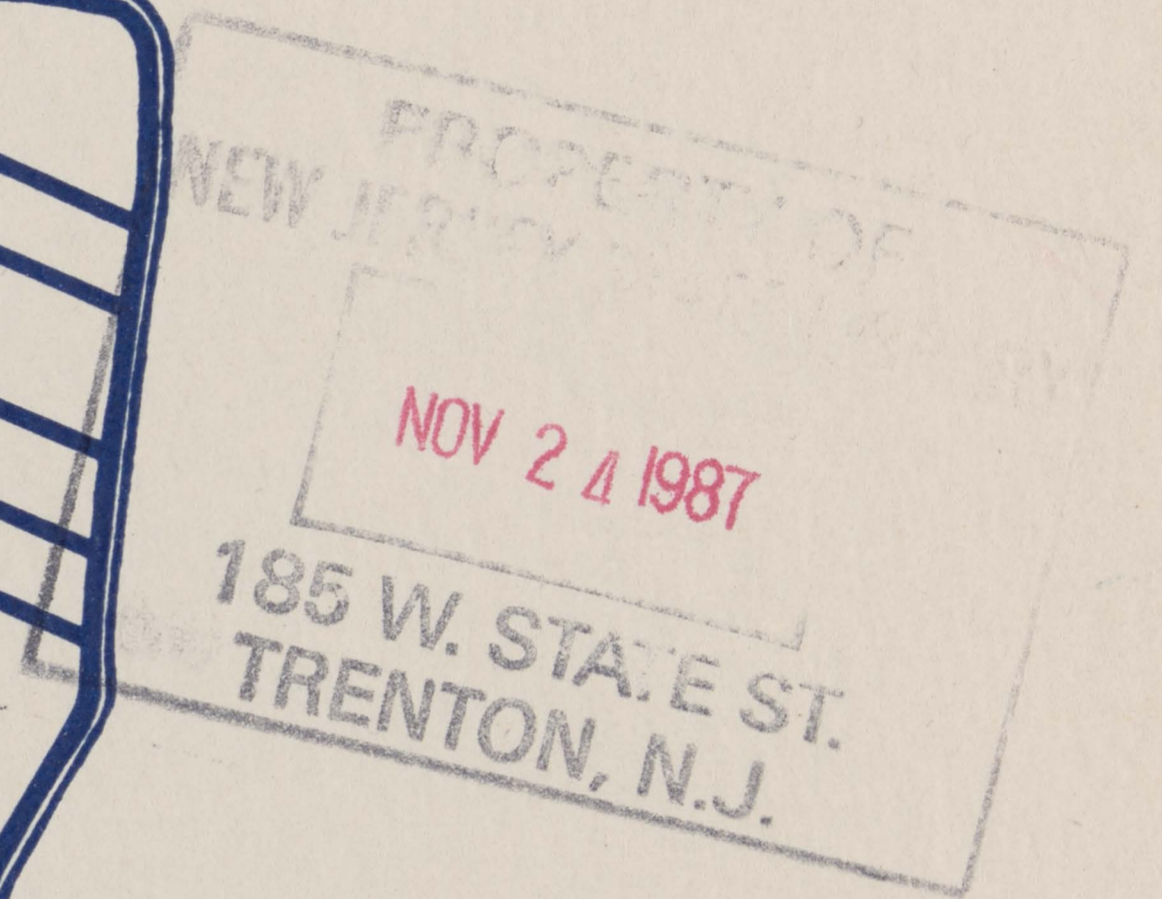
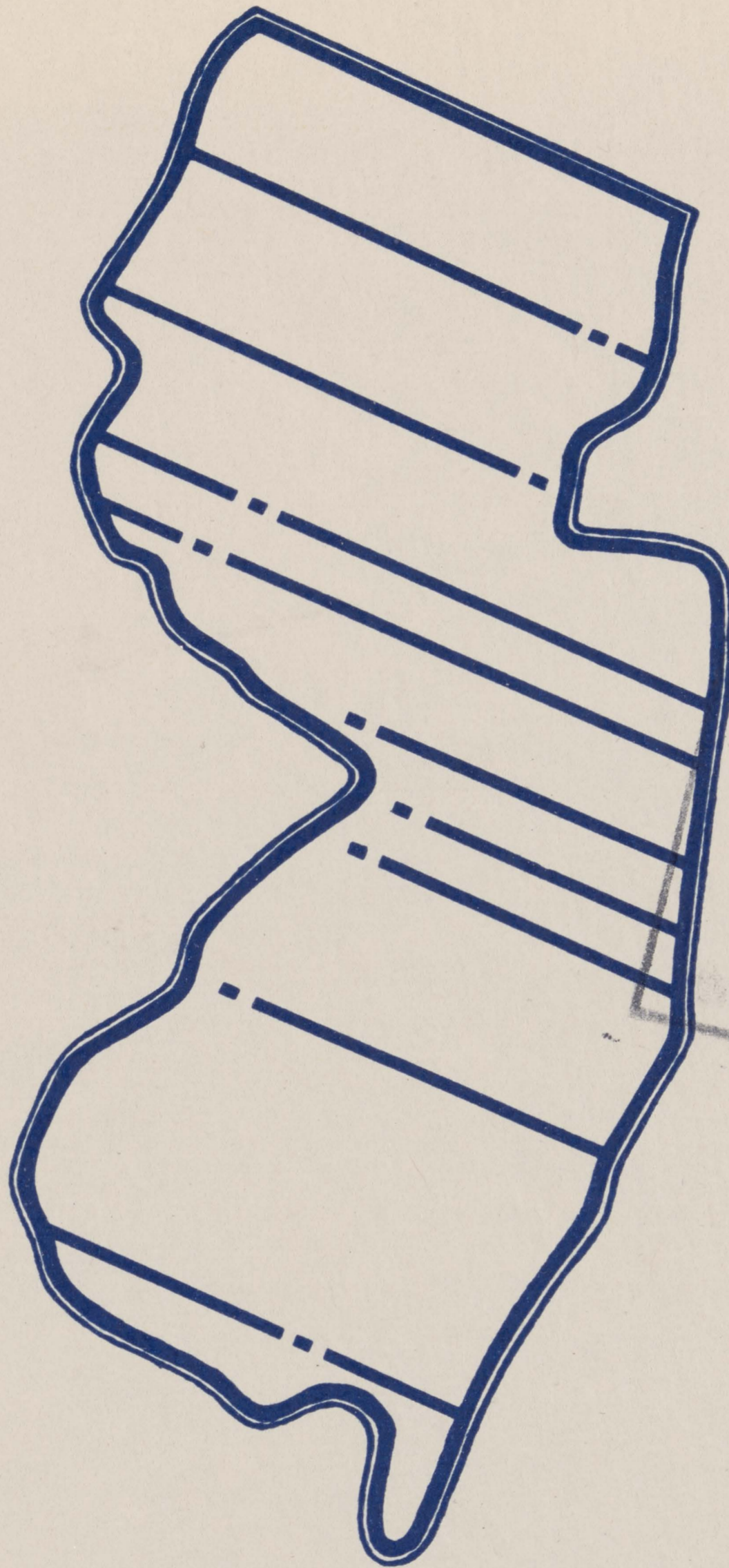


