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STATE OF NEW JERSEY
DEPARTMENT OF INSTITUTIONS AND AGENCIES
DIVISION OF CORRECTION AND PAROLE

ANNUAL REPORT
of the
BUREAU OF STATE USE INDUSTRIES
Fiscal Year
1972-1973

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ANNUAL REPORT, BUREAU OF STATE USE INDUSTRIES 1972-1973

July 1973

TO: Mr. William H. Fauver, Director
Division of Correction and Parole

FROM: John C. Bonnell, Chief
Bureau of State Use Industries

John C. Bonnell 7/2

We forward herewith the Annual Report of the Bureau of State Use Industries for the Fiscal Year ending June 30, 1973.

The mission of the Bureau is to furnish coordinated staff technical services and finances necessary to maintain ongoing, diversified, industrial work, on-the-job training programs for the non-minimum custody inmates in the operating units of the Division. Operations are financed from earnings without appropriations.

The line and staff relationship between this Bureau and the operating units requires team work between all correctional programs as necessary to our part in providing meaningful work which is considered an essential ingredient in the rehabilitation process. Useful products of the industries are sold to tax supported agencies in New Jersey.

ADMINISTRATION

The organization continued to direct its activities toward the goal of utilizing efficiently the labor supply in such a manner as to encourage an atmosphere of occupational realism, to afford useful on-the-job skill training, and develop good work attitudes in the inmates assigned to the several shops operated by this Bureau.

Pursuit of the goals requires that the operations show a profit. These goals are: (1) to improve the quality of on-the-job instruction; (2) to improve the quality and design of the products; (3) to develop markets and increase sales of the products; (4) to enhance relations with the customers and (5) to increase the effectiveness of the work program.

The fiscal year just past again saw a continuing decline in the number of inmates available for shop assignments. Absences from the job occurred, affecting up to 25% of some details attending school 1/2 days. Shorter duration assignments to industrial shop details increased. Time was not always available to train replacements in skills necessary to maintain the quality levels. Production also was adversely affected. Deliveries ran behind. Orders were released. Sales declined. Overhead costs rose out of proportion. Opportunities to mechanize were sought. Some equipment purchases were made. Training was increased.

It is not now possible to determine exactly what benefit was accrued to the inmates as a result of this but we do know that the industrial operations are hard put to it to show a profit under the circumstances. This, of course, means that the Bureau

ADMINISTRATION (continued)

is unable to put money back into the training program, which is contrary to the course which we have been pursuing for many years.

The Shoe Shop at Rahway joined the other industries which had to be closed for lack of trained inmates combined with economic conditions, particularly the soaring price of leather and equipment repairs. This is the fourth labor intensive industry which has had to be discontinued because of lack of time to train inmates and develop the skills required for quality performance. The other three that closed last year were Tailoring, Upholstery and Furniture Repairing and Refinishing.

ORGANIZATION

Twenty-six different types of industries located in eight institutions were operated in 22 separate shops. These shops are staffed by State Use personnel who supervise the inmate work force. The Bureau's Central Office staff handles the necessary business operations.

Central Office staff members made 653 institutional visits and other field contacts in 1972-1973. The Field Representative made 302 calls to the Using Agencies and also worked one convention and the New Jersey State Fair. Bureau staff traveled 36,848 miles, about 13% more than last year.

In addition to the passenger car mileage above recorded the Bureau operated four trucks for the delivery of products. These traveled a total of 45,675 miles, a decrease of about 10% from the previous year's total.

STATE USE ADVISORY COUNCIL

The State Use Advisory Council did not meet during the year and the council member's terms have practically all expired. We have requested that the council be reconstituted and reorganized as an important element in the continuing growth in the industries. This group is an advisory group. It has been in existence for 20 years. The maintenance of an advisory group is totally consistent with the present trends in New Jersey's reorganization of boards from executive groups to advisory groups.

