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# ANNUAL REPORT

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State of New Jersey  
Department of Corrections  
Bureau of State Use Industries

Fiscal Year 1989

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# ANNUAL REPORT

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## BUREAU of STATE USE INDUSTRIES

### FISCAL YEAR 1989

July 1, 1988 - June 30, 1989

Leonard S. Black  
Bureau Chief

State of New Jersey  
Department of Corrections  
William H. Fauver, Commissioner  
Richard A. Seidl, Deputy Commissioner  
Richard J. Waldis, Assistant Commissioner

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# DEDICATION

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This year's Annual Report is dedicated to the memory of **Irving Seligman** (1920-1989) Chief of this Bureau from 1974 to 1983.

Mr. Seligman was viewed as a leader and scholar in the field of corrections. His career with the Bureau began in 1956 as an Industrial Manager for Bureau operations at the Trenton State Prison. In 1962 Irv was promoted to Supervising Industrial Manager and in 1964 became the first Assistant Chief of the Bureau. For the last ten years of his career Irv served as Chief of the Bureau of State Use Industries.

One of the major accomplishments during Mr. Seligman's reign was the development of the Bureau's flame retardant correctional mattress. This mattress is the official mattress for correctional facilities in the State and is being considered for use by correctional institutions across the country. Mr. Seligman received the State's Professional Achievement Award for his contributions in the development of this product.

In 1980 under Mr. Seligman's guidance the Bureau purchased its present warehouse facility. This structure now maintains a centralized trucking fleet, raw materials and finished product for immediate customer delivery. The warehouse is also home to the Bureau's administrative office.

Irv was extremely active in organizations that supported correctional industries. He was a Director of the Correctional Industries Association and recipient of its prestigious Gib Rodli Award in 1982. Irv was

also instrumental in founding the Northeast Correctional Industries Association. Among his other achievements, Irv was a governor's appointee to the New Jersey State Advisory Council on Vocational Education and was author of the book "Prison Industries in New Jersey - A 200 Year Chronicle". The book has been placed in the library of the National Institute of Justice in Rockville, Maryland.



Mr. Seligman's dedication and efforts to improve the Bureau's programs have made a lasting impression on all those who knew him, for that reason this report is dedicated in his memory.

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# MESSAGE

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The need to expand inmate employment opportunities has necessitated an evaluation of the Bureau's internal organization structure. During the past fiscal year several changes occurred to create a structure which will allow the Bureau to increase industrial programs.

Our management structure now incorporates a Chief and two Assistant Chiefs, one responsible for Industry Operation, the other for Finance and Administration. Additionally the Bureau has added an Administrative Analyst who is responsible for developing and implementing new industry programs.

After this reorganization occurred the Bureau identified the need for formal planning to chart its growth for the next fiscal year. To accomplish this, the Bureau obtained the services of Mr. Art Deegan of Deegan Associates through a Technical Assistance Grant from the Institute of Economic and Policy Studies.

As a result the Bureau conducted a two day strategic planning session with twenty-five of its managers and supervisors. During the session the Bureau developed a Mission Statement and conducted an internal analysis of its strengths and weaknesses. Key Results (objectives) were identified and responsibilities assigned to all personnel. The Strategic Planning session was significant to the organization since it provided management and staff a course of direction for the next fiscal year.

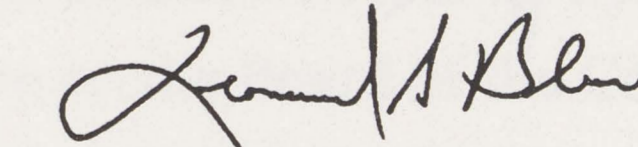
The Bureau intends to follow through with its strategic planning initiative by conducting bi-monthly meetings to assess progress and provide a forum for communication with industries personnel.

Proper planning is the key to success of any organization. This Bureau has spent considerable time and effort in planning for its future.

Finally, I would like to thank the Bureau's civilian and inmate staff who worked so diligently during the past fiscal year. Their dedication and efforts have helped the Bureau earn its reputation as one of the best correctional industry programs in the country. I would also like to thank prison administrators, superintendents and institutional staff for their cooperation and support throughout the year.

The Annual Report of Fiscal Year 1989 provides a comprehensive perspective of our business accomplishments during the past year and describes our plans for the coming year. With the increasing inmate population, expansion of existing industries and development of new programs will continue to be a priority during the next fiscal year.

Leonard S. Black



Bureau Chief

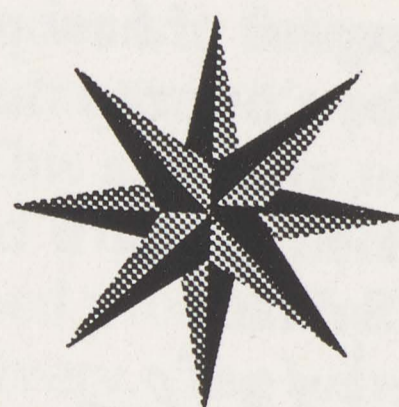
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# MISSION

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The mission of the Bureau of State Use Industries of the State of New Jersey Department of Corrections is to:

- Develop and maintain fiscally self-sustaining programs that reduce inmate idleness while providing quality manufactured goods and services to governmental agencies at prices which effect savings of taxpayer dollars,
- Provide work opportunities which teach good work habits and produce marketable job skills to help prepare the inmate for release to society,
- Provide opportunities for the professional growth and training of the Bureau's civilian staff and promotion of the health, safety and economic welfare of both civilian and inmate workers,
- Provide the inmate work force with vocational training for pre-industry qualification, on-the-job training, and assistance with post-release employment.



