

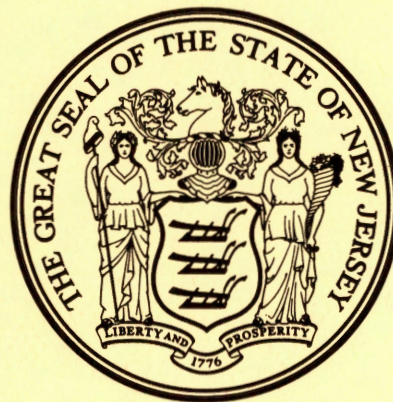
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ANNUAL REPORT

JULY 1, 1983 TO JUNE 30, 1984

BUREAU OF STATE USE INDUSTRIES



STATE OF NEW JERSEY
DEPARTMENT OF CORRECTIONS

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TRENTON, NEW JERSEY 08625

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ANNUAL REPORT, BUREAU OF STATE USE INDUSTRIES 1983-1984

TO Herbert B. Blumenthal
Assistant 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, 1984

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). State Use Industries was reassigned as a unit within the Division of Administration when the Department of Corrections was established in November 1976.

ADMINISTRATIVE HIGHLIGHTS AND ACCOMPLISHMENTS

The Bureau has placed an emphasis on improving the quality and productivity of all manufacturing operations. To accomplish this, significant capital equipment expenditures were incurred during this fiscal year which will enable the Bureau to meet the production and quality standards which have been set.

The Bureau has purchased an Automatic Shirt Front Hemming machine to improve the style of our work and dress shirts. In addition, we are planning to purchase a Collar Stay machine to enhance the quality of the garment.

State Use helped the NJC/ACA and Probation Association by expediting the printing of a booklet for their September conference held in Atlantic City.

The Bureau continues to maintain its association with the American Correctional Association through its affiliation with the Correctional Industries Association and the Northeast Correctional Industries Association.

State Use Bureau Chief, Lucas J. Filipponi has been appointed 3rd Vice-President of the CIA. His duties involved complete responsibility for the National Membership Drive for the CIA, as well as participation on the committees for selection of the Executive Secretary, CIA Awards Committee, Rodli Award and the Line Supervisory Excellence Award.

ADMINISTRATIVE HIGHLIGHTS AND ACCOMPLISHMENTS (continued)

An article appeared in the October 1983 issue of the New Jersey Municipalities magazine describing the Bureau's operation, product line, accomplishments and future plans. We have received favorable feedback from the article during the League of Municipalities Convention.

New sleeve boxes were developed for packing of our Brush and Broom products. These sleeves protect the bristles of our brushes and add to the overall appearance of the product.

Plans are being formalized for the construction of an industrial building for State Use Industries at YCI-Annandale. The building is proposed at approximately 21,600 sq. ft.

The Bureau has completed field testing of its Naflon mattress cover. We are currently awaiting Departmental approval. The Bureau is in full support of the use of this mattress cover.

With the purchase of several new knitting machines, the Bureau has developed and introduced the new SK68 and SK6812 cotton terry stretch tube socks. These socks were developed to meet the needs of the Department for a durable and attractive tube sock.

Due to the incidents of shelving related accidents throughout the state, the Bureau underwent an inspection of its Central Warehouse facility shelving units. This inspection was conducted by Mr. Hunt of Risk Management. The inspection proved to be satisfactory.

ADMINISTRATIVE HIGHLIGHTS AND ACCOMPLISHMENTS (continued)

As a result of a recent Central Office inspection all State Use coats and jackets will be manufactured with a new synthetic lining. This material is machine washable, more durable and warmer than previous materials.

The Bureau successfully completed the manufacturing of specially designed Motor Vehicle Photo I.D. Cabinets. These cabinets will be used at all Motor Vehicle agencies throughout the State.

State Use developed a prototype flame retardant (neoprene) cell pad for State Prison, Trenton for special holding cells. We are currently awaiting orders to produce this item. The material to be used has been approved by the State Fire Marshal.

