Division

HEIDI KEITH
Chief of Financial and
Administrative Services

Fiscal Year 2019-2020 Annual Inmate Welfare Trust Fund Report

The Annual Inmate Welfare Trust Fund Report serves to meet the requirement outlined in the California Penal Code, Section 4025 (e) which requires that an itemized report of trust fund revenues and expenditures be submitted annually to the Board of Supervisors.

The Jail Stores Trust Fund and the Inmate Welfare Trust Fund are two separate funds utilized in the inmate accounting system. The Jail Stores Trust Fund was established as the operating fund for the Inmate Commissary. The Inmate Welfare Trust Fund holds the money to be spent by the Sheriff primarily for the benefit, education, and welfare of inmates confined within the jail. Any funds that are not needed for the welfare of inmates may be spent for the maintenance of the county jail facilities or as otherwise deemed appropriate by the Sheriff, in accordance with the Penal Code.

Jail Stores Trust Fund

Revenues generated in this fund come from commissary sales, inmate vending sales, aluminum can recycling and prior year revenue. Expenditures are classified in the following categories: salaries and benefits, merchandise expenses, operating expenses, and operational transfers to the Inmate Welfare Trust. Profit generated from the operation of the Commissary is a significant source of revenue for the Inmate Welfare Trust Fund. Exhibit "A" is a detailed summary of the Jail Stores Trust revenues and expenditures for FY 19-20.

Inmate Welfare Trust Fund

The Inmate Welfare Trust Fund is managed through the Inmate Welfare Trust Committee. The Sheriff or his designee has authority over all Inmate Welfare Trust Fund activities. Revenues received in this fund are derived from the following sources: interest earned from funds deposited in the County Treasury by both trust funds, vending machine commissions, inmate telephone commissions, miscellaneous revenues, and transfers from the Jail Stores Trust Fund (profit from various sources). Exhibit "B" is a detailed summary of the Inmate Welfare Trust revenues and expenditures for FY 19-20.

EXHIBIT A

Jail Stores Trust Fund Report
For Fiscal Year July 1, 2019 - June 30, 2020

Beginning Fund Balance	\$ 54,711
REVENUE	
Unrealized Gains and Losses	\$ (1,885)
Recycling	\$ 103
Vending	\$ 58,436
Commissary & Phone Cards	\$ 1,370,881
Prior Year Revenue Miscellaneous	\$ 6,582
Total Revenue	\$ 1,434,117
EXPENDITURES	
Commissary Merchandise	
Phone Cards	\$ 49,584
Vending Inventory and Services	\$ 40,766
Food and Beverages	\$ 434,653
Other Supplies	\$ 2,828
Clothing and Personal Items	\$ 36,258
Office Supplies	\$ 4,518
Books/Media/ Subscriptions	\$ 519
Mail and Postage Supplies	\$ 16,774
Merchandise Credit	\$ (173)
Total Merchandise Expenditures	\$ 585,726
Operating Expenditures	
Printing and Binding Supplies	\$ 10,104
Maintenance - Equipment	\$ 4,788
Software/Licensing	\$ 340
Administrative Overhead	\$ 35,471
Audit Services	\$ 15,250
Staff Payroll	\$ 237,233
ISD - Baseline Services	\$ 5,409
Total Operating Expenditures	\$ 308,595
Operating Transfers	
Profits to Inmate Welfare Trust	\$ 470,998
Total Operating Transfers	\$ 470,998
Total Expenditures	\$ 1,365,319
Ending Fund Balance	\$ 123,508

EXHIBIT B

Inmate Welfare Trust Fund Report
For Fiscal Year July 1, 2019 - June 30, 2020

Beginning Fund Balance	\$ 1,487,666
REVENUE	
Interest on Pooled Cash	\$ 36,770
Unrealized Gains and Losses	\$ (2,057)
Telephone Revenues	\$ 271,305
Jail Sign Board Advertising	\$ 44,625
Kiosk Commission	\$ 3,257
Locker Revenue	\$ 529
Prior Year Revenue Miscellaneous	\$ 2,596
Donation	\$ 2,500
Profits from Jail Stores	\$ 470,998
Total Revenue	\$ 830,522
EXPENDITURES	
Salaries and Benefits	
Program Correctional Deputy	\$ 183,052
Program Administrative Aide	\$ 133,268
Reading Program	\$ 1,251
Total Salaries and Benefits	\$ 317,571
Inmate Educational Programs	
California Parenting Institute	\$ 45,188
Friends Outside in Sonoma County	\$ 71,136
Goodwill Industries of the Redwood Empire	\$ 13,790
Legal Research Associates	\$ 22,033
Jail Industries	\$ 60,000
Edovo Tablets	\$ 20,029
Changing Gears Bicycle Program	\$ 1,021
Provider Office Remodel	\$ 10,315
Supplies	\$ 8,548
Total Inmate Educational Programs	\$ 252,060
Service and Supplies	
Communication Expense	\$ 9,621
Maintenance - Building Improvements	\$ 3,306
Client Accounting Services - Monthly	\$ 3,350
Auditing Services	\$ 15,250
TV Services	\$ 11,310
Indigent Mail	\$ 142
Training and Conferences	\$ 4,116
Memberships/Certifications	\$ 150
Inmate Incentives	\$ 21,502
Office Supplies	\$ 2,597
Books/Media/ Subscriptions	\$ 12,276
Minor Equipment and Small Tools	\$ 5,352
Welfare Bags	\$ 23,404
Total Services and Supplies	\$ 112,376
Total Expenses	\$ 682,007
Ending Fund Balance	\$ 1,636,181