BUREAU OF STATE USE INDUSTRIES

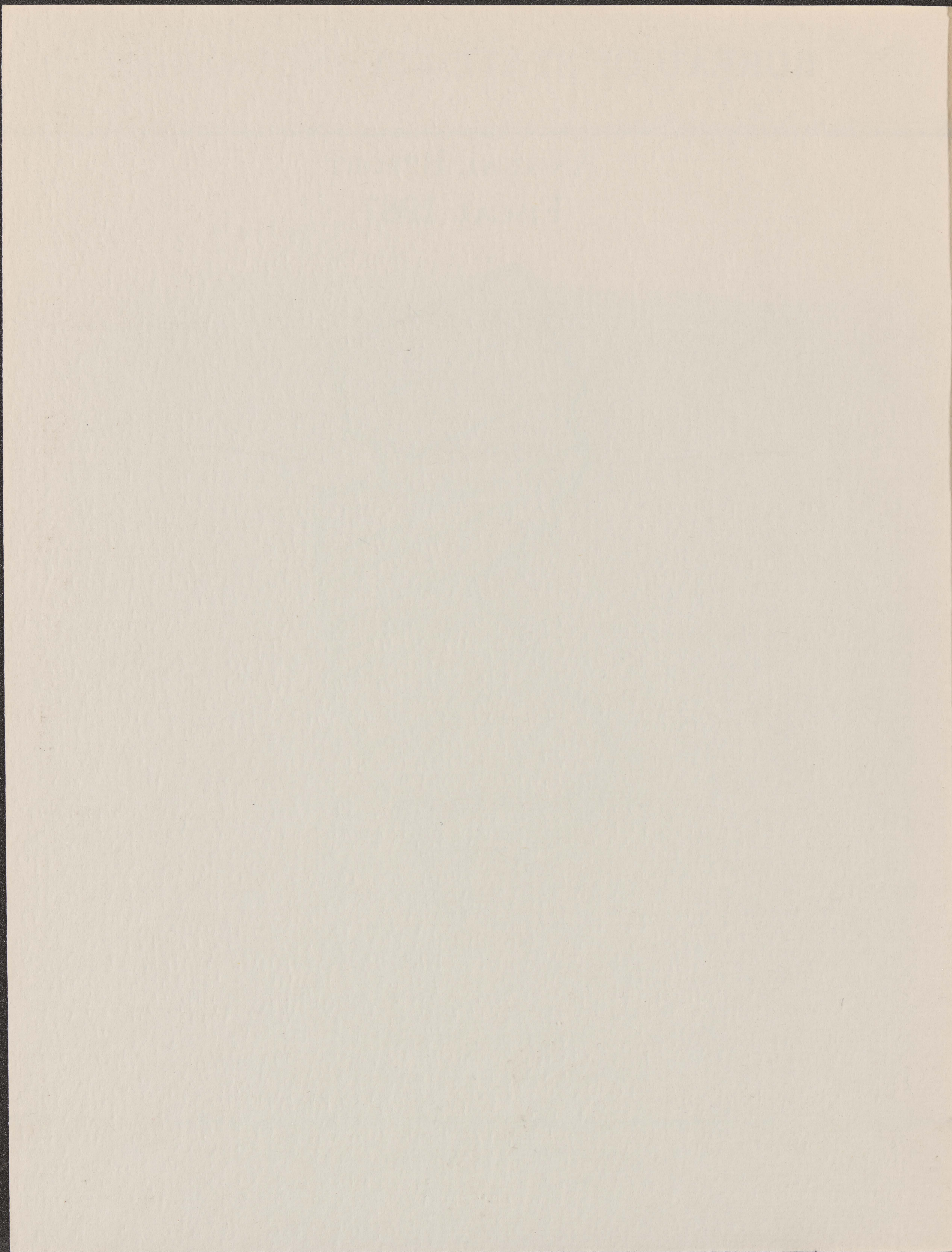
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ANNUAL REPORT FISCAL 1987



STATE OF NEW JERSEY
DEPARTMENT OF CORRECTIONS

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SALES

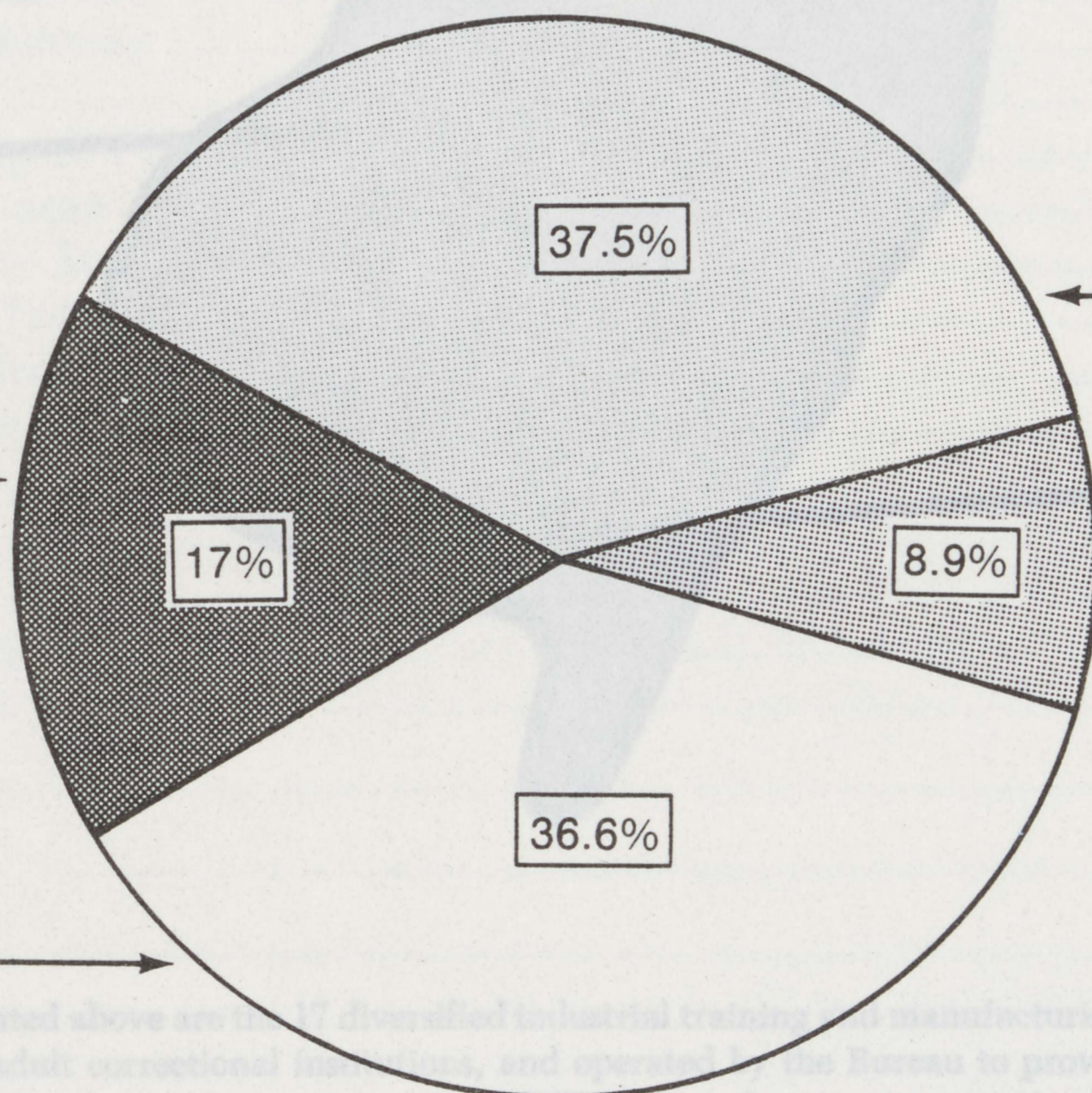
Fiscal 1987 total sales volume for the Bureau reached a record \$7,292,244.54 level, reflecting a considerable 12% increase over FY '86.

The Bureau's primary customer groups are indicated in the following chart as a percent of total FY '87 sales. Charts on subsequent pages indicate a five-year history of purchases for each group. These sales charts, related to the Bureau's industrial shop production data, are used to plan production and inventory levels for the year ahead.

**Total Sales*
 FY 87**

DEPT. OF HUMAN SERVICES

OTHER STATE DEPTS.



