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DEPARTMENT OF INSTITUTIONS AND AGENCIES

DIVISION OF CORRECTION AND PAROLE

ANNUAL REPORT
of the
BUREAU OF STATE USE INDUSTRIES
Fiscal Year
1970-1971

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ANNUAL REPORT BUREAU OF STATE USE INDUSTRIES 1970-1971

July 1971

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, 1971.

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.

The Bureau operates from a Revolving Fund. 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. The several authorities are also customers.

The primary objective of the inmate industrial work program is to operate efficiently, with earnings sufficient to meet the objectives which include:

Continued modernization of the physical plant.

Improve quality of on the job instruction.

Develop markets and increase sales.

Enhance customer relations.

Increase effectiveness of the operations.

ADMINISTRATION

With the growing emphasis in the Division on academic education and with the pending development of formal vocational training programs as the logical result of granting of requests for appropriations for this purpose by the Division, the Bureau has reassessed its goals. The organization is now directing its activities toward the single objective of utilizing efficiency the available labor supply for the purpose of affording on the job training in the production of goods needed by the governmental agencies in the hopes that earnings will continue to be sufficient to maintain the industrial program on a self-supporting basis.

ADMINISTRATION (continued)

During the past fiscal year efforts continued to modernize the industries, although not to the extent that was accomplished last year. New equipment was added to the Knit Shop, Print Shop and Mattress Shop at the Prison, Trenton and to the Brush Industry at Yardville.

A new Clothing Plant was built and placed in operation at the Leesburg Medium Security Prison, Phase I. At the close of this fiscal year the shop had an inmate detail of 60 men under the supervision of 3 instructors and is currently producing at the anticipated rate of approximately $170,000. worth of product a year. The rising cost of materials, labor and overhead make it necessary to revise the goal of the shop to $200,000. worth of sales during fiscal year 1971-72.

At Leesburg, Phase II, the Industrial Building for the new Auto Tag Shop was not ready for occupancy at the end of the fiscal year. The equipment for this shop had been purchased in anticipation of an April '71 occupancy date. Most of this is delivered but not placed in the building. It is stored elsewhere at considerable expense. The architects estimates are that this building is about 7½ months behind schedule.

Recommendations of the Governor's Management Commission for the improvement of the State Use Industries were received in the Fall of 1970 and work was started at once toward compliance as follows:

Recommendation #3 read: "Price the goods produced by the Bureau of State Use Industries competitively with commercially produced goods of equivalent quality and utility." This is a long-term recommendation.

As reported last year certain operations were discontinued because they could not meet the expenses of their supervision. Since that date certain other industries have benefited by a reduction in the variety of the products available in their line. Prison Printing and Clothing, Yardville Brush and Rahway Textile have all benefited by concentrating on the efficient production of high quality standard goods. While much improvement is still expected and required, it is apparent that the steps already taken are consistent with the recommendation and with good business practice.

Recommendation #10 dealt with abolishing certain jobs which were vacant, having been unfilled for about 2 years. 4 positions were abolished; if they had been filled they would have represented $28,000. worth of annual expense.

Recommendation #11 dealt with performing quarterly cycle counts of high consumption value inventories held by the Bureau. This recommendation was implemented. The first such counts were held in March and will be continued. They formed a useful base for the annual physical inventory June 29-30.

Patient Aid Equipment Program

As discussed in the report last year, arrangements have been made by the Bureau to handle a line of patient aid equipment. During the past fiscal year 2,125 items in this category with a total sales value of $84,838. was handled. Items included bedrails, geriatric chairs, folding walkers, shower chairs and foot stools, all chrome plated, delivered

Patient Aid Equipment Program

knocked down, some with parts to be made. This business has a potential well in excess of $125,000. a year and is a welcome addition to the line.

