

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
1956 - 1957

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FOREWARD

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 and these are sold only to tax-supported institutions and agencies within the state. The Bureau is self-supporting as income from the sale of the industries' products has always been more than sufficient to meet necessary expenses.

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.

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.

STATE USE ADVISORY COUNCIL

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

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 1956-57.

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.

The 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 sub-divisions 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.

State Use is specifically delegated authority by the State Board of Control to procure and install necessary machinery, to provide supervision and technical assistance necessary to operate the shops, to publish a catalogue describing the materials produced, to engage in the sale of such materials and to furnish all the usual office and technical staff services necessary to the successful prosecution of an industrial system. Shop buildings are usually furnished by the institutions and institutional maintenance personnel supervise electrical and other work inside the shop buildings. All machinery, supplies, maintenance materials, heat, light, power, transportation and similar expenses are furnished by the Bureau without recourse to appropriated funds. Salaries and all other costs of operation are also paid for out of operating income. Savings to the taxpayers from the work of the Bureau amounted to nearly \$600,000 this year, although the total values inherent in the industrial training program cannot be measured in dollars and units of production alone.

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.

There are still more than 250 employable prisoners now idle in our institutions and the Bureau is still faced with the necessity of expanding and improving employment. Substantial capital investment will be required to develop our program as soon as possible and ways and means are being sought to obtain the necessary funds or facilities now rather than wait until the monies are earned and accumulated. 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

Thirty types of industries are operated and the extent of diversification is such that more than 155 different types of items are made.

At the close of the fiscal year, the Bureau had 141 jobs authorized and 125 filled. Several long-service employees left by way of retirement including a tailor instructor at the Prison (20 years service), a driver at Rahway (33½ years service) and an instructress in the Clinton sewing industry (12 years service). Supervising Trade Instructor Frank McGuinness who was in charge of the Print Shop at the State Prison died in October, 1956 after 33 years service.

Operations continued under the State Board of Control resolution of February 17, 1956, which established institutional superintendents' line responsibility for the operation of the shops. Functions of the Central Office Staff and clerical personnel have been realigned and remain unchanged from the Organizational Chart submitted with this report.

The Bureau continued to discharge its responsibility for all technic matters involving the shops, including sales, finances, customer relationships, production and job specifications, public relations, engineering and planning.

During the fiscal year, the Bureau staff made 493 institutional visits and other field contacts. Mileage traveled totaled 66,265.

Work in connection with the development of instructor personnel by inservice training commenced with a class in human relations starting October 10, 1956 at the State Prison and continued at Rahway commencing April 25, 1957. Other training will commence in the Fall.

STATE USE ADVISORY COUNCIL

In October, 1956, the Reverend Dr. Benjamin Allen, a charter member, resigned and the memberships of Charles Jones and William Dunham expired. We were fortunate in having Mr. Benjamin McFarland of Newark a representative of retail business, appointed in Dr. Allen's place, Professor Gresham Sykes, Assistant Professor in the Department of Economics and Sociology at Princeton University, appointed in Mr. Jones' place and Mr. Wesley Taylor, Business Agent of the Bookbinders Union, AFL-CIO, appointed in Mr. Dunham's place. The annual organizational meeting of the Council was held on June 5, 1957 with Mrs. Barre re-elected Chairman and Mr. Wayne McMurray, Vice-Chairman.

The Advisory Council met 6 times during the year, with meetings in the months of October, November, January, March, April and June; subcommittees also met on the subject of finances, the new catalogue, training and special surveys.

The most outstanding contribution of the Council to the Bureau and the Department of Institutions and Agencies was in the field of public relations and the setting up of a survey by the New Jersey Taxpayers' Association.

In the matter of public relations, 16 talks were made on the work of the Bureau; these reached approximately 1135 people and each was reported in the public press. We were fortunate to have Commissione Tramburg take these assignments twice and Dr. Bixby three times. A feature article on the work of the Bureau appeared in the Trenton Sunday Times Advertiser in January; exhibits of the Bureau were set up at the State Fair, the New Jersey Welfare Council conference and the Annual Meeting of Freeholders.

