

***Final Committee Report, Vol. 7, No. 2***  
**Department of Correctional Services**  
**Inmate Welfare Fund**

***November 2000***

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# EXECUTIVE SUMMARY

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## ***Introduction***

The program evaluation described in this report was undertaken by the Legislative Program Evaluation Unit (unit) on behalf of the Legislative Program Evaluation Committee (committee). The unit studied the Department of Correctional Services' (department's) Inmate Welfare Fund (fund), in order to describe expenditures made from the fund, determine whether they are consistent with standards for fund expenditures, and evaluate whether those standards are adequate.

The department houses nearly 3,600 inmates in ten correctional facilities across the state. According to the department, recreational activities at the institutions provide inmates with constructive ways to fill their time outside of employment and education and make for a safer institutional environment by reducing inmate tension. These activities are paid for out of the fund, which has several revenue sources but receives no general fund appropriation.

There is only one statute that addresses the fund—Neb. Rev. Stat. sec. 83-915—and it does so in a cursory fashion. It provides only that interest earned on inmate money held in trust by the department must be spent for the “general entertainment” of the inmates.

Because this statute provides little guidance, the fund is governed mostly by the department's administrative regulations, mainly A.R. 113.3. This regulation provides that expenditures from the fund must be used for the direct benefit of inmates, to improve the quality of their lives during incarceration. The standards contained in A.R. 113.3 are broad, allowing the chief executive officers at the

institutions flexibility in meeting the needs of their inmate populations.

In addition to the standards set forth in statute and regulation, some types of purchases have been restricted under the administrative authority of the department's director.

## ***Inmate Welfare Fund Revenue and Expenditures***

In FY1996-97 and FY 1998-99, three funding sources provided more than 80 percent of the fund's revenue: the profit earned on soft drinks sold to inmates; interest earned on the Inmate Trust Fund, which serves as a bank for inmates; and interest earned on the Inmate Welfare and Club Accounts fund, which contains the Inmate Welfare Fund.

For both years, fund expenditures could be grouped into six categories: (1) basic recreational supplies and special foods; (2) recreation-related construction and maintenance supplies; (3) large recreation items and life-enhancing items; (4) television service and magazine subscriptions; (5) awards, payment to inmates, and performance fees; and (6) allocations to self-betterment clubs.

## ***Evaluation of Expenditures From the Inmate Welfare Fund***

The unit evaluated the adequacy of existing standards for fund expenditures, and assessed whether the expenditures in FY1996-97 and FY1998-99 were consistent with those standards. We found that:

- statutory standards are essentially nonexistent and, therefore, inadequate;

- the expenditure standards contained in A.R. 113.3 are broad, but are adequate as currently administered (however, the regulation is incomplete in that it fails to describe the director's prohibition on certain expenditures);
- the department meets the statutory requirement that interest earned on inmate money held in trust by the department be used for the general entertainment of the inmates;
- virtually all of the department's expenditures from the fund fell into the categories outlined in the department's administrative regulations;
- the expenditures for the two years reviewed met the director's restrictions; and
- the department could improve its distribution of funds to the institutions by meeting its own deadline for fund distribution.

## ***Conclusion***

Based on the above findings, the Legislative Program Evaluation Committee recommends that the Inmate Welfare and Club Accounts Fund be recognized statutorily and that modifications be made to Neb. Rev. Stat. sec. 83-915.

The committee also recommends that A.R. 113.3 be revised to include the director's restrictions on expenditures.

Additional findings and the recommendations made by the committee relative to this evaluation are found in Part III of this report.