On December 4, 1983 an article written by Joseph Deitch appeared in the New Jersey Weekly section of the Sunday New York Times. The tone of the article focused on how our industrial program works in rehabilitating inmates, inmate wages, good work credits, etc.

In November the Bureau participated in the New Jersey League of Municipalities Convention. The State Use booth was a great success. The Bureau made many contacts old and new. Approximately 3,000 people visited our display, all were interested and had many questions regarding our operations and how we could be of service to their particular needs.

ADMINISTRATIVE HIGHLIGHTS AND ACCOMPLISHMENTS (continued)

In keeping up with new sign production technology, we recently purchased a computerized sign lettering machine. This purchase has enhanced the quality and productivity of our sign operation.

Again we printed the Annual Report of the State Parole Board for distribution to State Legislators with very little lead time.

To keep pace with increasing customer demand, the Bureau was forced to design a mini-operation in its Central Warehouse for the production of mattresses.

The Yardville Brush and Mop shops have increased production of their product line. This increase has enabled the Bureau to stock all Brush and Mop products in the warehouse for immediate delivery to our customers.

The State Use Warehouse is continuing completion of its shelving and pallet racking requirements for the finished product stocking program.

Meetings were held with Department personnel regarding prospective industrial programs for the Newark Prison. At this time the Bureau is not aware of any final plans.

ADMINISTRATIVE HIGHLIGHTS AND ACCOMPLISHMENTS (continued)

Through the first several months of the fiscal year the inmate detail from Jones Farm steadily dwindled. As stated in last year's Annual Report, a steady inmate detail enables the Bureau to complete routine maintenance and proceed with special warehouse projects. To rectify this situation the Department made arrangements to assign an Annandale inmate detail to the State Use Warehouse. This cooperation has led to increased efficiency in our operation and has enabled us to complete many projects that were sorely needed.

Deliveries for the start up of Southern State Correctional Facility, Phase II, were made on schedule as supplies were requested.

The Bureau, with the cooperation of Phil Dwyer, Superintendent, CIW, Clinton, has successfully installed a small clothing operation in the South Hall facility. The Bureau is presently awaiting the delivery of raw materials to begin production of a new cotton work glove.

State Use is considering a pilot project to laminate neoprene sheets for mattress cores. If successful, this will offset the increase cost of raw material and create more jobs for inmates.

To maximize productivity and flexibility of our clothing and textile product lines, the Bureau reassigned various products to industries best capable of handling these products. This was brought about due to restrictive work schedules in some of the institutions.

ADMINISTRATIVE HIGHLIGHTS AND ACCOMPLISHMENTS (continued)

During Fiscal Year 1984 the 1,818 mattresses allocated for Correctional Institutions were delivered.

The Bureau is most proud that another State Use employee, Richard Wood has been voted by his peers to receive one of the two prestigious Line Supervisory Excellence Awards given by the Correctional Industries Association. The presentation of a plaque and check for \$300.00 will be made in San Antonio, Texas at the CIA August meeting.

V. Cinci and H. Gottlieb of Science Management Corp., data processing consultants visited State Use to evaluate needs of the Bureau and make recommendation for the future. The Bureau recommended an IBM System 36 which is presently pending priority decisions.

A new standardized product code transition for all State Use products has been completed and entered in the computer. All finished products are packaged and boxes stenciled with proper codes and brief descriptions of contents, for a more efficient inventory shipping operation. We are currently implementing the standard packaging of our products.

Bureau Chief, Lucas J. Filipponi was appointed to the Commodities and Services Council, as constituted by Chapter 988, 1982 Laws of New Jersey. This council will be overseeing the operation of the N.J. Commission for the Blind and Visually Impaired, as set forth in State Use Law. Procedures will be implemented for reviewing orders and releasing same for manufacture by workshops and in no way will this operation be infringing on the present State Use program. All items will be reviewed by the council for approval before they are put in the production line.

