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DIVISION OF CORRECTION AND PAROLE

ANNUAL REPORT

of the

BUREAU OF STATE USE INDUSTRIES

Fiscal Year

1969-1970

160 Third Street, P.O. Box 2747
Trenton, New Jersey 08607

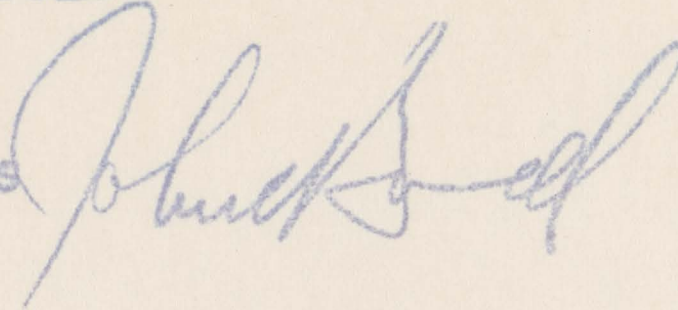
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ANNUAL REPORT BUREAU OF STATE USE INDUSTRIES 1969-1970

July 1970

TO: Mr. Albert C. Wagner, Director
Division of Correction and Parole

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



We forward herewith the Annual Report of the Bureau of State Use Industries for the fiscal year ending June 30, 1970.

The mission of the Bureau is to furnish coordinated staff technical services and finances necessary to maintain ongoing, diversified, industrial work or training programs for the non-minimum custody inmates in the operating units of the Division.

The Bureau operates from a Revolving Fund and no appropriations are received to finance the program. Products of the industries are sold only in New Jersey to the tax supported institutions and agencies at State, County and Municipal level and the several authorities.

The primary objective of the inmate industrial work program is to operate efficiently and to show a profit.

Specific long term objectives include:

Modernize the physical plant, products and organization.

Build new shops where division programs indicate.

Improve quality of on the job instruction.

Develop markets; enlarge sales.

Enhance customer relations.

Increase effectiveness of Production Controls.

ADMINISTRATION

During the past fiscal year efforts continued to modernize the industries. New equipment was purchased for Mattresses, Textiles, Knitting, Printing, Brushes, Auto Tags, Feeds, Shoes, Upholstery and distribution operations. The total cost of the new equipment was \$307,632.63 and includes a mattress tufter, 5 used textile looms and related Jacquard equipment, 6 knitting machines, a new high speed envelope press, a 10 ton GMC Truck, auto tag equipment, brush making machinery and feed mill machinery. Itemized list is attached later in this report.

ADMINISTRATION (continued)

In addition to improving the existing shops, equipment was purchased for the new shops to be located at the Leesburg Medium Security Prison. For Phase I, which is expected to be opened sometime in the late fall, sewing machines and related equipment were purchased in the amount of \$33,054.92. This plant is expected to employ up to 77 inmates under 3 salaried supervisors with estimated annual sales of \$150 - \$175,000.

Leesburg, Phase II includes a building to install the Auto Tag Shop in new quarters. Orders were placed during the year for \$195,062. worth of ovens, numeral inkers, conveyors, presses and dies. This shop is expected to employ 70 inmates under 3 salaried employees and produce estimated sales of \$400,000.

Changes in methods occurred in technical areas when the shops (1) made a new reflectorized tag using special equipment and materials purchased from the 3M Company. The industry met the legislature's September 1, 1969 deadline mentioned in our last Annual Report.

(2) A new type of sock was put into production. This has a cushion sole and improved elastic cuff; the equipment on which these socks are made is capable of handling stretch nylon and other types of specialty yarns to produce a quality product.

(3) A semi-automatic brush filling machine was installed to increase quality and boost production.

Elsewhere in this report is a more detailed comment on sales which were nearly half again as much as last year's total of \$2,220,000. The main reason for the increase can be attributed to the fact that 1,300,000 pairs of tags were delivered. Orders from the customer were such that the shop was required to work overtime several months in order to have tags ready for delivery to the agents in the latter days of the fiscal year.

Minor accomplishments included the preparation of one section of the catalog (Signs), the procurement of new covers for the complete catalog-to-be and the development of several other sections to the printing stage by the end of this fiscal year.

During the period June 16 thru 26 the industry organization in the institutions had an opportunity to demonstrate their whole-hearted cooperation with the institutions by assisting during the Correction Officers sick-out.

Arrangements have been made to handle a line of hospital equipment with chrome plated components which are received in knocked-down condition, assembled and packaged for delivery. The prices for a bed rail, for example, are below a comparable item purchased intact on the outside and study by the state Bureau of Standards and Specifications has indicated that the quality of the product which we are now handling is an improvement over purchased units.

