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STATE OF NEW JERSEY

DEPARTMENT OF INSTITUTIONS AND AGENCIES

DIVISION OF CORRECTION AND PAROLE

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ANNUAL REPORT

of the

BUREAU OF STATE USE INDUSTRIES

Fiscal Year

1973-1974

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ANNUAL REPORT, BUREAU OF STATE USE INDUSTRIES 1973-1974

TO: Mr. William Fauver, Director
Division of Correction & Parole

FROM: Irving Seligman, Chief
Bureau of State Use Industries

The following Annual Report is submitted for the Bureau of State Use Industries, completing the Fiscal Year ending June 30, 1974.

It should be noted that a "line and staff" relationship exists between this Bureau and the industrial operating units within the Division of Correction and Parole. The cooperation of all concerned is necessary if our organization is to accomplish its objective of providing a meaningful industrial work program. The latter is considered a major ingredient in the inmate rehabilitative process.

Consistent with Division Standard 610, the Bureau is mandated 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. This Bureau does not receive any appropriations. The program is financed exclusively from earned profits.

ADMINISTRATION

Our activities are directed realistically toward the maximum utilization of the available inmate labor supply. We aim to develop beneficial work attitudes in an industrial setting, utilizing on-the-job training skills.

It is our goal to:

(a) upgrade capital equipment as economically feasible
(b) improve inmate instruction
(c) develop new markets and increase sales
(d) enhance the product quality
(e) maintain good customer relations
(f) expand the industries work program.

The desired result is to achieve a profitable operation for all concerned.

The State Use Industries program continued to deteriorate during this past fiscal year. The Bureau finds it difficult to realistically accept this fact. In these days of budget hardships, it is paradoxically unreal that extra support is not extended to a program that is self-sufficient and costs the State nothing!

ADMINISTRATION (continued)

Once again the Bureau was forced to close down several operations. The Woodworking Industry at the Youth Reception and Correction Center, Yardville was discontinued three months ago as a major installation. A greatly modified unit was transferred to the State Prison, Rahway.

Also discontinued was a small operation at the Yepsen Unit of the Edward R. Johnstone Training Center. The chief product manufactured was wooden stakes. These were used primarily by County engineers and Shade Tree Commissions.

To reduce overhead costs and maximize utilization of the available inmate work force, our policy of combining shop operations was continued.

The Snow Fence unit was combined with the Feed Mill Industry at the Youth Correctional Institution, Annandale.

Our Sheet Metal and Metal Furniture Industries were joined into a single Metals Industry at the Youth Correctional Institution, Bordentown.

There are several significant factors contributing to the present difficulties affecting State Use Industries:

1. There has been continual, radical decline in the number of inmates available for job assignments. This severe reduction in the total inmate work force has been particularly debilitating. Our records indicate:

July 1972	672	Inmates employed	(14% of inside population)
Dec. 1972	520	" "	
July 1973	513	Inmates employed	
Dec. 1973	438	" "	
March 1974	407	" "	
June 1974	364	" "	(7% of inside population)

From July 1972 to July 1973 the Bureau lost 159 inmate workers. During the year July 1973 to June 1974 we lost an additional 149 people. Thus in a span of two short years, our inmate work details have been reduced by approximately 50%.

As our cadre of key, trained personnel were transferred to other programs, some attempts were made to replace these individuals. But, it has been impossible to adequately train the new people due to the extremely high turnover rate in job assignments, absenteeism, school operations and other supposedly higher priority work programs.

THE PRESENT TREND IS CRITICAL AND EXTREMELY DANGEROUS TO THE BUREAU'S CONTINUING EXISTENCE WITHOUT MONETARY SUBSIDIZATION BY THE STATE OF NEW JERSEY. IT IS URGENTLY RECOMMENDED, IN THE STRONGEST POSSIBLE TERMS, THAT THE STATE USE INDUSTRIES PROGRAM BE RE-EVALUATED IN TERMS OF FUTURE POLICY, DIRECTIONAL OBJECTIVES AND DEPARTMENTAL SUPPORT.

2. The shortage of raw materials has contributed to a drastic inflationary price situation. While all manufacturers are faced with similar problems, our inability to control this factor forces ever increasing costs and rising prices for finished goods.

Deliveries of raw materials are an acute problem in a number of our industries. The Purchase Bureau has encountered increasing difficulty in supplying our needs. The Bureau has requested more Waivers of Advertising this year than ever before. Some of these critical items include:

various steel and aluminum material, traffic sign posts, galvanized wire, textiles and cotton products, thread and yarn, feedstuffs, lumber, chemicals, paints, and paper products.

