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

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R E P O R T
of The
BUREAU OF STATE USE INDUSTRIES

FISCAL YEAR

1960 - 1961

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7-27-61

Annual Report - Bureau of State Use Industries 1960-61

TO: Dr. Lloyd W. McCorkle, Director
Division of Correction and Parole

Dear Sir:

We submit herewith the Annual Report of the Bureau of State Use Industries for the fiscal year 1960-61 per Administrative Order #8:02. The general statement of the condition of the funds of the Bureau, together with certain operating statistics will not be available before August 31st but will be submitted later as part of this report.

The mission of the Bureau is to furnish industrial type employment and training for the inmates of penal and correctional institutions. Work is planned to give useful training to aid in rehabilitation of the individual, to keep him busy while in custody and, by his labor, to earn some small portion of the cost of confinement. Within the means of the Bureau prisoners are employed in industrial type work on tools of modern type; in all possible cases the work is in line with employment opportunities which may be available to the inmate on release.

Financed by a revolving fund, rather than appropriation, this Bureau conducts all operations normal to any manufacturing enterprise. Goods are produced which are for sale to all tax-supported institutions, agencies, departments or subdivisions throughout the state and the market is limited by law to these customers; the same law provides that these customers shall not purchase from another source without consent of the Bureau.

At the close of the fiscal year, June 30, 1961, 308 employable prisoners were idle at Rahway and the Prison by actual count and at least 300 more required some form of work at Bordentown; the Bureau is still faced with the increasingly difficult task of providing additional jobs from its limited means. During the year, capital investment of \$82,100 was made to provide more and better shop facilities. New shop construction is being planned at Bordentown and Rahway in addition to such shops as may be built if new institutions are authorized.

New employment opportunities are still being sought which are in line with the basic policy of diversification adopted many years ago to minimize competition with any one segment of private industry and free labor. Special efforts have been made to reach county and municipal markets with some small success and larger expectations for the future.

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ORGANIZATION

Twenty nine different types of industries are operated in 24 shops in 6 institutions. Diversification of the line is such that several hundred different types of items are listed in our catalogue.

At the close of the year the Bureau had 99 jobs authorized and 92 filled; a decrease from last years' 101 jobs and 94 filled. The nature of the payroll has changed in the field from 57 up to 60 instructors and from 15 down to 10 correction officers; Central Office employees remain at 22 and include the Chief, his staff and clerical workers.

During the year members of the Central Office organization made 608 institutional visits and special field contacts, travelling 38,018 miles; in addition, the Field Representative made 193 sales and service calls to counties and municipalities.

The Bureau operated 4 trucks 51,400 miles for delivery of products and contracted for \$17,600 additional outside services for the same purpose.

A total of nearly 7150 tons of products were handled.

STATE USE ADVISORY COUNCIL

The Council membership of 10 remained unchanged although we report with regret the death of member Benjamin McFarland in June. At the January meeting Mrs. Maxwell Barus was re-elected Chairman and Mr. Wayne McMurray Vice-Chairman.

The Council met 5 times during the year in October, January, March, May and June; Sub-Committees also met on Finances and Industry Planning. The sub-committee on Public Relations under Mr. McMurray and Mr. Beck continued to function arranging for informative talks on Bureau program activities and attendant publicity.

Public Relation efforts included informative talks and numerous exhibits. Twenty eight talks were made to service clubs and other organizations, reaching 1295 individuals. In each case contacts with Service Clubs were reported in the public press and about 155 column inches of pertinent copy resulted. A special feature article on the work of the Bureau appeared in the Asbury Park Press on December 12th.

Exhibits were set up at the State Fair, The New Jersey Welfare Council Convention, the New Jersey League of Municipalities Annual Meeting, the National Institute on Crime and Delinquency and the New Jersey Freeholders Convention. These exhibits required 23 days of staffing.

The year was again unmarked by active, open, pressure from organized groups of employers or trade unions, re-emphasizing once more the valuable support of the Commissioner and his staff, the State Board of Control, the State Use Advisory Council and all other interested parties.