During the year it was found necessary to discontinue several operations which could not meet the expenses of their supervision. These operations were the Broom Industry at Bordentown Reformatory and the Bag and Shoe Repair Operations at Annandale Reformatory. The above changes reduced the payroll by 2 salaried employees in addition to which a Sr. Clerk Stenographer in the office of the Industrial Manager at Rahway was transferred to an institutional position.

ADMINISTRATION (continued)

Also, two employees who retired were not replaced by new employees, these were Edward Patrick of Annandale Cannery and Lawrence Tantum of Bordentown Metal Furniture. In the Central Office, 3 salaried positions have remained vacant for well over 6 months. All of these moves have helped to keep down operating expenses.

On May 11, 1970 the Cannery at Annandale burned to the ground eliminating our canning potential and seriously curtailing Snow Fence production at a time when we had county contracts for Fall delivery of the product. The latter operation was resumed on a limited basis before the end of the fiscal year with Rahway cooperating thoroughly by building new Snow Fence Machines to replace those which were destroyed. The out of pocket fire loss is about \$130,000.00; but it is doubtful if the State will recover any such amount for us. It is not planned to rebuild this facility as the institutions have discontinued most volume vegetable production.

ORGANIZATION

Twenty-nine different types of industries located in six institutions were operated in 24 separate shops. A total of 63 instructors and other operating personnel were employed in these jobs also ten correction officers. The Central Office of the Bureau had 20 employees. A total of 118 budgeted salary positions are authorized; 94 positions are filled.

Central Office staff members made 659 institutional visits and other field contacts. The Field Representative made 380 calls to the Using Agencies and also worked at one convention and the New Jersey State Fair. Bureau staff traveled 35,260 miles, about 7% 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 53,548 miles, a decrease of about 5% from the previous year's total.

STATE USE ADVISORY COUNCIL

The Council met four times during the year in September, November, January and June.

Council members and their general areas of representation are:

Chairman - Mrs. Maxwell Barus, Montclair - Public

Burnwell B. Banks, Orange - Industrial Training

Bradford Cochran, Far Hills - Finance

Harvey A. Collins, Ridgewood - Small employer and labor (A.F.L.)

Mrs. Louis Kellogg, Mendham - Public

Malcolm Kirkpatrick, Jamesburg - Management

Jack Lamping, Toms River - Public Relations

Norman Mallor, N. Caldwell - Retailing

Robert Prull, Jamesburg - Management

Carlton Tillinghast, Burlington - Public

Wilbur Vanderslice, Clifton - Labor (C.I.O.)

INDUSTRIAL INFORMATION

Shops of the Bureau

State Prison, Trenton

Auto Tag
Bakery
Clothing
Knitting
Machine Shop
Mattress
Printing
Upholstery

Reformatory, Bordentown

Commercial Laboratory
Metal Furniture
Sheet Metal & Screen
Soap

Reformatory for Women, Clinton

Clothing
Mops

State Prison, Rahway

Clothing
Machine & Beds
Signs & Industrial Finishing
Shoe Manufacturing & Repair
Textile
Miscellaneous Manufacturing
a. Furniture Salvage & Repair
b. Carton Manufacture

Youth Reception & Correction Center
Yardville

Miscellaneous Manufacturing
a. Brushes
Woodworking

Reformatory, Annandale

Feed Mill
Snow Fence

Ed. R. Johnstone Training Center
Yepsen Unit

Miscellaneous Manufacturing

EMPLOYMENT

The inmate turn-over rates in the several shops worsened for Yardville, Annandale and Clinton and improved for the Prison Complex and Bordentown Reformatory.

For the Prison Complex 1282 inmates were assigned to 578 full time jobs for a turn-over of 2.22 down about 10% from last year.

For the Reformatory Complex 1634 inmates were assigned to 274 jobs for a turn-over of 5.95. For the Reformatory Complex the turn-over increased about 14%.

The average turn-over rate for all industries in both groups of institutions was 3.6, down 10% from last year's figure of 4.0. The following table shows pertinent figures for each institution for last year and this year.

