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BUREAU OF STATE USE INDUSTRIES

STATE OF NEW JERSEY
DEPARTMENT OF CORRECTIONS

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ANNUAL REPORT, BUREAU OF STATE USE INDUSTRIES 1984-1985

TO Richard Waldis
Acting Ass't. Commissioner
Division of Administration

FROM Lucas J. Filipponi, Chief
Bureau of State Use Industries



The following Annual Report is a summary of the Bureau of State Use Industries activities for the fiscal period ending June 30, 1985

A "line and staff" relationship exists between this Bureau and the industrial operating units within the Department of Corrections. The cooperation that exists between State Use Industries and other agencies and institutions is a significant factor in the success of the Bureau's industrial program.

Department Standard 610, mandates this Bureau to provide staff technical services, capital equipment and finances required to maintain a diversified, on-the-job industrial training operation. Useful products manufactured by the industries are sold to tax supported agencies in New Jersey. State Use Industries does not receive appropriated funding and is therefore self-supporting. The industries are operated with the aid of a Revolving Fund (R.S. 30 4-100) and the program is financed exclusively from earned profits.

The Bureau of State Use Industries was created by the Legislature under the Laws of 1918. The Bureau operates under legislative powers currently vested in the Commissioner of Corrections (R.S. 30 4-4 and R.S. 30 4-92 thru 100).

ADMINISTRATIVE HIGHLIGHTS AND ACCOMPLISHMENTS

The Bureau has placed emphasis for Fiscal Year 1985 on upgrading our shop equipment to provide modern job training techniques for inmates and thereby increasing productivity and quality. To achieve this significant, capital equipment expenditures were incurred.

Equipment for a new shirt production line in Clinton has been purchased utilizing the state of art sonic machines. These machines give inmates the opportunity to use state of the art sewing machinery. This will enable prison industries to manufacture a shirt equal in quality to those made by the private sector. Final hook-up is currently being completed.

Assembly Bill # 2314, introduced by Assemblymen Schrubber, Rooney and Murkert will allow State Use Industries to enter into contracts with other states for the sale of goods produced by inmates of Correctional Institutions of this State as well as purchase or exchange of materials or products from other states. If passed, the bill will allow State Use to expand it's current customer base and provide an almost unlimited resource for future sales.

State Use Bureau Chief, Lucas J. Filipponi, has been re-elected to a second term as 3rd Vice-President Membership Chairman of the CIA, during the A.C.A. convention held in August of 1984. Mr. Filipponi has reorganized the membership process making it more efficient resulting in a significant increase in C.I.A. membership during 1984-85. This was accomplished through the use of promotional materials sent to members throughout the nation which has resulted in an increased awareness of the Correctional Industries Association.

Based on our proven history and our recognition as a leader in prison industries, the editor of the Correctional Industries Newsletter has requested that we prepare a series of articles. These will be published in future editions of the Newsletter.

Richard A. Wood, Institutional Trade Instructor II, Metal Shelving received the CIA National Award for Supervisory Excellence for Line Supervisors and was also selected as the Bureau's Employee of the Year. Richard has proven to be an outstanding State employee and it is fitting that his accomplishments be recognized on a national basis.

The Bureau Chief, Lucas J. Filipponi, instituted a pilot program with the Commodities and Service Council (of which he is a gubernatorial appointee) with Best Work Industries of Delmont, N.J. to finish textile goods. Best Work is a sheltered work shop for the blind & disabled. The project is a great success and will be continued and expanded to other sheltered work shops. The Commodities and Services Council under direction of the Department of Human Services is responsible for the organization, location and

dissemination of contract work to the State's Blind and Sheltered workshops.

Several new products were developed this year and have been well received by our customers. They include, colored striped tube socks, food storage carts, stainless steel tables, ice scrapers and a redesigned correctional bed. In addition to these new products we continue to manufacture custom specialty items as per customer specification.

State Use Industries continues to computerize its operation through the purchase of an IBM System 36 computer with five terminals and the appropriate software. The first priority with the system will be the conversion of our sales to a completely automated order-entry system. All existing forms are being evaluated and altered as necessary for adaptation to the computer system. Additional software modules will be installed during the course of the fiscal year with complete implementation scheduled for January of '86.

State Use supplied the Jersey Jubilee with a booth, sample products and a video-tape on State Use Industries. The Jubilee is currently on display at various malls throughout the State, promoting the work of state government. The Jubilee will make its final presentation at the N.J. League of Municipalities Convention in Atlantic City November 19, 20, & 21. The Jubilee has received state wide acceptance by the public and we are proud to be a participant.