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# HIGHLIGHTS

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Twelve new employees were hired by the Bureau during FY '89. Sixteen employees were promoted with the Bureau and one was transferred to another state agencies. Five resignations were processed and one employee retired during this past fiscal year.

We are pleased to announce that six employees received awards for their state service 1987/1988, which ranged from 5 to 20 years. Another eight employees will become eligible for service awards to be presented in FY '90. In total these fourteen Bureau employees represented a combination of 145 years of service to the State.

During the past year Bureau employees participated in meetings, seminars, training programs and conferences of various correctional industry organizations.

Bureau employees continue to receive recognition for their work in correctional industries. This past year Mr. Paul Burroughs, Industrial Manager, Clothing Operations was awarded the Northeast Correctional Industries Award for Excellence.

To assist the bureau in developing a plan to increase and expand inmate work opportunities a short term technical assistance grant was obtained from the Institute for Economic and Policy Studies. As part of the grant Daniel Moore, General Manager of Maryland State Use Industries spent four days with Bureau personnel evaluating industry operations and identify areas of expansion. It is our intention to follow through with Mr. Moore's recommendation where feasible.

The Bureau, with the assistance of the Division of Real Estate Management, Department of Treasury is continuing its efforts to obtain easement rights to a parcel of land between Olden Avenue and Oak Street. The easement will allow Bureau trucks and vehicles to access the warehouse without traveling over crowded residential streets.

Chief Black continues by appointment to serve on the Board of the Commodities and Services Council. This council oversees the State Use program for blind and handicapped workers employed in approved workshops throughout the state.

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# HIGHLIGHTS

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## Wagner Metal Operations

Having identified the need to increase capacity and product lines in our metal fabrication plant, the Bureau has developed plans to build a 7,500 square foot addition to the Metal Shop which will employ an additional 40 inmates. The addition will include a separate loading dock, metal storage capacity, new baking ovens and several new spray booths. Groundbreaking will occur during the middle of Fiscal Year '90.

## Bayside

During the fiscal year legislation requiring the state to convert to a reflectorized license plate was passed by the Senate and introduced to the Assembly subcommittee on Law and Public Safety. The Bureau is anticipating eventual passage of this legislation and is preparing to make the necessary modifications to meet the intent of the legislation.

As a result of legislation passed during the fiscal year the Bureau has begun production of organizational license plates. Organizational plates, approved by the

Division of Motor Vehicles Services require special tooling and are produced in production runs of 500 or more.

Discussion ensued during the fiscal year relative to the Bureau's eventual management and supervision of Bayside's Bakery program. With the approval of Commissioner Fauver, the Bureau will begin management of bakery operations on July 1, 1989. Previously, the bakery had been operated by the institution's business office. Organizational meetings with Bayside administration and bakery staff were conducted to prepare for the transition. The addition of the Bakery program will add 18 civilian employees and 60 inmate workers to Bureau operations.

## East Jersey

Discussions were conducted with the administration of the institution concerning use of the now vacant laundry building for an industrial furniture program. The Bureau is developing a Request for Proposal for a furniture program which will train inmates in component furniture assembly, wood finishing and upholstery.

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# HIGHLIGHTS

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New equipment has been purchased for the sign shop and the machine and bed operation. This investment will result in improved production capacity, productivity and quality.

## Edna Mahan

At the request of the institution's administration the Bureau has implemented a small work program in the basement of "C" cottage. This program steadily employs 15 inmates with a corrections officer and an inmate supervisor. The shop manufactures subassembly components for the main Campus sewing shop which produces shirts.

Our program at Edna Mahan continues to grow. South Hall operations presently employ 25 inmates with potential expansion capacity of 50. Once maximum capacity has been obtained the Bureau will investigate expansion into a second shift.

## Garden State Reception and Youth Correctional Facility

Investment in several sewing machines has allowed the Bureau to expand production to include new products at this location such as pillows, blankets, towels and wash cloths.

Garden State continues to manufacture a complete line of quality brushes and mops for institutional use.

## Warehouse

With the assistance of the Director of Institutional Support Services the Bureau was able to obtain a used bus to transport inmates from Mountainview to the Warehouse. This is an interim measure until a new bus can be procured.

Plans are under development for a future truck/maintenance building and a fast lubrication shop combined with a car wash for state vehicles. The program is designed to employ 30 additional inmates.

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# HIGHLIGHTS

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## Administration

During May of FY 89 the Department completed the Bureau's management structure by promoting Assistant Chief Black to Bureau Chief. Industrial Manager I Burd was promoted to Assistant Chief of Operations.

The Bureau has embarked on the development of a strategic plan to direct its efforts over the upcoming fiscal year. With the assistance of Art Deegan, a professional consultant who assists major corporations develop long and short term plans, the Bureau drafted a mission statement and objectives for the next fiscal year. This strategic plan was developed with the assistance of twenty-five managers and supervisors from within the organization.

During the next fiscal year meetings with managers from all operations will be held on a bi-monthly basis to evaluate our progress towards annual objectives as well as to provide an opportunity for staff development and training.

Legislation was introduced which will allow the Bureau to sell its products and services to public governmental entities outside the State of New Jersey. The Bureau whole heartedly supports this legislation and is encouraged by the opportunity this may bring to expand our markets and work opportunities for inmates.

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# OPERATIONS

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A majority of the Bureau's finished products are stocked for immediate shipment from the Central Office/Warehouse complex in Trenton. Inmate employees are transported daily from Mountainview Youth Correctional Facility at Annandale to the 56,000 sq. ft. warehouse where they learn to perform functions such as order picking, packing, shipping, receiving and inventory control.