DEPT. OF CORRECTIONS

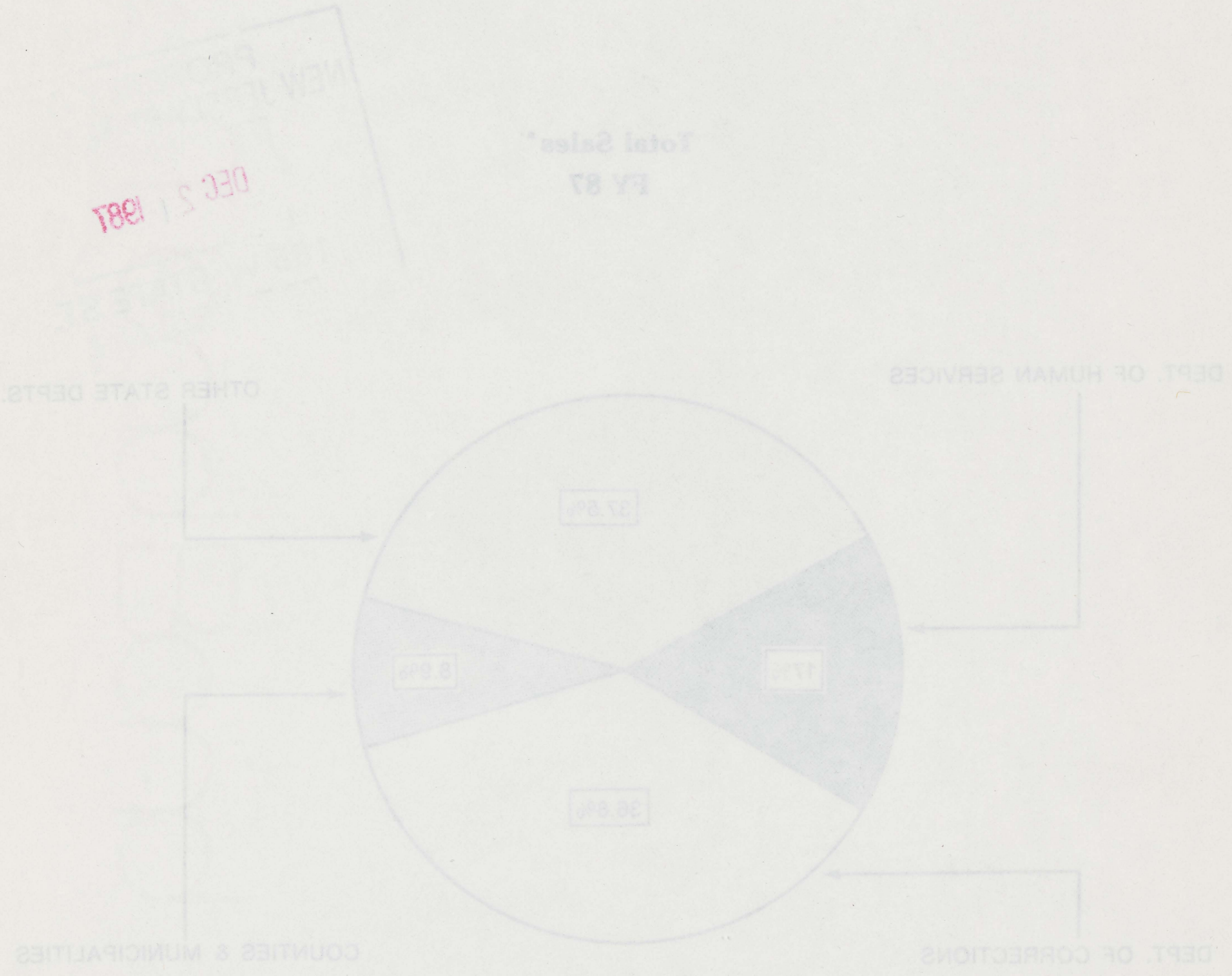
COUNTIES & MUNICIPALITIES

*Corrected—replaces page 30 of the Bureau of State Use Industries FY 87 Annual Report.

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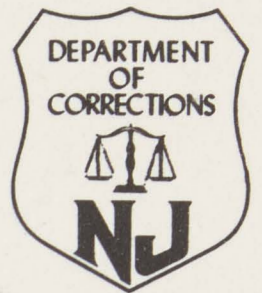


NEW YORK
DEC 5 1987



BUREAU OF STATE USE INDUSTRIES

ANNUAL REPORT FISCAL 1987 JULY 1, 1986—JUNE 30, 1987



- YOUTH CORRECTIONAL INSTITUTION ANNANDALE

SUI WAREHOUSE DETAIL
PROPOSED INDUSTRIAL SHOP

- CORRECTIONAL INSTITUTION for WOMEN CLINTON

CLOTHING

- YOUTH RECEPTION and CORRECTIONAL CENTER YARDVILLE

BRUSHES & BROOMS
MOPS

- YOUTH CORRECTIONAL INSTITUTION BORDENTOWN

METAL FABRICATION

- RIVERFRONT STATE PRISON CAMDEN

PRINTING

- NORTHERN STATE PRISON NEWARK

CLOTHING
(under construction)

- STATE PRISON RAHWAY

CLOTHING/TEXTILES
MACHINE & BED
SIGN

FURNITURE & MISCELLANEOUS

- SUI CENTRAL OFFICE TRENTON

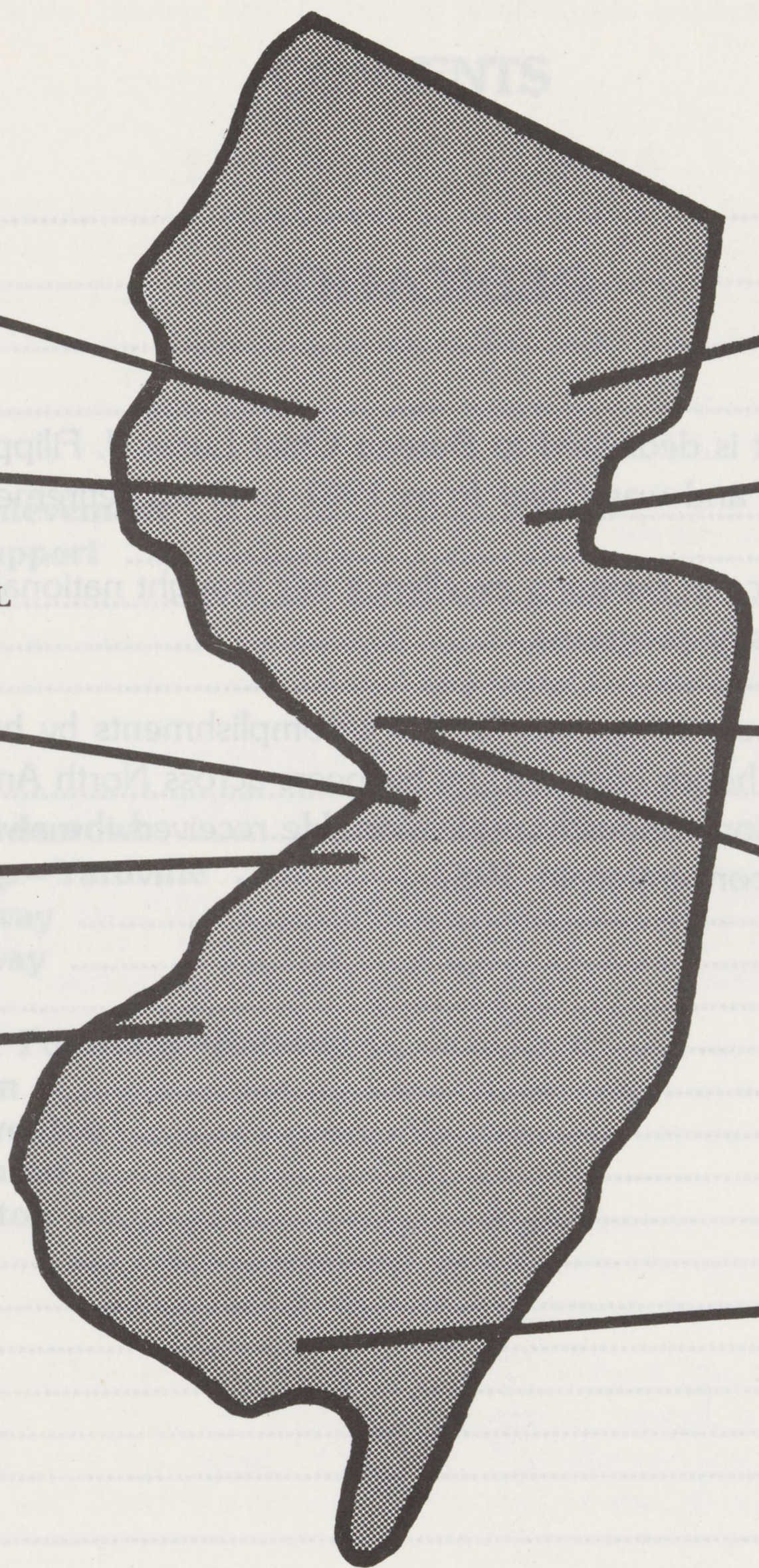
WAREHOUSING
TRUCKING
PRINTING
MAINTENANCE