Larry Miner a State Use Truck Driver received New Jersey's Award for Heroism in October for saving a man from a burning car on Route 18 in East Brunswick while enroute to a customer delivery. The award was presented to Mr. Miner by the Governor in a special ceremony.

State Use Industries participated in the N.J. League of Municipalities convention at Atlantic City in November. Over 9,000 people visited the State Use Booth which was a tremendous success. A variety of questions regarding our manufacturing operation and processes were answered along with a number of comments which were taken under advisement. Customer contacts made with County and Municipal officials has proven to be a valuable resource for new sales.

Bureau representatives met with Human Services' Household Service Managers to offer our manufacturing capability. At the request of the Department of Human Services the Bureau will produce and warehouse products to be delivered at their convenience.

State Use at the request of Trenton State Prison, designed a special Murphy type bed for small type cells to provide more space for the inmates. The Murphy bed is a credit to our metal operation and demonstrates our ability to custom manufacture a product to a customer's specific need.

At the request of Commissioner Fauver and Attorney General Kimmelman, Chief Filipponi and his staff prepared a history of the State Use Industries, its beginning, developments and future plans that was read at an Attorney Generals' Seminar held in Washington, D C. on March 14, 1985 We received feedback from the Attorney General's office that our report was well accepted

State Use Industries manufactured and stocked for delivery in Fiscal Year 1986 most of the start-up products necessary for the opening of the recently constructed Riverfront State Prison Items include, beds, mattresses, furniture, footlockers, trash cans and clothing items.

State Use Industries assisted the Connecticut Division of Motor Vehicles in setting up a scrap tag cutting operation N.J scrap tag cutting system is one of the most efficient in the country

The Chief and staff visited the Bradford Soap Works in West Warwick, Rhode Island to plan the Hard Mill Soap Manufacturing Industry for the Bureau. Requisitions are currently being prepared for the purchase of equipment needed to begin production. We expect to be manufacturing bar soap for the State by the end of FY '86.

In conjunction with a request from the Division of Motor Vehicles we have begun the production of passenger license plates with a new configuration of three letters, two numbers and one letter for use when the old series of numbers and letters expires

Based on the assumption that the D.M V. will be required to provide a reflectorized license plate in the near future, the Bureau has proceeded to explore the necessary equipment needed to implement the manufacturing of this plate.

The Bureau and staff members received letters of commendation from various State, County and Municipal Agencies for our performance, helpfulness in the installation, delivery, and service provided by the Bureau

Newspaper articles on the Bureau's industries have appeared in the Philadelphia Inquirer, Newark Star Ledger, Trenton Times and The Trentonian

Utilizing the Bureau's printing capabilities, we designed and printed a special flyer for the N J Chapter of the A.C.A forum held on March 28, 1985.

Due to a conversion to a national standard for motorcycle license plates, tooling was ordered to produce a 4 x 7 plate for Motor Vehicles. It was necessary for the Bureau to accommodate this Federal regulation

State Use Industries is constructing a Warehouse showroom of all its products. Opening is planned for early Fiscal '86. The showroom will enable us to invite prospective customers to our location for product demonstrations as well as a chance for them to see our operation.

Central Office staff completed 208 visitations during this fiscal year and travelled 20,845 miles during this period. In addition, State Use Industries operated 8 trucks for the delivery of products. These vehicles travelled a total of 66,071 miles. The total mileage of 86,916 is 9,338 miles less than last year. The decrease in mileage is directly attributable to the use of Tractor Trailers in our trucking operation.

PERSONNEL ACTION

During the past fiscal year the Bureau hired 14 new employees
Twenty-three other employees fit in the categories of Resigned,
Retired and Transferred to other State agencies

INDUSTRIAL PROGRAM

State Prison, Trenton

Clothing
Knitting
Mattress
Printing

State Prison, Rahway

Clothing/Textiles
Machine & Bed
Signs & Industrial Finishing
Misc Manufacturing (Furn.)

Youth Corr. Inst , Bordentown

Metal Fabrication
Soap

State Prison, Leesburg

Auto Tag
Clothing

Correctional Inst. for Women, Clinton

Clothing

Youth Reception & Corr. Center Yardville

Misc Manufacturing (Brushes)
Mop

Oak Street Facility Trenton

Central Office
Warehouse
Trucking
Printing

INMATE EMPLOYMENT

The industries employed a total of 2,017 inmates, approximately
9% of the resident population and worked 245 days during the fiscal
year. The Bureau operated 16 industries at 6 institutions

The average number of inmates employed rose from last year's
average of 550 to 601 inmate workers. The turnover rate per job has
decreased to an annual rate of 3.4 inmates per job assignment. There
were 1,337 new workers assigned and 1,343 inmates dropped during the
fiscal year.