INDUSTRIAL INFORMATION

Shops operated by the Bureau at the close of the year are as follows:

State Prison, Trenton

Auto Tag
Bakery
Clothing
Knitting
Machine Snop
Mattress Shop
Print Shop
Upholstery

State Prison Farm, Rahway

Clothing
Signs
Machine and beds
Painting & finishing
Shoe manufacture
Textile
Woodworking
Furniture Salvage & Repair

Reformatory, Bordentown

Brooms
Commercial Laboratory
Mops
Sheet metal & screens
Soap

Reformatory, Annandale

Bags & baskets
Cannery
Feed Mill
Shoe repair
Snow fence

Reformatory for Women, Clinton

Clothing

State Hospital, Trenton

Occupational Therapy
(Brush & weaving)

An exterminator continued to be employed to give regular service to 13 institutions and special service to any others so requesting; he also instructs using agencies in the use of insecticides and similar products produced in the Commercial Laboratory at the Bordentown Reformatory.

EMPLOYMENT

The shops furnished 924 full time jobs; 809 of which were in the penal and correctional institutions (about 21% of the population); employment figure is down 10% from past year. One hundred fifteen patients were kept occupied in the brush and weaving shop of the Vroom Building at the Trenton State Hospital.

Average annual output in sales per penal and correctional job was \$2474.00.

The turnover rate in the several shops was still very high as 1983 inmates were assigned to supply the 809 full time jobs; this is an average of 2.45 inmates for each job; up slightly from 2.4 figure of last year.

Turnover rates for the several institutions are as follows:

	<u>Average Jobs</u>	<u>Number Assigned During Year</u>	<u>Average Per Job</u>
Prison	299	548	1.8
Rahway	269	620	2.3
Bordentown	72	301	4.1
Annandale	126	336	2.9
Clinton	43	148	3.4
Total	<u>809</u>	<u>1983</u>	<u>2.45</u>

STATISTICS

These will be supplied later in the form of the Balance Sheet, Operating Statement; and a brief analysis of each of the industries.

SALES

Sales were approximately \$2,100,000.00; net income approximately \$70,000.00 or 3% of sales. This reflects a drop in gross income due primarily to the fact that we did not make a general issue license plate this year.

Sales were distributed as follows:

- a. Department of Institutions and Agencies 72.5%
- b. Other State Departments 21.5
- c. Counties and Municipalities 6.0

Item c is up from 4% last year to a total of about \$120,000.00; an increase of nearly \$26,000.00. This is still far below estimated potential volume of \$400,000.00; efforts to develop this market continue.

INMATE WAGES

Inmate wages paid per Administrative Order # 1:21/2 remained the same at 18, 22, 27, 32 and 40¢ per day in the Prison and Rahway shops; at Clinton the rates were 18, 22 and 27¢; at Annandale and Bordentown the ranges were between 10 and 17¢. Total wages paid to inmates was \$51,030.34 or 2.55% of gross sales.

Average daily wage at the Prison and Rahway was about 30¢ per day and over 2/3 of the jobs were on evaluation. Average working hours remained substantially unchanged from previous years, being 25-1/2 per week at Prison and Rahway, 35 at Clinton and Annandale and 34 at Bordentown.

TRAINING

In the field of vocational training the program for developing draftsmen for detailing and tracing continued on a limited basis under the

supervision of the Vocational Education unit at the Prison.

The inmate training program for the printing industry progressed during the year with the curriculum being developed, the instruction book being printed and classes scheduled to start in the Fall of 1961. Preliminary planning was done for vocational type shops at the proposed new institution for defective delinquents.

INVENTORIES

As required by statute, physical inventory was taken on June 29th and 30th; and as of July 31 was still being priced and extended. Figures will be included in statistics section when forwarded.

AUDIT

There was no audit of the accounts of the Bureau during the year. The last audit was in 1957; request for this service is regularly made through channels.

N. J. TAXPAYERS ASSOCIATION REPORT PROGRESS ON RECOMMENDATIONS

The Bureau continued efforts to operate in a manner consistent with compliance with the recommendations.

CENTRAL OFFICE WORK LOAD

The search continued to find ways and means to reduce the office work load. Some handling will be eliminated when a new purchase order system, worked out in cooperation with the Purchasing-State Use Coordinating Committee, is adopted in October, 1961.

INDUSTRY PLANNING

In light of the present large idle population and the immediate need for programs for possible new institutions this important item received major attention during the year.

Studies were obtained from a national source showing the various types of industries operated by the several states; those not installed in New Jersey were looked at carefully. Some market studies were also obtained from the Purchasing Department of Guidance and Planning.