INDUSTRIAL INFORMATION

Shops of the Bureau

State Prison, Trenton

Clothing
Knitting
Machine Shop
Mattress
Printing

Youth Corr. Inst., Bordentown

Metal Furniture
Sheet Metal & Screen
Soap

Corr. Inst. for Women, Clinton

Clothing
Mop

State Prison, Leesburg

Auto Tag
Clothing

State Prison, Rahway

Clothing
Machine & Beds
Signs & Industrial Finishing
Textile
Miscellaneous Manufacturing
a. Patient Aid Equipment

Youth Reception & Correction Ctr. Yardville

Miscellaneous Manufacturing
a. Brushes
Woodworking

Youth Corr. Inst., Ammandale

Feed Mill
Snow Fence

Ed. R. Johnstone Training Center Yepsen Unit

Miscellaneous Manufacturing

EMPLOYMENT

The Bureau has been forced to close down additional industries primarily due to a decrease in production caused by lack of available and trainable inmates. Total employment dropped 28% to 555 average full time jobs this year against 767 in Fiscal Year 1971-1972.

For the Prison Complex 1450 inmates were assigned to 384 full time jobs for a turn-over of 3.8.

For the Reformatory Complex 1141 inmates were assigned to 130 jobs for a turn-over of 8.8.

For the Correctional Institution for Women, Clinton 241 inmates were assigned to 41 full time jobs for a turn-over of 5.9 inmates per job.

The average turn-over rate for all industries in both groups of institutions was 8.3, up from last year's figure of 3.9. The following table shows pertinent figures for each institution for 2 past years and this year.

EMPLOYMENT (continued)

Average Full Time Jobs	Inmates Assigned						Average Inmates		
	During Year						Per Job		
	<u>71</u>	<u>72</u>	<u>73</u>	<u>71</u>	<u>72</u>	<u>73</u>	<u>71</u>	<u>72</u>	<u>73</u>
Prison	315	295	191	686	729	608	2.2	2.5	3.2
Rahway	216	183	109	617	565	556	2.9	3.0	5.1
Bordentown	86	67	58	509	468	461	5.9	7.0	7.9
Annandale	52	50	45	470	369	415	9.0	7.4	9.2
Clinton	58	55	41	174	204	241	3.0	3.7	5.9
Johnstone	8	6	5	30	25	22	3.8	4.2	4.4
Yardville	56	37	22	464	379	243	8.6	10.2	11.0
Leesburg	41	74	84	131	238	286	3.2	3.2	3.4
	<u>830</u>	<u>767</u>	<u>555</u>	<u>3,081</u>	<u>2,977</u>	<u>2,832</u>	<u>3.7</u>	<u>3.9</u>	<u>8.3</u>

FINANCIAL STATISTICS

The Balance Sheet and Operating Statement will be supplied in August as final results of the year's work must wait until inventory is priced and extended. Physical inventory was taken this year on the last two working days of June as required by statute.

SALES

Sales volume is \$2,572,525.88 or approximately 7% more than last year's \$2,411,284.32.

Distribution of sales was 59% to the Department of Institutions and Agencies, 29% to other State Departments and 12% to Counties and Municipalities. Comparison in \$ M for 2 years is:

	<u>1971-1972</u>	<u>1972-1973</u>	<u>Net Change</u>
Department of Institutions and Agencies	1,534	1,515	- 1.2%
Other State Departments	638	745	+ 1.7%
Counties and Municipalities	<u>239</u>	<u>313</u>	+ 2.4%
	<u>2,411</u>	<u>2,573</u>	

STAFF TRAINING

Due to the numerous problems faced by the Bureau this year (including the closing of several industries) staff training has been curtailed. Several operational staff members have attended seminars conducted by the Division.

The Assistant Chief participated in a 2 day Executive Training Program at the Nassau Inn.

Staff attendance at various trade exhibits included: Clothing, Knitting, Shoes, Mill Supplies, Hospital Equipment, Machine Tools, Packaging and School Equipment.