3. With the adverse affects on production output (due to lack of materials or inmates) some of our deliveries were backlogged. Ultimately, we had to release a number of orders for outside purchase because of inability to satisfy customer requirements.

4. Overhead costs have become an increasingly vital factor. The Bureau is always looking for opportunities to mechanize operations whenever feasible. Such equipment helps to eliminate training requirements and improves product quality.

Our concern with rising costs has necessitated a number of "belt-tightening" administrative procedures designed to maintain cost factors within reasonable economical limits.

These precautions have been successful to date. Unfortunately, such stringent measures have forced the Bureau to operate without certain necessary personnel. Hardships are created, particularly when we continue operations with diminished staff during vacation or sick leave.

5. The Bureau continues to carry some Correction Officers on the State Use payroll. At the newer correctional facilities such officer personnel is maintained by the institutions. This resulted from a revision in policy some five years ago.

We certainly have no objections to Correction Officer assignments in the industries, where required for security reasons, providing we don't have to pay for them. At present, however, the officers are not always used for the benefit of our industries, but frequently for institutional relief assignments.

The Correction Officer payroll is non-productive expense which is ultimately reflected in the cost of our products. Since such assignments are basically a matter of institutional security, these individuals should be transferred to the institution payroll. There are about six officers in this category.

Continued....

5. The double standard presently in existence should be eliminated. It is recommended that serious consideration be given to this proposal as a means of alleviating some of the Bureau's financial problems.

ORGANIZATION

Twenty-five various industries were operated in 21 separate shops located in 8 institutions. We attempt to maintain a diversified program, so as not to interfere with any particular segment of outside private manufacturing concerns.

The inmate work force is supervised by the State Use Industries personnel staff. All the necessary business functions are transacted through the Bureau's Central Office staff.

During this Fiscal Year, Central Office staff members completed 313 visitations. An additional 342 calls were made by the Field Representative to various Using Agencies. The latter also operated a State Use exhibit at one convention last Fall. Our Bureau staff travelled 27,004 miles, about 27% less than last year.

In addition, the Bureau operated 4 trucks for the delivery of products. These travelled a total of 80,584 miles, an increase of about 75% from the previous year. The additional mileage is attributed to the necessity of transporting license plates from the State Prison, Leesburg.

STATE USE ADVISORY COUNCIL

The State Use Advisory Council has been in existence for approximately 21 years. This citizen advisory group has rendered beneficial service in the past. They have served as a valuable bridge between our industrial operations and the business community.

Unfortunately, the activities of the Council have been decimated and they did not meet for the past two years. The terms of the various appointed members have all expired.

My predecessor recommended that, "the Council be reconstituted and reorganized as an important element in the continuing growth of the industries".

However, in our present circumstances I don't believe the Council could render much assistance. Once our internal problems have been stabilized and the industries are adequately supported, benefits could again be realized by re-organizing the Council.

This is primarily a policy matter that might require discussion with the Board of Institutional Trustees. Appointment of Council members is in their realm of responsibility.

INDUSTRIAL INFORMATION

Shops of the Bureau

State Prison, Trenton

Clothing
Knitting
Machine Shop
Mattress
Printing

Youth Corr. Inst., Bordentown

Metal Industry
a. Metal Furniture
b. Sheet Metal & Screen
Soap

Corr. Inst. for Women, Clinton

Clothing
a. Mop

State Prison, Leesburg

Auto Tag
Clothing

State Prison, Rahway

Clothing
Machine & Beds
Signs & Industrial Finishing
Textile
Miscellaneous Manufacturing
a. Patient Aid Equipment

Youth Reception & Correction Ctr. Yardville

Miscellaneous Manufacturing
a. Brushes

Youth Corr. Inst., Annandale

Feed Mill
a. Snow Fence

Ed. R. Johnstone Training Center Yepsen Unit

Miscellaneous Manufacturing

EMPLOYMENT

As previously indicated elsewhere in this report, the Bureau has been forced to close down additional industries. Such action was deemed necessary due to:

1. A decrease in production and high overhead expense.
2. The lack of trainable and available inmates.
3. A shortage of key materials and heavily inflated prices.

Total employment in July 1973 was 513 average full time jobs. As of June 1974 only 364 inmates were employed in our industries. This is a 30% reduction within one year.

For the Prison Complex 1,175 inmates were assigned to 311 full time jobs for a turnover of 3.8.

For the Reformatory Complex 1,017 inmates were assigned to 86 jobs for a turnover of 11.8.

For the Correctional Institution for Women, Clinton 167 inmates were assigned to 35 full time jobs for a turnover of 4.8 per job.