In seeking activities to provide more useful work it may be pointed out that our diversification is already near the top of the list in this respect. Of 53 reporting units including the States, the Federal System, D. C. and Puerto Rico, New Jersey stands 8th with 33 industries.

The top ten are:

Maryland	42
Indiana	40
Iowa	38
Kentucky	38
Virginia	36
Arizona	35
Federal	34
* New Jersey	33
Illinois	32
Pennsylvania	31

The average shop in our State produces about \$80,000.00 product per year which is better than average for other systems. Our shops maintain an average of 2 instructors and 1/2 a correction officer and operate at a general figure of 60% material cost and 40% value added by manufacture.

Possible new industries, or industries which could be expanded if additional markets could be found, were grouped into three basic categories as follows:

- I. Desirable and within the present area of attention. Industries in this category can go in the appropriate shop without major expense for equipment, space or instructors.
- II. Desirable but a subject for long range planning. These industries require shop construction or major investment in capital equipment or both.
- III. Not desirable for many or one of many reasons. Category III items were classified thus only after receiving generally negative responses to careful consideration of the basic principles of industry planning for correctional institutions including the following:
 1. Is there sound justification for the undertaking? Are the financial, institutional and departmental resources adequate and is the potential demand for the product adequate to justify expenditures?
 2. Will the operation have only limited value or will the effort result in useful activity for a reasonably large number of inmates? Would the effort be more rewarding if exerted toward the development of some other product or service.
 3. Will the proposed activity revolve the fund? This can only be determined by comparison of potential sales versus commitments in capital, space, operating expense, inventory etc. It is obviously expensive to purchase,

3. install and maintain equipment and supply supervision and no project should be entered into without full expectation that the move is one which will contribute to the solvency of the industrial program.
4. Will the proposed operation increase diversification or provide needed service which would result in economies to the using agencies; is there a real demand for the service to be provided?
5. Is the space which will be allotted to this project being put to the most advantageous use by the decision to go ahead?
6. Is the proposed operation increasing existing hazards to custody, personnel, program or institution or in any way adding new hazards?
7. Are we recognizing, anticipating and fulfilling the requirements of the using agencies to our best ability?
8. Do the proposed items lend themselves to mass production techniques so we can apply the basic principles of division of labor wherever possible, to facilitate the training process and provide growth of the individual through progressive job experience?

SUMMARY OF INDUSTRY PLANNING STUDIES

- I. Twenty specific projects were studied and in June recommendations were made for new correctional industries, estimates for which are listed as Item I on following chart.
- II. For vocational activity in the proposed defective delinquent institution for the Bureau of Mental Deficiency recommendations were made per line II.
- III. In addition to the above, 6 additional projects were suggested for correctional industries. Any of these industries which may be adopted should be completely financed by State funds including buildings and equipment. The Bureau of State Use Industries will be able to operate the facility in each case with every expectation of giving useful employment, needed service, economy and general benefits; these projects are listed below on line III.

Category	Space	Capital Equipment	Employment	Sales
	(Sq. ft.)			
I Correction (Recommended)	42,800	\$175,000	280 inmates	\$485,000
II Mental Deficiency	10,600	14,000	77 patients	40,000
III Correction (Suggested)	41,500	406,000	155 inmates	1,357,000

PROGRESS HIGHLIGHTS

July 1960

Office work load studies report completed.

Arrangements made to purchase certain leased shoe making equipment, further reducing service charges.

August 1960

Bordentown Shoe Repair Shop closed; operation moved to Annandale where existing shop operations were increased.

New sign catalogue was printed and distributed to all county engineers, municipal chiefs of police and others; approximately 700 copies mailed.

Commenced custom pack canning for Middlesex County in addition to Mercer and Atlantic.

September 1960

Decision received that auto tags will be made of steel

All shops painted at the Prison; part of first floor of Industrial Building at Rahway remodeled to make barber shop and new offices for the industrial organization.

October 1960

Improvements made in the Knitting Industry at the State Prison; these include a new lightweight, economy type, underwear upper (33% cheaper) and socks with nylon reinforcement in heel and toe. Pains-taking operation of "looping" was eliminated by installation of newly developed machines which cut training time from several months to a week and enables one operator to do work formerly done by five with no sacrifice in quality.

November 1960

Bakery prices re-adjusted, resulting in savings of nearly \$4,000.00 to the Prison Food Budget.