BUREAU OF STATE USE INDUSTRIES

	Units Mfd.	AM		PM		AM		PM	
		Inmates Working	Inmates Assigned	Inmates Dropped	Inmates Short				
<u>STATE PRISON, TRENTON</u>									
Clothing	30,830 ea.	736	636	56	70	70	74	13	85
Knit	10,310 doz	178	160	18	10	12	11	9	22
Mattress	14,487 ea.	122	118	4	12	4	10	3	8
	6 doz.								
Print	11,715,682 Impressions	281	271	19	13	31	21	19	29
Storeroom, Office, Runners		43	14	0	0	0	0	2	1
		2,559		202		233		191	

YCI, ANNANDALE

Central Warehouse - Printing									
11,179,338 Impressions		38		10		13		9	
Receiving & Shipping		222		81		74		31	
		260		91		87		40	

STATE PRISON, RAHWAY

Clothing/Textile	6,079 doz. (Clothing)5,012 ea. (Textile)18,633 doz.	699		76		87		40	
Machine & Bed	2,681 ea.	323		35		41		16	
Miscellaneous	1,755 ea.	239		28		42		2	
Paint & Sign (signs)	22,571 ea	380		61		53		26	
(posts)	10,277 ea.								
Storeroom, Office, Runners		44		9		6		0	
		1,685		209		229		84	

STATE PRISON, LEESBURG

Auto Tag	2,908,167 ea	353		108		103		13	
Clothing	29,220 ea	1,045		353		339		8	
	1,441 doz.								
		1,398		461		442		21	

Youth Corr Inst, Bordentown

Metal Industries	20,453 ea	620		93		80		52	
Soap	449,004 lbs.	217		46		59		84	
	56,907 gals.								
		837		139		139		136	

Corr Inst for Women, Clinton

Clothing	7,790 1/4 doz.	907		164		158		84	
Youth Recpt. & Corr Ctr, Yardville									
Miscellaneous (Brush)	16,660 ea.	277		59		45		5	
Mop	3,320 doz	97		12		10		0	
		374		71		55		5	

+Represents grand total of working inmates reported on each monthly payroll.

*Add average inmate work force available 7/1/84

TOTALS	+ 8,020	1,337		1,343		561			
		* 680							
	-7-	2,017							

INMATE EMPLOYMENT (continued)

The AM/PM rate is paid to the inmate work force at the State Prison, Trenton. Pay scale for the AM/PM work force is as follows (3 hrs. per Shift)

	Below Average	Average	Above Average
15% Skilled	\$2.25	\$2.35	\$2.45
45% Semi-Skilled	1.75	1.85	1.95
40% Unskilled	1.25	1.35	1.45

Learner - \$1.20 (for 2 months only when necessary)

Inmate Instructor Assistant - \$3.20

Note The Bureau policy in all shops is "NO WORK - NO PAY" regardless of the reason for absence!

INMATE EMPLOYMENT SUMMARY

TOTAL EMPLOYED...	2,017
% of Population.	9%
Number of Working Days. ...	245
Average Number Employed.	601
Number of Inmates Per Job Assignment.....	3.4
Number of New Inmates Assigned to Payroll. ..	1,337
Number of Inmates Dropped from Payroll.....	1,343

FINANCIAL STATISTICS

A physical inventory was taken on the last two days of the fiscal year in accordance with statutory requirements (RS 30 4-100).

The consolidated balance sheet and operating statement will be forwarded when they are finalized. Preliminary figures indicate another profitable operation for the 1984-1985 Fiscal Year

SALES

The Bureau's total sales volume in 1985 Fiscal Year reached \$6,475,530.92 this reflects a 7% increase over last years figures. As our accompanying charts will indicate this increase is attributable to a larger sales volume with the Department of Corrections and Department of Human Services. Sales have remained constant with Counties and Municipalities and have dropped slightly with other State Departments. The Bureau will make a concentrated effort to increase sales volumes with all our customers through the use of direct marketing techniques such as special promotions and flyers highlighting slow moving products

INMATE EMPLOYMENT (continued)

