

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
1957 - 1958

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FOREWORD

The Bureau of State Use Industries is a branch of the Division of Correction and Parole of the Department of Institutions and Agencies. Operations are conducted under Title 30 of the Revised Statutes of the State of New Jersey, Sections 30:4-92 through 30:4-100.

The function of this Bureau is to provide training and employment for prisoners confined in the State's penal and correctional institutions. Useful goods and articles are manufactured during the course of the work program, which is self-supporting; products are sold only to tax-supported institutions and agencies within the state.

The continued active co-operation of the State Board of Control, Commissioner John W. Tramburg, Dr. F. Lovell Bixby, Director of the Division of Correction and Parole, the State Use Advisory Council and the Chief Executives of the several bureaus and institutions of the Department in support of the activities of the Bureau is, as ever, gratefully acknowledged.

Activities of the Bureau are guided by the State Use Advisory Council, a board of 9 non-salaried citizens who represent management, labor, agriculture and the taxpayers in general. Members of the Council are as follows:

MRS. MAXWELL BARUS, Chairman, representing the Public
Montclair

MR. WAYNE McMURRAY, Vice-Chairman, representing the Press
Asbury Park

MR. FRANK LYLE, representing the A.F.L.-C.I.O.
Hoboken

MR. FRANK SMITH, representing Agriculture
Allentown

MR. JOSEPH W. BECK, representing Management
South Orange

MR. BRADFORD COCHRAN, representing Finance
Newark

PROFESSOR GRESHAM M. SYKES, representing Education
Princeton

MR. WESLEY TAYLOR, representing the A.F.L.-C.I.O.
West Orange

MR. BENJAMIN J. McFARLAND, representing Retail Business
Nutley

TO: DR. F. LOVELL BIXBY, DIRECTOR
DIVISION OF CORRECTION AND PAROLE

Dear Sir:

We have the honor of submitting the annual report of the Bureau of State Use Industries and the condition of its funds for the Fiscal Year 1957-58.

The mission of the Bureau is to furnish industrial type employment and training for the inmates of penal, correctional and training institutions. Work is planned to give useful, up-to-date training to aid in the rehabilitation of the individual, to keep him busy while in custody and to make him earn some portion of the cost of his keep.

This Bureau conducts all operations normal to any manufacturing enterprise, including such business functions as billing, cost accounting, payroll and personnel activities, engineering and the delivery of products. 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 this Bureau.

We continue to apply in all possible cases the principles that prisoners should be given training on tools of modern type and this training should be in line with employment opportunities which may be available to the inmate on release.

More than 200 employable prisoners are idle and the Bureau is still faced with the necessity of expanding and improving employment. Substantial capital investment is required and ways and means are being sought to obtain the necessary funds or facilities. New employment opportunities will be consistent with the basic policy of diversification to minimize competition with any one segment of private industry and free labor.

ORGANIZATION

Twenty-five types of industries are operated in 28 shops at 6 institutions; the extent of diversification is such that more than 157 different types of items are made.

At the close of the fiscal year, the Bureau had 138 jobs authorized and 105 filled. The Bureau organization remains substantially unchanged from last year. Industries staff made 574 institutional visits and other field contacts. Mileage traveled totaled 38,881.

STATE USE ADVISORY COUNCIL

The Advisory Council met 6 times during the year, with meetings in the months of September, December, January, March, April and May; subcommittees also met on the subjects of finances, the new catalogue and special surveys.

We cannot overemphasize the contribution of the Council to the Bureau and the Department in the field of public relations and the work with the New Jersey Taxpayers' Association.

In the matter of public relations, 17 talks were made on the work of the Bureau; these reached approximately 850 people and each was reported in the public press. Dr. Bixby took these assignments four times. Exhibits were set up by the Bureau at the State Fair, the New Jersey Welfare Council Conference, the Annual Meeting of the Freeholders and the New Jersey League of Municipalities.

The Report of the New Jersey Taxpayers' Association was released on August 14, 1957. Forty-two recommendations were made, studied carefully and a program of accomplishment established. Some of the recommendations were at the policy level, some related to existing procedures, others required legislation and several of the most important require substantial capital investment.

New industries are being explored, certain shops have been consolidated, officer positions eliminated, legislation drafted (A-319) to change our law in one respect, the new catalogue written and nearing completion, standardization and quality control programs stepped up and a complete plan for capital improvements developed. This latter was accepted at a joint meeting of the Association and the Council on January 7th, 1958 and later incorporated in the report "The Future of Correction in New Jersey". A brief review of this study of our capital requirements shows that we need:

- (a) \$366,700 for new buildings
- (b) \$464,900 for tools and changes

This will provide a net increase of 124 inmate jobs, a 10% increase in diversification and a net increase in sales of \$519,000. The State Board of Control has adopted the policy that the State should provide the necessary buildings.