The Central Office complex also houses the Bureau's maintenance shop where additional inmates are employed in maintaining the building complex and a modern trucking fleet. This fleet of eight trucks traveled a total of 74,001 miles for the delivery of products during the fiscal year. The amount of deliveries made via tractor-trailer have increased over the past year. Central Office staff traveled 19,787 miles conducting bureau's business. Vehicles traveled a grand total of 122,514 miles for FY 1989.

The Bureau's administrative, marketing, sales and accounting functions are also located at this site.

# DEVELOPMENT

## DATA ENTRY

The Bureau developed specifications to secure the professional expertise necessary to develop and market a successful data entry facility. This document was submitted for the appropriate approvals and forwarded for release. The Bureau anticipates the completion of a detailed market study in the fall of 1989. Start up of the Data Entry facility is dependent on the completion of an addition to the institution in which it will be housed. At this time, it is projected that this facility will be operational in the Spring of 1990. Once operational this industry will employ about 38 inmate workers.

## FURNITURE

The Bureau expended a considerable effort during FY '89 to develop a contract for furniture components that would meet the Bureau's need while at the same time conform with the State's purchase guidelines. It is expected that a State contract will be awarded in early FY '90. Once the source of materials is confirmed the Bureau will proceed in establishing this industry. Inmate employment opportunities within this industry could exceed 100.

## NURSERY

Bureau personnel are actively reviewing the feasibility of entering the nursery business. Background information is being gathered for submittal to the Product Development Committee. A very probable site has been located. If pursued this industry will employ an average of twenty inmates with seasonal employment of up to 45.

## NEW PRODUCT DEVELOPMENT COMMITTEE

The creation of a new Product Development Committee was formalized at the end of FY 1989. The committee, comprised of a core management team representing Operations, Accounting, Marketing and Central Office administrative staff, will insure the continuing review of new and existing products. Product line improvement suggestions, received from both employees and customers, will be evaluated in a standardized format to insure venture feasibility. It is anticipated that all future planned development will be based on this committee's recommendations.

# SALES

## Sales

Fiscal 1989 total sales volume for the Bureau reached a record \$7,989,991.57 dollars reflecting a 4% increase over 1988. Sales to Counties and Municipalities remained at FY '88 levels.

## Marketing

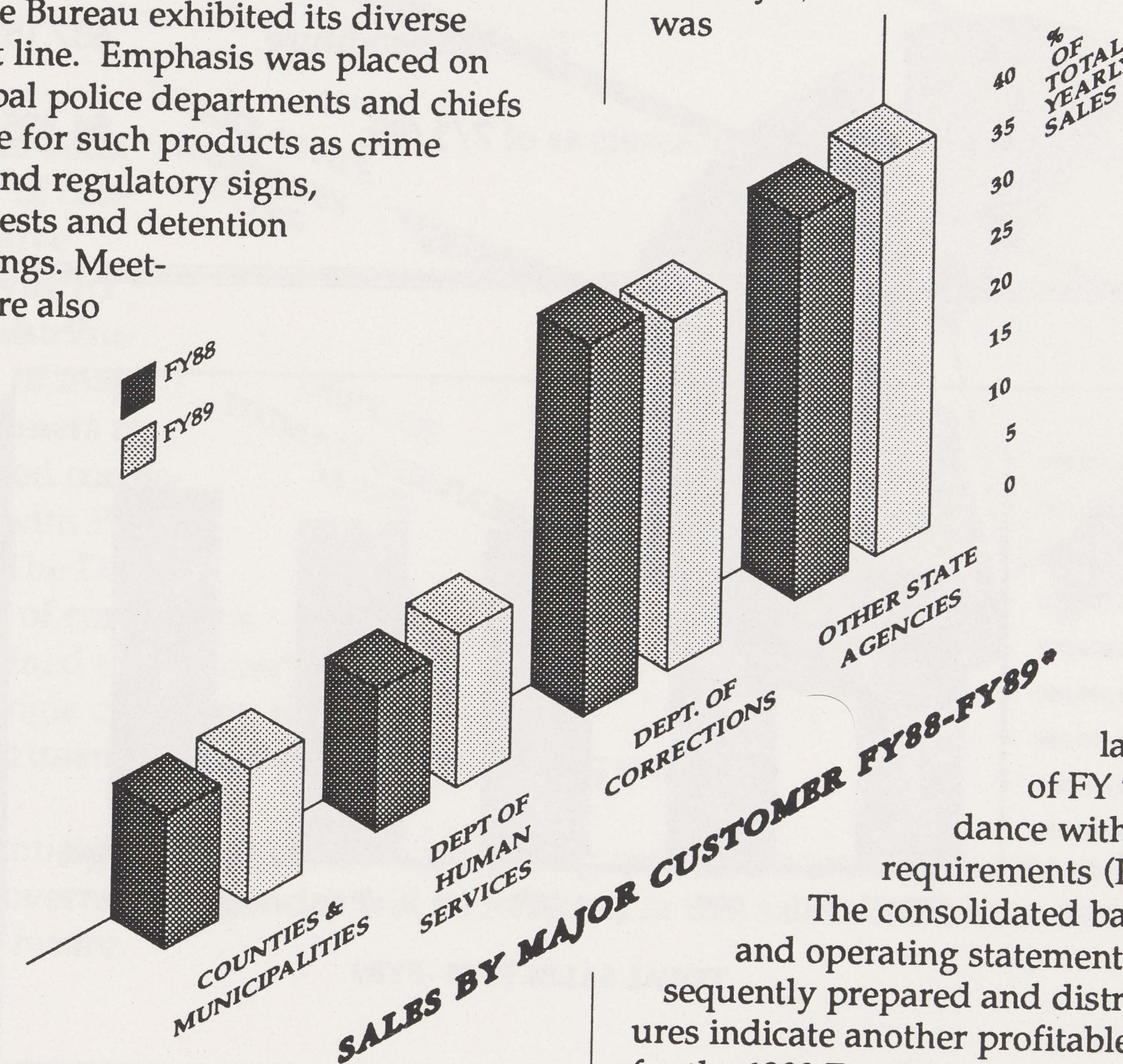
The Bureau continued its efforts to market products to various governmental agencies. Through trade shows and conventions the Bureau exhibited its diverse product line. Emphasis was placed on municipal police departments and chiefs of police for such products as crime watch and regulatory signs, safety vests and detention furnishings. Meetings were also held

with representatives from Human Services to determine products that could benefit their diverse population.