- STATE PRISON TRENTON

CLOTHING
KNITTING
MATTRESS

- STATE PRISON LEESBURG

AUTO TAGS
CLOTHING



• Indicated above are the 17 diversified industrial training and manufacturing shops, located in nine adult correctional institutions, and operated by the Bureau to provide productive and rehabilitative employment for inmates of the New Jersey correctional system.

STATE OF NEW JERSEY

DEPARTMENT OF CORRECTIONS

WILLIAM H. FAUVER, COMMISSIONER
RICHARD A. SEIDL, DEPUTY COMMISSIONER
RICHARD J. WALDIS, ASSISTANT COMMISSIONER



DEDICATION

This year's Annual Report is dedicated to Bureau Chief Lucas J. Filipponi who served this bureau for over 34 years and was Chief from 1981 until his retirement in early 1987.

His hard work and diligence in pursuing excellence has brought national recognition to New Jersey's correctional industry programs.

Mr. Filipponi gained further recognition for his accomplishments by being selected as the "Rodli" award winner, an honor bestowed by his peers across North America for excellence and service in the correctional industry profession. He received the award at the American Correctional Association convention in 1987.

Indicated above are the 17 diversified industrial training and manufacturing shops, located in nine adult correctional institutions, and operated by the Bureau to provide productive and rehabilitative employment for inmates of the New Jersey correctional system.

STATEMENT OF MISSION

It is the Bureau's mission to employ inmates in a productive capacity through the operations and earnings of industries producing quality products for State, county, and municipal government agencies.

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ANNUAL MESSAGE

As overcrowding continues to be a pervasive issue in corrections, successful prison industry programs become increasingly important as a means of providing useful skills for inmates while reducing idleness.

The Bureau of State Use Industries helps to alleviate idleness by increasing wherever possible the number of inmates employed in industrial programs. Because of overcrowding and the consequent lack of available institutional space to increase the size of our shop operations, second shift operations will undoubtedly become a means for providing additional job opportunities for the foreseeable future. As an example, second shift operations have been successfully implemented at Rahway and Bordentown.

During the past year we have expanded our production capabilities, increased our sales by over 12% and increased the total number of inmate employees in our shops by 7%.

Our industrial programs continue to provide a broad range of products to State, county, and municipal government units. We have been successful in meeting our Department's increasing demands for clothing, beds, mattresses, footlockers, and blankets. We have also assisted various county jails in meeting their similar needs.

State Use staff and inmate employees have worked diligently to provide quality products and efficient service to our customers and are to be congratulated for yet another successful year. I would also like to take this opportunity to thank Prison Administrators, Superintendents and their staff for their continued cooperation and support.

This annual report for Fiscal Year 1987 attempts to provide readers with a comprehensive perspective of the Bureau's accomplishments during the past year, and its plans for the coming year. Expansion of existing programs, as well as the development of new products and shops, will continue to be the Bureau's priority in Fiscal Year 1988.

LEONARD S. BLACK
Acting Assistant Chief
Bureau of State Use Industries

STATEMENT OF MISSION

It is the Bureau's mission to employ inmates in a productive capacity through the operations and earnings of industries producing quality products for State, county, and municipal government agencies.

Background

The Bureau of State Use Industries was created in 1918 with passage of the State Use Law—legislation that was created through the cooperation of industry, labor and the public. The State Use system was established in principle within the Department of Institutions and Agencies under the State Board of Control. Activities involving large-scale production of items competitive with the private sector were curtailed, and the process of adapting selective production to the needs of the available tax-supported governmental market was begun.

In November, 1976 a separate Department of Corrections was established, and has since regulated the activities of the Bureau.

Organization

The Chief of the Bureau reports to the Commissioner of Corrections through the Assistant Commissioner of the Division of Administration. Under New Jersey Revised Statute 30:4 and Departmental Standard 610 the Bureau is responsible for overall planning, selection of products, management of materials and equipment, coordination of processes, distribution of products and provision of technical consultation and services.

The State Use Industries program is administered without appropriated funding, and is self-supporting. The system is financed out of a revolving fund, from which all operational expenses are paid.

Computerization and central warehousing of the majority of products, coupled with an efficient truck delivery fleet, has enabled the Bureau to meet ever-increasing customer requirements.

Operation

State Use Industries operates 17 industrial shops utilizing inmates from nine correctional institutions. A wide range of products are manufactured in the industrial operations under the State Use label, and are sold only to tax-supported agencies, institutions and units of State, county and municipal governments.

Through a Central Office and Warehouse, the Bureau staff conducts operations normal to any manufacturing enterprise including such business functions as billing, cost accounting, payroll, and personnel activities, product and plant engineering, sales promotion and the delivery of products. The ultimate goal of the Bureau is to assure customer satisfaction through an efficient and diversified manufacturing and on-the-job training operation.

Rehabilitation

The Bureau is required to provide staff technical services, capital equipment and financing to maintain a diversified, on-the-job training program with opportunities for employment in productive occupations for inmates of State correctional institutions.

Up-to-date industrial training aids in the rehabilitation of inmates, their gainful occupation while in custody and their ability to earn wages and work credits toward the reduction of their sentences.

Industrial work programs not only provide the training necessary for future employment in the private sector, but they encourage inmates to develop a sense of responsibility toward their jobs, pride in their work and a feeling of self-worth.

New Jersey has made an effort to emulate the working environment of its State Use shops to that of private industry. In this atmosphere, inmates must work five days to earn one day of work credit. These accumulated credits are applied against their sentences, reducing them by one day for each credit earned. Both wages and work credits provide motivation. Inmates receive neither wages nor work credits for non-performance.

Organization

The Bureau of Industrial Training is a division of the Department of Corrections. It is headed by the Director of Industrial Training, who reports to the Commissioner of Corrections. The Bureau is organized into several sections, including the Planning and Administration Section, the Production Section, and the Maintenance Section. The Planning and Administration Section is responsible for the overall management of the Bureau, including the development of policies and procedures, the coordination of personnel, and the management of the Bureau's budget. The Production Section is responsible for the production of goods and services, and the Maintenance Section is responsible for the maintenance of the Bureau's facilities and equipment.

