

SUBJECT

Public Hearing and Action - Supplemental Appropriation to the County Government's FY21 Operating Budget, Department of Correction and Rehabilitation - \$543,000 for the Inmate Advisory Council Fund (Source: Department of Correction and Rehabilitation Inmate Advisory Council Fund)

EXPECTED ATTENDEES

Any individuals who may provide public testimony.

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

This supplemental appropriation is required to conform with GASB accounting standards. The item did not go to the Committee, and Council staff recommends approval as submitted.

DESCRIPTION/ISSUE

This appropriation will establish the Inmate Advisory Council Fund as a non-tax supported special revenue fund. This increase is needed because due to requirements in Governmental Accounting Standards Board (GASB) Statement 84, "Fiduciary Activities," the existing fiduciary Inmate Advisory Council Fund must be dissolved and reestablished as a non-tax supported special revenue fund. This supplemental appropriation establishes the Inmate Advisory Council Fund and provides expenditure authority as a non-tax supported fund.

SUMMARY OF KEY DISCUSSION POINTS

- GASB Statement No. 84, *Fiduciary Activities*¹, establishes criteria for identifying fiduciary activities of all state and local governments. The criteria generally focus on: (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists.
- There is an existing Inmate Advisory Council Fund². This fund originates from profits from Inmate Commissary purchases. The profits from the purchases are required to be held in trust by the County to benefit the inmates. Expenditures from the account must be approved by the Inmate Advisory Council and the Deputy Warden of Inmate Services.
- Historical revenues and expenditures for the past 10 years are illustrated below:

¹ [GASB State No. 84, *Fiduciary Activities*](#)

² [Inmate Accounting/Commissary](#)

Inmate Council Fund											
Schedule of Fund Balance											
Through June 16, 2020											
Account	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Fund Balance - Free	375,012	391,717	405,526	162,106	153,273	212,260	279,236	346,557	403,557	448,549	500,171
Revenue	188,244	222,851	203,821	162,420	185,079	189,272	208,327	189,134	228,197	196,977	205,356.50
Expenditure	(171,539)	(209,042)	(447,241)	(171,253)	(126,092)	(122,295)	(141,006)	(132,134)	(183,205)	(145,355)	(159,338)
Rev Less Expenditure	16,705	13,809	(243,420)	(8,833)	58,987	66,977	67,321	57,000	44,992	51,622	46,019
Fund Balance EOFY	391,717	405,526	162,106	153,273	212,260	279,236	346,557	403,557	448,549	500,171	546,190

- To comply with GASB 84, it must be dissolved and reestablished as a non-tax supported special revenue fund.

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

October 23, 2020

TO: Sidney A. Katz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Supplemental Appropriation #21-492 to the FY21 Operating Budget
Montgomery County Government
Department of Correction and Rehabilitation
Inmate Advisory Council Fund, \$543,000

I am recommending a supplemental appropriation to the FY21 Operating Budget of the Department of Correction and Rehabilitation in the amount of \$543,000 for the Inmate Advisory Council Fund. This appropriation will establish the Inmate Advisory Council Fund as a non-tax supported special revenue fund.

This increase is needed because due to requirements in Governmental Accounting Standards Board (GASB) Statement 84, "Fiduciary Activities", the existing fiduciary Inmate Advisory Council Fund must be dissolved and reestablished as a non-tax supported special revenue fund. This supplemental appropriation establishes the Inmate Advisory Council Fund and provides expenditure authority as a non-tax supported fund.

I recommend that the County Council approve this supplemental appropriation in the amount of \$543,000 and specify the source of funds as Inmate Advisory Council Funds.

I appreciate your prompt consideration of this action.

ME:rs

Attachment: Supplemental Appropriation #21-492

cc: Angela Talley, Director, Department of Correction and Rehabilitation
Michael J. Coveyou, Director, Department of Finance
Jennifer Bryant, Acting Director, Office of Management and Budget

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #21-492 to the FY21 Operating Budget
Montgomery County Government
Department of Correction and Rehabilitation
Inmate Advisory Council Fund, \$543,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY21 Operating Budget appropriation increases for the Department of Correction and Rehabilitation:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$543,000	\$0	\$543,000	Inmate Advisory Council Fund

3. This increase is needed because due to requirements in Governmental Accounting Standards Board (GASB) Statement 84, "Fiduciary Activities", the existing fiduciary Inmate Advisory Council Fund must be dissolved and reestablished as a non-tax supported special revenue fund. This supplemental appropriation establishes the Inmate Advisory Council Fund and provides expenditure authority as a non-tax supported fund.
4. The County Executive recommends a supplemental appropriation to the FY21 Operating Budget in the amount of \$543,000 for the Inmate Advisory Council Fund and specifies that the source of funds will be Inmate Advisory Council Funds.
5. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY21 Operating Budget of the Department of Correction and Rehabilitation is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$543,000	\$0	\$543,000	Inmate Advisory Council Fund

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council