The first marketing survey was conducted late in fiscal 1989 to introduce ourselves to customers of the Bakery operation and to determine their requirements and product needs for the upcoming fiscal year.

## Financial Statistics

A physical inventory was

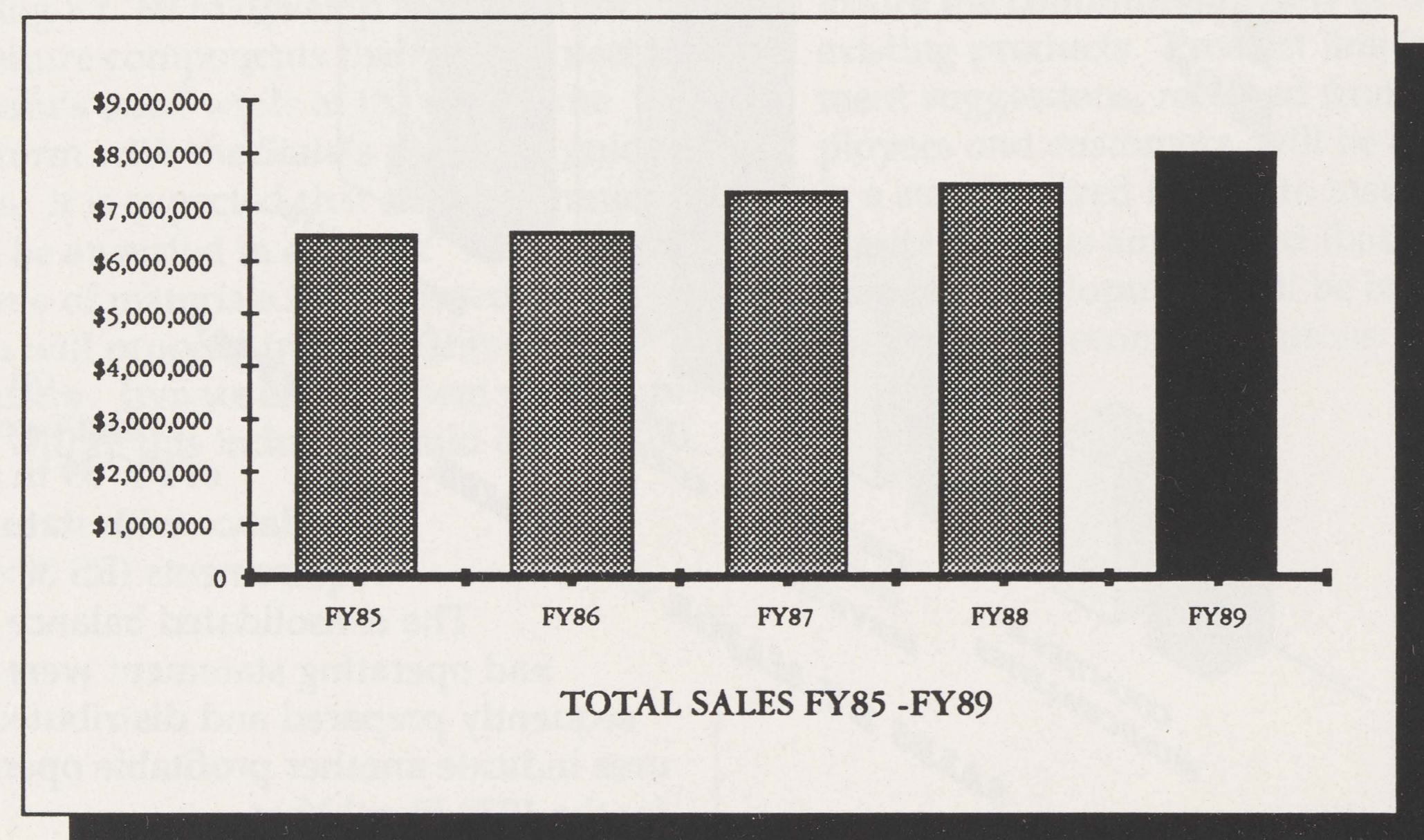


taken on the last two days of FY '89 in accordance with statutory requirements (RS 30:4-100). The consolidated balance sheet and operating statement were subsequently prepared and distributed. Figures indicate another profitable operation for the 1989 Fiscal Year.

