



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Sheriff
Department No.: 032
For Agenda Of: 09/19/2023
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Bill Brown, Sheriff-Coroner (805) 681-4290
Director(s)
Contact Info: Lieutenant Selim Celmeta (805) 681-4047
SUBJECT: Inmate Welfare Fund Annual Statement: Fiscal Year 2021-2022

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: No

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the Annual Statement for the Inmate Welfare Fund for Fiscal Year 2021-2022; and
- b) Find that the proposed actions do not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to 14 CCR 15378(b)(5), in that they are government administrative activities that will not result in direct or indirect changes to the environment.

Summary Text:

The California Penal Code requires that the Board receive and file information pertaining to the Inmate Welfare Fund annually. The purpose of this fund is primarily for the educational/vocational benefit for inmates, and to provide other services that benefit inmates in the custody of the Santa Barbara County Sheriff's Office.

In Fiscal Year 2021-2022, the revenues were less than expenditures by \$38,240.24 due to a combination of reduced revenues and increased expenditures, with the shortfall drawn from the fund balance. In recent years, the fund has experienced significant declines in revenue for pay phone charges. These declines are as a result of changes in federal and State laws that limit how much inmates can be charged per minute for use of phones while in custody. In 2021, a price cap was implemented by the California Public Utility

Commission (PUC) to remediate the impact of the COVID-19 pandemic, as well as ensuring affordable telecommunications services for incarcerated individuals and their families.

The increase in expenditures was caused by several factors, including the opening and operations of the Northern Branch Jail, with the addition of FTEs filled that were vacant for several years prior. The FTE increase consists of six Correctional Counselors, two Discharge Planners, one Programs Manager, one Print Shop Manager, and one Department Business Specialist. Additionally, service and supplies expenditures were higher than expected due to the timing of invoices related to professional services from the prior fiscal year.

As of June 30, 2022, the Inmate Welfare Fund balance was \$3,262,693.80.

Background:

The decline in revenues of the Inmate Welfare Fund in recent years is mostly attributed to a legislative change and the implementation of a price cap on inmate communication rates. Prior to the legislative changes, telecommunications companies charged high rates for phone calls made by inmates, resulting in significant revenue generation. In response to these concerns, the Federal Communications Commission (FCC) authorized the PUC to regulate the rates charged by telecommunications companies for inmate phone calls at the state level.

On August 8, 2020, the FCC proposed to implement a price cap for all out-of-state and international phone calls made by incarcerated individuals. On August 19, 2021, the PUC decreased domestic calling rates from \$0.16 to \$0.07 cents per minute, and international calling rates from \$0.75 to 0.21 cents per minute. The implementation of the cap on inmate communication rates by the PUC, as part of the regulatory framework of Rulemaking 20-10-002, aimed to ensure that the rates were reasonable and affordable, promoting family connections and reducing the financial burden on inmates and their families. However, it also resulted in a substantial decline in revenues for the Inmate Welfare Fund.

Regarding usage of revenues collected by inmate phone calls, the money and property deposited in the Inmate Welfare Fund shall be expended by the Sheriff primarily for the benefit, education and welfare of the inmates confined within the jail. California Penal Code Section 4025 (d) specifically states; “There shall be deposited in the incarcerated peoples’ welfare fund any money, refund, rebate, or commission received from a telephone company or pay telephone provider when the money, refund, rebate, or commission is attributable to the use of pay telephones which are primarily used by incarcerated people while incarcerated.”

Section **4025 (e) continues**, “The money and property deposited in the inmate welfare fund shall be expended by the sheriff primarily for the benefit, education, and welfare of the inmates confined within the jail. Any funds that are not needed for the welfare of the inmates may be expended for the maintenance of county jail facilities. Maintenance of county jail facilities may include, but is not limited to, the salary and benefits of personnel used in the 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. Inmate welfare funds shall not be used to pay required county expenses of confining inmates in a local detention system, such as meals, clothing, housing, or medical services or expenses, except that inmate welfare funds may be used to augment those required county expenses as determined by the sheriff to be in the best interests of inmates.”

In addition, Section 4025 (e) requires that the Sheriff’s Office submit an annual report of itemized expenditures to the Board of Supervisors (Attachment A). The format follows an Income Statement format

suggested by the Auditor-Controller's Office and is consistent with prior years. The Penal Code does not stipulate a certain deadline by which the annual report must be submitted.

Fiscal and Facilities Impacts:

Budgeted: N/A

Narrative:

There is no fiscal or facility impact associated with the acceptance and filing of this report. The Inmate Welfare Fund balance of \$3,262,693.80 as of June 30, 2022, is sufficient to sustain operating costs in the upcoming fiscal years; however, due to the legislative impacts on the fund's ability to generate revenue through charges for services, the Sheriff's Office is currently evaluating the ability to reduce expenditures without substantially compromising services provided, to ensure the fund continues to remain solvent in the future. In the meantime, we're focusing on cutting all unnecessary expenses which can inadvertently affect the welfare fund. We regularly review the financial management of the inmate welfare fund to identify any potential areas of waste, or mismanagement. This effort will ensure that funds are being used efficiently and effectively for essential services, programs, and resources that contribute to the overall welfare and successful reintegration of inmates into society.

Staff anticipates bringing to your Board the Inmate Welfare Fund Annual Statement for Fiscal Year 2022-23 by October 2023, which will provide additional details on fund status and expenditure reductions as necessary.

Special Instructions:

Clerk of the Board: Please send an official Minute Order to the Sheriff's Office, Attention: Lieutenant Selim Celmeta.

Attachments:

Attachment A: Inmate Welfare Fund Annual Statement Fiscal Year Ending June 30, 2022

Authored by:

Selim Celmeta, Lieutenant, Custody Support Division, Resources Unit
Santa Barbara County Sheriff's Office