EMPLOYMENT (continued)

The average turnover rate for all industries in the above groups of institutions was 5.5, up from last year's figure of 5.1.

The following table shows pertinent, comparative figures for each institution.

	Average Full Time Jobs				Inmates Assigned During Year				Average Inmates Per Job			
	71	72	73	74	71	72	73	74	71	72	73	74
Prison	315	295	191	139	686	729	608	491	2.2	2.5	3.2	3.5
Rahway	216	185	109	85	617	565	556	356	2.9	3.0	5.1	4.2
Bordentown	86	67	58	41	509	468	461	474	5.9	7.0	7.9	11.5
Annandale	52	50	45	29	470	369	415	366	9.0	7.4	9.2	12.6
Clinton	58	55	41	35	174	204	241	167	3.0	3.7	5.9	4.8
Johnstone	8	6	5	4	30	25	22	12	3.8	4.2	4.4	3.0
Yardville	56	37	22	12	464	379	243	165	8.6	10.2	11.0	13.8
Leesburg	41	74	84	87	131	238	286	328	3.2	3.2	3.4	3.8
	830	767	555	432	3,081	2,977	2,832	2,359	3.7	3.9	5.1	5.5

FINANCIAL STATISTICS

In conformity with RS 30:4-100, a physical inventory was taken this year on the last two working days of June.

The inventory is in the process of being priced and extended. Upon completion, a Balance Sheet and Operating Statement will be forwarded in August, indicating the final results for this Fiscal Year.

SALES

The Bureau's activities during the year produced a sales volume of $2,752,384.35. This is about 7% more than last year's figure of $2,572,525.88.

Sales distribution was 54% for the Department of Institutions and Agencies; 31% to other State Departments and 15% to Counties and Municipalities. The following chart indicates the relative comparisons in dollar thousands:

	1972-1973	1973-1974	Net Change
Department of Institutions and Agencies	1,515	1,492	- 1.5%
Other State Departments	745	848	+13.8%
Counties & Municipalities	313	413	+31.9%
	2,573	2,753	+ 7.0%

SALES (continued)

The decrease in volume within the Department of Institutions and Agencies is disappointing. This is due to either a lack of orders in some industries or our inability to produce merchandise because of an insufficient inmate work force.

Substantial sales increases from other State Departments and Counties occurred primarily in the manufacturing of License Plates and Traffic Signs.

STAFF TRAINING

Due to the continuing and numerous problems encountered by State Use Industries, formal staff training programs were curtailed. We have substituted informal staff conferences at each operating unit as required. In this manner specific assistance is directed toward resolving problems affecting that particular installation.

Several staff members have attended various seminars conducted by the Division.

Staff attendance at various trade exhibits included: Clothing, Knitting, Packaging, Machine Tools, Metal Finishing, Apparel, Pesticides.

STAFF PERSONNEL COMMENTS

Retired:	John C. Bonnell, Chief — February 1, 1974
	Richard VanLenten, Industrial Manager — November 30, 1974
Promotions:	I. Seligman to Acting Chief — February 11, 1974
	L. Filipponi to Acting Assistant Chief — May 25, 1974
	P. Vechy to Acting Assistant Industrial Manager
	S. Buczek to Acting Assistant Industrial Manager
	E. Lipieko to Supervising Inst. Trade Instr. (Clothing)
Transfers:	A. Marino, Supervg. Inst. Tr. Instr. (Woodworking) to Rahway
	A. W. Melville, Inst. Tr. Instr. I to E. R. Johnstone Training Ctr.
	T. Loranger, Inst. Tr. Instr. I to Youth Corr. Inst., Annandale
	W. Roberts, Truck Driver to Dept. of Transportation
New Employees:	W. Hufnagel - Sr. Clerk, Rahway
	F. Jackson - Truck Driver, Rahway
	H. Roberts - Textile Instructor, Rahway
	J. Trotter - Truck Driver, Rahway
	V. Merlo - Print Shop Supervisor, Trenton
Terminations:	L. Perez - Clerk Typist, Central Office - Resigned
	F. Jackson - Truck Driver
Deceased:	J. Young - Textile Instructor, Rahway on May 11, 1974

STAFF PERSONNEL COMMENTS (continued)

Rahway: Carl Michaelis, Inst. Trade Instructor I, Industrial Finishing was honored as State Use Industries Merit Award Representative at the Forsgate Country Club.

Prison: Wesley Manners, Truck Driver was approved for a $50.00 Suggestion Award. Mr. Manners is credited with safeguarding a potentially serious hazard at the loading dock of the Bordentown Soap Industry.