# SALES

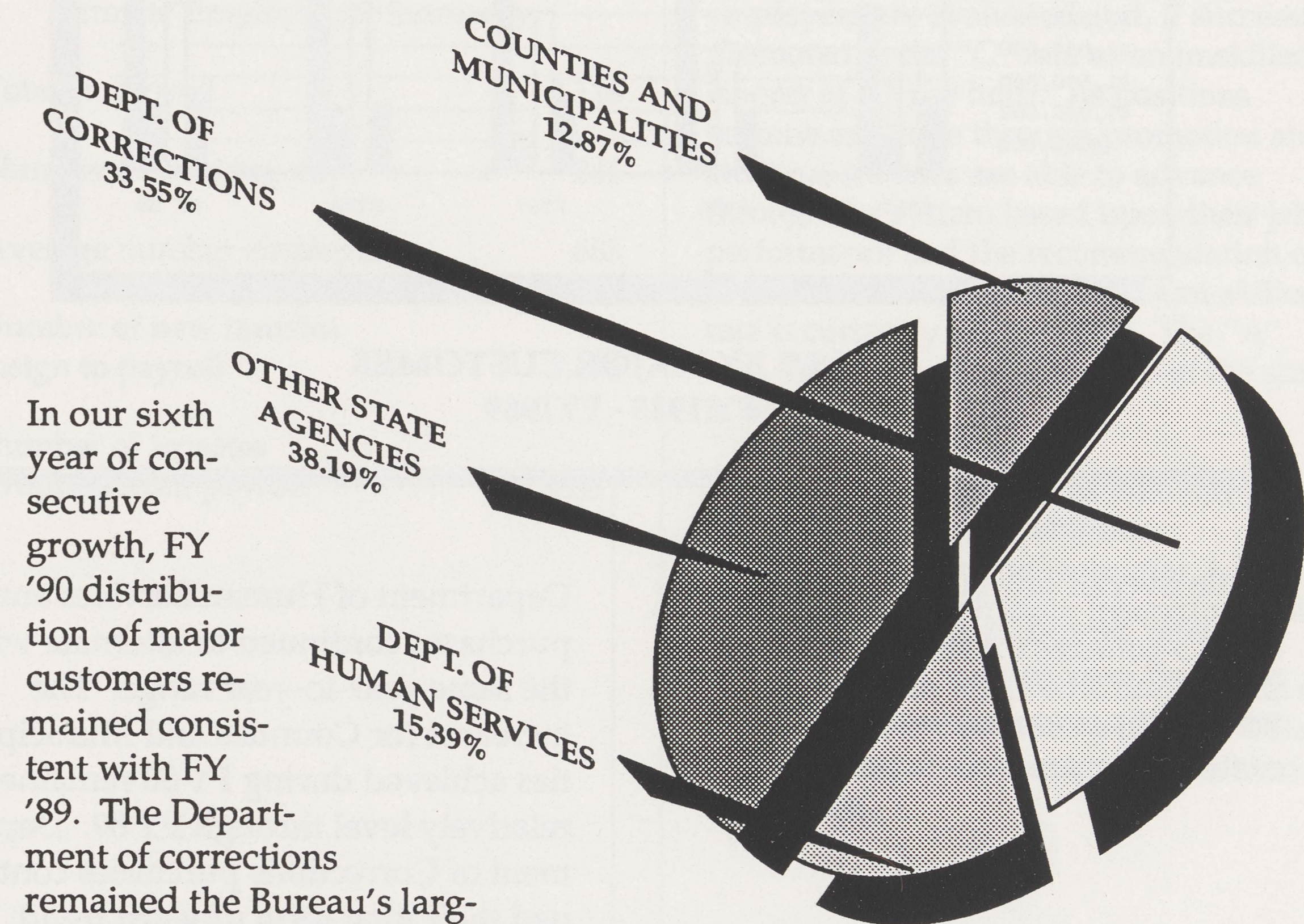
## CAPITAL EXPENDITURES - FY 1989

Garden State Reception & YCF	5,369.58
New Jersey State Prison	10,906.05
East Jersey State Prison	27,594.08
Bayside State Prison	18,667.76
Albert C. Wagner YCF	19,788.65
Edna Mahan CFW	13,859.80
State Use Central Office & Warehouse	175,672.84
Northern State Prison	20,299.10
111 Oak St., Building & Land	345,000.00
<b>Total Expenditure</b>	<b>637,157.86</b>
 Total Machinery and Equipment Assets as of 7/1/89:	 \$4,385,721.09