INDUSTRIAL INFORMATION

Shops of the Bureau are located as follows:

STATE PRISON, TRENTON

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

N. J. REFORMATORY, BORDENTOWN

- Brooms
- Commercial Laboratory
- Exterminating
- Mops
- Sheet Metal
- Shoe Repair
- Soap

N. J. REFORMATORY FOR WOMEN, CLINTON

- Clothing

STATE PRISON FARM, RAHWAY

- Clothing
- Foundry and Sign
- Machine and Beds
- Paint
- Shoe Manufacture
- Textile
- Woodworking

N. J. REFORMATORY, ANNANDALE

- Bags, Baskets and Screens
- Cannery
- Feed Mill
- Printing
- Shoe Repair
- Snow Fence

STATE HOSPITAL, TRENTON

- Occupational Therapy
(Brush & Weaving)

The shops furnished 1248 full-time jobs; 1090 penal and correctional (about 25% of the population) and 158 in the patient category. Average annual output per penal and correctional job dropped 2% to \$1900. Including turnover, a total of 2200 inmates were trained for an average of about 2 inmates for each job, substantially unchanged from previous years.

New Jersey still retained its position among states operating under a State Use Law, being eighth in output of its correctional industries, but dropping to third in diversification.

Sales dropped 7% from last year to \$2,157,383. Net income dropped to 1.1% of gross or \$24,402.

COMMENTS

This has been a year of transition due to working of 3 major Departmental policies:

- (a) No industries shall be maintained in mental defective institutions.
- (b) All industries shall be for maximum custody inmates wherever possible.
- (c) All minimum custody inmates shall be assigned to work on farms and in laundries.

Shops at Totowa and Vineland have been closed and work assigned to penal shops whose programs have been stepped up if at all possible as per Policy (a) above.

Shops at Leesburg have been closed due to Policy (c) above.

Wood shop at the Prison has been closed and efforts are being made to do all work in the shop at Rahway, per Policies (b) and (c).

As a result of the workings above, available shop space has dropped to 205,078 square feet (down 56,173 square feet or 22% from last year).

Most of our available funds have been spent in bringing about these moves. In our Budget, we are allowed to spend \$75,000 for Capital Improvements. Seldom can we do this as the money has not been available, but usually the majority of such expenditures are for tools and equipment and a lesser amount for the shops. This year the ratio was reversed. Next year looks equally dim for tool replacement.

STATISTICS

As part of this report will be found the Balance Sheet, Operating Statement and a brief analysis of each of the industries operated during the year.

SALES AND DISTRIBUTION

A considerable portion of the potential market still remains undeveloped. The Department of Institutions and Agencies continued to be the largest user of State Use products, taking 79.3% of the total sales. Sales to other State departments were 18.0%, while sales to counties and local government comprised the balance of 2.7%. It is in this latter field that much more can be accomplished.

The latest figures from the Bureau of Social Research show county hospitals have more than 6800 patients, about 25% of the total state hospital population. Potential market is estimated to be in excess of \$400,000, while the actual sales were less than \$50,000.

The Field Representative continued his activities in situations where he could operate, making 319 calls to counties and municipalities. The new catalogue is scheduled for release before January 1, 1959. Products of the Bureau were exhibited at the State Fair, the Welfare Council Conference and the Annual Meeting of the Freeholders.

INMATE WAGES

Operating expense included payments to inmates in the amount of \$51,975 or 2.4% of gross sales, up slightly from last year. The average daily pay for inmates at the Prison and Rahway was 25¢ with over two-thirds of all job on evaluation.

Average hours worked per week were 25½ at the Prison and Rahway, 35 at Clinton and Annandale and 34 at Bordentown.

TRAINING

During early part of the year, JRT courses were held under the auspices of the Department of Education at the Prison, Rahway and Bordentown; most instructors participated. Emphasis being given to quality control.

In co-operation with the Bureau of Mental Deficiency arranged with Johnstone to assemble bed spring fabric and to make boxes for certain of our products. Other small projects are being explored.