After a number of preliminary meetings early in the year, the New Jersey Taxpayers' Association, at the request of the State Board of Control, set up a committee of specialists from private industry to study the work of the Bureau and a 90-page report entitled "Improvin State Use Industries" was released in August, 1957. A great amount of meeting time and staff work was required to provide the committee with background and information. A total of 11 committee meetings and institutional visits were held in connection with this project. While the release of the report is not specifically an item for the current fiscal year, nevertheless, it seems appropriate to mention the Taxpayers' supported the industries program and offered valuable recommendations for improvement of the industries. Release of the report was accompanied by favorable editorials and articles in the press throughout the state; these totalled at least 223 column inches

INDUSTRIAL COMMENT

Thirty-six shops of the Bureau are located in eight institutions as follows:

STATE PRISON, TRENTON

Auto Tag
Bakery
Clothing
Coffee Roasting
Machine Shop
Mattress Shop
Print Shop
Upholstery
Woodworking

VINELAND STATE SCHOOL

Coffee Roasting
Knitting
Laundry

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
Print Shop
Shoe Manufacture
Textile
Woodworking

N. J. REFORMATORY, ANNANDALE

Bags, Baskets and Screens
Cannery
Feed Mill
Printing
Shoe Repair

STATE PRISON FARM, LEESBURG

Cannery
Snow Fence

STATE HOSPITAL, TRENTON

Occupational Therapy
(Brush and Weaving)

During the year, operations were discontinued at Totowa due to the lack of working patients. Instructresses could not be reassigned due to lack of available jobs and it was necessary to terminate them, but the production of the shop was absorbed by Rahway and Clinton and a minimum of work had to be released.

The shops furnished 1298 full-time jobs; 1121 penal and correctional (about 28% of the population) and 177 in the patient category. Average annual output per penal and correctional job rose 3% to \$1926.69; per patient, each job produced \$908.02 gross sales, an increase of 18%. Including turnover, a total of 2585 inmates were trained for an average of 2 inmates for each job, unchanged from last year.

New Jersey still retained its position among states operating under a State Use Law, being eighth in output of its correctional industries and higher than any other state in diversification.

Total sales were \$2,320,542.97 substantially unchanged from last year. Net Operating Income Before Non-State Use Charges amounted to \$77,944.35 or 3.36% and Net Earnings After Non-State Use Charges of \$21,652.14 were \$56,292.21 or 2.42% of sales.

It is a pleasure to report that the Non-State Use Charges showed a substantial decrease for the fourth consecutive year; comparison is as follows:

<u>Fiscal Year</u>	<u>Non-State Use Charges</u>	<u>Percent of Sales</u>
1953 - 1954	\$132,113.49	5.2%
1954 - 1955	50,416.35	2.1%
1955 - 1956	46,898.63	2.0%
1956 - 1957	21,652.14	.9%

Few outstanding situations affecting the industries arose during the year. The canning season was an unusually busy one with production reaching approximately 394,477 #10 cans or equivalent, approximately 25% above a normal year. The Auto Tag Shop operated on a reduced basis making plates as replacements with total sales of about \$262,000 approximately \$48,000 below last year and lower than any year since the permanent style plate was adopted in 1952.

The consolidation of the two shoe shops into one has proved to be a successful move from the standpoint of economy, training, quality and deliveries. For the first time in many years, this industry operated above the break-even point. Other advantages of the move include a reduced inventory of materials and a suitable reduction in equipment rentals.

In July, 1956, a furniture salvage and repair shop was started at Rahway and operated successfully during the year. Substantial economies are realized in this type of operation, which also affords good training opportunities for about 25 inmates who would otherwise be idle. Much of the reconditioned furniture comes out nearly as good as new at about one-third of the price of replacement. One job in particular may be mentioned; Marlboro had 2,000 beds in poor condition and these are being refinished for \$6.00 each or less than 25% of the cost of a new unit.

STATISTICS

Later in 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

Many of our potential markets still remain undeveloped. The Department of Institutions and Agencies continued to be the largest user of State Use products, taking 79.1% of the total sales. Sales to other State Departments were 18.8% of total sales, while sales to counties and local government comprised the balance of 2.1%. It is in this latter field that a great deal more attention is needed.

The latest figures from the Bureau of Social Research show county hospitals have more than 6700 patients, about 25% of the total 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 3 1/2 calls to counties and municipalities. The new catalogue is in the final stages with printing scheduled to start early in 1958. Products were exhibited at the State Fair, the Welfare Council conference and the Freeholders' convention.