# SALES

## SALES BY MAJOR CUSTOMER FY - 89

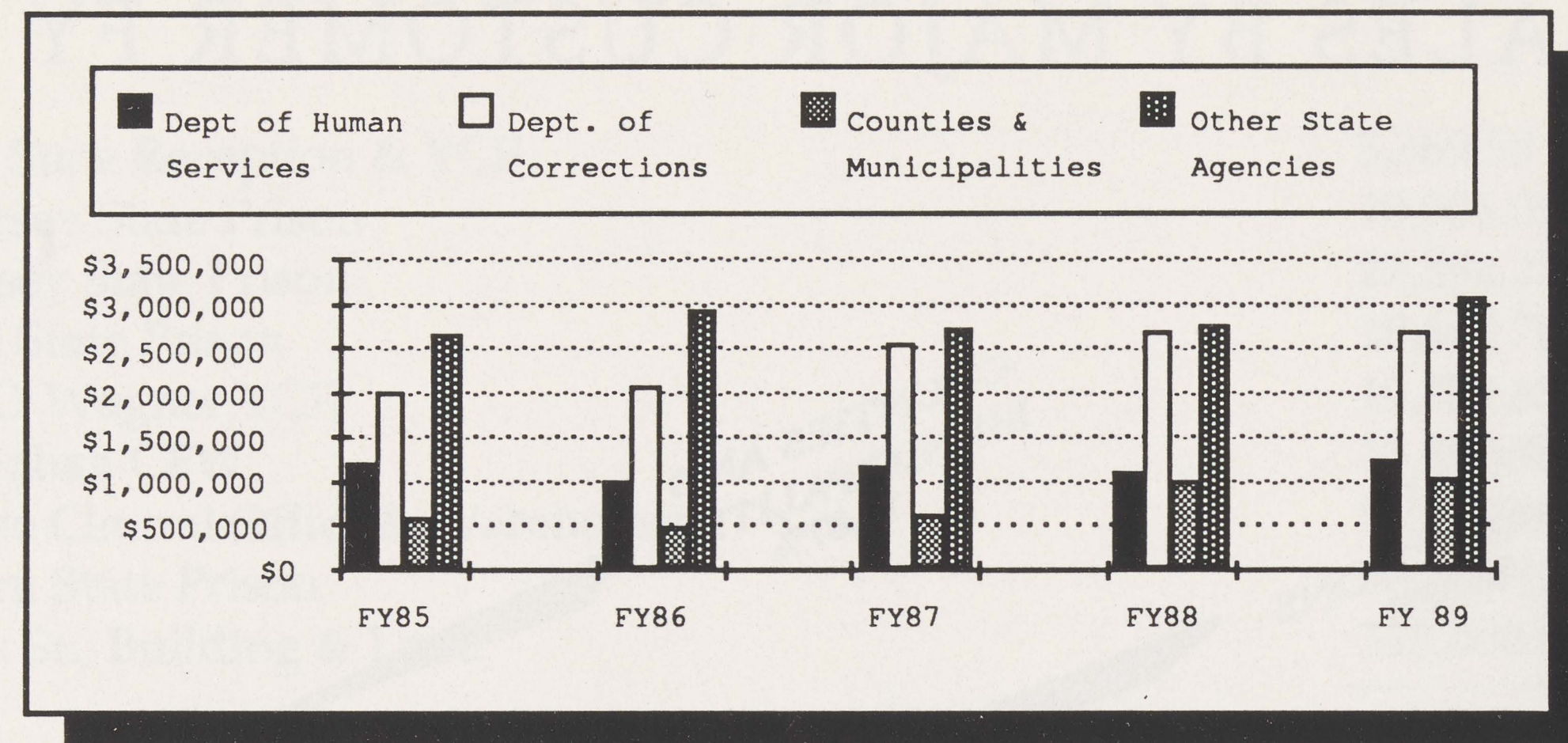


In our sixth year of consecutive growth, FY '90 distribution of major customers remained consistent with FY '89. The Department of corrections remained the Bureau's largest single customer, with the Department of Human Services ranking second.

It is anticipated that our new marketing emphasis towards county and municipal government agencies will be reflected in this sales distribution in the immediate future.



# SALES



**SALES BY MAJOR CUSTOMER  
FY 1985 - FY1989**

While overall sales patterns for the five-year period leading to FY 89 reflected year-to-year increases, there were distinct variations by major customer groups.

Department of Human Services annual purchases continued to alternate within the same year-to-year range. The increases for Counties and Municipalities achieved during FY 88 remained relatively level through FY 89. Department of Corrections purchases continued their long-term upward trend. Other State Agencies which increased during FY 89 beyond a previous record level achieved in FY 86.

# PARTICIPATION

The total number of inmates employed in our industries increased slightly during the year from 1,970 in FY '88 to 2,116 in FY '89. The average number of inmates employed by the Bureau per month increased from 627 to 688.

### Inmate Employment Summary

Total employed	2,116
Number of working days	246
Average number employed	688
Number of new inmates assigned to payroll	1,496
Number of inmates dropped from payroll	1,391

Inmate wages are determined by the number of hours worked and the inmate's job scale. For example, inmates are classified as unskilled, semi-skilled and skilled. An inmate starts out as a "learner" at the "D" rate of .28 per hour for a period not to exceed two months. After two months all employees are evaluated and, if successful, promoted to the "C" rate as an unskilled laborer at .33 per hour. As positions become available through promotion and attrition, inmates are able to advance through the system based upon their job performance and the recommendation of civilian instructors. The "B" semi-skilled rate is currently .48 per hour. The "A" rate, skilled position at the top of the scale is .58 per hour.

As an incentive to inmates who have demonstrated managerial abilities, the position of Inmate Instructor Assistant was created. The Inmate Instructor Assistant is responsible for assisting civilian employees with the production aspects of the industry and pays .88 per hour. This is the highest attainable inmate position in the Bureau.

# PARTICIPATION

In accordance with Administrative Standard 610.6, .7, .8 the following inmate wages reflect a .10 per day increase approved by Commissioner Fauver effective November 1, 1988.

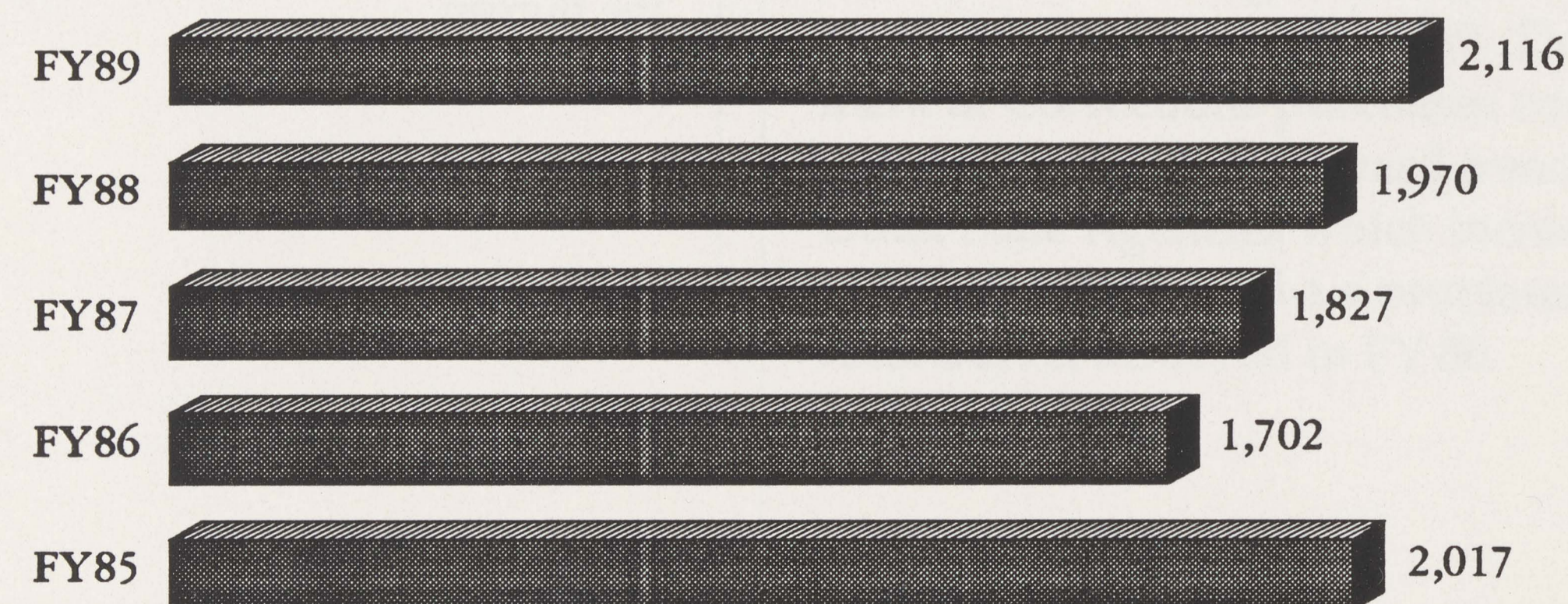
Current inmate Daily Wage rates are:

	Below Average	Average	Above Average
15% Skilled	\$1.50	\$1.55	\$1.60
45% Semi-Skilled	1.40	1.45	1.50
40% Unskilled	1.30	1.35	1.40

Inmate Instructor Assistant: \$3.30

Those industries at Garden State Reception & Youth Corr. Facility utilize the Daily Wage rate and provide a bonus of .25 per day to inmates working a minimum of five hours daily.

## Total Inmates Employed



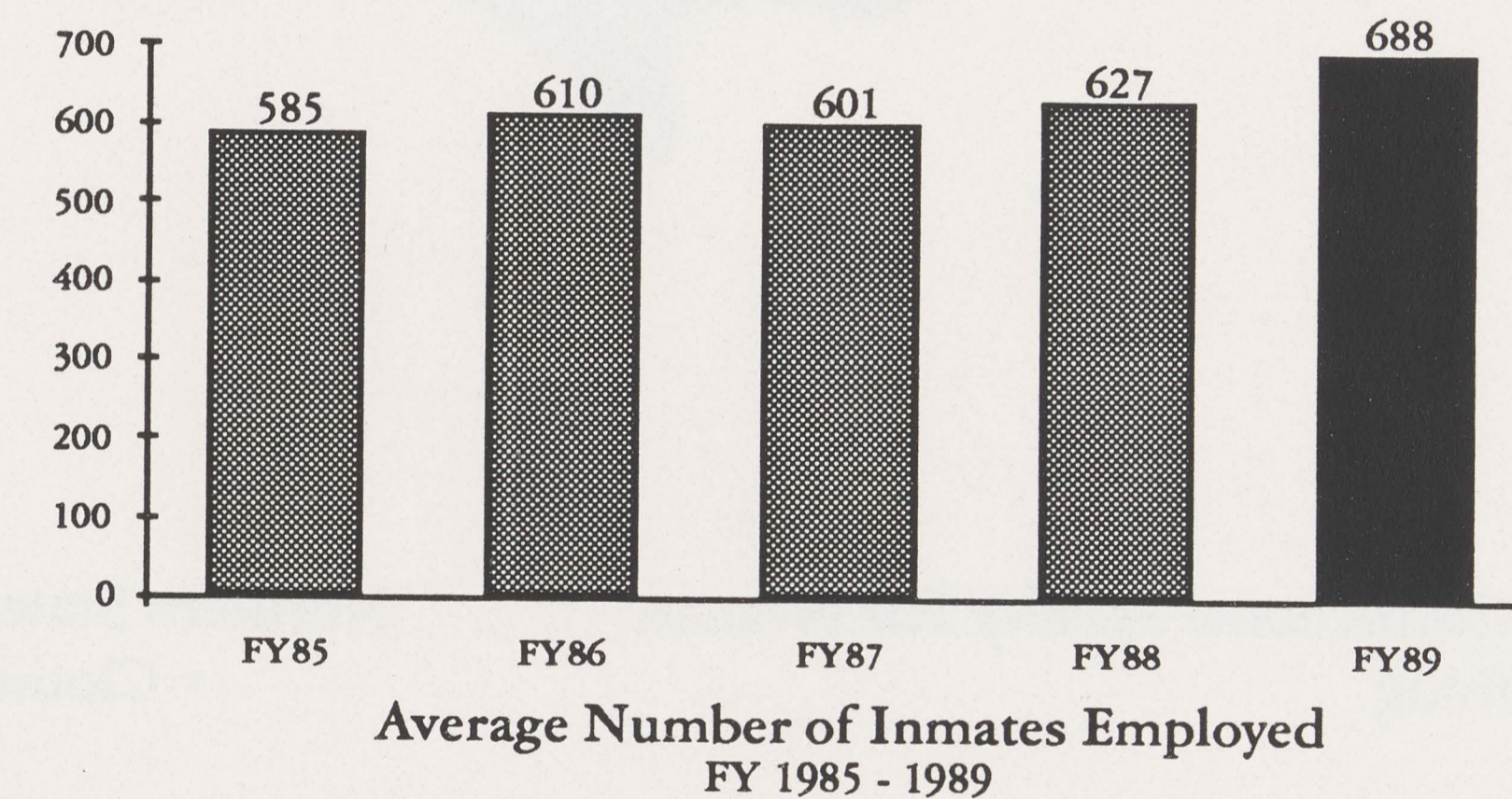
# PARTICIPATION

The Hourly Wage rate is in effect at State Use Industries located at Bayside, East Jersey, Northern, and Riverfront State Prisons and those at Wagner and Mahan Correctional Facilities, as well as at the Bureau's Central Warehouse in Trenton.