Average Full Time Jobs					Inmates Assigned During Year				Average Inmates Per Job			
	<u>82</u>	<u>83</u>	<u>84</u>	<u>85</u>	<u>82</u>	<u>83</u>	<u>84</u>	<u>85</u>	<u>82</u>	<u>83</u>	<u>84</u>	<u>85</u>
Prison	80	100	114	114	356	489	505	428	4.5	4.9	4.4	3.7
Rahway	122	135	145	135	327	436	405	363	2.7	3.2	2.8	2.6
Bordentown	60	54	71	80	257	236	228	217	4.3	4.4	3.2	2.7
Clinton	59	58	56	110	169	190	210	230	2.9	3.3	3.8	2.0
Yardville	22	22	30	27	88	94	119	98	4.0	4.3	4.0	3.6
Leesburg	118	119	111	110	422	402	597	567	3.6	3.4	5.4	5.1
Annandale			23	25			48	114				4.5
	461	488	550	601	1,619	1,847	2,112	2,017	3.5	3.8	3.9	3.4

Inmate Daily Wage rates are paid in conformance with Administrative Order 1 21-4 and Standard #620. The last increase in industry base rates occurred November 1, 1983 and remains as follows

	<u>Below Average</u>	<u>Average</u>	<u>Above Average</u>
15% Skilled	\$1.40	\$1.45	\$1.50
45% Semi-Skilled	1.30	1.35	1.40
40% Unskilled	1.20	1.25	1.30

Those industries at Yardville utilize the daily wage rate and receive a bonus of 25¢ per day to inmates working a minimum of 5 hours daily

The Hourly Wage rate is in effect at State Use Industries located in Clinton, Leesburg, Rahway, Bordentown and the Warehouse operation (111 Oak St.). The following hourly wage rates are currently paid

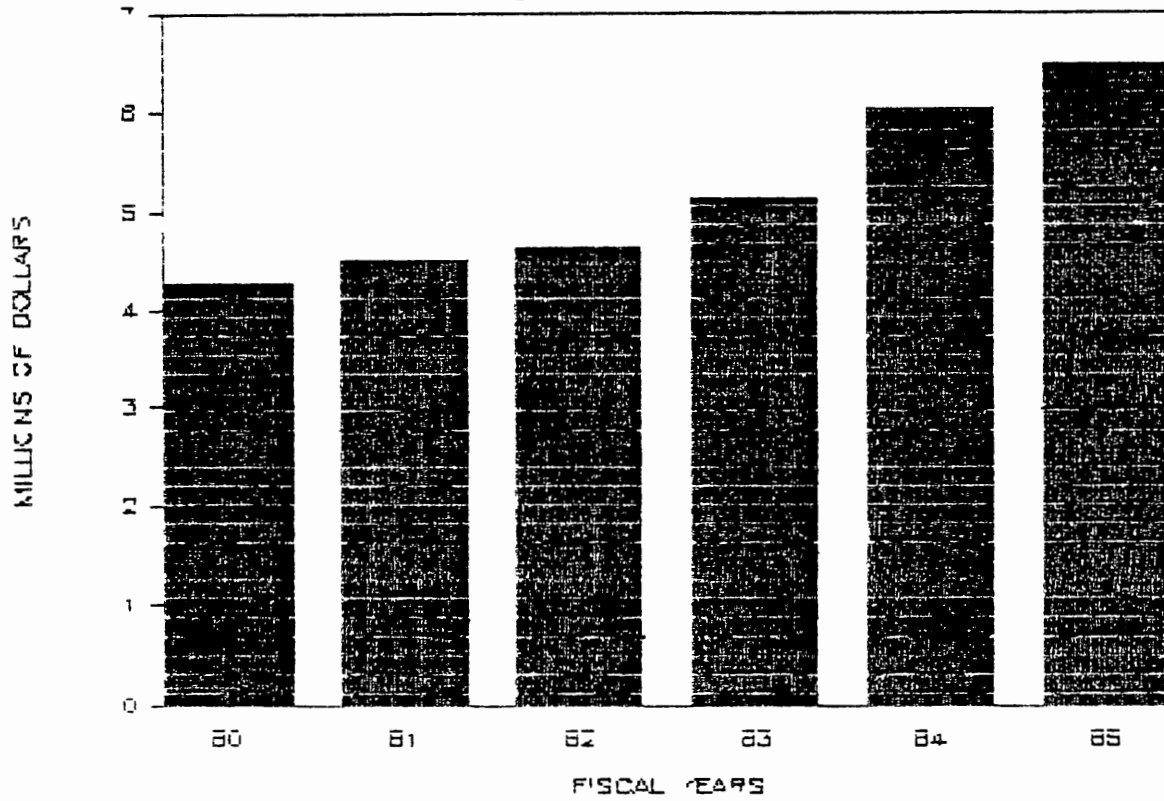
15% Skilled	"A" rate	56¢ per hour
45% Semi-Skilled	"B" rate	46¢ per hour
40% Unskilled	"C" rate	31¢ per hour
Learner	"D" rate	26¢ per hour (only 2 months when necessary)