- November 1960 The Cannery produced 225,000 #10 cans this season their largest pack and almost 2/3 of former output of 2 canneries. The using agencies saved about a dollar a dozen on most items compared with outside prices.
- December 1960 Increasing population in the Prison and Rahway led to a search for additional immediate work; mattress plant stepped up by large order from the Trenton State Hospital; plans completed to augment furniture repairing and refinishing shop at Rahway; made approximately 30 more jobs.
- January 1961 Some long awaited market studies were received from the Purchasing Department, enabling preparation of industry planning reports involving the new prison, reformatory and other institutions which may be built.
- February 1961 Special studies with Bethlehem Steel Company on a research project involving types and treatment of steel for auto tags. Auto Tag Shop cooperated in the production of samples.
- March 1961 The aluminum screen industry moved from Annandale to Bordentown.
- The Bureau allotted \$3,000.00 for preliminary designs of the proposed industrial building at Bordentown.
- April 1961 After some delays, the shipment of Correction Officer's Uniforms commenced.
- May 1961 Reports received from Annandale that approximately 335,000 feet of hand made snow fence had been manufactured since last Fall.
- June 1961 Many industries able to ship standard items from stock against new orders, offering better service to using agencies.
- Chief visited institutions in Ohio, Michigan and Connecticut as member of the Institutional Planning Committee working on new prison project.
- Industries closed the 29th and 30th for the annual physical inventory.

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE

Balance Sheet at June 30, 1961

Balance Sheet at June 30, 1960

CURRENT ASSETS

Cash	175.00	
Rev. Fund	155,871.66	
Obligated for open P.O.	101,706.67	
Acc. Rec.	<u>199,616.48</u>	457,369.81

	175.00	
	111,872.83	
	182,264.18	
	<u>170,210.27</u>	464,522.28

INVENTORIES

Matl. Sup.	437,496.72	
Fin. Prod.	200,945.52	
Work in Process	<u>139,008.14</u>	777,450.38
Total Current Assets		<u>1,234,820.19</u>

	369,931.99	
	225,770.47	
	<u>147,331.47</u>	743,033.93
		<u>1,207,556.21</u>

TIED ASSETS

Mach. Equip.	793,029.02	
Less: Dept.	<u>619,279.43</u>	173,749.59

	753,546.61	
	<u>589,079.21</u>	164,467.40

PPD. CHARGES

Ppd. Insurance	17,579.93	
Total Assets		<u>1,426,149.71</u>

	16,370.48	
		<u>1,388,394.09</u>

Less:

CURRENT LIABILITIES

Acc. Pay.	11,804.31	
Net Worth 6-30-61	<u>1,414,345.40</u>	

6-30-60

	11,378.82	
	<u>1,377,015.27</u>	

ANALYSIS NET WORTH JUNE 30,

1960 (Adjusted)	1,386,455.14	
Add: Net Earnings	27,890.26	
	<u>1,414,345.40</u>	

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE

OPERATIONAL STATEMENT

Fiscal Year Ending June 30, 1961

Fiscal Year Ending June 30, 1960

SALLES

2,001,285.09

2,498,869.11

COST OF SALLES

Natl. & Sup. Used 1,154,119.06
Add: Dec. Fin.
Prod. & Work in
Proc Inv. 40,323.41
1,194,442.47

Deduct:
Inc.

1,432,051.87
31,589.32
1,400,462.55

COST OF OPERATIONS

Salaries & Wages

Instr. Etc. 318,796.68
Cor. Off. 67,326.12
Adm. Cl. Etc. 110,335.32
Inmate Wages 51,030.34
547,488.46

322,701.74
58,497.35
113,470.77
58,662.58

553,332.44

INDUSTRIAL EXPENSE

Frt. & Ctge. 16,253.60
Light, Heat, Power
& Water 46,497.66
Repairs & Repair
Parts 29,659.43
Depr. 42,981.68
Rents & Royalties: Leased Mch. 604.01
135,996.38

15,410.24
42,731.55
32,550.97
36,127.54
1,448.16

128,268.46

continued

OPERATIONAL STATEMENT

Fiscal Year Ending June 30, 1961

Fiscal Year Ending June 30, 1960

INDIRECT AND INCIDENTAL EXPENSE

Ins.	7,558.40	
Sta. & Print.	3,860.90	
Teleph. & Tel.	3,023.63	
Compensation		
Awards	1,868.86	
Per. & S.S.	31,136.39	
Misc. Exp.	<u>53,967.58</u>	
		101,415.76