Total sales effort continued to benefit from the policy of working closely with the Purchasing Department, which has been of much assistance in aiding us to reach and expand our markets, develop specifications and improve the flow of raw materials. Plans for the future still include developing reliable sales forecasts as an essential guide to planned improvement of the industries.

INMATE WAGES

Operating expense included payments to inmates in the amount of \$53,458.51 or 2.3% of gross sales, up slightly from last year. The average daily pay for inmates in the Prison and Rahway was slightly less than 25¢ with approximately 65% of all jobs on the basis of job evaluation.

Average hours worked per week were 26 1/4 at the Prison and Rahway, 35 hours at Clinton, 34 hours at Bordentown and 35 hours at Annandale and Leesburg.

VOCATIONAL TRAINING

In June, the Union Printers' League assisted us in obtaining a printing instructor. This cooperation is evidence of the improved relationship existing between the League and the Department and, as near as can be discovered, constitutes a "first" in this particular field. The instructor will commence application of the vocational training course after a suitable indoctrination period.

Installation of a shop at Bordentown for salvage and repair of valves and the rebuilding of small mechanical equipment for the institutions was delayed during the year primarily because of the lack of suitable

shop space. Two outside groups are interested in seeing this project develop and, in March, conferences were held with the Employers' Association of North Jersey relative to establishing a list of the kind of skills they are looking for so that our training, when started, can progress along appropriate lines.

CAPITAL BUDGETS

Last year, the Bureau's requests for shop space, through the institutional budgets, were not successful. These requests will be resubmitted as the buildings in question will provide jobs for at least 80 inmates now idle. The entire matter of capital investment was examined thoroughly in connection with the survey by the Taxpayers' Association and studies for future development were undertaken. The need for raising capital for necessary improvements is urgent.

MODERNIZATION CAPITAL EXPENSE

During the year, the program of modernizing the several shops was continued to the extent our limited funds would permit.

All shoemaking equipment with the exception of two new units were changed from leased status to wholly owned; the expense of this move was \$12,300.00, but savings of nearly \$2,000 a year in rentals will be realized.

Two new Draper towel looms and two good used looms were obtained to improve the quality and output of our Textile industry at a cost of \$6,400.00; five old looms were scrapped.

New sheet metal working equipment was purchased at a cost of \$5,750 to replace obsolete and badly worn units as well as afford more modern type training.

GENERAL COMMENTS

In February, the first audit in 25 years was made of the affairs of the Bureau and all accounts were found to be in order; five recommendations were made that were studied and either complied with or now in the process of accomplishment within our limited resources.

In March, four motor vehicles owned and operated by the Bureau were placed in a Central Office car pool and the Bureau reimbursed for the undepreciated value of the equipment.

DEPARTMENT OF INSTITUTIONS & AGENCIES

BUUREAU OF STATE USE INDUSTRIES

BALANCE SHEET - JUNE 30, 1957

Current Assets

Cash	1,200.00	
Revolving Fund	30.94	
Accounts Receivable	<u>103,920.94</u>	
		105,151.88

Inventories

Material & Supplies	580,561.20	
Finished Products	220,813.36	
Work in Process	<u>179,374.72</u>	
		<u>980,749.28</u>

Total Current Assets		1,085,901.16
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Fixed Assets

Machinery & Equipment	783,168.17	
Less: Depreciation	<u>601,800.52</u>	
		181,367.65

Prepaid Charges

Prepaid Charges on Leased Machinery	1,520.02	
Prepaid Insurance	<u>17,356.81</u>	
		<u>18,876.83</u>
Total Assets		<u>1,286,145.64</u>

Less:

Current Liabilities

Accounts Payable		<u>325,688.23</u>
Net Worth June 30, 1957		<u>960,457.41</u>

Analysis of Net Worth

Net Worth June 30, 1956 (Adjusted)	904,165.20	
Add: Net Earnings Before Non-State Use Charges	<u>77,944.35</u>	
		982,109.55
Less: Non-State Use Charges June 30, 1957		<u>21,652.14</u>
Net Worth June 30, 1957		<u>960,457.41</u>

