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STATE OF NEW JERSEY

DEPARTMENT OF INSTITUTIONS AND AGENCIES

DIVISION OF CORRECTION AND PAROLE

R E P O R T

of the

BUREAU OF STATE USE INDUSTRIES

Fiscal Year

1962-1963

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Bureau of State Use Industries

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Annual Report - Bureau of State Use Industries 1962-63

To: Mr. Albert C. Wagner, Director
Division of Correction and Parole

From: John C. Bonnell, Chief
Bureau of State Use Industries

John C. Bonnell
8/16

Dear Sir:

We submit herewith the Annual Report of the Bureau of State Use Industries for the fiscal year 1962-63 per Administrative Order #8;02. The general statement of the condition of the funds of the Bureau, together with certain operating statistics will not be available before August 31st but will be submitted later to be attached to this report.

The mission of this Bureau is to furnish employment and productive occupations for the inmates of penal and correctional institutions. The work is planned to give useful, up-to-date training to aid in rehabilitation of the individual, to keep him busy while in custody and to make him earn some portion of the cost of his confinement.

The Bureau conducts all operations normal to any manufacturing enterprise including such business functions as billing, cost accounting, engineering, sales, delivery and the like. Goods are produced which are for sale to all New Jersey tax-supported institutions or agencies at the State, County and Municipal level and the market is limited by law to these customers. While shop buildings and major repairs of the same are usually furnished by the institutions, necessary supervision, technical assistance, staff services, machinery, supplies, maintenance materials, heat, light, power, transportation and other operating expenses, including salaries, are furnished by the Bureau from the Revolving Fund and not from direct appropriation.

In the operations, the Bureau continues to apply in all possible cases the principle 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 upon release.

When the industrial organization was established many years ago, a basic policy of diversification was adopted to minimize competition with any one segment of private industry and free labor. New employment opportunities are continually being sought which are in line with this goal.

In the efforts to provide more work and upgrade training facilities, approximately \$71,000 in capital investment was made this year and employment increased 5% (from 986 to 1034) for the second year in a row.

During the year improvement and expansion of shop facilities followed the modified long-range plan adopted in 1961-62 fiscal year.

On June 24, 1963, ground was broken for the Industrial Building at Bordentown Reformatory which is being built with Bond Issue funds to supply approximately 100 badly needed jobs. Rahway Clothing Shop No. 2 was built and placed in operation in the Fall of '62 with an increase of approximately 40 jobs. Rahway Miscellaneous Manufacturing Shop was built and commenced operations in the early months of 1963 with further increase at that institution of approximately 20 jobs.

Planning is under way for shops to employ about 140 inmates in the new 905 bed Youth Reception and Correction Center to be built at Yardville; also, a small shop for the employment of approximately 65 to 70 inmates has been designed for the new 125 bed readjustment unit at the Edward Johnstone Training and Research Center.

ORGANIZATION

Thirty-two different types of industries are operated in 24 shops in 6 institutions.

At the close of the year the Bureau had 99 jobs authorized and 89 filled. The distribution of the payroll in the field shows 60 instructors and 9 correction officers; Central Office employees remained at 20.

During the year members of the Central Office organization made 530 institutional visits and special field contacts, travelling 45,853 miles.

The Bureau operated 4 trucks 63,981 miles for delivery of products and contracted for \$14,200 additional outside services for the same purpose.

A total of nearly 7050 tons of products were handled.

STATE USE ADVISORY COUNCIL

The State Board of Control increased membership of the Council to 12 during the year. The group met in September, October and December of 62, February and April of 63. We report a number of changes among the membership of the Council; Vice-Chairman Wayne McMurray, Asbury Park, resigned also Frank Smith, Allentown and Anthony Zuccarello, Trenton.

The three vacancies were filled by Mr. Malcolm Kirkpatrick, Jamesburg, who is also a member of the Annandale Board; Mr. Herman Tublitz, South Orange, also a member of the Bordentown Board; Mr. Jack Lamping, Toms River. Mr. Burnwell B. Banks of Orange was appointed to fill the vacancy which has existed since the death

of Mr. Benjamin MacFarland of Newark and Mr. Robert J. Laird, Bloomingdale was appointed raising the total membership to 12,

Council membership as of July, 1963, is as follows:

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

Vice Chairman - Joseph W. Beck, So. Orange, management

Burnwell B. Banks, Orange, Training and personnel

Bradford Cochran, Far Hills, finance

Harvey A. Collins, Ridgewood, small employer and labor (A. F. L.)

Dr. Bertram Crocker, Long Branch, sociology

Malcolm Kirkpatrick, Jamesburg, management

Jack Lamping, Toms River, public relations

Robert J. Laird, Bloomingdale, labor (C.I.O.)