These rates are currently paid:

15% Skilled	"A" rate	.58 per hour
45% Semi-skilled	"B" rate	.48 per hour
40% Unskilled	"C" rate	.33 per hour
Learner	"D" rate	.28 per hour
(Two months maximum when necessary)		
Inmate Instructor Assistant		.88 per hour

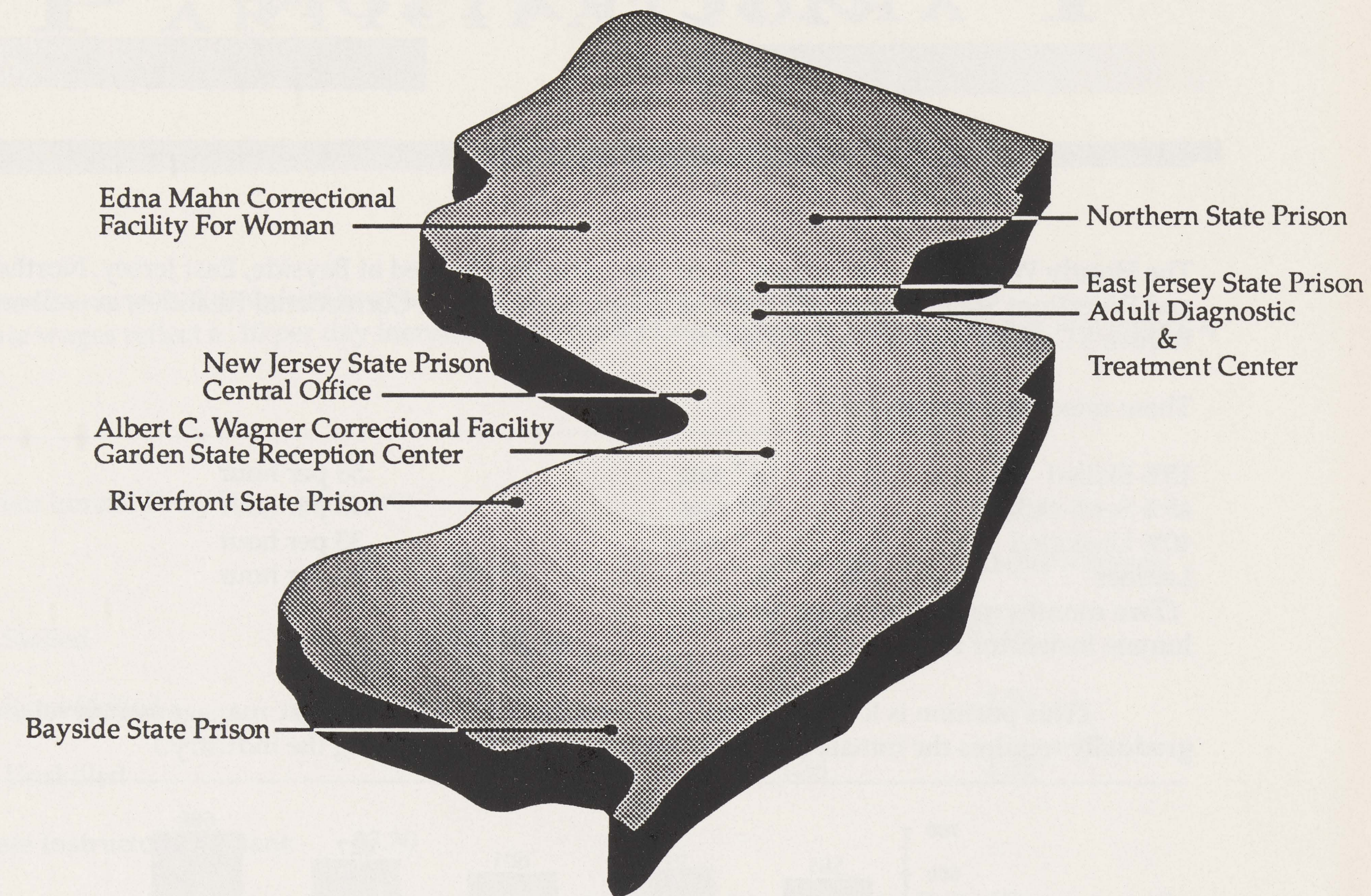
(This position is limited to qualified inmates only. Training is at management level and gradually requires the inmate to accept responsibility for operating the industry.)



THE AM/PM RATE is paid to the inmate work force at NJ State Prison.  
Pay scale for the three hour AM/PM shift is:

	Below Average	Average	Above Average
15% Skilled	\$2.35	\$2.45	\$2.55
45% Semi-skilled	1.85	1.95	2.05
40% Unskilled	1.35	1.45	1.55

Learner - \$1.30 (Two months maximum when necessary)  
Inmate Instructor Assistant \$3.30



Edna Mahn Correctional Facility For Woman  
 • Clothing

New Jersey State Prison  
 • Clothing  
 • Knit  
 • Mattress

Central Office  
 • Administration  
 • Warehousing

Albert C. Wagner Correctional Facility  
 • Metal Fabrication

Northern State Prison  
 • Clothing

East Jersey State Prison  
 • Clothing  
 • Metal fabrication  
 • Sign Manufacturing  
 • Furniture

Adult Diagnostic & Treatment Center  
 • Data Entry

Bayside State Prison  
 • Auto Tag  
 • Clothing  
 • Bakery