ADMINISTRATIVE HIGHLIGHTS AND ACCOMPLISHMENTS (continued)

The Bureau staff was invited by William Oudenne, Dept of Human Services, Div of Mental Retardation to attend a Business Managers meeting May 10, 1984 to display several new State Use products and expound our philosophy, "Tell us what you need and we will manufacture it" Our new warehouse concept and delivery services were explained in detail A questionnaire was distributed to help us determine their requirements The response was favorable

The Bureau created a newly established customer service department which will handle routine status calls as well as customer complaints

On May 25, 1984 the Bureau held an exhibit displaying its full product line specifically for county purchasing officials Over 23 County and State officials attended the display, all of which were favorably impressed with the variety of the Bureau's products The Bureau's resource of experienced and trained personnel were available to demonstrate products and respond to any technical inquiries

On June 18, 1984 the Bureau Chief attended the National Conference on "Factories with Fences" - The Prison Industries Approach to Correctional Delemmas The keynote speaker was the Chief Justice of the United States, the Honorable Warren E Burger.

Central Office staff completed 122 visitations during this fiscal year and travelled 18,194 miles during this period In addition, State Use Industries operated 8 trucks for the delivery of products These vehicles travelled a total of 78,060 miles The total mileage of 96,254 is 630 miles more than last year

PERSONNEL ACTION

During the past fiscal year the Bureau hired 16 new employees
One staff member retired and the Bureau accepted the resignation
of 2 employees There were 3 employees terminated and 7 transferred
to other State agencies

INDUSTRIAL PROGRAM

State Prison, Trenton

Clothing
Knitting
Mattress
Printing

State Prison, Rahway

Clothing/Textiles
Machine & Bed
Signs & Industrial Finishing
Miscellaneous 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

Miscellaneous Manufacturing (Brushes)
Mop

Oak Street Facility
Trenton

Central Office
Warehouse
Trucking
Printing

INMATE EMPLOYMENT

The industries employed a total of 2,112 inmates, approximately 11%
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
488 to 550 inmate workers The turnover rate per job has increased to
an annual rate of 3 9 inmates per job assignment There were 1515 new
workers assigned and 1375 inmates dropped during the fiscal year

BUREAU OF STATE USE INDUSTRIES

			Units	AM Inmates	PM Inmates	AM Inmates	PM Inmates	AM Inmates	PM Inmates	AM Inmates	PM Inmates
			Mfd.	Working	Assigned	Dropped	Short				
<u>State Prison, Trenton</u>											
Clothing	(Clothing)	37,537	ea.	737	704	78	76	63	62	3	31
	(Textiles)	1,910	doz.								
Knit		11,727	doz.	176	165	9	13	10	7	43	55
Mattress		12,541	ea.	173	134	3	4	4	7	1	12
Print		10,259,318	Impressions	281	299	33	34	30	34	61	48
Storeroom, Office, Runners				39	23	0	0	1	2	0	8
<u>Jones Farm</u>											
Central Warehouse-Printing		4,679,825	Impressions	9		1		1		23	
"	"	Receiving & Shipping		76		24		16		58	
				2,816		275		237		343	
<u>YCI-Annandale</u>											
Central Warehouse-Printing		3,667,850		12		4		2		2	
"	"	Receiving & Shipping		79		44		25		8	
				91		48		27		10	
<u>State Prison, Rahway</u>											
Clothing/Textile	(Clothing)	25,158	ea.	536		104		84		26	
	(Textile)	102,904	doz.								
Machine & Bed		3,186	ea.	319		36		35		1	
Miscellaneous		2,237	ea.	344		46		49		0	
Paint & Sign	(Signs)	22,728	ea.	390		57		54		0	
	(Posts)	10,103	ea.								
Storeroom, Office, Runners				148		21		25		0	
				1,737		264		247		27	
<u>State Prison, Leesburg</u>											
Auto Tag		2,259,343	ea.	343		114		117		19	
Clothing		42,830	ea.	987		386		380		52	
				1,330		500		497		71	
<u>Youth Corr. Inst., Bordentown</u>											
Metal Industries		11,530	ea.	601		117		110		67	
Soap		465,513	lbs	258		59		52		43	
		60,332	gals.								
				859		176		162		110	
<u>Corr. Inst. for Women, Clinton</u>											
Clothing		58,789	ea.	674		160		136		54	
				674		160		136		54	
<u>Youth Recept. & Corr. Ctr., Yardville</u>											
Miscellaneous (Brush)		33,673	ea.	272		80		59		0	
Mop		38,317	ea.	73		12		10		1	
				345		92		69		1	
+Represents grand total of working inmates reported on each monthly payroll.		TOTALS	+	7,852		1,515		1,375		616	
						* 597					
						2,112					