Operation

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HIGHLIGHTS

Staff Development/Achievement

Twelve new employees were hired by the Bureau during FY 87. Two other employees were promoted within the Bureau and four other employees were transferred to other State agencies.

STATEMENT OF GOALS

The Central Office staff completed 34,570 miles of driving during FY 87. Additionally, ten Bureau trucks traveled a total of 78,633 miles for the delivery of products. This combined total mileage was 113,203, or 32,053 miles per employee.

- I. To provide productive work for adult inmates incarcerated in the New Jersey State correctional institutions.
- II. To manufacture useful, quality products for tax-supported agencies, institutions and units of State, county and municipal governments.
- III. To provide work experiences that include the development of good work habits and training in technical job skills that could lead to future employment.
- IV. To operate efficiently, and provide an economic benefit to that State through the utilization of inmate manpower resources.

Joseph J. Burke, Jr., Supervisor Accountant of the Bureau, participated in the New Jersey Statewide Accounting System Study, a project conducted over a two-year period by the Department of Civil Service and Rutgers University. Mr. Burke completed the program, and Mr. Burke and Mr. DiPietro will continue study during FY 88.

Joseph DiMarta, Assistant Mechanic in the Central Office Maintenance Shop, completed two semesters of a two-year diesel automotive mechanic course at Mercer County Community College. Mr. DiMarta will complete the work/study program, which combines a Bureau work schedule with MCCC study, during FY 88. His completion and qualification in this specialty will benefit the increased workload of the Bureau's maintenance shop.

Central Office Staff Support

State Use Industries' accounting staff averaged in excess of 90% accuracy in on-line keying for FY 87, and maintained a keying-accuracy rate of over 98.25% during the last four months of the year. This year marked the first full year of operation for the order entry software designed for use with the Bureau's IBM System 36. The year also marked State Use as the first State agency to network a mini-computer to NJFIS of the Department of Treasury's Office of Telecommunications and Information Systems.

Initiatives to be made during FY 88 will include: (1) gaining the same degree of control with raw material inventories that has been accomplished with finished product, and (2) entering all fixed assets into the software of the System 36.

Market Development

Introductory meetings with the purchasing agents of each of the State's 21 counties were completed by the Bureau during this fiscal year. As well, a closer working relationship with the housekeeping service and business managers of the Department of Human Services was developed. Both of these accomplishments were completed to strengthen the marketing efforts for State Use products. An equally important accomplishment was the contact made at the NJ School Board Association Convention that led to the furnishing of Waterford Township's newest elementary school and district offices with school and office furniture.

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STATEMENT OF OBJECTIVES

- I. To provide opportunities for the employment of as many inmates as possible at each job location in work that simulates private industry to the greatest extent possible.
- II. To provide products exactly as specified—priced competitively, delivered on time and defect-free—through quality control measures.
- III. To operate efficiently and economically by continually monitoring fiscal controls.
- IV. To seek out new markets while insuring with attentive service the continuation of existing markets by developing new and useful products that provide meaningful work for inmate employees, without creating unfair competition to the private sector.
- V. To modernize and maintain equipment and processes to remain competitive in quality with private industry through new capital investment.

HIGHLIGHTS

Staff Development/Achievement

Twelve new employees were hired by the Bureau during FY 87. Two other employees were promoted within the Bureau and four other employees were transferred to other State agencies.

The Central Office staff completed 154 visitations during the year, traveling 34,570 miles. Additionally, ten Bureau trucks traveled a total of 78,633 miles for the delivery of products. This combined total mileage was 113,203, or 32,053 miles more than that driven in the prior fiscal year.

After 34 years with the Bureau, Chief Lucas J. Filipponi retired on April 1, 1987 following a career of exemplary dedication both to the New Jersey Department of Corrections and the nationwide correctional industry.

Leonard S. Black, who had assumed responsibility for Bureau operations in December, 1985, was named Assistant Bureau Chief at the time of Chief Filipponi's retirement.

In May, Joyce DiPietro, Supervising Institutional Trade Instructor at the Correctional Institution for Women in Clinton, was the recipient of a Department of Corrections Merit Award. As one of 19 awardees, Joyce was recognized by the Department and Bureau for her accomplished eight-year record of highly successful management of her staff and inmates in the Clinton clothing shop.

Joyce, Leonard Black and John G. Burke, Jr., Supervisor Accountant of the Bureau, participated in the New Jersey Certified Public Manager Program during this fiscal year. The rigorous program involves 240 hours of classwork, conducted over a two-year period by the Department of Civil Service and Rutgers University. Mr. Black completed the program, and Mr. Burke and Ms. DiPietro will continue study during FY 88.

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A marketing plan will be developed early in FY 88 to serve as a blueprint for intensified sales development. Initial objectives toward long-term goals include:

(1) The Bureau's continued attendance with product displays at such annual conventions as those of the NJ League of Municipalities and the NJ School Board Associations. Successful development of new customers and increased sales generated by such meetings over the past couple of years supports this marketing strategy.

(2) During FY 88 the Bureau plans to evaluate and revise existing price lists. Extended from this effort will be the development of catalog, by product line. These materials, along with the development of promotional literature, will be directed toward the Bureau's current customer mailing list.

(3) A comprehensive review of existing tax-supported institutions, agencies and units of State, county and municipal governments will be completed to update the Bureau's current mailing list.

(4) To assure optimum efficiency and continued customer satisfaction, the Bureau's present system and procedures for providing quotations and tracking customer purchase orders through to satisfactory delivery will be analyzed during FY 88.

Financial Statistics

A physical inventory was taken on the last two days of FY 87 in accordance with statutory requirements (RS 30:4-100). The consolidated balance sheet and operating statement will be distributed when completed. Figures indicate another profitable operation for the 1986-87 Fiscal Year.

Capital Expenditures—FY 87

State Prison, Trenton	\$ 40,727.85
State Prison, Rahway	66,219.58
State Prison, Leesburg	45,061.60
YCI, Bordentown	86,703.85
CIW, Clinton	9,969.00
Central Office	75,895.00
Central Warehouse	655.00
Central Trucking	600.00
Central Warehouse Printing	100,013.85
Total Expenditures	\$425,845.73

Total Machinery and Equipment assets as of 7/1/87: \$3,598,933.35

INDUSTRIAL SYNOPSES

Correctional Institution for Women Clinton

Clothing Shop

This clothing operation specializes in the production of work shirts, hospital gowns and undergarments. State-of-the-art equipment (e.g., sonic collar stay and sonic button-hole machines) has been obtained to assure product quality. A complete electrical renovation is being made at this facility so that all new equipment will be utilized optimally. During the past year an expansion of this operation into the maximum security South Hall wing created additional employment opportunities.

	1986	1987	% Change
Inmates Employed Annually:	935	895	-4
Sales:	\$346,429	\$399,847	+15
Units Produced:	9,862 dozen	6,728 dozen	-32

FY 87 Accomplishments:

Purchased an electric sewing machine and a lockstitch cuffing machine to increase boxer short production in the South Hall work program.

Obtained pocket pressing equipment to improve quality and production on workshirts.

Removed half of existing cutting tables to provide additional production floor space, and provided additional steel shelving for cut goods.

FY 88 Initiatives:

- A) To complete an electrical renovation of the clothing shop. New wiring and increased electrical capacity will provide service for additional machines.
- B) To implement new style work shirt with a formed collar and specially designed front hem providing greater product durability.
- C) Increase inmates employed in South Hall to allow increased production in boxer shorts and other products manufactured at Clinton.

**Youth Correctional Institution
Bordentown**

Metal Fabrication Shop

This shop manufactures a complete line of steel storage shelving, stainless steel tables, food service equipment, wastebaskets, footlockers and institutional furniture. It produces separate bed, desk and cabinet units, as well as customized combinations of any of these units. The varying requirements of different institutions are readily met with this production flexibility. Prototypes of units are usually hand crafted to assure customer satisfaction. Design and layout, fabrication assembly and installation of furniture and steel shelving are services provided by the metal shop.