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE INDUSTRIES

OPERATIONAL STATEMENT

FISCAL YEAR ENDING JUNE 30, 1957

SALES		2,320,542.97
<u>Cost of Sales</u>		
Material & Supplies Used	1,507,321.72	
Less: Increase Finished Products & Work in Process Inventories	85,217.37	
	<u>1,422,104.35</u>	
<u>Cost of Operations</u>		
Salaries & Wages for Instructors, etc.	354,210.42	
Correction Officers	70,570.27	
Adm., Clerical, etc.	112,670.79	
Inmates Wages	<u>53,458.51</u>	
	590,909.99	
<u>Industrial Expense</u>		
Freight and Cartage	17,953.51	
Light, Heat and Power	41,434.78	
Repairs & Repair Parts	38,330.98	
Depreciation	37,901.13	
Leased Machinery (Rent and Royalties)	<u>3,521.97</u>	
	139,142.37	
<u>Administrative & Miscellaneous Expense</u>		
Insurance	8,483.62	
Stationery & Printing	5,299.77	
Telephone & Telegraph	3,770.41	
Pension Fund and S.S.	37,940.89	
Miscellaneous	<u>42,613.62</u>	
	98,108.31	
Total Cost of Operation		<u>2,250,265.02</u>
Earnings from Operation		70,277.95
Add: Discounts Earned		<u>7,666.40</u>
Net Earnings Before Non-State Use Charges		77,944.35
Less: Non-State Use Charges June 30, 1957		<u>21,652.14</u>
Net Earnings After Non-State Use Charges		<u>56,292.21</u>

DEPARTMENT OF INSTITUTIONS & AGENCIES

BUREAU OF STATE USE INDUSTRIES

SCHEDULE OF NON-STATE USE CHARGES

AT JUNE 30, 1957

Food furnished to Leesburg Farm	18,989.85	
Less: Credit from Farm operation	<u>8,533.38</u>	
		10,456.47
Salaries, printing and supplies (Welfare Reporter)		<u>11,195.67</u>
Total Non-State Use Charges		<u>21,652.14</u>

SUDIA SALES DOLLAR

	<u>FISCAL YEAR 1956</u>		<u>FISCAL YEAR 1957</u>	
	<u>Amount</u>	<u>Percent Of Sales</u>	<u>Amount</u>	<u>Percent Of Sales</u>
Materials and Supplies*	\$1,420,948	60.8	\$1,422,104	61.2
Instructor Salaries	345,058	14.8	354,210	15.2
Guard Salaries	67,213	2.9	70,570	3.2
Administrative Salaries	109,535	4.7	112,670	4.8
(Total Salaries)	(521,806)	(22.4)	(537,451)	(23.2)
Inmate Wages	52,169	2.2	53,458	2.3
Industrial Expense	146,802	6.3	139,142	6.0
Administrative and Other Expense	96,628	4.2	98,108	4.2
Discounts Earned	-6,438	-.3	-7,666	-.3
Charges Against State Use Industries for Non-State Use Charges**	46,899	2.0	21,652	.9
Net Earnings After Non- State Use Charges	57,030	2.4	56,292	2.4
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TOTAL SALES	\$2,335,844	100.0	\$2,320,542	100.0

* After inventory adjustment.