*Add average inmate work force available 7/1/83

INMATE EMPLOYMENT (continued)

	<u>Average Full Time Jobs</u>				<u>Inmates Assigned During Year</u>				<u>Average Inmates Per Job</u>			
	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>
Prison	108	80	100	114	239	356	489	505	2 2	4.5	4 9	4 4
Rahway	89	122	135	145	306	327	436	405	3 4	2.7	3 2	2 8
Bordentown	55	60	54	71	224	257	236	228	4 0	4 3	4 4	3 2
Clinton	48	59	58	56	176	169	190	210	3 6	2 9	3 3	3 8
Yardville	16	22	22	30	64	88	94	119	4 0	4 0	4 3	4 0
Leesburg	103	118	119	111	387	422	402	597	3 7	3 6	3 4	5 4
Annandale				<u>23</u>				<u>48</u>				
	<u>419</u>	<u>461</u>	<u>488</u>	<u>550</u>	<u>1,396</u>	<u>1,619</u>	<u>1,847</u>	<u>2,112</u>	<u>3 5</u>	<u>3.5</u>	<u>3 8</u>	<u>3 9</u>

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 at the rate of 10¢ per day.

	<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)

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)

	<u>Below Average</u>	<u>Average</u>	<u>Above Average</u>
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	2112
% of Population	11%
Number of Working Days	245
Average Number Employed	550
Number of Inmates Per Job Assignment	3.9
Number of New Inmates Assigned to Payroll .	1515
Number of Inmates Dropped from Payroll .	1375

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).

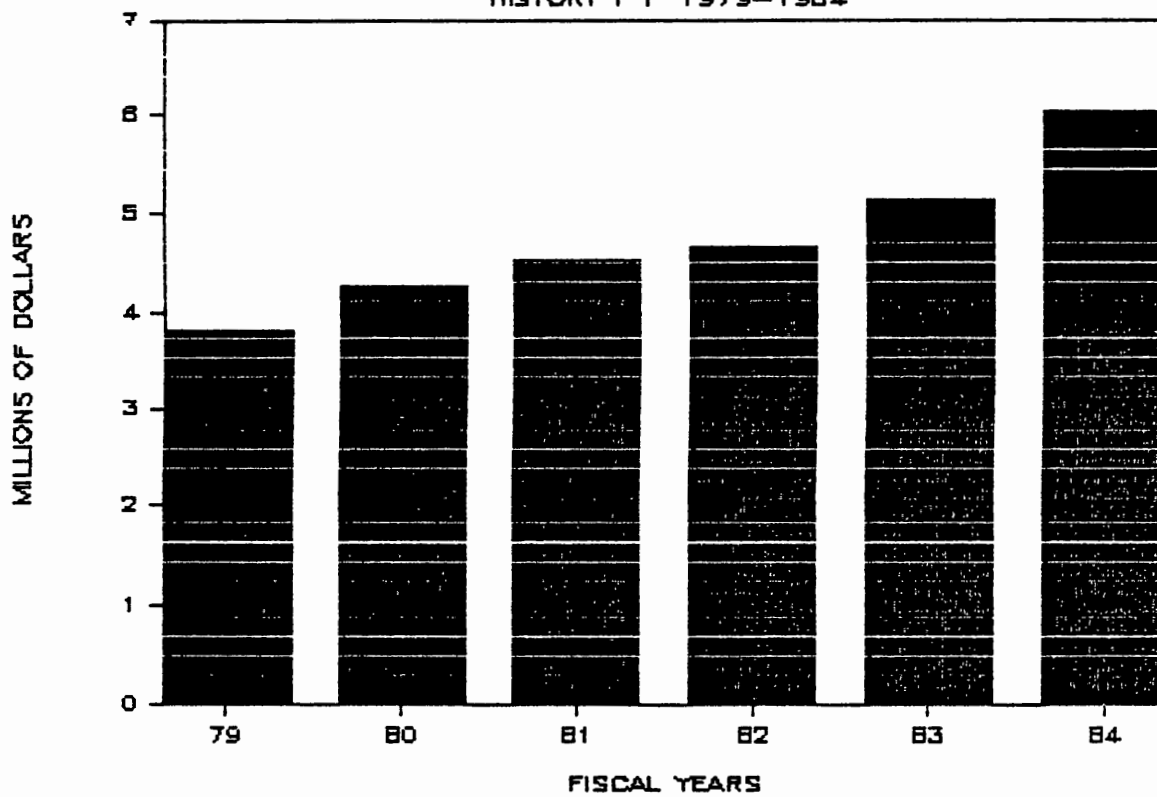
The consolidated balance sheet and operating statement will be forwarded when they are finalized. Preliminary figures indicate another profitable operation for the 1983-1984 Fiscal Year