	1986	1987	% Change
Inmates Employed Annually:	677	698	+3
Sales:	\$355,646	\$436,027	+23
Units Produced:	10,837	15,837	+46

FY 87 Accomplishments:

Developed prototype and received orders for all cell furnishings (metal bed, desk and locker welded together as a single unit) for installation in the new Rahway State Prison Administrative Segregation Unit.

Purchased additional welding units, and increased production capacity.

Added a feed-through punching and notching system to increase production of shelving units. Numerous requests were received and developed for such custom products as:

- Metal benches for Riverfront State Prison
- Conversion kits to allow for stacking of beds in county jails
- Wall racks for Yardville YRCC
- Collapsible metal barricades for the State Police
- Metal grill gates for Clinton CIW
- Design and fabrication of bed leg supports for Ocean County Jail
- Metal cabinets for Bordentown YCI
- Prototype picnic table frame for Rahway State Prison
- Metal Tables for the Commission for the Blind

FY 88 Initiatives:

Bring inventory of finished products to established minimum levels, and maintain them at or above those levels.

Expand the metal shop by an additional 5,200 square feet, thereby increasing production to employ an additional 30-40 inmates.

Add an "Iron Worker" (production equipment), allowing a production increase to meet the Bureau's requirements.

Continue the development of prototype products for requesting agencies.

Youth Reception and Correctional Center Yardville

Brush & Broom and Mop Shops

Inmates at this facility manufacture a complete line of floor brushes, highway brushes, dust brushes, push brooms, radiator and window brushes and pot, hand and deck scrub brushes. Wet mops, constructed of cotton yarn and ranging in weight from 12 to 32 ounces, also are produced here and sold to a majority of institutions throughout the State.

	1986	1987	% Change
Inmates Employed Annually:	242	261	+8
Sales—Mop	\$60,935	\$64,625	+6
—Brush & Broom	\$73,928	\$83,866	+13
Units Produced:	1,635	2,308 doz. mops	+41
	131 doz.	942 doz. (brush & broom)	+619
	27,055	32,080 each (brush & broom)	+19

FY 87 Accomplishments:

Both operations maintained adequate levels of finished product inventory during a year of increased sales volume.

During this period a sewing operation was established to supplement the production requirements of the Rahway Clothing operations. This shop assembled canvas scuffies, aprons, bibs and safety flags.

FY 88 Initiatives:

An automated cutter will be purchased to handle an increasing volume of mopheads which require end trimming after sewing.

**State Prison
Rahway**

Clothing/Textile Shop

Clothing items produced at this shop include nightgowns, bathrobes, hospital gowns, jumpsuits and aprons. A complete textile operation complements this shop and produces towels, wash cloths, dish towels, safety vests and highway safety flags.

	1986	1987	% Change
Inmates Employed Annually:	680	732	+8
Sales:	\$799,338	\$716,376	-11
Units Produced:	1,305 dozen	2,482 dozen (clothing)	+90
	17,332 each	13,705 each (clothing)	-21
	39,334 dozen	33,622 dozen (textiles)	-15

FY 87 Accomplishments:

Added new equipment to replace older style machines to achieve a consistently higher quality product.

Installation of steel shelving units for storing supplies has freed up valuable floor space necessary for storing cut and finished goods.

FY 88 Initiatives:

Develop a higher degree of quality control by initiating a product quality check program run by inmates, supervised by civilian staff.

Renovate the first floor store room into a cutting room. Presently all materials are hand carried to the second floor cutting room. Moving cutting operations to the first floor will eliminate this cumbersome practice and allow the Bureau to accept larger and heavier bolts of material for increased efficiency.

Machine & Bed Shop

Metal pan-style beds, standard of the New Jersey Department of Corrections, are manufactured here, as well as the regular dormitory style beds used by other State departments. Additionally, this shop fabricates the "men at work" sign frames used throughout the State by the Department of Transportation.

	1986	1987	% Change
Inmates Employed Annually:	341	313	-8
Sales:	\$138,521	\$278,828	+101
Units Produced:	1,754	3,362	+92

FY 87 Accomplishments:

The institution fully renovated the former Auto Body Building to provide a much larger plant for bed production.

Addition of new welding equipment has led to significant improvements in production techniques and quality of product.

Developed and maintained inventory levels of raw materials and sub-assembly parts.

FY 88 Initiatives:

- Planned installation of a compressed air system replacing electric powered tools with pneumatic equipment.
- Produce, in conjunction with the Bordentown Metal Shop, cell furnishings for the new Rahway Ad Seg unit.
- Receive delivery of a new 10-ton press which will provide operator flexibility and accuracy over the older, less efficient presses currently in use.
- Increase the scope of welding operations through purchase of additional welding units.
- Replace the antiquated 45-ton stamping press to increase the efficiency of this operation.

Sign Shop

The sign shop operation is one of the largest and most technologically advanced in the state. Computerized sign lettering machines make it possible to manufacture various types of reflective regulatory highway road signs in accordance with Federal specifications. The shop recently expanded its product line to manufacture decals and bumper stickers.

	1986	1987	% Change
Inmates Employed Annually:	351	323	-8
Sales:	\$334,599	\$430,931	+29
Units Produced:	18,731	32,148 (signs)	+73
	4,211	13,387 (posts)	+218

FY 87 Accomplishments:

- In the existing sign shop, two rooms were constructed to provide photographic and darkroom capabilities.
- Purchased computerized engraving machine to supply customer with engraved name plates, plaques, signs, etc.
- Obtained a second computerized sign cutting unit.
- Purchased and put into operation a unit that recycles solvents used in the paint operation.

FY 88 Initiatives:

- Develop a higher degree of quality control.
- Improve the time frame for completion of finished products without sacrifice in quality.
- Place into operation a new vacuum table for applying pressure sensitive reflective sheeting.
- Installation of an exhaust system to evacuate fumes from around the screen printing tables.
- Implement an electrostatic spray paint system for painting of metal products.

Miscellaneous Manufacturing and Furniture

State Use Industries carries a complete line of furniture which is assembled at Rahway for sale to customers throughout the state. This furniture includes desks, tables, chairs, data stations and printer stands of use to most of the tax-supported agencies, institutions and units of state, county and municipal governments.

	1986	1987	% Change
Inmates Employed Annually:	179	230	+28
Sales:	\$397,099	\$505,587	+27
Units Produced:	2,619	9,230	+252

FY 87 Accomplishments:

The shop purchased a pinch roller, plastic laminate slitter and vacuum table to increase production speed in laminating custom cabinets and furniture.

Transferred breakaway barricade operation to second floor of shop, freeing much needed space for furniture assembly.

Developed prototype of a fiberesin night stand for use in many Human Services agencies.

FY 88 Initiatives:

Increase inventory levels necessary to fill increased customer requirements.

Develop new furniture products as dictated by customer needs.

Increase the level of quality control by developing check points in several critical phases of production.

**State Use Industries
Central Office—111 Oak Street**

Since moving into its new Central Office, warehousing and trucking fleet facility in 1979, the Bureau of State Use Industries has continued to grow steadily. As the administrative center of Bureau operations, the Central Office houses its administrative, marketing, sales and accounting functions. An established computer network provides the Bureau with an up-to-the-minute perspective of all orders and inventories within its multi-faceted, statewide manufacturing operation.

The repair and maintenance of the Bureau's trucking fleet, Central Office and Warehouse (including building and grounds) is accomplished by the Maintenance Shop located at the Warehouse. Utilizing inmate employees, this shop contributes significantly to the cost efficiency of the Bureau's entire operation, as well as that of its central headquarters location.