Inmate Instructor Assistant 86¢ per hour.*

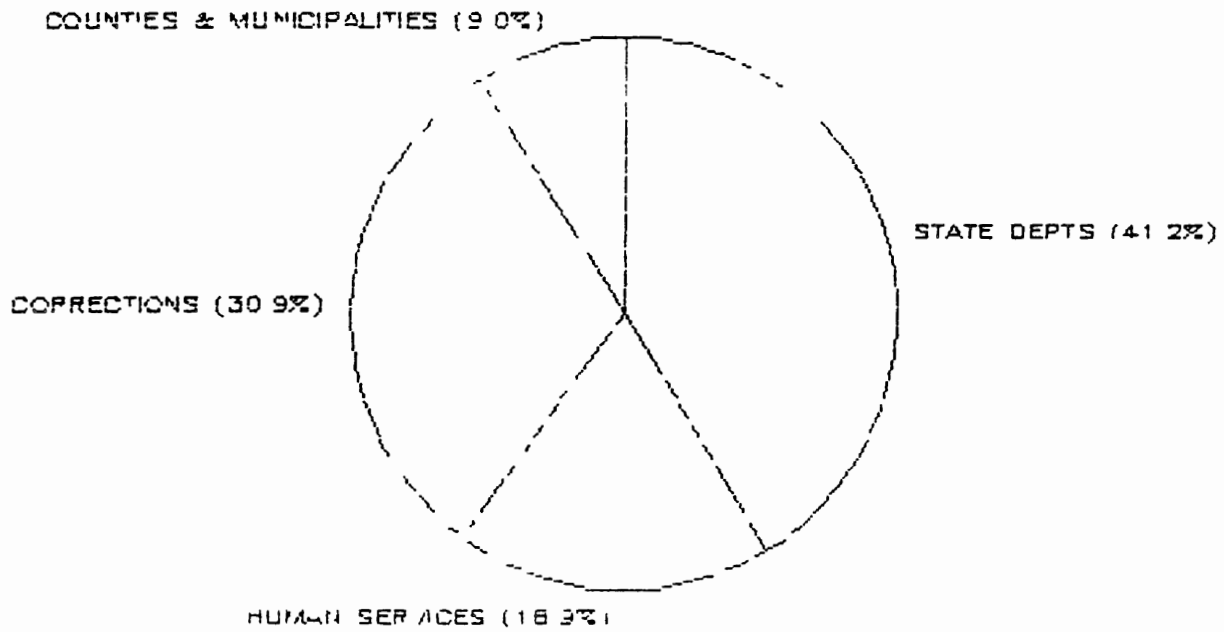
* (This position is limited to qualified inmates only. Training is at management level and gradually requires the inmate to accept responsibility for operating the industry.)

