

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 347
Appropriations

(Anne Arundel County Delegation)

Judicial Proceedings

Correctional Services - Local Correctional Facilities - Inmate Welfare Funds

This bill authorizes the establishment of an inmate welfare fund in each local correctional facility.

Fiscal Summary

State Effect: None. The bill would not directly affect State finances or operations.

Local Effect: None. It is expected that the requirements of this bill could be handled with the existing budgeted resources of each jurisdiction and correctional facility.

Small Business Effect: None.

Analysis

Bill Summary: This bill authorizes the establishment of an inmate welfare fund as a special continuing, nonlapsing fund in each local correctional facility. The fund may be used only for goods and services that benefit the general inmate population, as defined by regulations adopted by the managing official of each facility.

The bill requires each fund to consist of profits derived from the sale of goods through the commissary operation and telephone and vending machine commissions and money received from other sources. Money from the State general fund or a county's general fund, including any federal funds, may not be transferred by budget amendment or otherwise to a county's inmate welfare fund.

The county's chief financial officer is required to separately hold and account for each fund. The bill specifies that these provisions may not be construed to prohibit a periodic or special audit by the State, the federal government, or any county providing funds for a local correctional facility or affect the calculation of reimbursement rates. Each fund is required to be invested and reinvested in the same manner as other county funds. Any investment earnings of a fund must be credited to the fund.

The county chief financial officer is required to pay out money from each fund as approved by the county budget.

Current Law: There is an inmate welfare fund in each State correctional facility. A fund may be used only for goods and services that benefit the general inmate population as defined by departmental regulations.

Each fund is a special continuing, nonlapsing fund that is not subject to reversion to the general fund. Each fund consists of: (1) profits derived from the sale of goods through the commissary operation and telephone and vending machine commissions; and (2) money received from other sources. Money from the general fund may not be transferred by budget amendment or otherwise to a fund. The Treasurer is required to separately hold and the Comptroller must account for each fund.

Each fund is subject to an audit by the Office of Legislative Audits and must be invested and reinvested in the same manner as other State funds. Any investment earnings are not a part of the fund.

Background: In 2001 the Anne Arundel County Finance Office indicated that the county would need to change the way it has, to date, classified inmate funds. This is due to specified accounting requirements contained in Statement No. 34 issued by the Governmental Accounting Standards Board (GASB).

The county has been using an agency fund to classify revenues and expenditures associated with inmate purchases of items available through the detention facility commissary and inmate usage of telephones. This classification is no longer acceptable under the new fund structure set by GASB. The establishment of an inmate welfare fund in each local correctional facility would bring all local governments and detention facilities in compliance with the GASB requirements.

Additional Information

Prior Introductions: None.

Cross File: SB 271 (Anne Arundel County Senators) – Judicial Proceedings.

Information Source(s): Anne Arundel County, Department of Public Safety and Correctional Services, Department of Legislative Services

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