Central Warehouse

A large percentage of the Bureau's finished products are maintained on the Warehouse floor for immediate delivery or pick-up, as well as an inventory of selected raw materials for shipment to the industrial shops. Inmate employees at the Warehouse are transported daily to and from the minimum security Youth Correctional Institution at Annandale. Within the Warehouse operation the inmates learn packaging, order processing, shipping and receiving functions, as well as assisting in necessary building maintenance projects.

	1986	1987	% Change
Inmates Employed Annually:	185	196	+6

FY 87 Accomplishments:

Improved the delivery services of finished products to Bureau customers throughout the State by the effective utilization of tractor trailers.

Initiated the coding of pallet locations throughout the warehouse. As product is loaded into a pallet location, the information is entered into the computer and is used subsequently to quickly locate various items in the warehouse.

Labeled inventory locations throughout the warehouse, and linked these locations with the Central Office computer system which increased the speed of order picking stocked items for customer delivery.

FY 88 Initiatives:

Of primary importance is the replacement of the warehouse roof. Currently 20 years old, the existing roof has developed leaks which could damage materials and products stored at this location.

In line with the roof repair will be a program to seal the concrete floor of the warehouse to insure longevity.

Continue the installation of additional pallet racking to make full use of all available space.

Central Trucking

When the State Use Industries Central Warehouse was acquired in 1979, the Bureau had four 10-ton trucks. Today, the trucking fleet consists of 16 vehicles, including six 10-ton trucks, tractors, trailers, station wagons, a pickup, and a step van—an enlarged fleet to handle Bureau shipping as fast and efficiently as possible. This fleet transports raw materials and finished products between the Central Warehouse and industrial shops, and delivers orders to customers throughout the State.

	1986	1987	% Change
Miles Traveled:	71,150	113,203	+59

FY 87 Accomplishments:

Received delivery of a new tractor and trailer for use in delivering raw materials and finished product.

Due to our increased fleet size, the Bureau has ascertained the need to repair its own trucks. Toward that end, State Use Employee Joe DiMattia, was enrolled in Mercer County's Vocational Technical program in diesel engine repair. The knowledge he gained has reduced down time and saved the Bureau a significant amount of money in vehicle repairs.

FY 88 Initiatives:

Accept delivery of a new tractor trailer.

Purchase an additional 10-ton truck and 40-foot trailer unit.

To improve delivery response time and keep pace with the increasing customer demand for products, the Bureau intends to hire two additional truck drivers.

Central Print Shop

A full-service print shop located at the Central Warehouse utilizes inmate employees to assist in the paste-up, camera work and plate-making preparation required for offset printing. Printed materials for Bureau customers are collated, folded, bound and cut as required, and provide inmates with a comprehensive knowledge and skills of the printing trade.

	1986	1987	% Change
Inmates Employed Annually:	76	130	+71
Sales:	\$346,429	\$399,847	+15
Total Impressions:	22,735,001	25,150,860	+11

FY 87 Accomplishments:

Established an offset production shop at Riverfront Correctional facility with five presses producing 750,000 impressions during FY 87.

Purchased the following equipment which has increased production capabilities and shortened the time customers wait for delivery of product:

- A) Hanada Model 662 CD Press which increases capacity on business cards and flat form production.
- B) Halm Superjet Press producing kraft envelopes by offset printing techniques which replaces the old and antiquated letterpress equipment capability.
- C) Challenge numbering machine which provides the capability to accept orders for multiple crash printing of numbered forms.
- D) Folder-stapler unit combines folding and stitching into one operation for booklets up to 8½ by 11 and 88-pages maximum. This unit increases binding capacity for small booklet orders.
- E) Hanada Perfector press which provides capacity to print 11" by 17" two sides in one operation for booklet production.

FY 88 Initiatives:

Improve quality of all printed products by implementing stringent quality control procedures.

Increase the capacity of current phototypesetting equipment to provide greater flexibility in customer selection of type styles.

Central Trucking

FY 87 Accomplishments

Today the trucking fleet consists of 16 vehicles, including six 40-foot trailers, seven 20-foot trailers, and three 10-foot trailers. The fleet is equipped with a variety of equipment which has increased production capacity and allowed the customer to receive products in a timely manner. The Central Warehouse has a fleet of trucks which are used to transport products to various locations throughout the State.

A) Honda Model 682 CD Press which increases capacity on business cards and flat form production.
 B) Jani Super Press producing leaf envelopes by offset printing techniques which replaces the old and antiquated letterpress equipment capacity.

C) Challenge numbering machine which provides the capability to accept orders for multiple cash printing of numbered forms.

D) Folder-stapler and combiner which provides the capability to accept orders for multiple cash printing of numbered forms.

E) Honda Model 682 CD Press which provides capacity to print 11 by 17, two sides in one operation for booklet production. The Honda Model 682 CD Press has a built-in folder and stapler which allows for the production of 11 by 17, two sides in one operation for booklet production.

FY 88 Initiatives

- Improve quality of all printed products by implementing stringent quality control procedures.
- Increase the capacity of current photocomposing equipment to provide greater flexibility in customer selection of type styles.
- To expand our product line and keep pace with increasing customer demand for products.

Central Print Shop

A full-service print shop located at the Central Warehouse offers onsite employees to assist in the post-up, camera work and plate making preparation required for offset printing. Printed materials for Bureau customers are collated, folded, bound and cut as required, and provide service with a professional knowledge and skills of the printing trade.

	1986	1987	% Change
Employees Employed Annually:	76	130	+71
Sales:	\$246,429	\$399,647	+15
Total Impressions:	22,735,001	25,150,860	+11

**Riverfront State Prison
Camden**

Riverfront Print Shop

The Riverfront Print Shop is an adjunct to the State Use Industries main printing shop located at the Bureau's Central Warehouse in Trenton. Riverfront inmate employees are trained in the operation of various offset presses, producing letterhead and stock flat forms as a part of the Bureau's total printing capability.

	1987
Inmates Employed Annually:	10
Total Impressions:	750,000

FY 87 Accomplishments:

Created stocking inventories of standard forms used by the Department of Corrections.

Implemented a stocking program to supply the State Parole Board with varying quantities of 55 to 60 different standard agency forms. Initial shop orders involve 1.4 million printing impressions.

FY 88 Initiative:

Explore the feasibility of expanding the shop to include the binding of non-carbon forms and pads.

**State Prison
Trenton**

Clothing Shop

This shop produces a full line of pants, jackets and coats for use mainly by the Department of Corrections as part of all State inmates' clothing requirements.

	1986	1987	% Change
Inmates Employed Annually:	1,224	1,277	+4
Sales:	\$476,626	\$602,514	+26
Units Produced:	57 dozen 28,713 each	649 dozen 22,117 each	+939 -23

FY 87 Accomplishments:

Purchased three pieces of leased equipment used in the production of pockets, saving the Bureau \$10,000 annually in lease charges.

Prepared speculative patterns, samples and pricing for Middlesex County's corrections clothing program in a sales development effort that proved successful. As a result, initial orders for 125 dozen shirts and 200 dozen pants are anticipated from this first-time Bureau customer.

Removed half of the existing cutting tables to provide additional production space, and supplied metal shelving for cut goods storage.

FY 88 Initiative:

Obtain a full time sewing machine repairman to service all sewing programs to reduce down-time and assure optimum shop operation.

Knitting Shop

This shop, outfitted with contemporary knitting machinery, produces a full line of hosiery, from sweat socks to English ribbed nylon stretch socks in a variety of colors and styles. Primary customers for these State Use Industries products are the Departments of Human Services and Corrections.

	1986	1987	% Change
Inmates Employed Annually:	303	305	+1
Sales:	\$116,720	\$102,843	-12
Units Produced:	11,655 dozen	9,297 dozen	-20

FY 87 Accomplishments:

Added heat sealed polybag packaging to entire product line. All socks are now bagged to protect product integrity.

