

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
1955 - 1956

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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 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 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 BOARD OF CONTROL
of the
NEW JERSEY STATE DEPARTMENT OF
INSTITUTIONS AND AGENCIES

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FRANK E. WALSH, President	Newark
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Commissioner
JOHN W. TRAMBURG

Director of Correction & Parole
F. LOVELL BIXBY, Ph.D.

STATE USE ADVISORY COUNCIL

MRS. MAXWELL BARUS, Chairman, representing the Public-
Montclair
DR. BENJAMIN W. P. ALLET, Vice Chairman, representing the
Clergy - Cranford
CHARLES M. JONES, representing Management - Trenton
FRANK LYLE, representing the A.F.L.-C.I.O. - Hoboken
FRANK SMITH, representing Agriculture - Allentown
WAYNE McMURRAY, representing the Press - Asbury Park
JOSEPH W. BECK, representing Management - South Orange
BRADFORD COCHRAN, representing Finance - Newark
WILLIAM DUNHAM, representing the A.F.L.-C.I.O. - New
Brunswick

Chief, Bureau of State Use Industries

JOHN C. BONNELL

To: Dr. F. Lovell Bixby, Director
Division of Correction and Parole

Sir:

We have the honor of submitting a report on progress of the Bureau of State Use Industries and the condition of its funds for the Fiscal Year 1955-56.

Activities of this Bureau of your Division are to furnish employment in productive occupations for the inmates of penal, correctional and training institutions. We deal primarily with prisoners and the 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. Although shop buildings are usually furnished by the institutions, 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 income. Savings to the taxpayers from the work of the Bureau amounted to \$629,000 this year, however, 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 now more than 250 idle prisoners 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

At the close of the Fiscal Year the organization had 142 positions authorized and 124 positions filled. Retirements were especially heavy this year and a number of key individuals left the service by this method. Especially missed are Assistant Chief, Leo A. Bannon and Assistant Chief, Richard W. Wills. Others were a Shoe Shop instructor from Rahway and four instructresses from Sewing Industries at Clinton and Totowa.

On February 17 the State Board of Control adopted a resolution placing under the institutional superintendent's line responsibility for the operation of the shops. Following this adjustment, the functions of the Central Office staff were re-aligned as per the organization chart accompanying this report, the Bureau's responsibility for all technical matters involving the shops, all financial matters, job specifications, sales and other customer relationships have remained unchanged.

STATE USE ADVISORY COUNCIL

During the year Mr. Bradford Cochran of Newark accepted membership on the Council and brought to us wide experience in the field of finance. The Council which now has nine members per the original plan contributed greatly to the success of the operations of the Bureau during the year.

The group met eight times in the months of October, December, January, February, March, April, May and June. In addition to the above, committees met on the subject of finances and special surveys; also, held informative meetings with the Assembly Standing Reference Committee on Institutions, Public Health and Welfare, the Senate Standing Committee on Institutions, Public Health and Welfare and the Senate Standing Committee on Labor and Industrial Relations.

Probably the two most outstanding contributions of the Council to the affairs of the Bureau and the Department of Institutions and Agencies was in public relations and in the case of the Printing Bills. In the latter instance six bills were introduced to curtail the activities of the Bureau. The Council was instrumental in starting a campaign of public education, which in conjunction with several other developments and arrangements resulted in the printers sitting down with us in an honest effort to solve mutual problems. The joint effort has been successful up to this point and the Printing Bills were withdrawn.

INDUSTRIAL PRODUCTION

Sales to State Agencies	\$2,335,844.05
Administrative Expenses	119,010.66
Net Return	103,928.70
Daily Inmate Employment	1,374
Wages Paid to Inmates	52,168.61
Number of Shops and other operations	39
Number of Institutions with State Use Industries	9

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

The shops were located in 9 institutions and provided full time employment for 1,374 inmates. 1160 of these jobs represent approximately 28.3% of the penal and correctional population and 214 of the full-time jobs were in shops in the mental institutions. The average production per full-time job in the penal and correctional group was \$1,853.33 and \$869.08 for the other shops.

National Figures show that among those states operating under a State Use Law, New Jersey is the eighth state in output of its correctional industries, and among the top 3 states in diversification of industries.

Several specific situations arose during the year which deserve mention in this report. First, the Auto Tag Shop at the State Prison commenced production of a black on straw, 6" x 12", plate bearing the message "Garden State" with orders for 5,000,000 units. On March 5 after 300,000 of these new issue plates were made, the Legislature denied our customer the appropriation to buy the issue and the shop had to be stopped and placed on a stand-by basis almost overnight. This was a very costly proceeding in addition to being destructive to morale. Production of any kind of license was not resumed until early June, with the former orange on black colors being used on the 6" x 12" plate.

Second, with the co-operation of the institutions, a furniture salvage and repair operation was planned for installation at Rahway in order to absorb some of the idle population. This type of shop gives prisoners an unusual opportunity to contribute much in the terms of services.

