

LIFERS' GROUP INC.

A Report on the Sources and Uses
Of Funds From The
Massachusetts Department of Correction's

Central Inmate Benefit Fund

Central Law Library Fund

And

Central Program Account

For The Period of July 1, 2017 – June 30, 2018

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A REPORT ON THE CENTRAL INMATE ACCOUNTS FOR THE PERIOD OF JULY 1, 2017 – JUNE 30, 2018

1. Introduction

The Central Office of the Massachusetts Department of Correction (DOC), pursuant to 103 DOC 476, maintains two separate accounts, the Program Account (476.10) and the Law Library Fund (476.11). These accounts, along with the Central Inmate Benefit Fund (CIB) or Z-1 Account, have been established ostensibly to provide services and benefits to prisoners. The Program Account and the Law Library Fund are funded almost entirely by monthly assessments paid by each correctional institution. Another significant source of funds for the Law Library Fund is interest earned monthly on the balances maintained in that account. Interest income is not reported for the Program Account.

In the time period covered by this report, the Law Library received 20% of all revenue received by each institution, while the Program Account received 10% of that revenue. Each institution is required to submit monthly Inmate Benefit Revenue Reports to the Central Office detailing the institution's total revenue and expenditures for that month.

From July 1, 2017 through June 30, 2018, as in past years, the main source of funds at the institutional level came from commissions received from the Keefe Commissary Network (KCN) on purchases made by prisoners at canteens or for clothing and/or appliance items. The commissions are a percentage of the revenue raised by KCN on sales of items to prisoners. KCN commissions alone represent nearly 90% of the total revenue received by institutions.

Other sources of income for institutions include commissions on vending machine sales, interest, soda bottle returns, and locker money collected from visitors. Commissions paid on sales of music, videos, tablets, and accessories, as well as Secure Pak sales, however, go directly into the CIB. Individual institutions do not receive a share of these commissions.

The DOC established the Program Account as "an effort to identify and utilize all available resources ... to supplement existing programs or funding for new programs

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throughout the Department.” [103 DOC 476.10(11)] The DOC does not indicate in 103 DOC 476 why the Law Library Fund was established or how the funds are to be expended.

The CIB is not referenced in 103 DOC 476. The CIB appears to be an extension of the individual Z-1 institutional accounts over which each superintendent has the authority to expend funds within broad guidelines. According to 103 DOC 476.12(2): “Expenditures of such funds shall benefit the general inmate population or be for any goods or services determined by the Commissioner to be necessary to maintain and/or enhance the delivery of services to inmates.”

Superintendents from each institution may petition the Central Office for payment of major institutional expenditures from either the Program Account or the CIB on a case-by-case basis. Any expenditure exceeding \$1,000 at the institutional level, however, must be given written approval from Administrative Services in the Central Office. [103 DOC 476.12(5)]

2. Total Sources and Uses of Funds – Fiscal Year 2018

<u>Account/Fund</u>	<u>Total Sources</u>	<u>Total Uses</u>	<u>Differences</u>
CIB	114,902.56	87,798.19	27,104.37
Law Library Fund	358,054.54	384,948.60	-26,894.06
Program Account	<u>151,063.67</u>	<u>180,052.84</u>	<u>-28,989.17</u>
Totals	624,020.77	652,799.63	-28,778.86

In Fiscal 2016, the DOC spent, in total, less funds than was received from all the Sources, an overage of \$378,328.62. In Fiscal 2017, the overage was \$225,547.59. In Fiscal 2018, however, the DOC spent more funds (\$28,778.86) than was received in total in the three accounts.

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3. Central Inmate Benefit Fund (CIB)

a) Balance Sheet

Beginning Balance (7/1/17)	385,126.77
(Plus) Sources of Funds	<u>114,902.56</u>
Subtotal	500,029.33
(Minus) Uses of Funds	<u>87,798.19</u>
Ending Balance (6/30/18)	412,231.14

b) Sources of Funds (7/1/17 – 6/30/18)

Secure Pak Commissions ¹	84,484.53
Music Downloads/Tablet Commissions	25,087.23
Interest ²	<u>5,330.80</u>
Total Sources of Funds	114,902.56

c) Uses of Funds (7/1/17 – 6/30/18)

Swank	46,725.00
Phone Interpreting ³	23,282.64
Train Tickets	7,830.00
Concourse Network	3,609.00
Relocation of Antenna	2,817.57
Speaker Pillows	2,739.60
Truck	500.00
Drum	275.00
Certificates	<u>19.38</u>
Total Uses of Funds	87,798.19

¹ Holiday Pac Commissions (\$36,283.54) plus Access Secure Pak Commissions (\$48,200.99)

² Includes transfers totaling \$1,7993.20

³ Rapport International (\$9,856.35) plus Lionbridge (\$13,426.29)

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4. Central Law Library Fund (Z-176)

a) Balance Sheet

Beginning Balance (7/1/17)	1,578,503.15
(Plus) Sources of Funds	<u>358,054.54</u>
Subtotal	1,936,557.69
(Minus) Uses of Funds	<u>384,948.60</u>
Ending Balance (6/30/18)	1,551,609.09

b) Sources of Funds (7/1/17 – 6/30/18)