6,777.23
2,789.74
3,010.71

7,448.12
32,829.46
<u>56,394.62</u>

109,249.88

TOTAL COST OF OPERATION	<u>1,979,343.07</u>	
PROFIT FROM OPERATION	21,942.02	
ADD: DISCOUNT ALLOWED	5,918.24	
NET EARNINGS	<u><u>27,890.26</u></u>	

<u>2,191,313.33</u>
307,555.78
6,458.56
<u><u>314,014.34</u></u>

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STAT. USE

ANALYSIS OF SALES AND NUMBER OF EMPLOYEES AND JUILTES

Fiscal Year Ending June 30, 1961

<u>Institution & Industry</u>	<u>Sales</u>	<u>Outside Labor</u>		<u>Inmate Labor</u>	
		<u>Instructors Etc.</u>	<u>Correction Officers</u>	<u>Monthly Average</u>	<u>Total Trained During Year</u>
<u>N. J. State Prison</u>					
Auto Tag	266,393.80	3	1	51	88
Bakery	58,812.38	1	-	19	44
Clothing	150,336.86	3	2	92	169
Knitting	39,951.54	1	-	24	37
Machine	5,079.79	1	1	12	18
Matress and Upholstery	123,102.15	2	1	42	78
Office	-	2	1	11	9
Printing	124,571.29	5	1	37	61
Storerroom	-	1	1	11	44
Trucking	-	3	-	-	-
Total	769,247.91	22	8	299	548

N. J. State Prison Farm, Rahway

Clothing	107,370.36	3	1	46	109
Foundry	-	1	-	-	8
Machine & Beds	34,379.66	2	-	18	39
Off. & Storerroom	-	4	-	24	64
Paint	28,846.72	1	-	13	25
Shoe Mf.	94,881.27	4	-	59	124
Textile	105,484.73	3	-	62	128
Trucking	-	1	-	-	-
Woodworking	56,991.82	4	-	47	123
Total	427,954.56	23	1	269	620

ANALYSIS OF SALES AND NUMBER OF EMPLOYEES AND INMATES

Fiscal Year Ending June 30, 1961

<u>Institution & Industry</u>	<u>Sales</u>	<u>Outside Labor</u>		<u>Inmate Labor</u>	
		<u>Instructors Etc.</u>	<u>Correction Officers</u>	<u>Monthly Average</u>	<u>Total Trained During Year</u>
<u>N. J. Reformatory, Clinton</u>					
Clothing	98,920.22	6	-	43	148
<u>N. J. Reformatory, Annandale</u>					
Bag	9,382.79	-	-	2	6
Basket Mkg. & Screens	4,685.17	-	-	15	18
Cannery	102,352.44	3	-	56	233
Feed Mill	291,397.25	2	-	24	55
Shoe Repair	8,035.07	1	-	8	36
Snow Fence	61,535.10	-	-	21	18
Total	477,387.82	6	-	126	366
<u>N. J. Reformatory, Bordentown</u>					
Broom Mfg.	11,281.95	1	-	6	11
Comm. Lab.	31,834.66	1	-	5	22
Mops	11,146.68	-	-	4	10
Office	-	2	1	-	-
Sheet Metal	30,559.57	2	-	30	108
Shoe Repair	114.94	-	-	-	-
Soap	113,402.56	1	1	27	150
Total	198,340.36	7	2	72	301

- continued -

ANALYSIS OF SALES AND NUMBER OF EMPLOYEES AND INMATESFiscal Year Ending June 30, 1961

<u>Institution & Industry</u>	<u>Sales</u>	<u>Outside Labor</u>		<u>Inmate Labor</u>	
		<u>Instructors</u>	<u>Correction</u>	<u>Monthly</u>	<u>Total Trained</u>
		<u>Etc.</u>	<u>Officers</u>	<u>Average</u>	<u>During Year</u>
<u>N. J. State Hospital, Trenton</u>					
Occupational Therapy	24,268.32	-	-	115	164
<u>Central Office</u>					
Exterminating	5,166.00	1	-	-	-
<u>Central Office</u>					
		23	-	-	-
<u>Total</u>	<u>2,001,285.09</u>	<u>88</u>	<u>11</u>	<u>924</u>	<u>2147</u>