INMATE WORK PROGRAM

Inmate wages are paid per Administrative Order 1:21-4 Rev.

Industry Base Rates did not change during the year.

	<u>Below Average</u>	<u>Average</u>	<u>Above Average</u>
15% Skilled	.95	1.00	1.05
45% Semi-Skilled	.80	.85	.90
40% Unskilled	.65	.70	.75

Any problem associated with the new inmate wage program has been successfully resolved with all concerned institutions.

Total wages paid to inmates were \$127,704.34 up 15% from last year's \$108,710.26.

HIGHLIGHTS OF PROBLEMS AND CONCERNS

1. Heavy inmate turn-over and absenteeism from work assignments are seriously handicapping the industrial training effort. Quantity and quality of production have been adversely affected.
2. The Bureau has been unable to continue the manufacture of many traditional items. A large number of institutional orders this year have been released for outside purchase. This has been particularly true in the areas requiring technical skills such as: shoes, shirts, towels, printed items, other clothing.
3. For the 4th consecutive year, productivity in most areas has not increase proportionately to costs of operations. Prices for materials and services are increasing regularly with the present inflated market conditions, as are salaries and wages.
4. We continue to scrutinize product lines for simplification. Only the most popular types or styles are maintained as we endeavor to standardize our manufactured units for the benefit of all concerned.

HIGHLIGHTS OF PROBLEMS AND CONCERNS (continued)

5. New Jersey has always prided itself on the diversification of its industrial program. In recent years, much of this diversified operation had to be compromised. The following industries have been closed: Broom, Bakery, Men's Tailoring, Cannery, Upholstery, Furniture Refinishing, Shoe Repair, Shoe Manufacturing.

Several operations have also been combined to save supervisory expense and utilize the available inmate work force effectively. The present institutional operating procedures are generally considered detrimental to the industrial program.

6. Industrial working hours have deteriorated considerably at all institutional locations. For reasons not clear to this office, it seems impossible for institutional authorities to begin the shop operations at the scheduled time (either morning or afternoon). Many institutions also require 2 hours or more for the lunch break.

The average working day is now estimated at less than 5 hours. This is contrary to our objective of teaching good work habits. In addition there is presently a heavy turn-over in the inmate work force which increases the training difficulties within the industries. Our total productive output of finished goods has been significantly curtailed and unit costs are elevated as a direct result.

Inmate absenteeism from industry assignments has increased for numerous reasons. This has become such a problem that regular absentee reports have been requested and are being received from all industries. The amount of man-hours lost to production is very high. Outside industry could not sustain itself under these circumstances and neither can this Bureau, particularly where marginal operations are involved.

The supervisory responsibilities for State Use Industries operations are delineated in Division Standard 610.232. The standard's intent is being depreciated and even circumvented in some areas. The lack of cooperation and abrogation of these responsibilities is blamed on Division programs with higher priorities than the industrial operation. Clarification of the Division's industrial program objectives is indicated and recommended.

We further suggest that the industrial work day be changed to commence promptly at 7 A.M. The morning work shift should continue without any interruptions until 12 Noon. After a brief lunch period, the afternoon shift would operate until 3 P.M. utilizing any of the industrial inmates that are available (i.e. not participating in school or vocational training programs.)

In our opinion such an arrangement would be most beneficial to the industrial operation and also to the inmates concerned. It would alleviate much of the present competition for the inmate's time since the bulk of the work force would be available during the afternoons for professional services or other training programs, etc.

HIGHLIGHTS OF PROBLEMS AND CONCERNS (continued)

If the present trend continues, this Bureau will be severely handicapped in its ability to:

1. adequately train inmates in work habits and skills necessary for outside job placement.
2. provide manufactured products needed by all institutions at reasonable prices.