MCI-Shirley Assessment	58,000.06
MCI-Norfolk Assessment	48,903.99
Souza-Baranowski Assessment	42,760.36
MCI-Gardner Assessment	36,836.64
Old Colony Assessment	31,456.23
MCI-Concord Assessment	26,870.04
MCI-Cedar Junction Assessment	24,398.01
MCI-Framingham Assessment	16,793.57
Treatment Center Assessment	16,640.34
Concord Farm Assessment	10,642.84
So. Middlesex Assessment	9,508.70
Boston Pre-Release Assessment	7,381.66
Pondville Assessment	5,941.21
Bridgewater Hospital Assessment	4,668.68
MASAC Assessment ⁴	3,294.04
Interest ⁵	13,866.17
Refund	<u>92.00</u>
Total	358,054.54

⁴ Includes MCI-Plymouth

⁵ This averages \$1,155.50 per month

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c. Uses of Funds (7/1/17 – 6/30/17)

Matthew Bender / Nexis	119,400.22
Comcast	78,505.98
Integration Partners	71,051.05
Citrix	68,066.93
West Publishing	37,598.00
Lawyers' Weekly ⁶	6,623.00
Lawyers' Diary ⁶	3,163.00
Printer	<u>540.42</u>
Total	384,948.60

Even though Uses of Funds in FY 2018 exceeded Sources by \$26,894.06, the ending balance on June 30, 2018 of \$1,551,609.09 needs to be reviewed as to why over \$1.5 million was left unused. If a further reduction of the assessment percentage paid by each institution were to be considered, then institutions would have additional monies to meet their needs. For instance, if the assessment were reduced to 0% for three years, there would still be sufficient funds to meet the Uses for those years and leaving an estimated \$300,000 in reserve. Subsequently, the assessment percentage of 20% could be reinstated to cover Uses of Funds in later years.

5. Central Program Account

a) Balance Sheet

Beginning Balance (7/1/17)	618,466.99
Plus Sources of Funds	<u>151,063.67</u>
Subtotal	769,530.66
Less Uses of Funds	<u>180,052.84</u>
Ending Balance (6/15/18) ⁷	589,477.82

⁶ Annual subscriptions for Lawyers' Weekly and Lawyers' Diary are billed separately by institutions in varying months. It would seem more efficient to order in bulk for each publication, pay the invoices once each, and seek quantity discounts.

⁷ The Central Program Account operates on a slightly different Fiscal Year than the other two accounts.

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b) Sources of Funds⁸ (7/1/17 – 6/15/18)

7/1/17 – 9/26/17	33,174.16
9/27/17 – 6/15/18	<u>117,889.51</u>
Total	151,063.67

c) Uses of Funds (7/1/17 – 6/15/18)

MATRI Program (Spectrum Health Systems)	76,799.97
Chairs and Tables CRA Classrooms (MCI-S)	52,268.16
K-1 Protective Custody Unit – SBCC	12,266.40
Expand CRA Program – MCI-S	6,817.68
Culinary Arts Program (No Institution Indicated)	6,245.29
Secure Adjustment Unit – MCI-N	3,178.43
Charlie Cards – Boston Pre	2,957.50
Expand High Risk Offender Program – MCI-CJ	2,896.64
Training Textbooks & Carpentry Level I Textbooks	1,680.00
Protocol Room Speaker Phones - SBCC	1,572.00
Inmate Visits, Program Functions (NECC)	1,429.91
Whiteboards for CRA – MCI-S	1,390.65
Wiring E Building for Inmate Use (NCCI)	1,346.92
Mentor Speaker Program	405.00
Indirect Charges	<u>8,798.29</u>
Total	180,052.84

⁸ The primary source of income for this account is the monthly 10% Assessment paid by each institution against its total monthly revenues. The DOC does not break how much each institution contributed into the Central Program Account or the amount of interest earned each month on the balances in the Central Program Account.

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6. Total of Ending Balances of Each Account on June 30, 2018

Central Inmate Benefit Account (Z-1)	412,231.14
Law Library Fund	1,551,609.09
Central Program Account ⁹	<u>589,477.82</u>
Total	2,553,318.05

7. Increase/Decrease in Total Surplus Funds of the Three Accounts From FY 2017

Total Ending Balances (6/30/17)	2,582,096.91
Total Ending Balances (6/30/18)	<u>2,553,318.05</u>
Decrease in Surplus from FY 2017	28,778.86

The decrease in the total balances of the three Central Inmate Accounts of \$28,778.86 represents a reduction of 1.1% in the total of the final balances as of June 30, 2018. Despite that decrease in the total balances, the question remains: Why does the Department of Correction continue to maintain over \$2.5 million stockpiled in those accounts, rather than increasing spending for programs proven to reduce recidivism, such as education, or return the funds to the individual institutions for their use?

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Copies of this report are available upon request or can be accessed at: www.realcostofprisons.org/writing. The Lifers' Group Inc. continues to thank Lois Ahrens, Executive Director of Real Cost of Prisons Project for her much valued and appreciated support.

⁹ While the Central Program Account for FY 2018 ended on June 15, 2018 for purposes of this report, to be consistent with the other two accounts, the date of the ending balance is noted as June 30, 2018.