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

FISCAL YEAR ENDING JUNE 30, 1957

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE INDUSTRIES

SCHEDULE OF SALES AND NUMBER OF EMPLOYEES AND INMATES

<u>Institutions and Industries</u>	<u>Sales</u>	<u>Outside Instructors, Etc.</u>	<u>Labor Correction Officers</u>	<u>Monthly Average</u>	<u>Inmate Labor Total Trained During Year</u>
<u>N.J. STATE PRISON</u>					
Auto Tag	\$261,764.92	3	1	91	163
Bakery	56,387.44	1	-	13	33
Clothing	156,949.46	3	-	114	193
Coffee Roasting Machine	108,362.54	-	-	5	7
	3,528.41	1	1	11	24
Mattress and Upholstery	84,345.68	2	2	41	85
Office		3	3	9	22
Printing	39,576.30	5	2	29	55
Shoe Manufacturing	1,586.04	-	-	-	-
Storeroom		1	1	5	13
Trucking		2	-	-	-
Woodworking	64,423.22	4	2	41	83
Total	\$776,923.81	25	12	364	678
<u>N.J. STATE PRISON FARM, RAHWAY</u>					
Clothing	\$ 58,269.12	3	1	63	117
Foundry	46,326.00	2	-	43	119
Machine & Beds	33,260.48	2	-	39	85
Office & Storeroom		4	-	24	43
Paint		1	-	17	27
Printing	61,504.23	2	-	24	32
Shoe Manufacturing	92,375.04	4	-	78	125
Textile	149,658.31	2	1	79	115
Trucking		2	-	1	2
Woodworking	35,874.16	3	-	57	113
Total	\$477,267.34	25	2	425	778
<u>VINELAND STATE SCHOOL</u>					
Coffee Roasting	\$ 29,045.10			2	2
Knitting	55,394.00	4	-	19	19
Laundry	15,252.21	3	-	16	16
Total	\$ 99,691.31	7	-	37	37
<u>NORTH JERSEY TRAINING SCHOOL</u>					
Clothing	\$ 41,256.05	4		25	37
<u>N.J. REFORMATORY FOR WOMEN, CLINTON</u>					
Clothing	\$105,974.65	7		38	176