INMATE WORK PROGRAM

Inmate wages are paid per Administrative Order 1:21-4 Rev. and Division Standard #620. Industry Base Rates did not change during the year.

	Below Average	Average	Above Average
15% Skilled	.95	1.00	1.05
45% Semi-Skilled	.80	.85	.90
40% Unskilled	.65	.70	.75

In addition, the industries pay a bonus of 25¢ per day to those inmates working a minimum of 5 hours daily.

Total wages paid to inmates were $106,613.96 down 17% from last year's $127,704.34.

For the past six months State Use Industries, in conjunction with the Garden State School District has been developing an experimental Pilot Project in the Printing Industry. The program is geared toward inmates serving longer sentences. The object is to stabilize our technically oriented work detail and minimize turnover. At the same time this select group will participate in vocational training programs.

The incentive program will be maintained, but pay will be based on an hourly rate. The new program goes into effect during July 1974.

CAPITAL EXPENDITURES

Total equipment purchased during the year amounted to $52,712.35. These items contributed to the continued modernization of the industries and the replacement of (3) necessary vehicles. The latter had travelled some 275,000 miles.

GIFTS AND GRANTS

A Comet Linotype Machine with automated attachments was donated by The Trentonian (Newspaper) Trenton, New Jersey in June 1974. This unit will assist our Printing Industry in training inmates on modern composing equipment. The machine is estimated at a value of $25,000.

GRIEVANCES AND DISCIPLINE

One State Use employee submitted a grievance via the Institution Superintendent pertaining to overtime hours. Members of the Bureau staff were required to participate in the proceedings through the 4th step. The final decision was not favorable to the employee.

Disciplinary action was required by the Bureau against only one State Use employee. The latter received a reprimand from the Appointing Authority.

HIGHLIGHTS OF PROBLEMS AND CONCERNS

1. The diversified industrial program in New Jersey is being reduced by attrition. With the discontinuation of two more operations, the Bureau has now closed down 10 units: Broom, Bakery, Men's Tailoring, Cannery Upholstery, Furniture Refinishing, Shoe Repair, Shoe Manufacturing, Woodworking and Yepsen Miscellaneous (Wood Stakes).

2. Numerous difficulties encountered with the Purchase Bureau's inability to provide required materials. While this is out of our responsible area, it points out a serious need to revamp existing procedures in today's market conditions.

   We are a manufacturing operation and raw material deliveries can be vital. It is unfair for Using Agencies to wait lengthy periods for delivery of our finished products. This Bureau requires special consideration in the Purchasing process so we can expedite our manufacturing schedules. The Bureau has been forced to request numerous Waivers of Advertising during this past year.

3. There are an increasing number of noted violations of the State Use Law (Title 30:4). The Bureau has always tried to cooperate with the Using Agencies when special products were needed. If these abuses continue, the Bureau will be forced to adopt a more stringent attitude in releasing orders for outside purchase.

4. Heavy inmate turnover and absenteeism are seriously hindering the industrial operations. Quality and quantity of production are affected.

HIGHLIGHTS OF PROBLEMS AND CONCERNS (continued)

5. We have succeeded in establishing a 40 hour work week for the industrial staff employees in all operating units. However, the inmates average less than 25 hours per week. This means that 3 hours per day the staff has no inmates available for training or production work. Means to increase the inmate work day should be explored.

6. Division Standard #610:232 delineates the supervisory responsibilities for State Use Industries. The intent of this standard is being depreciated and even circumvented in some areas. The objective of the industrial program should be clarified by Division of those concerned.

7. A number of internal administrative steps have been taken to maintain the Bureau's operations on a stable, financial footing. We are concerned because of financial losses experienced during the past two fiscal years. Due to the many problems encountered during the 1973-74 fiscal year, I can only anticipate a break-even situation at best, for this year's production effort.

MONTHLY REPORT LOG		Shops Operating	Inmates Emp.	Visits Staff	Visits Field Rep.
July 1973	Field Representative on extended sick leave (2nd month). Feed prices escalating. Meetings with Purchase Bureau on steel shortages.	21	513	18	—
August	Annual Report submitted on August 3rd. Inmate turnover averaged 5.1 inmates per year per job. Prices continue to rise and raw materials becoming difficult to obtain.	21	503	28	—
September	Textile and Clothing Shops in dire need of inmates. Sign Shop working Saturday overtime. Preliminary decision to close Woodworking at Yardville for economic reasons. Chief attended Manpower Corrections meeting at Rutgers. Met with Garden State School District on giving shop space for vocational training at Bordentown.	21	522	27	—
October	Field Representative returned to work October 1st. Increasing difficulty obtaining numerous raw materials. Many selling prices had to be increased. Bordentown Sheet Metal Industry moved to make way for vocational training area. The School District to provide a warehouse in return for the space given up. New automatic feeder installed on #2 hydraulic press in Auto Tag Shop.	21	498	30	38