SALES AND DISTRIBUTION

This vital part of the entire State Use operation is still handicapped in several respects. The Field Representative is working as actively as possible with certain counties and municipalities and has helped sales enough to justify his salary, however, much more development is required.

Products were displayed at the State Fair, N. J. Welfare Council, N. J. League of Municipalities and Freeholders' Convention. The Purchasing Department has aided us considerably in reaching our markets. There is still much to be done with respect to market surveys and overall sales forecasting.

INMATE WAGES

Payments to inmates amounted to \$52,168. More than 62% of all jobs were in shops where pay is established on the basis of job evaluation.

At the Prison and Rahway the average daily pay in the industries was 24¢.

VOCATIONAL TRAINING

The formal Vocational Training Program written for the printing activities and scheduled for installation at the Prison was not installed during the year due to developments in relationship with the Union Printers' League. This group has expressed an interest in co-operating with our vocational training work. However, they have been unable to proceed pending the evaluation of the results of the recent inspections of our shops.

Shortly before the close of this fiscal year, the spokesman for a group of employers in North Jersey contacted us concerning the establishment of a vocational shop for the training of apprentice machinists and tool and die makers. Plans have been developed to install at Bordentown the shop for the salvage and repair of valves and the rebuilding of small mechanical equipment from the institutions. This project is being aided by the use of surplus tools and it is planned to have the work proceed along lines recognized by the Federal Committee on Apprenticeships as applied in New Jersey by the Department of Education and the Department of Labor and Industry.

CAPITAL BUDGETS

Due to the Bureau's inability to furnish shop buildings, Rahway has requested funds for an addition to the Textile building and an addition to the Furniture Manufacturing Shop. These two buildings will give us nearly 15,000 square feet of badly needed shop space at this institution if the Budget sees fit to grant them.

At Bordentown a request was advanced for 8,400 square feet of building to house the Salvage and Repair Industry and to re-locate the Sheet Metal manufacturing operations.

The three buildings in question will provide employment for an estimated 80 inmates now idle.

BUREAU OF STATE USE INDUSTRIES

BALANCE SHEET - JUNE 30, 1956

Current Assets

Cash	1,200.00	
Revolving Fund	35.33	
Accounts Receivable	<u>48,324.55</u>	49,559.88

Inventories

Materials and Supplies	591,487.68	
Finished Products	154,342.42	
Work in Process	<u>173,337.44</u>	919,167.54
Total Current Assets		<u>968,727.42</u>

Fixed Assets

Machinery and Equipment	858,280.75	
Less: Depreciation	<u>670,659.81</u>	187,620.94

Prepaid Charges

Charges on Leased Machinery	4,084.54	
Insurance	<u>17,831.04</u>	21,915.58
Total Assets		<u>1,178,263.94</u>

LESS:

Current Liabilities

Accounts Payable		271,217.39
Net Worth 6-30-56		<u>907,046.55</u>

Analysis of Net Worth

Net Worth at 6-30-55 (adjusted)		
Add: Profit for FY 1955-56	850,016.48	
	<u>103,928.70</u>	953,945.18
Less: Uncollectable Charges		
June 30, 1956		<u>46,898.63</u>
Net Worth at June 30, 1956		<u>907,046.55</u>

OPERATIONAL STATEMENT

FISCAL YEAR ENDING JUNE 30, 1956

Sales 2,335,844.05

Cost of Sales

Material and Supplies Used	1,367,409.19	
Add: Decrease Finished Products and Work-in-Process Inventories		<u>53,539.06</u>
		1,420,948.25

Cost of Operations

Salaries & Wages		
Instructors, etc.	345,057.93	
Correction Officers		67,213.32
Administrative & Clerical, etc.	109,535.97	
Inmate Wages	<u>52,168.61</u>	
		573,975.83

Industrial Expense

Freight & Cartage	17,627.58	
Light, Heat & Power	39,717.94	
Repairs & Parts	38,349.69	
Depreciation	46,554.11	
Leased Machinery:		
Rents & Royalties	<u>4,552.41</u>	146,801.73

Administrative and Miscellaneous Expense

Insurance	8,722.05	
Stationery & Printing	3,991.48	
Telephone & Telegraph	3,518.87	
Pension Fund Payments	37,530.96	
Miscellaneous	<u>42,864.53</u>	96,627.89