Norman Mallor, No. Caldwell, retailing

Peter V. R. Schuyler, Jr., So. Orange, welfare administration

Herman Tublitz, So. Orange, management

PUBLIC RELATIONS

Field Representative Theodore B. Meriam, joined the staff in September, 1962, and contacts with counties and municipalities were resumed on an augmented scale. Catalog is being rewritten and up dated.

Exhibits of products of the Bureau were set up and manned as follows:

N. J. State Fair

N. J. Welfare Council Conference,
Asbury Park

Education Association Convention

League of Municipalities Convention

Freeholders Conference

Twenty six days were used in above activities.

Besides the many favorable contacts resulting from these exhibits, approximately 3000 pieces of literature were distributed. Talks were also made to service clubs, college classes and other groups.

INDUSTRIAL INFORMATION

Shops operated by the Bureau at the close of the year are as follows:

State Prison, Trenton

Auto Tag
Bakery
Clothing
Knitting
Machine Shop
Mattress Shop
Print Shop
Upholstery

State Prison Farm, Rahway

Clothing #1
Clothing #2
Machine & Beds
Painting & Finishing
Shoe manufacturing
Textile
Woodworking
Miscellaneous manufacturing
a. Furniture salvage
& repair
b. Sign salvage for Highway Dept.
c. Carton manufacture

Reformatory, Bordentown

Brooms
Commercial Laboratory
Mops
Sheet metal & screens
Soap

Reformatory, Annandale

Bags & baskets
Cannery
Feed Mill
Shoe repair
Snow fence

Reformatory for Women, Clinton

Clothing

State Hospital, Trenton

Occupational Therapy
(brush & weaving)

Exterminating services which had been furnished at day rates to the institutions on a planned schedule since 1946 were discontinued upon the retirement of the incumbent after suitable advance notice to the using agencies.

EMPLOYMENT

The shops furnished 1034 full time jobs, 919 of which were in the

penal and correctional institutions (about 23% of the population); employment figure is up 5% from past year. One hundred fifteen patients were kept occupied in the brush and weaving shop of the Vroom Building at the Trenton State Hospital.

Average annual output in sales per penal and correction job was \$2202.00.

The turnover rate in the several shops was still very high but showed a favorable trend; 2065 inmates were assigned to fill the 919 full time jobs; this is an average of 2.2 inmates for each job; down slightly from 2.3 figure of last year.

Turnover rates for the several institutions are as follows:

	<u>Average Jobs</u>	<u>Inmates Assigned During Year</u>	<u>Average Inmates Per Job</u>
Prison	351	592	1.7
Rahway	292	572	1.95
Bordentown	91	395	4.3
Annandale	138	353	2.5
Clinton	47	153	3.2
Total	919	2065	2.2

STATISTICS

These will be supplied later in the form of the Balance Sheet, Operating Statement; and a brief analysis of each of the industries.

SALES

Sales were approximately \$2,047,000.00; up slightly from last year. Net income approximately \$30,000.00 or 1.47% of sales. The rise in gross income, though small is largely due to the fact that auto tag sales increased somewhat due to rising rate of replacement of the aluminum plates which are going off cars at a current rate of nearly 20% of the general issue. Total sales for the other industries also showed a small increase.

Sales were distributed as follows:

a. Department of Institutions & Agencies 75.6%

b. Other State departments	<u>18.2</u>
c. Counties and Municipalities	<u>6.2</u>

Total sales to counties and municipalities showed a drop to \$130,000.00 from last years \$150,000.00, due in large part to decrease in snow fence sales which are down due to fact last winter did not result in normal destruction.

INMATE WAGES

Inmate wages paid per Administrative Order #1:21/2 remained the same at 18, 22, 27, 32 and 40¢ per day in the Prison and Rahway shops; at Clinton the rates were 18, 22 and 27¢; at Annandale and Bordentown the ranges were between 10 and 17¢. Total wages paid to inmates was \$54,149.00 or 2.69% of gross sales.

Average daily wage at the Prison and Rahway remained at 30-1/2¢ with over 2/3 of the jobs on evaluation. Average working hours remained substantially unchanged from previous years, being 25-1/2 per week at Prison and Rahway, 35 at Clinton and Annandale and 35 at Bordentown (up from 34).

INVENTORIES

As required by statute, physical inventory was taken on June 27th and 28th; as of July 31st inventory was still being priced and extended. Figures will be included in statistics section when forwarded.

AUDIT

There was no audit of the accounts of the Bureau this year although one is planned for the Fall of 1963. The last audit was in 1957.