EMPLOYMENT (continued)

	<u>Average Full Time Jobs</u>		<u>Inmates Assigned During Year</u>		<u>Average Inmates Per Job</u>	
	<u>69</u>	<u>70</u>	<u>69</u>	<u>70</u>	<u>69</u>	<u>70</u>
Prison	321	346	678	709	2.1	2.1
Rahway	224	232	674	573	3.0	2.5
Bordentown	92	98	544	554	5.9	5.7
Annandale	100	76	578	506	5.8	6.7
Clinton	31	44	108	191	3.5	4.4
Johnstone	9	7	31	28	3.4	4.0
Yardville	45	56	(9 Mos.) 180	383	4.0	6.8
Total	822	837	2,793	2,944	4.0	3.6

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

Preliminary estimates indicate sales volume may be about \$3,283,000. or approximately 48% more than last year's \$2,220,000.

While there were no large construction orders, most of the shops showed gains in sales, particularly auto tags which increased dramatically from \$193,000. for about 500,000 pairs of enameled tags in 1968-69 to about \$1,100,000. This figure represents the sale of approximately 800,000 pairs of reflectorized auto tags and not quite 500,000 pairs of enameled tags.

In March the administration suspended the reflectorized tag program, leaving the industry holding large inventories of special material useless for any other purpose. The action also forced the organization into another crash program to reconvert to painted tags.

The legislature had not provided enough money for the Motor Vehicle Department to pay the Bureau for the reflectorized tag. At the end of the fiscal year, a supplemental appropriation Bill (A 979) in the amount of \$945,968.00, which had been requested by Motor Vehicle to pay our bills and also to liquidate the large inventory of special materials bought to make the reflectorized tag, was still unpassed and the Bureau found itself without funds to pay its bills. (On July 1st a \$400,000. appropriation was picked-up which had been allotted to the Motor Vehicle Department for metal and material for license plates. The money was used to pay many of last year's bills and, in addition, the Bureau also has been promised relief in the Fall.)

SALES (continued)

Distribution of sales was 51% to the Department of Institutions and Agencies, 42% to other State Departments and 7% to Counties and Municipalities. Comparison in \$ M for 2 years is:

	<u>1968-69</u>	<u>1969-70</u>	<u>Net Change</u>
Department of Institutions & Agencies	1,736.	1,675.	- 3.5%
Other State Departments	341.	1,385.	+ 400%
Counties and Municipalities	143.	223.	+ 56%
Total	<u>2,220.</u>	<u>3,283.</u>	

INMATE WAGES

Inmates wages are paid per Administrative Order 1:21-4 July 1, 1963; revised upward 10¢/day November 15, 1969.

For the Prison and its branches and Clinton Reformatory for Women, rates were 37¢, 41¢, 46¢, 51¢ and 59¢ per day.

At Annandale Reformatory the daily rates were 26¢, 31¢ and 36¢. At Bordentown and Yardville the rates were 32¢, 34¢ and 36¢. Total wages paid to inmates were \$85,436.12 up 29.8% from last year's \$65,847.80.

Average daily wage at the Prison, Rahway and Clinton was 49¢ with the majority of the jobs on evaluation.

Average working hours remained substantially unchanged from previous years, being 25½ hours/week at Prison and Rahway and 35 at Clinton, Bordentown and Annandale. Working hours at the Youth Reception and Correction Center, Yardville were planned to average about 27½ hours a week.

AUDIT

There was no audit of the Bureau accounts this year. An Audit has been requested for 1970-71 Fiscal Year as 5 years have elapsed since last visit.

STAFF TRAINING

Bureau personnel participated in formal and informal training activities, attending sessions dealing with Correctional Management, Group Therapy, and Training Techniques.

On November 14, 1969 sixty-three Bureau staff members representing all levels of the organization participated in the Sixth Annual State Use Workshop.

Visits to penal and correctional institutions by the chief included Illinois Industrial School for Boys, Sheridan, Illinois; the Men's Reformatory, Anamosa, Iowa; Wisconsin Correctional Institution, Fox Lake and Wisconsin State Prison, Waupun.

STAFF TRAINING (continued)

In order to maintain informative contacts with technical improvements and changing times in the trade, instructors, supervisors and management representatives attended industry exhibits in Atlantic City, New York or Philadelphia of machines and materials for Packaging, Clothing, Knitting, Shoes, Mill Supplies, Garments, Electrical Supplies, Feed Stuffs and Governmental Purchasing.

GOALS

We specifically list among the goals (1) the completion of the catalog, (2) continued improvement of and upgrading of the condition of the physical plant of this Bureau; (3) equipping and phasing in of the new Clothing Plant and (4) Tag Shop at Leesburg, (5) the development of a new type of broom manufacturing, (6) the upgrading of instructor personnel particularly in the Prison Clothing Shop, and Mattress and Upholstery Shop at the Prison; (7) introduction of semi-automatic machinery for the manufacture of Snow Fence; (8) possible relocation of the Mattress and Upholstery Industry in order to provide more space for the expansion of both the Knitting Industry and the relocated shops; (9) expansion of the Sign Shop at Rahway, hopefully including work for the Department of Transportation which makes some 10,000 standard type traffic signs per year in a shop of its own; (10) to develop a line of cheaper shoes and equip the Rahway Shoe Industry to produce same.