CAPITAL EXPENDITURES

Total equipment purchases during the year amounted to \$25,745. This capital equipment was for continued modernization of the industries and replacement of one truck.

<u>MONTHLY REPORT LOG</u>		<u>Shops</u> <u>Operating</u>	<u>Inmates</u> <u>Emp.</u>	<u>Official Visits</u>	
				<u>Staff</u>	<u>Field Rep.</u>
July 1972	Inmate wages are averaging well over \$19.00 a month which is about double of what they made last year. Tried to get some relief from inmate turn-over. Many shops getting unassigned inmates who are only in the industry 10 or 15 days before getting permanent assignments.	25	672	26	13
August	Print Shop at the Prison having problems due to turn-over among help; inmates not retained long enough to train them. Chief & Assistant Chief attended the Prison Congress in Pittsburgh, August 20th - 24th. Special efforts directed this month to installing of small industrial operation in the Vroom Building for work assignments.	25	609	18	32
September	Exhibited Bureau products at the N.J. State Fair. Grain, leather, repair parts, services and cloth prices are rising. Closed Tag Shop at the Prison this month; the unit had made about 73 million single tags during its life-time.	25	629	38	35

MONTHLY REPORT LOG (continued)

		Shops Operating	Inmates Emp.	Official Visits	
				Staff	Field Rep.
October	Transferred the Tag Shop personnel to Leesburg. Moved the Tag Shop equipment to Leesburg. Transferred Prison Industrial Manager David J. Anderson to Bordentown as Industrial Manager.	23	546	28	—
November	Exhibited Bureau Products at League of Municipalities Convention.	23	532	33	16
December	Mechanized some operations in the Brush Industry.	22	520	26	16
January 1973	Supervising Industrial Manager John F. Sheridan retired after 43 years of service. Mrs. Isabel Cody, Head Audit Account Clerk retired after 24 years of service. Hexachlorophene became a prohibited chemical to use due to decision of the Federal Govt. It was discovered that the Veterans Administration is using hexachlorophene and Dr. Samuel Lloyd was helpful in re-instating the use of the material in the State institutions under controlled conditions. DEC interested in Bureau producing built-in cell equipment and related items and passed out an instruction to architects to get in touch with this Bureau for designs, estimates and the like on any built-in equipment such as Yardville cell furniture and cafeteria equipment.	22	527	34	22
February	Steel for License Plates is hard to get. Vendors have refused to bid on our needs. Shop has metal ahead until October 1973. Feed prices have gone through the ceiling. Soybeans, Corn, Soy Meal and other grains have increased 3 and 4 times in price. Feed formulas are being revised with the assistance of Rutgers in an effort to give the same quality nourishment to the herds at reduced prices. Railway slow-down occurred on the 26th; subsequent lack of details has caused this Bureau about \$7,000. in overhead expense. Snow Fence pickets increased in price by 12½%.	22	501	24	20

MONTHLY REPORT LOG (continued)		Shops Operating	Inmates Emp.	Official Visits Staff Field Rep.	
March	Annandale closed up for several days during the early part of this month. Automation continues to be goal in the Tag Shop. Inmate details turn-over so rapidly that it is not possible to train individuals to run the numeral inkers and efforts are being made to replace this equipment with semi-automatic devices. Automatic Tag Feeder and dies bought this month.	22	510	31	55
April	Closed Shoe Shop at State Prison, Rahway.	22	514	32	58
May	Metal for License Plates still unavailable; bids for alternate materials are being sought. Cotton cloth is also in very short supply. Efforts are being made to expedite the purchase process by issuing waivers of advertising for tag steel and cloth. Mr. Anderson quit the Bureau this month; he had been with us 22 years, was a trained Industrial Manager. Took a lateral transfer to the Prison to become Classification Officer. His services at Bordentown are missed as he had started to get the industries there on their feet.	21	559	24	35
June	The Bureau's annual physical inventory was taken the last two days of the month. The year is being closed out.	21	517	37	—

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