INVENTORIES

In studying Taxpayers' Recommendation #41 on obsolete and overage inventories, a survey of our storerooms indicated materials and finished goods in this category as follows:

Prison	\$7,841.00
Rahway	18,599.00
Clinton	755.00
Annandale	1,374.00
Bordentown	5,212.00
Total	<u>\$31,652.00</u>

About 20% of these were finished products and, by 7/1/58, had been disposed of to using agencies by donation, this to avoid having to sell on the open market. Surplus materials purchased for manufacture and resale will eventually be liquidated through arrangements with the Purchasing Department.

INDUSTRY NOTES

State Prison

Auto Tag - Had their smallest year in sales since Fiscal Year 1945-46. Next two years should be good due to new general issue plate.

Print Shop - During the year, print shops at Rahway and Annandale were closed and the best equipment concentrated at the Prison. Instructor personnel reduced from 6 to 3. Shop was then relocated from 2 floors to 1 for greater efficiency; approximately \$9,000 spent on this improvement.

Knitting - This industry moved from Vineland to Prison; amount spent on this change will total at least \$13,000.

Woodworking - Industry at the Prison closed during the year; equipment currently being relocated at Rahway. Minimum expense during the next fiscal year on this change will be about \$15,000.

Annandale

With the closing of the Leesburg cannery, much emergency expense necessary to insure continuation of the industry and snow fence operations. Approximately \$9,000 in improvements spent here.

DEPARTMENT OF INSTITUTIONS & AGENCIES

BUREAU OF STATE USE INDUSTRIES

BALANCE SHEET - JUNE 30, 1958

Current Assets

Cash	1,175.00	
Revolving Fund	17.74	
Accounts Receivable	<u>120,476.32</u>	
		121,669.06

Inventories

Material and Supplies	573,216.43	
Finished Products	216,060.64	
Work in Process	<u>127,791.53</u>	
		<u>917,068.60</u>
Total Current Assets		1,038,737.66

Fixed Assets

Machinery and Equipment	791,058.17	
Less: Depreciation	<u>621,248.06</u>	
		169,810.11

Prepaid Charges

Prepaid Charges on Leased Machinery	989.51	
Prepaid Insurance	<u>18,185.92</u>	
		<u>19,175.43</u>
Total Assets		1,227,723.20

Less:

Current Liabilities

Accounts Payable		<u>239,970.33</u>
Net Worth June 30, 1958		<u>987,752.87</u>

Analysis of Net Worth

Net Worth June 30, 1957 (Adjusted)	963,350.71	
Add: Net Earnings before Non-State Use Charges	<u>25,109.69</u>	
		988,460.40
Less: Non-State Use Charges June 30, 1958		<u>707.53</u>
Net Worth June 30, 1958		<u>987,752.87</u>

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE INDUSTRIES

OPERATIONAL STATEMENT

FISCAL YEAR ENDING JUNE 30, 1958

SALES

\$2,157,383.65

Cost of Sales

Material & Supplies Used	1,300,036.56
Add: Decrease Finished Products and Work in Process Inventories	<u>41,270.22</u>
	1,341,306.78

Cost of Operations

Salaries and Wages		
Instructors, etc.	342,666.32	
Correction Officers	71,178.36	
Adm., Clerical, etc.	113,581.20	
Inmates	<u>51,975.40</u>	
		579,401.28

Industrial Expense

Freight and Cartage	15,405.57	
Light, Heat, Power & Water	44,810.28	
Repairs and Repair Parts	34,940.42	
Depreciation	36,445.86	
Rents and Royalties on Leased Machinery	<u>1,664.66</u>	
		133,266.79

Administrative and Miscellaneous Expense

Insurance	7,564.36	
Stationery and Printing	3,007.00	
Telephone and Telegraph	3,613.56	
Pension Fund and Social Security	32,655.23	
Miscellaneous	<u>37,519.66</u>	
		<u>84,359.81</u>

Total Cost of Operation		2,138,334.66
Profit from Operation		<u>19,048.99</u>
Add: Discount Earned		6,060.70
Net Earnings before Non-State Use Charges		<u>25,109.69</u>
Less: Non-State Use Charges June 30, 1958		<u>707.53</u>
Net Earnings after Non-State Use Charges		<u><u>24,402.16</u></u>

SUDIA SALES DOLLAR

	F. Y. 1955-56	F. Y. 1956-57	F. Y. 1957-58
	<u>Percent Of Sales</u>	<u>Percent Of Sales</u>	<u>Percent Of Sales</u>
Materials and Supplies*	60.8	61.2	62.2
Instructor Salaries	14.8	15.2	15.9
Guard Salaries	2.9	3.2	3.3
Administrative Salaries	4.7	4.8	5.25
(Total Salaries)	(22.4)	(23.2)	(24.45)
Inmate Wages	2.2	2.3	2.4
Industrial Expense	6.3	6.0	6.2
Administrative and Other Expense	4.2	4.2	3.9
Discounts Earned	-.3	-.3	-.28
Charges Against State Use Industries for Non-State Use Charges**	2.0	.9	.03
Net Earnings After Non-State Use Charges	2.4	2.4	1.1
	<hr/>	<hr/>	<hr/>
	100.0	100.0	100.0
Value Added By Manufacture	39.2%	38.7%	37.8%