Additional goals are: (11) To press for a workable plan to supply counties with finished signs in lieu of some of the cash which the State gives them; this would be but a very small portion of the total grant from the State although to us it would mean enlarging the Sign Shop, enable better training in a significant field and offer substantial savings to the county road departments.

(12) To furnish material for the education dormitory construction program; there is a rather disturbing trend towards employment of out-of-state interior decorators for each new dormitory and variations in what conceivably could and perhaps should be standard equipment are many. In our experience a few standard items are specified and selection made from among the several choices.

HIGHLIGHTS OF PROBLEMS AND CONCERNS

- Productivity is not increasing as fast as salaries and the cost of materials and services.
- Training requirements, particularly in the youth institutions occasioned by a turn-over in the inmate details is requiring more and more of the time of the instructors.
- If more stability cannot be achieved, the operations are faced with several expensive alternatives, a partial list of which is (a) reduce the size of the details wherever possible by the use of modern machines, (b) increase the instructor personnel, (c) reduce diversification of the line and discourage deviations from standard items among the using agencies. (e) Raise prices.
- The purchasing process together with certain related mechanized accounting procedures show but little improvement over last year's badly delayed output.

ANNUAL GIFTS AND GRANTS, STDS. 947

In the fiscal year 1969-70 the Sherwin-Williams Company donated approximately 5,255 gallons of surplus paint, consisting almost entirely of obsolete automotive finishes, to the operating units of the Division. The contact was made to this office and, after receiving approval, Rahway was set-up as the receiving point from which distribution to the operating units was made.

The paint was packaged in all sizes from pints to 5 gallons and included literally hundreds of colors - the result of 5 or 6 years of replacement matching shades of domestic and foreign auto makers. Sherwin-Williams estimates conservatively that the material was valued at \$6.00/gallon and placed a total amount of the contribution at about \$32,000.

Formal report on standard Department form is attached to this report.

No report of this nature would be complete without acknowledging gratefully the assistance and encouragement of the Director and Commissioner; the cooperation of the Superintendents of the institutions in which the industries operate and the personal contribution, in terms of time and talent, of the State Use Advisory Council Members to the work of this Bureau.

JCB/ac
7/70

1969-1970 CAPITAL EXPENDITURES

RAHWAY

<u>Textile</u>	5 Looms & Jacquards	\$1,926.00	
	Singer Sewing Machine	<u>305.50</u>	\$ 2,231.50
<u>Shoe</u>	1970 Rental	\$1,180.82	
	Dies & Lasts	<u>465.45</u>	1,646.27
<u>Machine & Bed</u>	Abrasive Cutoff Unit	\$159.50	159.50

PRISON

<u>Knit Shop</u>	Troy Laundrite	\$2,264.00	
	Water Heater	143.70	
	6 Cushion Sole Machines	<u>8,100.00</u>	10,507.70
<u>Mattress Shop</u>	Tufter	\$8,885.00	8,885.00
<u>Upholstery</u>	Sewing Machine	\$578.35	578.35
<u>Print</u>	Verner Press	\$6,241.00	6,241.00
<u>Auto Tag</u>	Dies, Holders, Inserts	\$13,277.00	
	2 Blowers	574.00	
	Fork-Lift	4,933.00	
	2 Exhaust Hoods	<u>290.30</u>	19,074.30
<u>Trucking</u>	GMC \$10,580.00		
	Purchase Order not issued 7/1/70		10,580.00

BORDENTOWN

<u>Sheet Metal</u>	Hand Operated Groover	\$390.00	390.00
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ANNANDALE

<u>Feed Mill</u>	50 H.P. Hammer-Mill Motor	\$ 963.09	
	Vertical Mixer	1,532.00	
	Auger Loader	<u>543.50</u>	3,038.59

YARDVILLE

<u>Brush</u>	Semi-Automatic Filler	\$3,610.00	
	Automatic Filler	<u>12,573.50</u>	16,183.50

LEESBURG

<u>Clothing</u>	Machines, etc.	\$33,054.92	33,054.92
<u>Auto Tag</u>	Presses, ovens, etc.	\$191,862.00	
	Price Increase	<u>3,200.00</u>	195,062.00

(Expenditures)	\$307,632.63	Total
(and Obligated)		