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE INDUSTRIES

SCHEDULE OF SALES AND NUMBER OF EMPLOYEES & INMATES

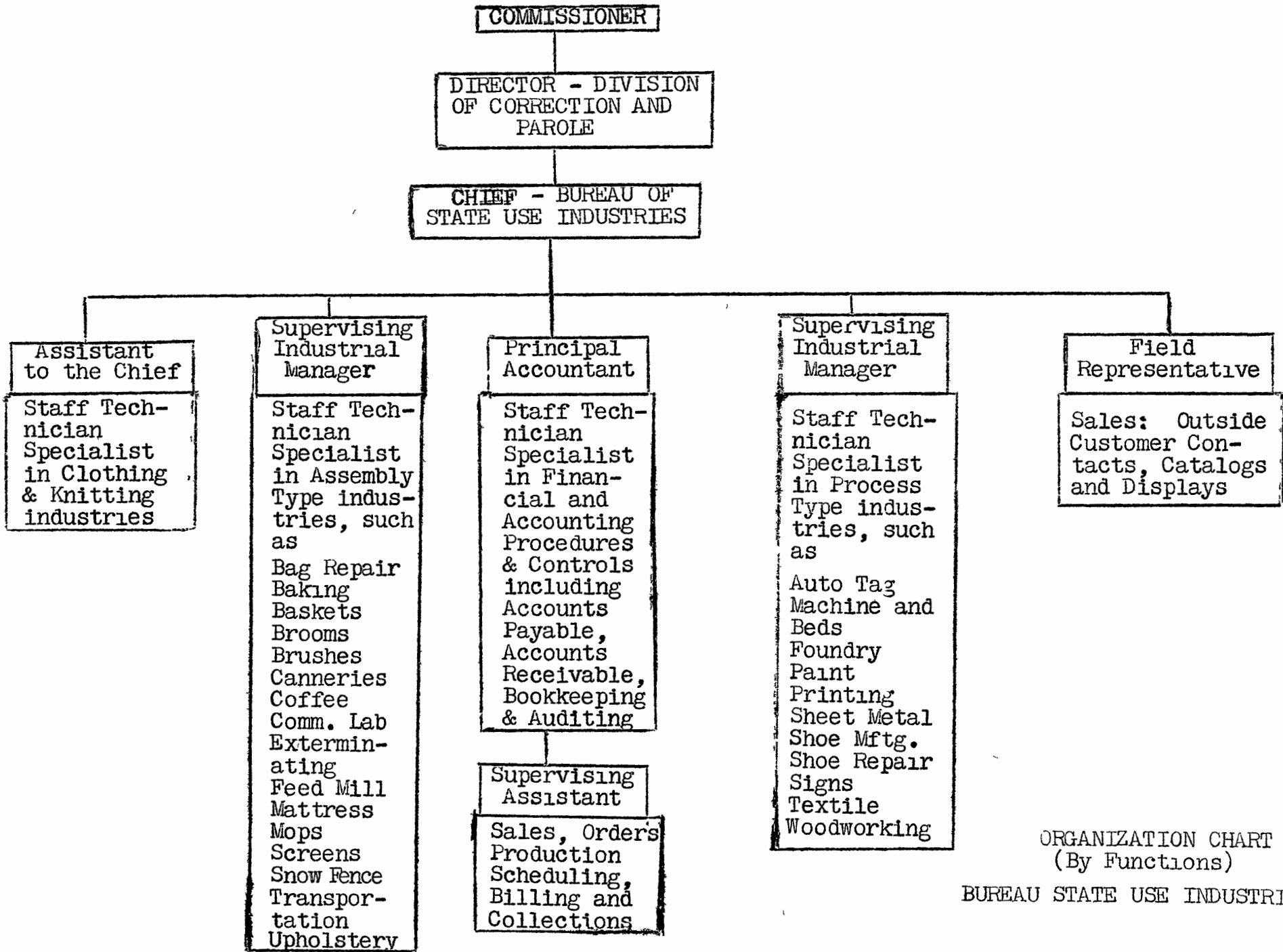
FISCAL YEAR ENDED JUNE 30, 1957

<u>Institutions and Industries</u>	<u>Sales</u>	<u>Outside Instruc-tors, Etc.</u>	<u>Labor Cor-rection Officers</u>	<u>Inmate Labor</u>	
				<u>Monthly Average</u>	<u>Total Trained During Year</u>
<u>N. J. REFORMATORY, ANNANDALE</u>					
Bag	\$ 3,192.00	-	-	2	10
Basket Making and Screens	13,623.80	-	-	12	36
Cannery	77,092.66	3	-	37	125
Feed Mill	315,300.53	2	-	24	81
Printing	21,358.37	1	-	7	27
Shoe Repair	5,325.86	1	-	10	29
Total	\$440,394.22	7	-	92	308
<u>N. J. REFORMATORY, BORDENTOWN</u>					
Broom	\$ 15,790.89	1	-	8	11
Commercial Loo.	33,988.39	1	-	8	30
Exterminating	5,448.00	1	-	-	-
Mops	11,415.13	-	-	9	11
Office		1	1	-	-
Sheet Metal	20,002.17	1	-	57	83
Shoe Repair	7,197.97	-	-	41	61
Soap	135,066.44	-	1	23	107
Total	\$228,908.99	7	2	151	303
<u>N. J. STATE PRISON FARM, LEESBURG</u>					
Cannery	\$103,290.87	2	1	43	125
Snow Fence	26,563.00	-	-	8	8
Total	\$129,853.87	2	1	51	133
<u>N. J. STATE HOSPITAL, TRENTON</u>					
Occupational Therapy	\$ 19,772.73	-	-	115	135
<u>CENTRAL OFFICE</u>					
		30			
<u>Total</u>	<u>\$2,320,542.97</u>	<u>114</u>	<u>17</u>	<u>1298</u>	<u>2585</u>

ACCOMPLISHMENTS - FISCAL YEAR 1956-57

This partial list of the items made in the several shops gives some indication of the total annual contribution of the industrial program

License plates and insert tabs.....	2,431,076	units
Clothing items.....	146,150	units
Printing.....	15,483,613	impressions
Shoe Repairing.....	10,388	pairs
Shoes and Slippers Manufactured.....	26,971	pairs
Mattress and Upholstery.....	6,055	units
Wooden Furniture.....	6,718	units
	4,469	bed plugs
Textiles.....	179,964	yards
Machine and Bed.....	7,253	units
Mixed Feeds.....	4,033.85	tons
Burlap Bag Salvage.....	77,512	units
Baskets and Screens.....	26,870	units
Bread and Rolls.....	703,598	pounds
Coffee Roasted.....	176,884	pounds
Laundry Processed.....	567,331	pounds
Brushes Manufactured.....	41,252	each
Brooms and Mops.....	28,676	each
Disinfectants and Cleaning Products.....	23,570	gallons
Sheet Metal items.....	9,696	units
Soap Products.....	1,087,693	pounds
Snow Fence.....	100,300	feet
Knit Socks and Underwear.....	12,537	dozen
Canneries.....	394,477	#10 cans or equivalent
Foundry.....	5,504	pieces or 126 tons



ORGANIZATION CHART
(By Functions)
BUREAU STATE USE INDUSTRIES