Total Cost of Operation 2,238,353.70

Profit from Operation 97,490.35

Add: Discounts Earned 6,438.35

Gross Profit from Operation 103,928.70

Less: Uncollectable Charges 6-30-56

 Accounts Receivable 17,334.74

 Net Cost-Financing

 Leesburg 13,280.13

 Salaries, Printing, etc. Welfare Reporter

 Salary J.C. Benson -

 Supv. of Instruction 16,283.76 46,898.63

Net Profit for Fiscal Year 1955-56 57,030.07

SCHEDULE OF SALES AND NUMBER OF EMPLOYEES AND INMATES
FISCAL YEAR ENDING JUNE 30, 1956

<u>Institutions and Industries</u>	<u>Sales</u>	<u>Outside Instructors, Etc.</u>	<u>Labor Correction Officers</u>	<u>Inmate Labor</u>	
				<u>Monthly Average</u>	<u>Total Trained During Year</u>
<u>N. J. STATE PRISON</u>					
Auto Tag	\$310,260.49	3	1	88	184
Bakery	59,766.90	1		18	40
Clothing	148,398.80	3		113	204
Coffee Roasting	94,945.29	-		5	6
Machine	4,498.20	1	1	12	23
Mattress and Upholstery	147,983.99	2	1	40	79
Office		3	3	10	16
Printing	41,274.66	5	2	32	42
Shoe Manufacturing	38,114.24	3	1	30	50
Storerroom		1	1	8	15
Trucking		2		-	-
Woodworking	59,494.03	3	.2	38	94
Total	\$904,736.60	27	12	394	753
<u>N. J. STATE PRISON FARM RAHWAY</u>					
Clothing	\$ 43,833.91	2	1	53	121
Foundry	31,095.59	2		60	126
Machine & Beds	76,514.62	2		49	110
Office & Storerroom		4		15	29
Paint		1		17	36
Printing	19,813.15	2		20	29
Shoe Manufacturing	31,514.86	3	1	44	133
Textile	171,171.94	3		92	201
Trucking		2		-	2
Woodworking	52,547.17	3		62	131
Total	\$426,491.24	24	2	412	918
<u>VINELAND STATE SCHOOL</u>					
Coffee Roasting	\$ 29,317.41			2	2
Knitting	58,724.10	4		30	31
Laundry	14,345.07	3		16	17
Total	\$102,386.58	7		48	50
<u>STATE HOME FOR GIRLS</u>					
Clothing	\$ 11,160.50	-	-	22	22
<u>NORTH JERSEY TRAINING SCHOOL</u>					
Clothing	\$ 53,627.04	4		29	47

(C O N T I N U E D)

SCHEDULE OF SALES AND NUMBER OF EMPLOYEES AND INMATES
(Continued)

Institutions and Industries	Sales	Outside Instruc- tors, Etc.	Labor Cor- rection Officers	Inmate Labor	
				Monthly Average	Total Trained During Year
<u>N. J. REFORMATORY FOR WOMEN-CLINTON</u>					
Clothing	\$106,381.11	7		52	153
<u>N. J. REFORMATORY-ANNANDALE</u>					
Bag	\$ 10,353.30			6	10
Basket Making and Screens	10,414.22			12	25
Cannery	43,388.78	3		33	44
Feed Mill	322,932.72	2		24	52
Printing	55,026.56	1		9	33
Shoe Repair	4,379.16	1		6	38
Total	\$446,494.74	7	-	90	202
<u>N. J. REFORMATORY-BORDENTOWN</u>					
Broom	\$ 9,739.15	1		9	14
Commercial Lab	28,266.71	1		7	31
Concrete	90.90	-		-	-
Exterminating	5,666.00	1		-	-
Mops	15,756.45	-		8	14
Office		1	1	-	-
Sheet Metal	18,686.20	1		52	107
Shoe Repair	8,739.17	1		47	136
Soap	100,500.81	1	1	27	150
Total	\$187,444.39	7	2	150	452
<u>N. J. STATE PRISON FARM-LEESBURG</u>					
Cannery	\$ 73,784.17	2	-	54	85
Snow Fence	4,529.50	-	-	8	8
Total	\$ 78,313.67	2		62	93
<u>N. J. STATE HOSPITAL-TRENTON</u>					
Occupational Therapy	\$ 18,808.18	-	-	115	128
<u>CENTRAL OFFICE</u>					
		30	-	-	-
<u>TOTAL</u>	<u>\$2,335,844.05</u>	<u>115</u>	<u>16</u>	<u>1,374</u>	<u>2,818</u>

ACCOMPLISHMENTS-FISCAL YEAR 1955-56

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

License plates & insert tabs.....	4,806,792 units
Clothing items.....	151,474 units
Printing.....	16,512,209 impressions
Shoe Repairing	11,724 pairs
Shoes and Slippers Manufactured.....	18,684 pairs
Mattress and Upholstery	10,802 units
Wooden Furniture	8,363 units
Textiles	193,726 yards
Items put through industrial finishing process.....	21,489 units
Mixed Feeds.....	4,065.9 tons
Burlap Bag Salvage.....	86,543 units
Baskets	24,749 units
Bread and Rolls Baked	678,021 lbs.
Coffee Roasted	172,665 lbs.
Laundry Processed	577,405 lbs.
Brushes Manufactured	28,415 each
Brooms and Mops	24,329 each
Disinfectants and Cleaning Products	18,533 gallons
Sheet Metal Items	5,981 units
Soap Products	921,700 lbs.
Snow Fence ,.....	66,900 feet
Knit Socks and Underwear	15,658 dozen
Canneries	222,833 #10 cans or equivalent
Foundry	2,281 pieces or 95 tons