Assistant Industrial Manager Recruitment Program

Key retirements have affected the industrial organizations at the State Prison, Trenton; State Prison, Rahway and Youth Correctional Institution, Bordentown. At the Prison the Assistant Industrial Manager is on extended sick leave preparatory to retiring. Industrial Manager G. L. Venables at Rahway is on extended sick leave and the nature of his illness is such that he will undoubtedly have to retire. At the Youth Correctional Institution, Bordentown, Industrial Manager Thomas Byrnes is near his 70th birthday and ill. He plans to retire in August. At Rahway the Assistant Industrial Manager has been promoted to Industrial Manager which will leave 3 vacancies to be filled with Assistant Industrial Managers.

Consistent with precedent of long standing we have asked that the jobs be filled by means of an open examination to obtain competent, technically trained men with appropriate degrees and industrial management experience. Civil Service has announced its intention of conducting promotional examinations for each of the jobs. They have also advertised the jobs for open competitive examinations. It is expected that the examinations will be conducted, in part, by a qualifying board which will examine both the promotional candidates and the applicants who have applied through the means of an open competitive examination.

Central Railroad of New Jersey

In May the Bureau was advised that the Central Railroad of New Jersey, which provides service to the Feed Industry at Annandale, was planning to discontinue operations on that branch. Industries all the way from Raritan to Annandale banded together and raised objections aimed at discouraging this cessation of service. The Bureau was asked to send a representative to listen to the deliberations and help in any way possible. During the meeting of the State Use Advisory Council on June 3, 1971, that body took formal action protesting the move and requesting a public hearing before any final action was taken. This was forwarded to the State Board of Control. At the time of the preparation of this report the matter was still in abeyance. Loss of rail service will affect the competitive position of this industry. Anticipated additional cost of trucking may amount to between $4,000 and $5,000 per year.

ORGANIZATION

Twenty-nine different types of industries located in seven institutions were operated in 25 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 119 budgeted salary positions are authorized; 93 positions are filled.

ORGANIZATION (continued)

Central Office staff members made 704 institutional visits and other field contacts in 1970-71. The Field Representative made 300 calls to the Using Agencies and also worked at one convention and the New Jersey State Fair. Bureau staff traveled 35,993 miles, about 2% 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 48,892 miles, a decrease of about 8½% from the previous year's total.

STATE USE ADVISORY COUNCIL

Going into the year, the Council membership totaled 11 but dropped to 9 with the resignation of two members of long standing. Mr. Norman Mallor appointed 1/15/59 resigned in July. Mr. Burnwell Banks appointed 11/28/62 resigned in September. Members Bradford Cochran, Malcolm Kirkpatrick and Carlton Tillinghast, whose terms expired 12/31/70 were all reappointed to terms expiring 12/31/73.

The Council met three times during the year in October, March and June.

Council members and their general areas of representation are:

Chairman - Mrs. Maxwell Barus, Montclair - Public

Bradford Cochran, Far Hills - Finance

Harvey A. Collins, Ridgewood - Small employer & Labor (A.F.L.)

Mrs. Louis Kellogg, Mendham - Public

Malcolm Kirkpatrick, Jamesburg - Management

Jack Lamping, Toms River - Public Relations

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

Youth Corr. Inst., Bordentown

- Commercial Laboratory
- Metal Furniture
- Sheet Metal & Screen
- Soap

Corr. Inst. for Women, Clinton

- Clothing
- Mops

State Prison, Leesburg

- Clothing

State Prison, Rahway

- Clothing
- Machine & Beds
- Signs & Industrial Finishing
- Shoe Manufacturing & Repair
- Textile
- Miscellaneous Manufacturing
  - a. Furniture Salvage & Repair
  - b. Patient Aid Equipment

Youth Reception & Correction Center Yardville

- Miscellaneous Manufacturing
  - a. Brushes
- Woodworking

Youth Corr. Inst., Annandale

- Feed Mill
- Snow Fence

Ed. R. Johnstone Training Center Yepsen Unit

- Miscellaneous Manufacturing

EMPLOYMENT

Average inmate employment dropped 10% at the Prison, 7½% at Rahway, 13% at Bordentown, 32% at Annandale (due to the fire). The detail increased 31% at Clinton; Yardville remained the same and Leesburg started during the year. Total employment remained substantially the same at 830 this year against 837 in Fiscal Year 1969-70.