DOLLAR VOLUME IN SALES

HISTORY FY 1980-1985

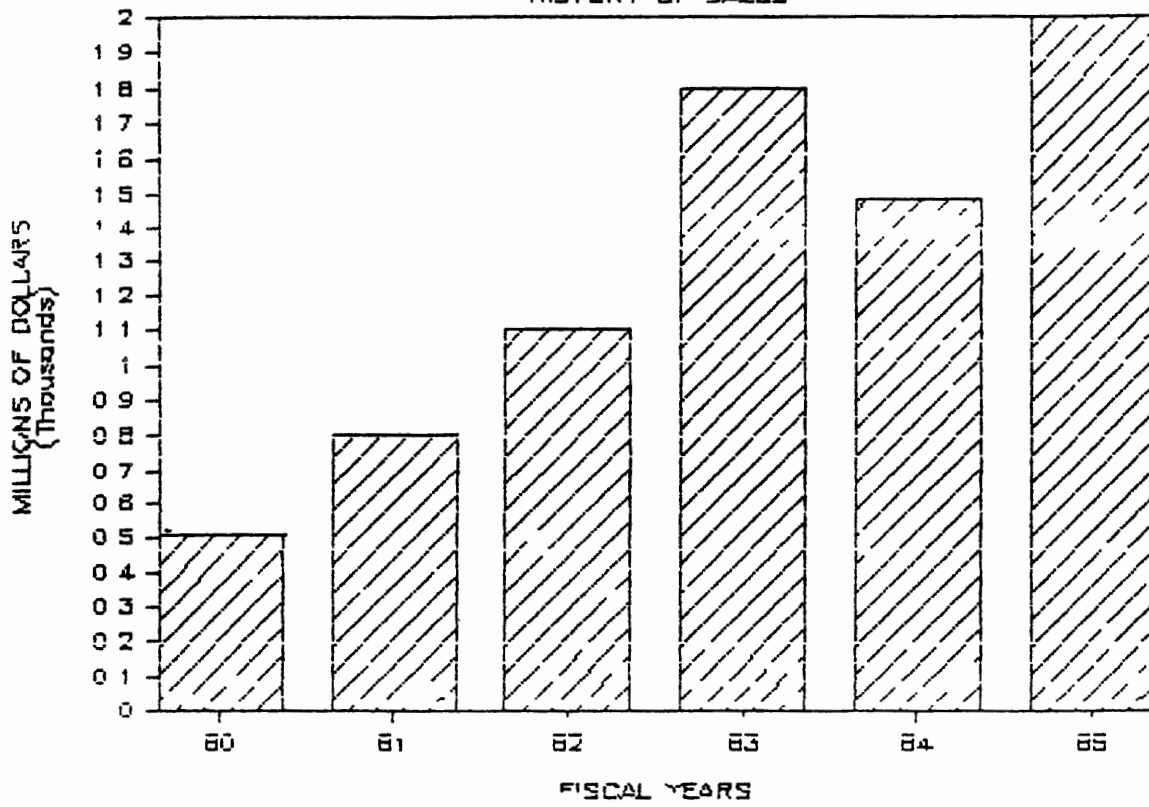


PERCENTAGE OF TOTAL SALES BY MAJOR CUSTOMER GROUPS



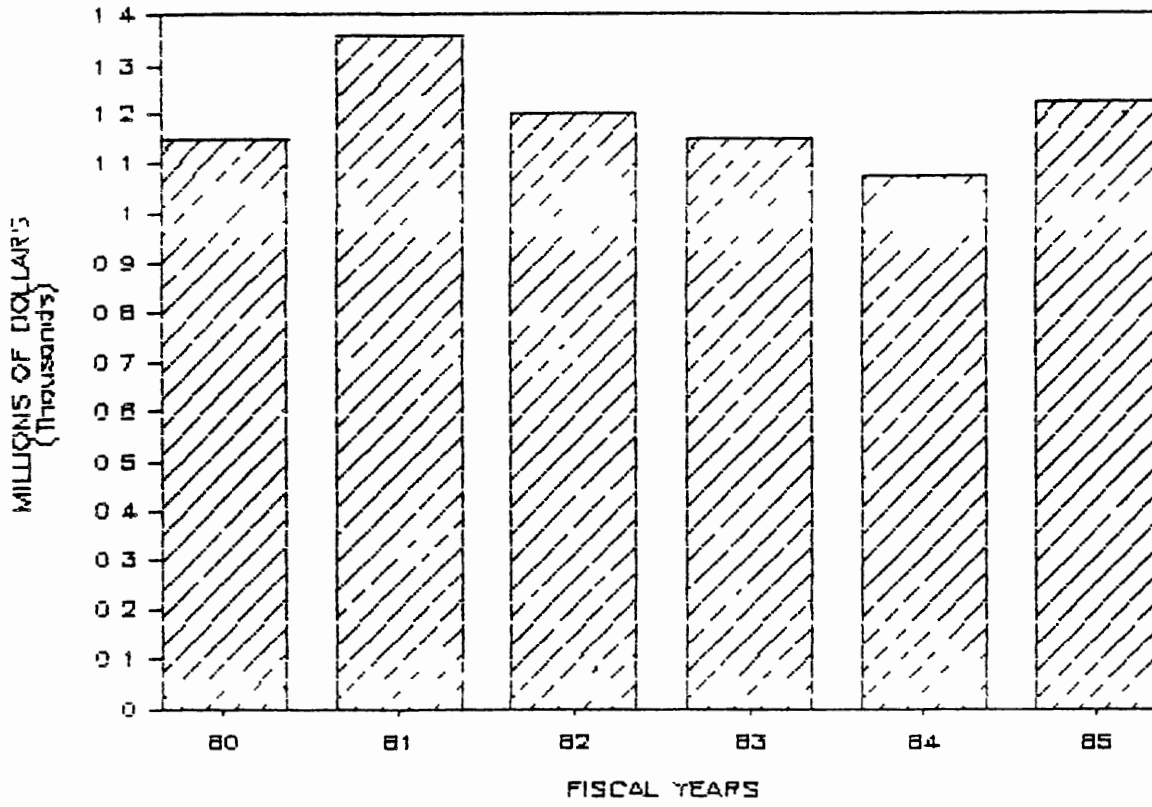
DEPARTMENT OF CORRECTIONS

HISTORY OF SALES



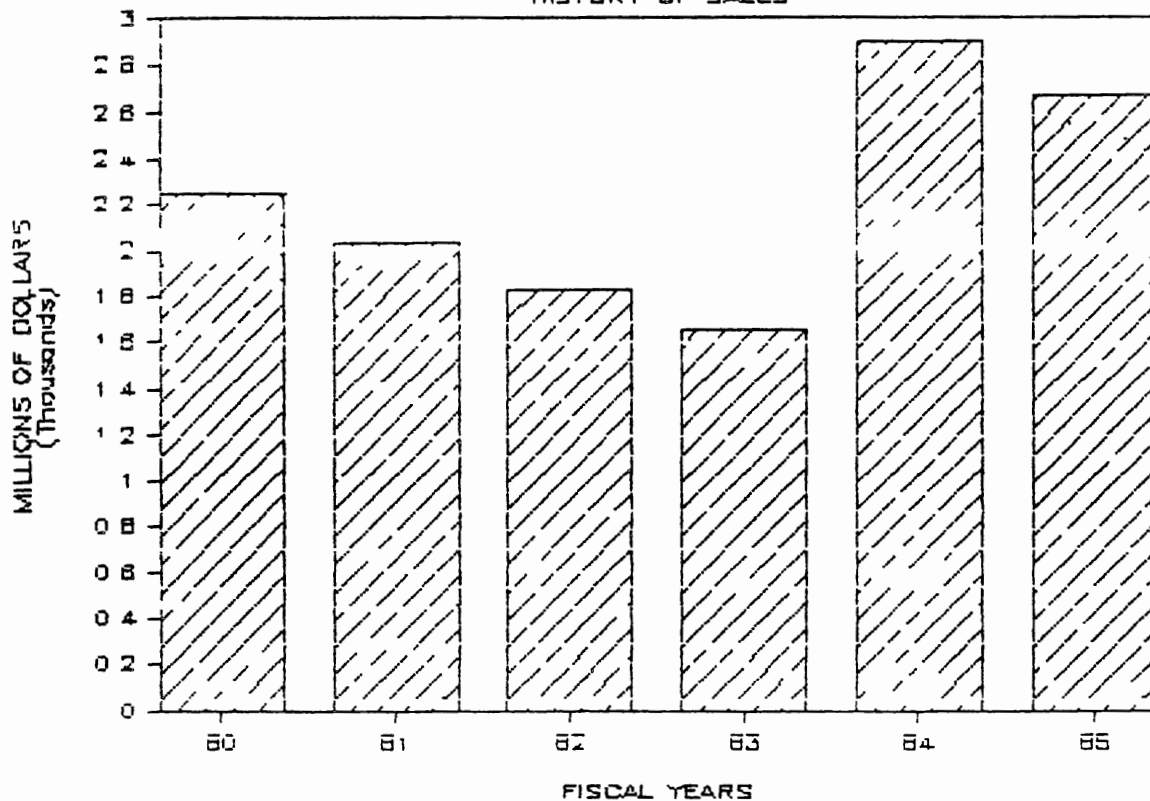
DEPARTMENT OF HUMAN SERVICES

HISTORY OF SALES



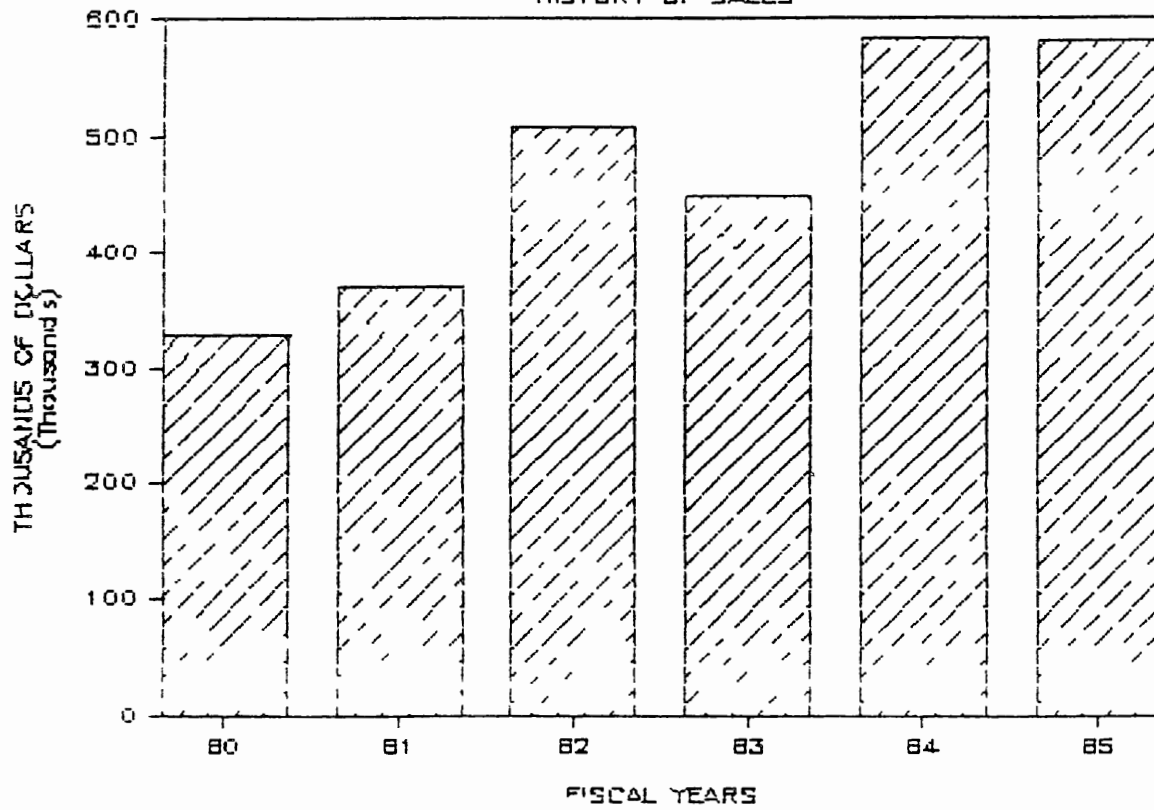
OTHER STATE DEPARTMENTS

HISTORY OF SALES



COUNTIES AND MUNICIPALITIES

HISTORY OF SALES



CAPITAL EXPENDITURES - 1985

Prison, Trenton	\$ 983 37
Prison, Rahway	26,426 09
Prison, Leesburg	4,365.00
YCI- Bordentown	30,680.60
YRCC-Yardville	38,780.00
CIW-Clinton	18,170 00
Central Office	76,698 16
Central Warehouse	8,364 87
Central Trucking	74,546.00
Central Warehouse Print	4,995.00

TOTAL CAPITAL EXPENDITURES \$284,009.09

Total Machinery & Equipment assests as of 7/1/85 of \$2,522,234.04

* * * * *

PLANS FOR FUTURE INDUSTRY DEVELOPMENT

YCI - Annandale