MONTHLY REPORT LOG (continued)		Shops Operating	Inmates Emp.	Visits Staff	Visits Field Rep.
November	Field Representative manned Bureau exhibit at League of Municipalities Convention week of November 12th. Annandale Feed Mill molasses tank developed a leak with loss of 18,000 lbs. molasses. A new tank was installed. Prices continue to rise. Shortage of men and materials at Prison and Rahway.	21	438	20	38
December	Rahway Industrial Manager retired after 20 years service. Mr. Paul Vechy appointed Acting Assistant Industrial Manager. Rahway shops closed down (3) weeks to conserve fuel oil. Bureau hurt by loss of production and income. A minor fire at Rahway Industrial Building on December 26th. Woodshop Machinery appraised. Meeting at Prison with School District on Vocational Training program. Fuel conservation directives sent to all shop units.	21	438	15	25
January 1974	Instructor A. W. Melville transferred to Johnstone from Yardville Woodworking. H. Roberts hired as Textile instructor. Inmate employment dropped to lowest point in 20 years. Inmate turnover is excessive. Severe training burden with inferior product quality. Printing has heavy backlog of orders. Difficulty producing Motor Vehicle validation stickers by deadline; primarily because order was late in arriving. Negotiations for possible transfer of Woodworking to Garden State School Dist. Received 1/2 ton Station Wagon.	21	394	27	20
February	Still trying to move Mattress Industry to outside Warehouse. Building repairs required first. Bureau Chief J. C. Bonnell retired after 21 years service. A retirement dinner held on Feb. 5th at Princeton Country Club. Assistant Chief I. Seligman designated Acting Chief on Feb. 11th. Instructor T. Loranger transferred to Annandale from Yardville Woodworking. V. Merlo hired as Printing Industry Supervisor. Used all available personnel (including Central Office) to pack Motor Vehicle validation stickers.	20	419	34	--

Continued.....

MONTHLY REPORT LOG (continued)		Shops Operating	Inmates Emp.	Visits Staff	Visits Field Rep.
February (continued)	Combined Sheet Metal & Metal Furniture into one Metals Industry. Released geriatric chairs for outside purchase. No contract for over a year by the Purchase Bureau. Series of meetings at Prison to develop pilot program for improving production and vocational training.				
March	Trenton Prison closed one week for security reasons. All mileage curtailed due to gas shortage. Received new vacuum screen printer at Rahway. Sold dismantled Butler Building at Annandale. Moved 8 Woodshop machines to Rahway. Arranged for temporary location Rahway Maintenance in Industrial Bldg. All day staff meeting of State Use supervisory personnel.	20	407	16	15
April	Rahway closed several days by Flu epidemic. Truck Driver J. Trotter hired. Severe shortage of metal for license plates. Correction Officer job action at Rahway. Consolidated Feed Mill & Snow Fence operations at Annandale. Met with Director Waddington of Div. of Motor Vehicles & staff to resolve validation sticker program and introduce new plastic packaging.	20	395	36	74
May	Meeting with Purchase Bureau on releasing requisitions, etc. and buying products from outside vendors. L. Perez, clerk-typist resigned and moved to Camden area. Instructor J. Young, Textile instructor, hospitalized with stroke, died on May 11 Large concrete septic tank installed at Leesburg Auto Tag. Materials in very short supply. Forced to use waivers of advertisement again. Prison manager on extended sick leave (6 weeks) for surgery.	20	390	32	75
	Revamped telephone system in Central Office. Starting May 28th Bureau Central Office working from 8:30 A.M. to 4:30 P.M.				
	W. Manners, Truck Driver, received $50.00 Suggestion Award. A. Marino Woodshop Supervisor transferred to Rahway from Yardville.				

MONTHLY REPORT LOG		Shops Operating	Inmates Emp.	Visits	
				Staff	Field Rep.
June	Leesburg Auto Tag received 2 new M31 Inker Units. Clinton has rebuilt Button sewing and mop making machines. Two cars received on order since last December (traded old units). Gift of Linotype unit for Printing Industry from the Trentonian. Inmate work force lowest yet. Acting Chief attended Division Executive Seminar. The Bureau's annual physical inventory was taken on the last two days of the month.	20	364	30	57

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