

974 901

588

Copy 3

PROPERTY OF
NEW JERSEY STATE LIBRARY

OCT 10 1967

185 W State Street
Trenton, N J

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

ANNUAL REPORT
of the
BUREAU OF STATE USE INDUSTRIES
Fiscal Year
1966-1967

160 Third Street, Trenton, New Jersey

New Jersey State Library

ANNUAL REPORT BUREAU OF STATE USE INDUSTRIES 1966-1967

August 1967

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, 1967.

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 to the tax supported institutions and agencies at State, County and Municipal level. Other customers are the several authorities such as the Turnpike, Garden State Parkway, and the Bridge and Basin Commissions.

ADMINISTRATION

In the past fiscal year the major problems of rising costs of materials, salaries, equipment and services continued unchanged. There has been some relief in the textile shortages which reached a peak about 15 months ago. The delivery situation has eased slightly and there have been small price decreases in certain of the textiles which were previously high and hard to procure.

The general price increase of 1966 has moved a number of the industries slightly above the break-even point. Capital improvements were again held to a minimum of about \$9000.00.

Improvements continued in the program areas of inventory control, procurement, material and products standards, distribution and quality control. In the distribution field, arrangements were made for small shipments to remote points to be handled by United Parcel Service bringing about more immediate deliveries to the Using Agencies with improved customer satisfaction.

We note that the State Standards Committees, particularly Clothing and Household, were inactive during this fiscal year. We feel there are advantages to the Bureau in the activities of these committees and it is hoped they will be reactivated.

ORGANIZATION

Twenty-six shops were operated during the year accommodating thirty-six different types of industries in six institutions. At the close of the year the Bureau had 106 budgeted salary positions authorized and 95 filled. At the close of this fiscal year, a new shop is being equipped in the Yepsen Unit at Johnstone which will soon commence operations in a modest way.

Sixty-four instructors and other operating personnel were employed in the shops, ten correction officers are still on our payroll and Central Office had 21 employees.

Central Office Staff members made 628 institutional visits and other field contacts and the Field Representative made 156 calls

to the Using Agencies and also worked at five conventions and meetings. The Field Representative job was unfilled for 7 months with consequent relaxation of the county sales program. The staff traveled 32,729 miles during the year.

DISTRIBUTION

The Bureau operated four trucks a total of 55,726 miles for the delivery of products and purchased contract services amounting to \$21,426.00 to assist in the movement of about 7500 tons of products.

STATE USE ADVISORY COUNCIL

The Council continued to render valuable service to the operations during the year. Assistance in Public Relations and contacts with freeholders, sheriffs, wardens and municipal officials should be particularly valuable. There were no crises or unusual situations in which the Council was called upon for special assistance.

Council members are 10 in number with the addition of Robert Prull of Jamesburg who represents Management and who was appointed in January, 1967.

The Council members at the present time:

Chairman - Mrs. Maxwell Barus, Montclair - Representing the public

Burnwell B. Banks, Orange - Training and Personnel

Bradford Cochran, Far Hills - Finance

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

Malcolm Kirkpatrick, Jamesburg - Management

Jack Lamping, Toms River - Public Relations

Robert J. Laird, Bloomingdale - Labor (C.I.O.)

Norman Mallor, N. Caldwell - Retailing

Herman Tublitz, S. Orange - Management

Robert Prull, Jamesburg - Management

The Council met five times during the year in October, November 1966 and in January, March and May 1967.

INDUSTRIAL INFORMATION

Shops of the Bureau

State Prison, Trenton

Auto Tag
Bakery
Clothing
Knitting
Machine Shop
Mattress
Printing
Upholstery

State Prison Farm, Rahway

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

Reformatory, Bordentown

Brooms
Commercial Laboratory
Metal Furniture
Mops
Salvage & Repair
Sheet Metal & Screen
Soap

Reformatory, Annandale

Bags & Baskets
Cannery
Feed Mill
Shoe Repair
Snow Fence

Reformatory for Women, Clinton

Clothing

State Hospital, Trenton

Occupational Therapy
(brush and weaving)

EMPLOYMENT

The shops furnished a 1000 full time jobs, slightly more than last year. 885 of these jobs were in the penal and correctional institutions and included about 22.1% of the inside inmate population. 115 patients were assigned to the detail of the Brush and Weaving Shop at the Trenton State Hospital for occupational therapy purposes.