For the Prison Complex 1434 inmates were assigned to 572 full time jobs for a turn-over of 2.20, about the same as last year.

For the Reformatory Complex 1443 inmates were assigned to 192 jobs for a turn-over of 7.5.

For the Correctional Institution for Women, Clinton 174 inmates were assigned to 58 full time jobs for a turn-over of 3 inmates per job.

EMPLOYMENT (continued)

The average turn-over rate for all industries in both groups of institutions was 3.7, up slightly from last year's figure of 3.6. The following table shows pertinent figures for each institution for last year and this year.

	Average Full Time Jobs		Inmates Assigned During Year		Average Inmates Per Job	
	70	71	70	71	70	71
Prison	346	315	709	686	2.1	2.2
Rahway	232	216	573	617	2.5	2.9
Bordentown	98	86	554	509	5.7	5.9
Annandale	76	52	506	470	6.7	9.0
Clinton	44	58	191	174	4.4	3.0
Johnstone	7	8	28	30	4.0	3.8
Yardville	56	56	383	464	6.8	8.6
Leesburg (9 mos.)		41		131		3.2
	837	830	2,944	3,081	3.6	3.7

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. Preliminary inventories of high use items were taken at end of first 1/4 of this calendar year.

SALES

Preliminary estimates indicate sales volume will be about $2,668,000. or approximately 18.7% less than last year's $3,283,000.

A helpful sign in the Education Dormitory Construction Program was an order for 1060 beds worth $32,065. One construction order was received for metal locker-room shelving units at Vineland State School.

The money necessary for Motor Vehicle Department to pay their bills to this Bureau was made available by means of a Supplemental Appropriation. Transfer of $945,968. was accomplished in late July 1971.

SALES (continued)

Distribution of sales was 62% to the Department of Institutions and Agencies, 30% to other State Departments and 8% to Counties and Municipalities. Comparison in $ M for 2 years is:

	1969-70	1970-71	Net Change
Department of Institutions & Agencies	1,675.	1,645.	- 1.8%
Other State Departments	1,385.	814.	- 41%
Counties and Municipalities	223.	209.	- 6%
	3,283.	2,668.	

INMATE WAGES

Inmates wages are paid per Administrative Order 1:21-4 July 1, 1963; revised upward 9¢/day September 1, 1970.

For the Prison and its branches and Correctional Institution for Women, Clinton rates were 46¢, 50¢, 55¢, 60¢, 68¢ per day.

At the Youth Correctional Institution, Annandale the daily rates were 35¢, 40¢ and 45¢. At Bordentown and Yardville the rates were 41¢, 43¢ and 45¢. Total wages paid to inmates were $107,534.20 up 25.8% from last year's $85,436.12.

Average daily wage at the Prison, Rahway, Leesburg and Clinton was 59¢ with the majority of the jobs on evaluation.

Average working hours remained substantially unchanged from previous years, being 25½ hours/week at Prison, Rahway and Leesburg and 35 at Clinton, Bordentown and Annandale. Working hours at the Youth Reception and Correction Center, Yardville average about 27 hours a week.

AUDIT

There was an audit of the Bureau accounts this year commencing February 15, 1971. The project was still underway on June 30th.

STAFF TRAINING

Six members of the Bureau staff participated in formal training activities, attending sessions dealing with Correctional Management, Training Techniques and Executive Development.

On December 9, 1970 sixty-one Bureau staff members representing all levels of the organization participated in the Sixth Annual State Use Workshop at the Holiday Inn, New Brunswick.

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 Clothing, Knitting, Shoes, Mill Supplies, Machine Tools, Garments and Electrical Supplies.

