

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Criminal Justice

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BILL: SB 540  
INTRODUCER: Senator Evers  
SUBJECT: State-Operated Institutions Inmate Welfare Trust Fund/Department of Corrections  
DATE: February 13, 2015      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Sumner	Cannon	CJ	<b>Pre-meeting</b>
2.			ACJ	
3.			AP	

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**I. Summary:**

SB 540 creates the State-Operated Institutions Inmate Welfare Trust Fund (Trust Fund) within the Department of Corrections (department). The purpose of the Trust Fund is for the benefit and welfare of inmates incarcerated in state-operated correctional facilities. Any balance in the Trust Fund at the end of a fiscal year must remain in the trust fund and be available for carrying out the purposes of the fund. In accordance with s. 19(f)(2), Art. III of the State Constitution, the Trust Fund shall be terminated on July 1, 2019, unless terminated sooner.

**II. Present Situation:**

**Inmate Welfare Trust Funds for Public Correctional Facilities**

From 1979 until 2003, s. 945.215, F.S., provided for a trust fund that allowed the department to use revenue from the purchase of inmate canteen items and from inmate telephone calls to fund chapels, education, and wellness programs at publically operated correctional facilities. The source of the revenue was from family and friends of the inmate. Chapter 2003-179, L.O.F., eliminated the trust fund for public correctional facilities and required the revenue from inmate canteens and telephone usage to go directly into the General Revenue Fund.

According to a January 15, 2015, Auditor General audit of the department's canteen operations, (which are outsourced to Keefe Commissary Network, LLC) from July 2012 through February 2014 sales in department institution canteens totaled approximately \$133.31 million and \$868,474 in catalog sales. In addition, the department received MP3 program commissions from Keefe totaling \$940,412 relating to MP3 program sales which totaled approximately \$5.99 million. The department's contract with Keefe expires March 31, 2015.

Canteens operate on a cashless system. Inmates use photo identification cards like bank debit cards. Inmates may make purchases on a weekly basis not to exceed \$100.<sup>1</sup> Items excluded from this purchase limit include MP3 sales and catalog items.

Below is a chart from the department showing revenues collected from inmate canteen purchases, medical co-pays, and inmate telephone usage from FY 2009-10 through FY 2013-14.

REVENUE COLLECTION SUMMARY FY 2009-10 – FY 2013-14						
Description	Authorizing Statute	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14
<b>General Revenue Unallocated (GRU) Collections:</b>						
Subsistence	s. 944.485 FS	\$ 5,686,726	\$ 6,748,740	\$ 7,712,150	\$ 8,035,040	\$ 8,092,206
Interest Income – ITF	s. 944.516(1)(f) FS	258,423	230,677	204,227	204,368	103,669
ITF Balances <\$1.00	s. 944.516(5) FS	1,367	1,194	1,219	1,197	1,211
Canteen Commissions	s. 945.215(1)(a) FS	31,382,837	31,162,387	30,970,697	30,907,621	31,027,325
Vending Commissions	s. 945.215(1)(e) FS	250,234	343,096	357,371	369,591	212,345
Telephone Commissions	s. 945.215(1)(b) FS	5,294,749	5,205,804	5,156,269	5,334,549	6,142,399
Medical Copay	s. 945.6037 FS	740,231	737,410	713,823	661,604	673,325
<b>Inmate Bank-GR</b>		<b>\$43,614,567</b>	<b>\$44,429,308</b>	<b>\$45,115,756</b>	<b>\$45,513,970</b>	<b>\$46,252,480</b>

**Inmate Welfare Trust Fund for Privately Operated Institutions**

An Inmate Welfare Trust Fund for private correctional facilities created in 1998 continues to operate.<sup>2</sup> The purpose of the trust fund is to be the benefit and welfare of inmates incarcerated in private correctional facilities under contract with the Department of Management Services (DMS). Net proceeds from inmate canteens, vending machines used primarily by inmates, telephone commissions, and other similar sources of proceeds are deposited in the fund. The DMS compiles an annual report documenting the receipts and expenditures at each private facility. For FY 2013-14, DMS reported total revenues of \$3,252,201.41. The total expenditures for vocational programs, canine detection training programs, and community service programs was \$1,014,038.88.

**III. Effect of Proposed Changes:**

The bill creates the State-Operated Institutions Inmate Welfare Trust Fund within the Department of Corrections. The language of the bill closely mirrors the language that was in s. 945.215, F.S., when the trust fund was originally created. The purpose of the Trust Fund is for the benefit and welfare of inmates incarcerated in state-operated correctional facilities. Any balance in the Trust Fund at the end of a fiscal year must remain in the trust fund and be available for carrying out the purposed of the fund. The Trust Fund shall be terminated on July 1, 2019, unless terminated sooner.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

<sup>1</sup> Rule 33-203.101, F.A.C.

<sup>2</sup> s. 944.72, F.S.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill creates section 944.73 of the Florida Statutes.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.