The average annual output in sales per penal and correctional job was about \$2783.00 this year, up approximately 6% from last year. The turnover rates in the several shops continued to pose a large training problem as 2477 inmates were assigned during the year to fill the 885 jobs. This represents an average of 3.3 inmates for each job, up 10% from last years' figure of 3.0. The turnover rates for the several institutions compared with last years figures are shown below.

	<u>Average Jobs</u>		<u>Inmates Assigned During Year</u>		<u>Average Inmates Per Job</u>	
	<u>66</u>	<u>67</u>	<u>66</u>	<u>67</u>	<u>66</u>	<u>67</u>
Prison	344	355	578	641	1.7	1.8
Rahway	250	249	686	666	2.7	2.7
Borden- town	109	103	561	574	5.1	5.6
Annan- dale	133	132	401	459	3.	3.5
Clinton	<u>52</u>	<u>46</u>	<u>122</u>	<u>137</u>	<u>2.3</u>	<u>3.0</u>
Total	<u>888</u>	<u>885</u>	<u>2348</u>	<u>2477</u>	<u>3.0</u>	<u>3.3</u>

STATISTICS

The Balance Sheet and Operating Statement will be supplied in September as final results of the years' work must wait until inventory is priced and extended. Physical inventory as required by statute was taken this year on the last two working days of June.

SALES

Preliminary estimates indicate sales volume will be approximately \$2,328,808.88 about .67% above last years \$2,313,189.00. Dis-

tribution of sales was 73.5 to Institutions and Agencies; 19.8 to other State Departments and 6.7 to Counties and Municipalities. Last year the figures were 74, 20 and 6.

INMATE WAGES

Inmate wages are paid per Administrative Order 1:21-4 July 1, 1963.

For the Prison and its branches rates were 21¢ 25¢ 30¢ 35¢ and 43¢ per day; at Clinton Reformatory the rates were 21¢ 25¢ and 30¢ per day; and at Annandale and Bordentown the ranges were 16¢ 18¢ 20¢ a day. The total wages paid to inmates were \$59,183.20 down 2-1/2% from last year.

Average daily wage at Prison and Rahway remained at 33¢ with majority of the jobs on evaluation. Average working hours remained substantially unchanged from previous years, being 25-1/2 hours per week at the Prison and Rahway; 35 at Clinton, Annandale and Bordentown.

AUDIT

There was no audit of the Bureau accounts this year. The recommendations of the audit of April 30, 1965 have been complied with or are in process of completion.

CONTRACT SECTION OPERATIONS

Planning for the new Yardville Youth Reception and Correction Center has been completed for about two years. Early in the fiscal year work was started on manufacturing cell lockers and desks, built in bunks and inmates cafeteria tables on contracts of approximately \$145,000.00. At the close of the fiscal year the work was practically complete. Due to delay in the completion of the new institution this Bureau was not able to take advantage of the agreed on arrangement whereby installation would be accomplished by means of force account labor and it became necessary to employ a sub-contractor with subsequent escalation of estimated installation figures. This added cost is a matter of large concern. Ironworkers, for example, were being paid about \$5.95 per hour basic rate plus fringes in 1965 when the work was expected to be done. Their wages and benefits are up to \$6.794 as of July 1, 1967. This alone would be cause for concern regarding the financial position of the contracts however when the cost loading of the sub-contractor is added, the increase is one which cannot be the sole responsibility of this Bureau. It is estimated that our installation costs have gone up at least 40% over the basic estimate and it is our intention to claim the excess cost as an extra.

Plans proceeded during the year for the equipping of the three shops at Yardville also establishment of markets, development of products and other steps necessary to bring these shops into being as effective training units.

New Leesburg

During the year construction started on phase one of the new medium security prison; Bureau plans are under way for installation of a new Clothing Shop when completed. Long range industrial plans for Phase 2 are also under way including moving the Auto Tag Shop into new quarters with new equipment.

April

During this month service pins representing more than 80 years of State service were presented to six employees in the Bureau Central Office.

Department of Health representatives visited the Soap Shop on the 27 to check on occupational disease hazards.