CENTRAL OFFICE WORK LOAD

Due to continuing study and redistribution and/or reduction of Central Office work load during the past year we have not had to fill vacant positions of Principal Clerk Bookkeeper and Senior Clerk Bookkeeper.

PROGRESS HIGHLIGHTS

July
1962

Special laminating equipment installed in Prison Print Shop.

August

Work commenced altering second floor of former furniture plant at 160 3rd Street for new Central Office of Bureau.

Large shipments of upholstered chairs and other items to new dormitories of State colleges.

September

New contemporary furniture line displayed at State Fair, many favorable comments.

October

New corrugated carton operation installed at Rahway; about \$7,000 capital investment. Work on shop area for Clothing #2 at Rahway finished and machines being installed; cost including all new Singer equipment approximately \$27,000.00 for 40 jobs.

November

Annandale Cannery closed for season; packed in excess of 1,400,000 pounds of finished products.

Final designing completed on shops for Bordentown Industrial Building.

December

Rahway Clothing #2 training proceeding. Market for production of shop secured by Administrative Order 1:33; samples being prepared.

January
1963

Ancient piping in Industrial Building at Rahway failed again. A constant problem. Consulting engineers employed to furnish necessary drawings, specifications and designs to re-pipe and rewire this building - probably from Bureau funds - work vital to continue this 60 year old, 30,000 square feet building in habitable condition.

February

Construction of 3700 square feet addition to Wood-working Shop at Rahway to start. State money (\$10,000.) for materials; Bureau absorbs expense of officer in charge of detail.

March

Moved into new offices across from Prison at 160 3rd Street. Net cost \$22,000.

First issue of new format Public Health News delivered to using agency.

PROGRESS HIGHLIGHTS

April

Consulting engineers working on designing of new heating and electrical systems for Rahway Industrial Building. Estimates - in excess of \$30,000.

First work done at Prison on central cutting for all clothing shops; a goal of long-range planning.

New 50 ton mechanical press installed in Rahway Machine and Bed Shop. - A \$1500. investment.

May

Working with architects on design of 3 shops for 140 jobs in New Youth Reception and Correction Center, Yardville. As is customary, Bureau supplied all layout engineering and preliminary drawings for mechanical engineers.

New planer ordered for replacement of obsolete unit in Rahway Furniture; a \$7100.00 investment.

New perforator installed in Prison Print Shop - a \$2000.00 investment.

Three key employees of Bureau promoted this month. (1) Irving Seligman transferred to Assistant Business Manager of Prison, (2) David J. Anderson transferred from Rahway and promoted to Industrial Manager, Prison and (3) Richard Van Lenten promoted to Assistant Industrial Manager, Rahway.

June

Print Shop produced new Road Tax Seals in rush project for Motor Vehicle Department, also all new county forms for Welfare reorganization.

Shops at Rahway and Prison slowed during month for administrative reasons.

Work started on New Bond Issue Industrial Building, Bordentown which will provide up to 100 more jobs.

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE

Balance Sheet at June 30, 1963

Balance Sheet at June 30, 1962

CURRENT ASSETS

Cash	\$175.000	
Rev. Fund (Un-encumbered bal.)	59,267.20	
	93,618.09	
Encumbrances for open P.O. for materials, etc. not delivered by 6-30-63 (see attached schedule)		
Accounts Receivable	<u>178,098.10</u>	
		331,158.39

	\$175.00	
	80,621.58	
	133,872.15	
	<u>201,731.01</u>	
		416,399.74

INVENTORIES

Matl. & Supp.	432,786.90	
Fin. Prod.	423,421.21	
Work in Process	<u>173,929.16</u>	
		<u>1,030,137.27</u>

	440,598.45	
	276,345.47	
	<u>164,452.46</u>	
		<u>881,396.38</u>
		1,297,796.12

Total Current Assets 1,361,295.66

FIXED ASSETS

Machy. & Equip.	878,181.06	
Less: Depr.	<u>692,791.72</u>	
		185,389.34

	827,308.67	
	<u>652,773.73</u>	
		174,534.94

Total Assets 1,546,685.00

Less:

CURRENT LIABILITIES

Accounts Payable	3,509.10	
Net Worth 6-30-63	<u>1,543,175.90</u>	

6-30-62

	4,297.62	
	<u>1,468,033.44</u>	

Analysis Net Worth 6-30-62 (adjusted)	1,470,106.99	
Add: Net Earnings	<u>73,068.91</u>	
	<u>1,543,175.90</u>	

DEPARTMENT OF INSTITUTIONS & AGENCIES

BUREAU OF STATE USE

OPERATIONAL STATEMENT

Fiscal Year Ending June 30, 1963

Fiscal Year Ending June 30, 1962

SALES \$2,047,271.88

\$1,980,754.36

COST OF SALES

Matl. & Sup. Used 1,293,418.99
Less: Increase Fin.
Products & Work in
Process Inv. 156,552.44
1,136,866.55