SALES

The Bureau's total sales volume in 1984 Fiscal Year reached \$6,032,944.79 and reflects an 18% increase over last year's figures. As our accompanying charts will indicate this increase is directly attributable to a larger sales volume from other State Departments and County Government. This sales volume reflects a 22% decrease from the Department of Corrections

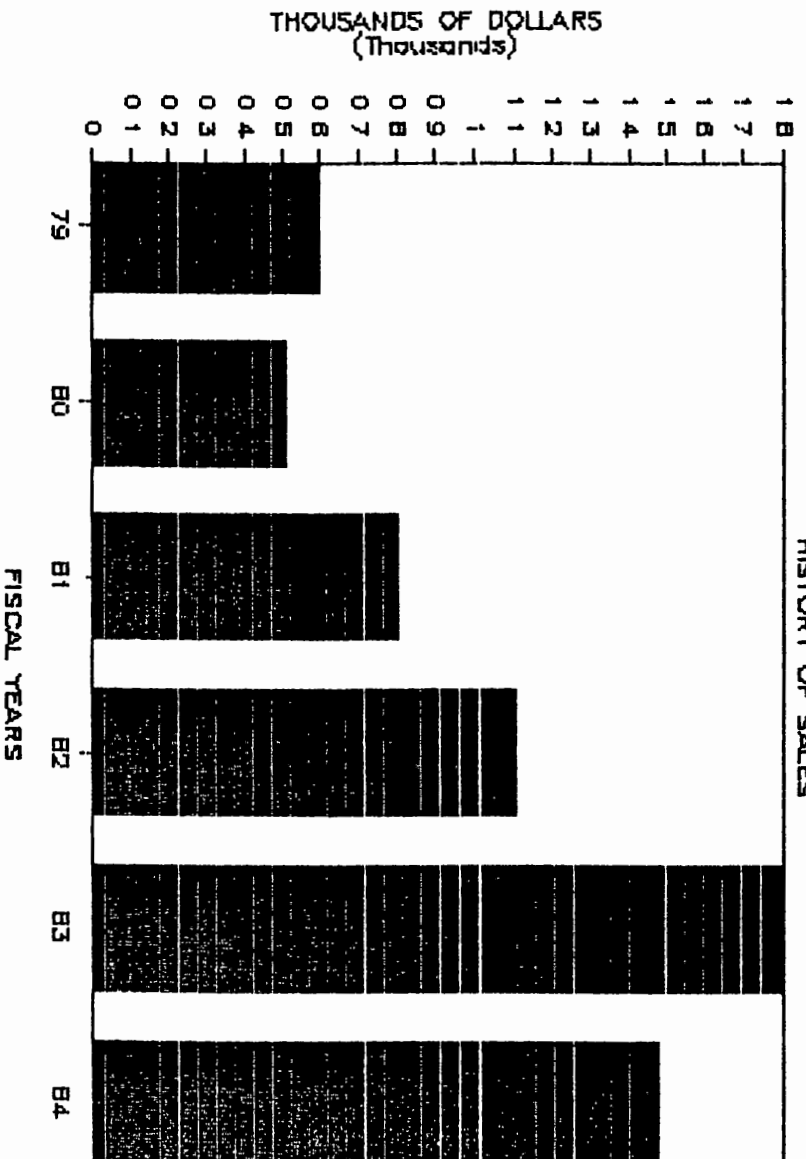
DOLLAR VOLUME IN SALES

HISTORY FY 1979-1984



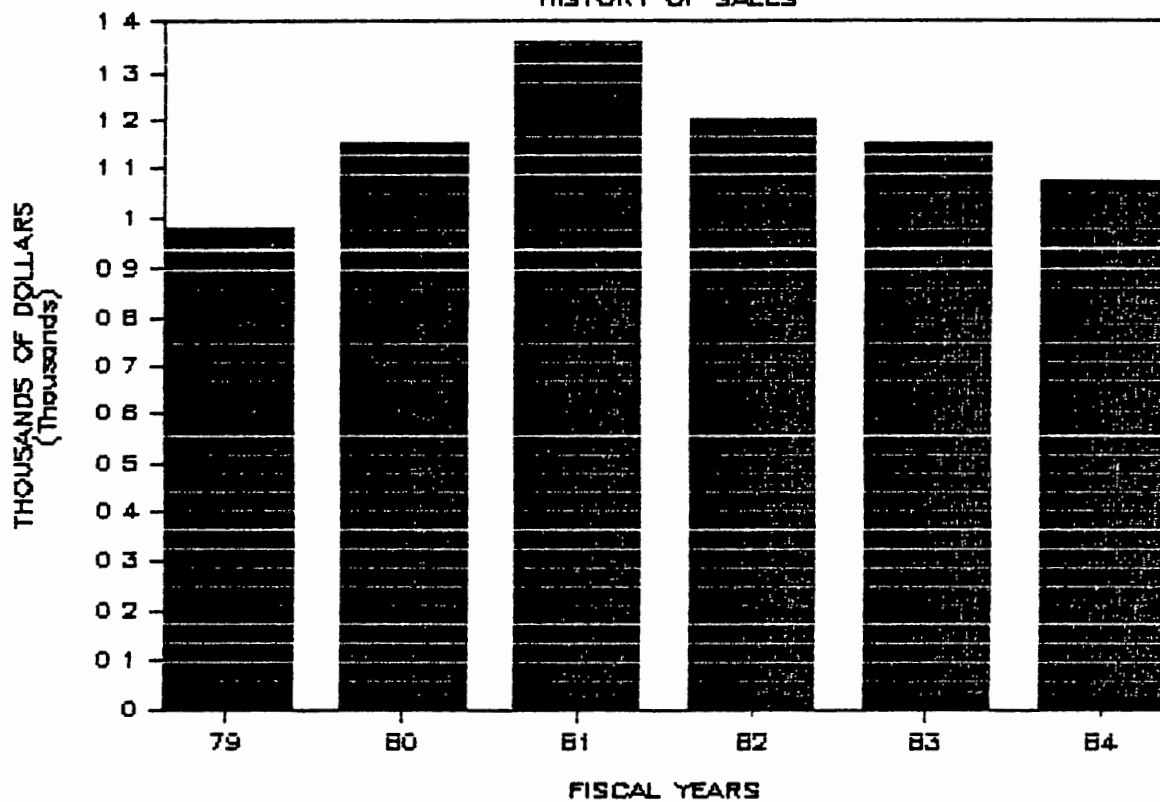
DEPARTMENT OF CORRECTIONS

HISTORY OF SALES



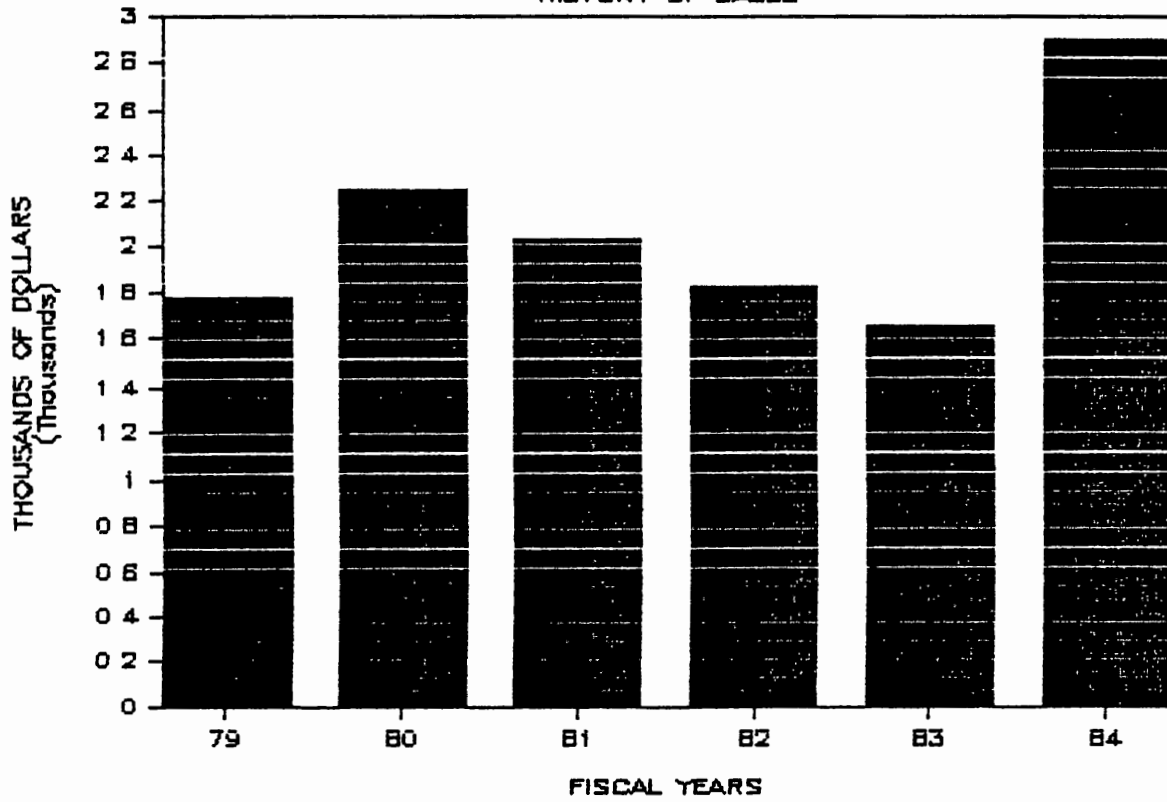
DEPARTMENT OF HUMAN SERVICES

HISTORY OF SALES

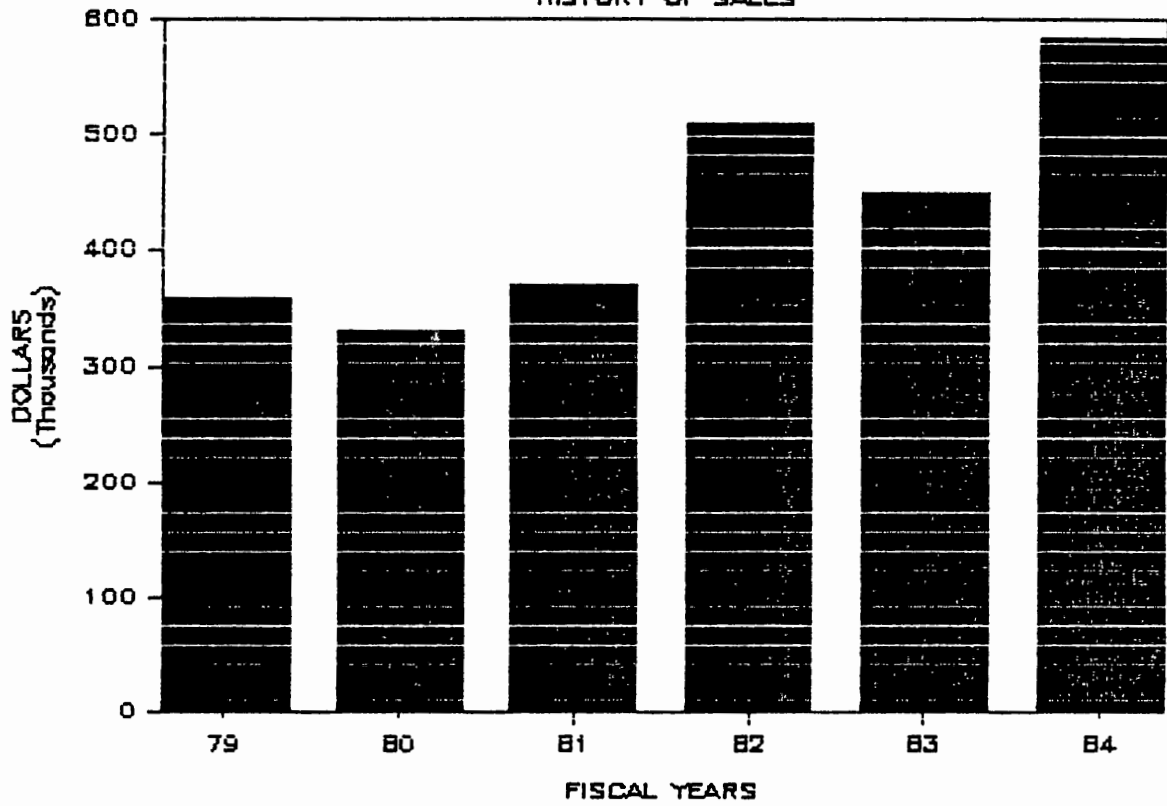


OTHER STATE DEPARTMENTS

HISTORY OF SALES