May

Standard catalogue equipment for Yardville is filling up the shops. A storeroom was prepared and large shipments of beds, mattresses and furniture have been stored at the site. Unloading is accomplished by the sub-contractor who is installing our contract material in this new institution. The expense is in excess of \$80.00 per truckload.

June

Year end physical inventory was taken; new orders are on hand for the July to December ordering period; many shipments are being made from stock.

During the last three days of June the Chief attended the Management Training Seminar for Superintendents and Bureau Chiefs at Cherry Hill.

No report of this nature would be complete without acknowledgment by the writer of the continued assistance and understanding cooperation of the Director's office and also for the individual contributions of the members of the hard working team which constitute the State Use organization in the institutions and in the Central Office. The State Use Advisory Council, now in its 15th year of existence, provided invaluable counsel and guidance in matters relating to the continued progress of the industrial work program.

DEPARTMENT OF INSTITUTIONS AND AGENCIES
BUREAU OF STATE USE INDUSTRIES

Balance Sheet at June 30, 1967

Balance Sheet at June 30, 1966

ASSETS

Current Assets:

Cash	\$	175.00
Revolving Fund (Unencumbered Balance)		79,474.50
Encumbrances for open Purchase Orders for Matls. & etc. not delivered by 6-30-67 (See Attached Schedule)		102,892.06
Accounts Receivable		<u>105,114.99</u>

287,656.55

Cash	\$	175.00
Revolving Fund (Unencumbered Balance)		84,490.72
Encumbrances for open Purchase Orders for Matls. & etc. not delivered by 6-30-66 (See Attached Schedule)		176,399.83
Accounts Receivable		<u>78,417.02</u>

339,482.57

Inventories:

Material & Supplies	598,496.84
Finished Products	506,919.10
Work in Process	<u>175,526.40</u>

1,280,942.34
1,568,598.89

Material & Supplies	574,442.49
Finished Products	370,614.43
Work in Process	<u>170,777.53</u>

1,115,834.45
1,455,317.02

Total Current Assets

Fixed Assets:

Machinery & Equipment	985,423.18
Less: Depreciation	<u>823,073.14</u>

162,350.04

Machinery & Equipment	976,583.56
Less: Depreciation	<u>788,777.55</u>

187,806.01

TOTAL ASSETS

\$1,730,948.93

\$1,643,123.03

LIABILITIES

Current Liabilities

Accounts Payable	\$	28,441.12
Total Current Liabilities		28,441.12

Accounts Payable	\$	48,564.64
------------------	----	-----------

48,564.64

Net Worth 6-30-66

1,594,558.39

1,509,300.87

Adjustments to Capital & Surplus

- 4,293.77

-Adj. o

- 754.85

Balance Sheet at June 30, 1967

Net Worth 6-30-66 (adjusted)	\$1,590,254.62	
ADD: Net Profit	<u>112,243.19</u>	
Capital & Surplus 6-30-67		1,702,507.81
		<hr/>
TOTAL Liabilities and Capital		<u><u>\$1,730,948.93</u></u>

Balance Sheet at June 30, 1966

	\$1,508,546.02	
Profit	<u>86,012.37</u>	
		1,594,558.39
		<hr/>
		<u><u>\$1,643,123.03</u></u>

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE INDUSTRIES

OPERATIONAL STATEMENT

Fiscal Year Ending June 30, 1967

Fiscal Year Ending June 30, 1966

SALES		2,328,808.88		2,313,189.00
COST OF GOODS SOLD:				
Material & Supplies Used	1,434,568.17		1,349,192.74	
--: Decrease Finished Products & Work in Process Inventories	<u>142,124.23</u>		Decrease: <u>45,544.47</u>	
COST OF GOODS SOLD		<u>1,292,443.94</u>		<u>1,303,648.27</u>
GROSS PROFIT ON SALES		1,036,364.94		1,009,540.73
OPERATING EXPENSES:				
Salaries & Wages:				
Instructors, etc.	469,545.77		447,338.02	
Correction Officers	73,872.23		69,367.23	
Administrative, Clerical, etc.	136,347.72		132,751.38	
Inmate Wages	<u>59,183.20</u>		<u>60,619.28</u>	
	738,948.92		710,075.91	
INDUSTRIAL EXPENSE:				
Freight & Cartage	21,434.55		20,445.17	
Light, Heat, Power, Gas & Water	25,695.92		37,195.34	
Repair & Repair Parts	37,100.37		31,460.05	
Depreciation	35,127.85		34,053.28	
Rents & Royalties				
Machinery & Equipment	<u>382.50</u>		<u>770.00</u>	
	119,741.19		123,923.84	