GOALS

We specifically list among the goals (1) continued improvement and upgrading of the condition of the physical plant of this Bureau; (2) equipping and phasing-in the new Tag Shop at Leesburg, (3) the upgrading of instructor personnel particularly in the Prison Clothing Shop, and Mattress and Upholstery Shop at the Prison; (4) introduction of automatic machinery for the manufacture of Snow Fence; (5) 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; (6) 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. (7) To achieve 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. (8) To continue to furnish material for the education dormitory construction program; one order for beds was forthcoming from Trenton State College; 1,060 beds will be furnished for $32,065. 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.

HIGHLIGHTS OF PROBLEMS AND CONCERNS

- As mentioned in the previous year's report, productivity is not increasing as fast as salaries and the cost of materials and services.

- Inmate training requirements have increased the work loads of the instructors substantially due to the expansion of the education program which permits inmates to work only a half day and to go to school a half day, meanwhile being paid for the entire day. This has cost the Bureau considerable in terms of production and also wages paid for non-work.

- Several alternatives are available to bring up the production of the shops in the face of the fact that the size of the details will continue to be reduced by the other programs. In several shops, product lines have been reduced to production of mainly standard items. In some cases modern machinery has been purchased to take over some of this production. Prices have also been increased selectively.

HIGHLIGHTS OF PROBLEMS AND CONCERNS (continued)

- In order to further reduce overhead expense, means are still being sought to combine shops wherever possible.
- Plans are continuing to cooperate with the Purchase Bureau in using the new Purchase Fund Warehouse as a distributor of Bureau products. Concerns for success of this plan center around product quality which is difficult to maintain at a satisfactory level due to turn-over, shortages, absenteeism and short inmate details.

ANNUAL GIFTS AND GRANTS, STDS. 947

In the Fiscal Year 1970-71 the Sherwin-Williams Company donated approximately 9,217 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. Total value of material contributed amounts to $49,512. an average of $5.37 per gallon.

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

CAPITAL EXPENDITURES

Total equipment purchases including restoring the Snow Fence operation to production, equipping Leesburg Clothing, adding Knitting machines, sewing room equipment, printing equipment and paying for about 60% of Leesburg Auto Tag amounted to $165,231.19.

Log of some activities of the Bureau:

July 1970	A temporary employee was added to help price the inventory which had been taken at the close of June as per statute. Information needed before fiscal section of annual report can be completed.
August	Mrs. Mary Swal, instructress in the Clothing Industry at Correctional Institution for Women, Clinton retired after 20 years of service.
September	In the Prison yard, construction began on a school building. This inconvenienced our local operations. The shipping platform was denied to us and materials and finished products of the shops had to be carried through the shop hall rather than using the area provided. During the month a continued hot spell caused distress to the Public Service and the shops were shut-down during the afternoon of the 23, 24 & 25th to relieve over-load.

Log of some activities of the Bureau: (continued)

October	Leesburg Clothing Shop was started this month with a small cadre of inmates transferred there from the Clothing Shops at the Prison and Rahway and an instructor who had been trained for several months at Rahway.
November	The patient aid equipment program was started.
February 1971	Audit commenced February 15. Shoe equipment to manufacture a cemented type shoe of lighter, modern construction was received.
	The cardboard carton plant at the State Prison, Rahway was discontinued and the machinery sold to New York State. It may be recalled that the largest customer for cartons was the Cannery which was destroyed by fire May 11, 1970.
March	2 - 200 ton HPM Hydraulic Embossing Presses purchased for the new Auto Tag Shop at Leesburg were delivered and stored in the Warehouse of the rigger in Vineland.
April	An International truck purchased new 18 months ago has caused much down-time and repair expense. During this month a formal complaint report was prepared involving both the International factory and service. This matter is still unresolved.
May	Central Railroad of New Jersey threatened to discontinue service to Annandale.
	Shoe samples made by the new process were exhibited to the Business Managers at a meeting at Johnstone. Samples are being distributed for comments.
	Shipment of some 26,000 lbs. of surplus paint valued by Sherwin-Williams Co. at $11,763. was received this month and distribution to the institutions was commenced.
June	Occupancy of the Auto Tag Shop is still not possible due to delays by the contractors.
	A new automatic brush machine was installed at Yardville. Production is standard brushes of commercial quality.

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