The Bureau is presently awaiting completion of a 10,000 square foot industrial building at the Annandale site. Occupancy is slated for FY 86 Industrial operations at this location will employ a significant number of the Annandale population.

State Prison - Rahway

Expansion of our present industries at Rahway is dependent upon the completion of alterations and expansions to the existing Laundry building. In addition once the renovations are complete we anticipate adding the following industries Three ring binders, Tire recapping (which has been approved for implementation several years ago by the State House Commission) and several other industries under consideration depending upon available space

Newark Correctional Facility

The Bureau has submitted architectural plans (shop layout, electrical, etc.) to the architectural firm of Gruzen & Co for the Department approved Clothing Industry at Newark. We anticipate that this industry will employ 100-125 inmates producing the State Use line of jackets, pants, shirts, etc. We are in constant communication with the facility, monitoring the progress of the construction so that we can coordinate buying and installation of equipment to effect a timely occupancy with the institution.

YCI - Bordentown

If the Bureau is to expand it's metal product line to include wall lockers, food service carts, laundry carts and metal furniture a 7500 sq. ft. extension to the existing building must be completed

After completion of the proposed extension, we will proceed to purchase equipment for the complete modernization of the metal shop utilizing state of the art production methods.

It is our intention to give this expansion top priority and we expect completion by the end of Fiscal '86.

NOTE

Based on increased demand for our products the Bureau recognizes the necessity to operate a second shift in certain industries. We are currently studying the feasibility of additional shifts. However, there are many problems that will have to be addressed by the Department before this program can be implemented.