* After inventory adjustment

** Funds diverted, in effect,
from State Use industries
to other state agencies

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE INDUSTRIES

SCHEDULE OF SALES AND NUMBER OF EMPLOYEES AND INMATES

FISCAL YEAR ENDING JUNE 30, 1958

<u>Institutions & Industries</u>	<u>Sales</u>	<u>Outside Labor</u>		<u>Inmate Labor</u>	
		<u>Instructors</u>	<u>Correction Officers</u>	<u>Monthly Average</u>	<u>Total Trained During Year</u>
<u>N. J. STATE PRISON</u>					
Auto Tag	\$200,090.62	3	1	79	178
Bakery	53,171.88	1	-	18	30
Clothing	202,775.82	3	2	111	194
Coffee Roasting Machine	99,600.55	-	-	5	5
	4,030.48	1	1	14	27
Mattress & Upholstery	99,970.85	2	1	41	88
Office	---	3	3	9	13
Printing	38,877.97	5	1	30	58
Storeroom	---	1	1	5	16
Trucking	---	2	-	--	--
Woodworking	57,679.44	3	2	36	82
Total	\$756,197.61	24	12	348	691
<u>N. J. STATE PRISON FARM, RAHWAY</u>					
Clothing	\$73,908.06	3	1	62	60
Foundry	93,828.65	2	-	43	66
Machine & Beds	32,641.43	2	-	32	41
Office and Storeroom	---	4	-	26	31
Paint	---	1	-	18	20
Printing	51,704.95	2	-	19	19
Shoe Mfg.	91,256.09	4	-	87	97
Textile	130,360.22	2	1	69	101
Trucking	---	2	-	1	1
Woodworking	32,098.48	3	-	49	64
Total	\$505,797.88	25	2	406	500
<u>VINELAND STATE SCHOOL</u>					
Coffee Roasting	27,953.55	-	-	2	2
Knitting	42,491.02	3	-	19	19
Laundry	8,554.00	3	-	16	16
Total	\$78,998.57	6		37	37
<u>NORTH JERSEY TRAINING SCHOOL</u>					
Clothing	\$2,608.15	4	-	6	6

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE INDUSTRIES

SCHEDULE OF SALES AND NUMBER OF EMPLOYEES AND INMATES

FISCAL YEAR ENDING JUNE 30, 1958

<u>Institutions & Industries</u>	<u>Sales</u>	<u>Instructors</u>	<u>Correction Officers</u>	<u>Monthly Average</u>	<u>Total Trained During Year</u>
<u>N. J. REFORMATORY FOR WOMEN, CLINTON</u>					
Clothing	\$115,406.76	7	-	40	182
<u>N. J. REFORMATORY, ANNANDALE</u>					
Bag	\$8,265.08	-	-	2	10
Basket & Screen	13,953.79	-	-	10	36
Cannery	67,059.33	3	-	42	118
Feed Mill	290,940.88	2	-	20	78
Printing	11,908.26	1	-	11	21
Shoe Repair	5,878.46	1	-	9	37
Total	\$398,005.80	7	-	94	300
<u>N. J. REFORMATORY, BORDENTOWN</u>					
Broom Mfg.	\$12,854.49	1	-	8	19
Commercial Lab	28,699.45	1	-	8	30
Exterminating	4,814.50	1	-	-	--
Mops	11,418.34	-	-	9	20
Sheet Metal	18,811.84	1	-	57	135
Office	---	1	1	-	--
Shoe Repair	7,976.38	1	-	41	93
Soap	111,287.96	1	1	28	152
Total	\$195,862.96	7	2	151	449
<u>N. J. STATE PRISON FARM, LEESBURG</u>					
Cannery	\$73,491.37	2	1	43	125
Snow Fence	11,443.00	-	-	8	8
Total	\$84,934.37	2	1	51	133
<u>N. J. STATE HOSPITAL, TRENTON</u>					
Occupational Therapy	\$19,571.55	-	-	115	140
<u>CENTRAL OFFICE</u>	---	30	-	---	---
TOTAL	\$2,157,383.65	112	17	1248	2438