COUNTIES AND MUNICIPALITIES HISTORY OF SALES



CAPITAL EXPENDITURES - 1984

Prison, Trenton	\$ 47,107 60
Prison, Rahway	58,134 81
Prison, Leesburg	32,194 88
YCI-Bordentown	33,956 88
YRCC-Yardville	8,185 00
CIW-Clinton	10,764 41
Central Office	12,681 69
Central Warehouse	9,211 11
Central Trucking	-0-
Central Warehouse Print	10,333 60
TOTAL CAPITAL EXPENDITURES	\$222,569 98

Total Machinery & Equipment assets as of 7/1/84 of \$2,238,224 95

PLANS FOR FUTURE INDUSTRY DEVELOPMENT

YCI-ANNANDALE

Plans are continuing on schedule for the development of the Annandale Industrial Building Division of Building & Construction is progressing with construction approvals, architects are on the scene and occupancy is anticipated during Fiscal Year 1985

STATE PRISON, RAHWAY

The Bureau is still awaiting finalization for the renovation of the Rahway Regional Laundry Building Previously developed plans are ready for implementation

NEWARK CORRECTIONAL FACILITY

We have submitted three formalized proposals for industries at the Newark facility To date no decision has been rendered to the Bureau regarding acceptance of these proposals

PLANS FOR FUTURE INDUSTRY DEVELOPMENT (continued)

The Bureau acknowledges the potential for real growth in the industrial operation through enlargement of its current programs and by the development of new industries. We feel strongly that consideration should be given by the Department to allow the Bureau to contribute programs in the newly established institutions.

NOTE

THE BUREAU WELCOMES ASSISTANCE FROM ALL SUPERINTENDENTS IN THE DEVELOPMENT OF INDUSTRIAL PROGRAMS IN THEIR INSTITUTIONS. COOPERATION IS IMPORTANT IN SELECTING THE PROPER INDUSTRIES NEEDED TO MANUFACTURE A LABOR INTENSIVE PRODUCT WHICH IS MARKETABLE AND CAN MEET ITS PRODUCTION EXPENSES.

CONCLUSION

This Annual Report has attempted to provide the reader with an overview of the accomplishments the Bureau made during the past year. Last year we had spent a great deal of time and effort in developing plans for the future expansion of its industries. We are pleased to report our plans are proceeding as previously outlined.

State Use looks forward with enthusiasm to the challenges it will face in the next fiscal year.