OPERATIONAL STATEMENT

Fiscal Year Ending June 30, 1967

Fiscal Year Ending June 30, 1966

INDIRECT & MISC. EXPENSE:

Insurance	-----
Stationery & Printing	3,048.70
Telephone & Telegraph	3,246.67
Compensation Awards	-----
Pension Fund	27,435.25
Social Security	13,357.02
Health Benefits	3,658.56
Miscellaneous Expense	<u>22,672.24</u>

73,418.44

914.01
4,629.47
3,838.05
1,014.66
27,223.27
11,652.86
7,340.53
<u>39,080.36</u>

95,693.21

Total Operating Expenses
Net Profit From Operations
Add: Discount Earned
Net Profit

<u>932,108.55</u>
<u>107,256.39</u>
<u>7,986.80</u>
<u>112,243.19</u>

Profit

<u>929,692.96</u>
<u>79,847.77</u>
<u>6,164.60</u>
<u>86,012.37</u>

F.Y. Ending June 30, 1967

DEPARTMENT OF INSTITUTIONS AND AGENCIES
 BUREAU OF STATE USE INDUSTRIES
ANALYSIS OF SALES AND DISTRIBUTION OF LABOR

<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	\$281,857.70	3	1	78	115
Bakery	57,098.28	1	-	35	48
Clothing	255,669.33	5	2	116	199
Knitting	19,269.30	1	-	16	29
Machine	5,901.07	1	1	10	16
Mattress & Upholstery	96,702.31	2	1	40	82
Office	-----	2	1	7	30
Printing	153,180.01	4	1	35	88
Storeroom	-----	1	1	11	34
Trucking	-----	3	-	-	-
Total	<u>\$869,678.00</u>	<u>23</u>	<u>8</u>	<u>355</u>	<u>641</u>
<u>N.J. State Prison Farm, Rahway</u>					
Clothing	\$121,927.25	3	1	60	164
Machine & Beds	114,308.52	2	-	15	52
Miscellaneous Manufacturing	34,577.44	1	-	6	26
Off. Storeroom	-----	4	-	26	70
Paint	63,229.69	1	-	16	35
Shoe Manufacturing	89,595.26	3	-	50	92
Textile	84,868.55	2	-	41	106
Trucking	-----	1	-	-	2
Woodworking	54,489.88	3	-	35	119
Total	<u>\$562,996.59</u>	<u>20</u>	<u>1</u>	<u>249</u>	<u>666</u>
<u>N.J. Reformatory, Clinton</u>					
Clothing	\$114,414.25	4	-	46	137

ANALYSIS OF SALES AND DISTRIBUTION OF LABOR

<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, Annandale</u>						
Bag	\$ 12,592.83	-	-	3	10	
Basket Making	2,964.88	-	-	7	10	
Cannery	47,624.97	2	-	57	212	
Feed Mill	378,737.33	3	-	33	161	
Shoe Repair	9,162.36	1	-	10	40	
Snow Fence	43,257.94	1	-	22	26	
Total	<u>\$494,340.31</u>	<u>7</u>	<u>-</u>	<u>132</u>	<u>459</u>	
<u>N. J. Reformatory, Bordentown</u>						
Broom Manufacturing	9,414.61	1	-	9	17	
Commercial Laboratory	26,063.25	1	-	5	35	
Metal Furniture	68,244.11	2	-	30	46	
Mops	16,369.60	-	-	3	5	
Office	-----	2	-	-	-	
Salvage & Repair	-----	1	-	-	-	
Sheet Metal	32,527.19	2	-	29	64	
Soap	110,170.35	1	1	27	224	
Total	<u>\$262,789.11</u>	<u>10</u>	<u>1</u>	<u>103</u>	<u>374</u>	
<u>N. J. State Hospital, Trenton</u>						
Occupational Therapy	Total	\$24,590.62	-	-	115	183
Central Office		-----	21	-	-	-
Total	<u>\$2,328,808.88</u>	<u>85</u>	<u>10</u>	<u>1000</u>	<u>2348</u>	