Less Increase

1,243,062.98
100,790.33
1,142,272.65

COST OF OPERATION

Salaries & Wages
Instr. etc. 371,005.53
Corr. Off. 64,289.78
Adm. Cl. etc. 120,418.06
Inmate Wages 54,149.58
609,862.95

333,365.96
63,238.53
111,192.55
54,609.22

562,406.26

INDUSTRIAL EXPENSE

Freight & Ctge. 18,300.74
Light, heat, power,
gas & water 47,823.16
Repair & repair pts. 35,874.59
Depr. 41,701.99
Rents & Royalties:
Leased Mhy. 321.00
144,021.48

17,627.84
46,861.78
29,656.96
41,475.01
490.00

136,111.59

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OPERATIONAL STATEMENT (contd.)

Fiscal Year Ending June 30, 1963

INDIRECT AND MISCELLANEOUS EXPENSE

Insurance	2,464.67	
Stat. & Print.	3,309.18	
Teleph. & Tel.	3,191.67	
Comp. Awards	2,499.76	
Pen. Fd. S.S.	35,201.23	
Health Benefits	6,872.69	
Misc. Exp.	<u>36,559.59</u>	
	90,098.79	

TOTAL COST OF OPERATION

PROFIT

ADD-DISCOUNT EARNED

NET EARNINGS

<u>1,980,849.77</u>
<u>66,422.11</u>
<u>6,646.80</u>
<u><u>73,068.91</u></u>

Fiscal Year Ending June 30, 1962

5,727.21
3,696.00
3,039.81
1,359.74
34,396.96
4,799.27
<u>41,053.64</u>

94,072.63

<u>1,934,863.13</u>
<u>45,891.23</u>
<u>6,297.30</u>
<u><u>52,188.53</u></u>

F. Y. Ending June 30, 1963

DEPARTMENT OF INSTITUTIONS AND AGENCIES

BUREAU OF STATE USE

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	223,983.73	3	1	59	113
Bakery	55,341.28	1	-	28	48
Clothing	192,250.69	4	2	111	191
Knitting	44,927.57	1	-	29	43
Machine	5,428.92	1	1	14	20
Mattress and Upholstery	108,456.88	2	1	47	67
Office	-	2	1	11	21
Printing	115,372.57	4	1	40	64
Storeroom	-	1	1	12	25
Trucking	-	3	-	-	-
Total	745,761.64	22	8	351	592

N. J. State Prison Farm, Rahway

Clothing #1	100,980.95	4	1	58	97
Clothing #2	-	1	-	21	70
Machine & Beds	37,145.60	1	-	19	47
Misc. Mfg.	5,151.87	-	-	7	10
Off. & Storeroom	-	4	-	25	74
Paint	28,597.84	1	-	14	24
Shoe. Mfg.	92,525.74	4	-	49	86
Textile	116,393.28	3	-	59	116
Trucking	-	1	-	-	-
Woodworking	67,920.71	4	-	40	92
Total	448,715.99	23	1	292	616

ANALYSIS OF SALES AND DISTRIBUTION OF LABOR

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F.Y. Ending June 30, 1963

	<u>Sales</u>	<u>Outside Labor</u>		<u>Inmate Labor</u>	
<u>N. J. Reformatory, Clinton</u>		<u>Instructors Etc.</u>	<u>Correction Officers</u>	<u>Monthly Average</u>	<u>Total Trained During Year</u>
Clothing	114,674.21	6	-	47	153
<u>N. J. Reformatory, Annandale</u>					
Bag	17,132.00	-	-	2	10
Basket making	3,349.13	-	-	6	18
Cannery	78,828.51	3	-	59	210
Feed Mill	327,238.43	2	-	26	64
Shoe Repair	8,591.85	1	-	10	33
Snow Fence	56,820.25	-	-	35	18
Total	491,960.17	6	-	138	353
<u>N. J. Reformatory, Bordentown</u>					
Broom Mfg.	12,209.70	1		10	19
Commercial Lab.	33,710.88	1		4	20
Mops	12,485.47	-	1	7	19
Office	-	2		-	-
Sheet Metal	31,969.50	2		43	114
Soap	128,794.07	1	1	27	223
Total	219,169.62	7	2	91	395
<u>N. J. State Hospital, Trenton</u>					
Occupational Therapy	23,750.25	-	-	115	135

- continued -

F Y. Ending June 30, 1963

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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>Central Office</u>					
Exterminating	3,240.00	1	-	-	-
Central Office	-	23	-	-	-
TOTAL	2,047,271.88	88	11	1034	2244