Acquired and placed into production two new sock knitting machines for cushion style socks.

FY 88 Initiative:

Determine the feasibility of adding knitted gloves and T-shirts to product line to meet increasing requests for these products.

Mattress Shop

Both mattresses and pillows in several varieties are manufactured in this shop. All mattresses are covered with a flame resistant material to assure that they are flame retardant.

	1986	1987	% Change
Inmates Employed Annually:	216	308	+43
Sales:	\$681,631	\$996,845	+46
Units Produced:	13,993	15,929	+14

FY 87 Accomplishments:

In August of 1986 the mattress industry was moved from the second floor of the industrial building to the first floor (previously occupied by the Print Shop). Electrical renovations were required and were provided by a joint effort between State Use Industries and State Prison—Trenton. This enabled the Bureau to increase shop capacity.

Expanded industry program to provide replacement cushions for Ancora Psychiatric Hospital. Initial order for 50 sets is currently in production. Total program potential for Ancora's cushion requirement amounts to \$65,000. The cushion replacement program will be expanded to include other state facilities.

FY 88 Initiatives:

Continue to investigate new raw materials with improved flame retardant characteristics.

Expand shop operations as required to expand cushion replacement program.

Investigate improvements in packaging to assure product integrity.

**State Prison
Leesburg**

Auto Tag Shop

This shop manufactures over 66 different types of license tags issued by the Department of Motor Vehicles. Along with passenger, commercial, dealer, courtesy and personalized plates, this shop creates such commemorative plates as those for Miss America and Miss New Jersey Pageants, historical events and numerous sporting events occurring within the Garden State. Considered one of the nation's more modern auto tag shops, over 3 million plates are produced here annually.

	1986	1987	% Change
Inmates Employed Annually:	376	352	-6
Sales:	\$1,825,842	\$1,912,327	+5
Units Produced:	3,209,878	3,221,187	—

FY 87 Accomplishments:

Received and accepted new seven character tooling, and prepared sample plates for Division of Motor Vehicles approval. (Orders from Motor Vehicles for a seven (7) character personal plate are anticipated.)

Placed an order for an additional H.P.M. embossing press and hinge die tooling. This press will increase plate production by approximately 35% to 50% to meet increased DMV plate requirements.

Ordered a surface grinder to provide the capability for maintaining blanking and embossing tooling.

FY 88 Initiative:

Study the feasibility of purchasing infrared ovens to increase shop capacity.

Clothing Shop

This high quality clothing operation produces a wide-ranging line of institutional pants, jackets and coats for government customers. The shop's high productivity can be attributed to a well equipped, modern industrial facility. A majority of the Bureau's cloth cutting requirements for other industrial locations is handled here. Employing over 1,000 inmates during the course of a year, this shop is the largest in the Bureau's operations.

	1986	1987	% Change
Inmates Employed Annually:	1,148	1,079	-6
Sales:	\$102,976	\$104,938	+2
Units Produced:	57,882 each	28,875 each	-50
		4,260 dozen	—

FY 87 Accomplishments:

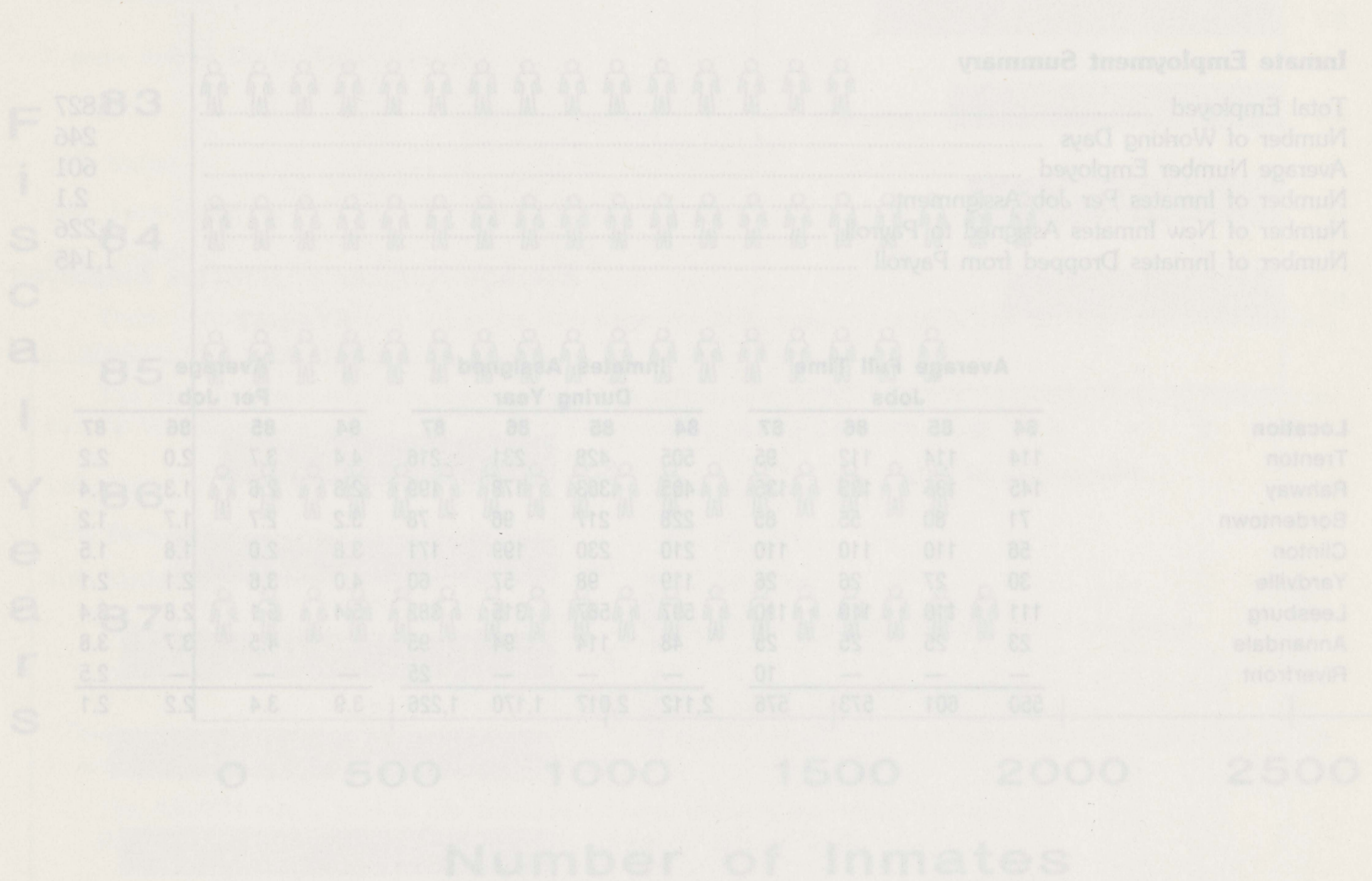
Produced 4,300 dozen U301 Boxer Shorts for Clinton clothing product line thereby enabling the Bureau to remain current on customer orders. Established a product stocking program for this item.

Manufactured approximately 20,000 pairs of standard waist pants for the Bureau's warehouse stocking program.

FY 88 Initiatives:

Maintain current levels of production while increasing quality of product.

Obtain trailer units to initiate sewing program at Southern State.



INMATE PARTICIPATION

Although the total number of inmates employed has increased slightly (from 1,702 in FY 86 to 1,827 in FY 87), the average number employed has decreased from 619 to 601 per month. A significant drop in the number of inmates per job assignment from 2.2 to 2.1 indicates a continuing stabilization of the inmate work force. A lower turnover rate in a job assignment provides for greater consistency in production, and allows the inmate an opportunity to develop more fully his skill at the assigned position.

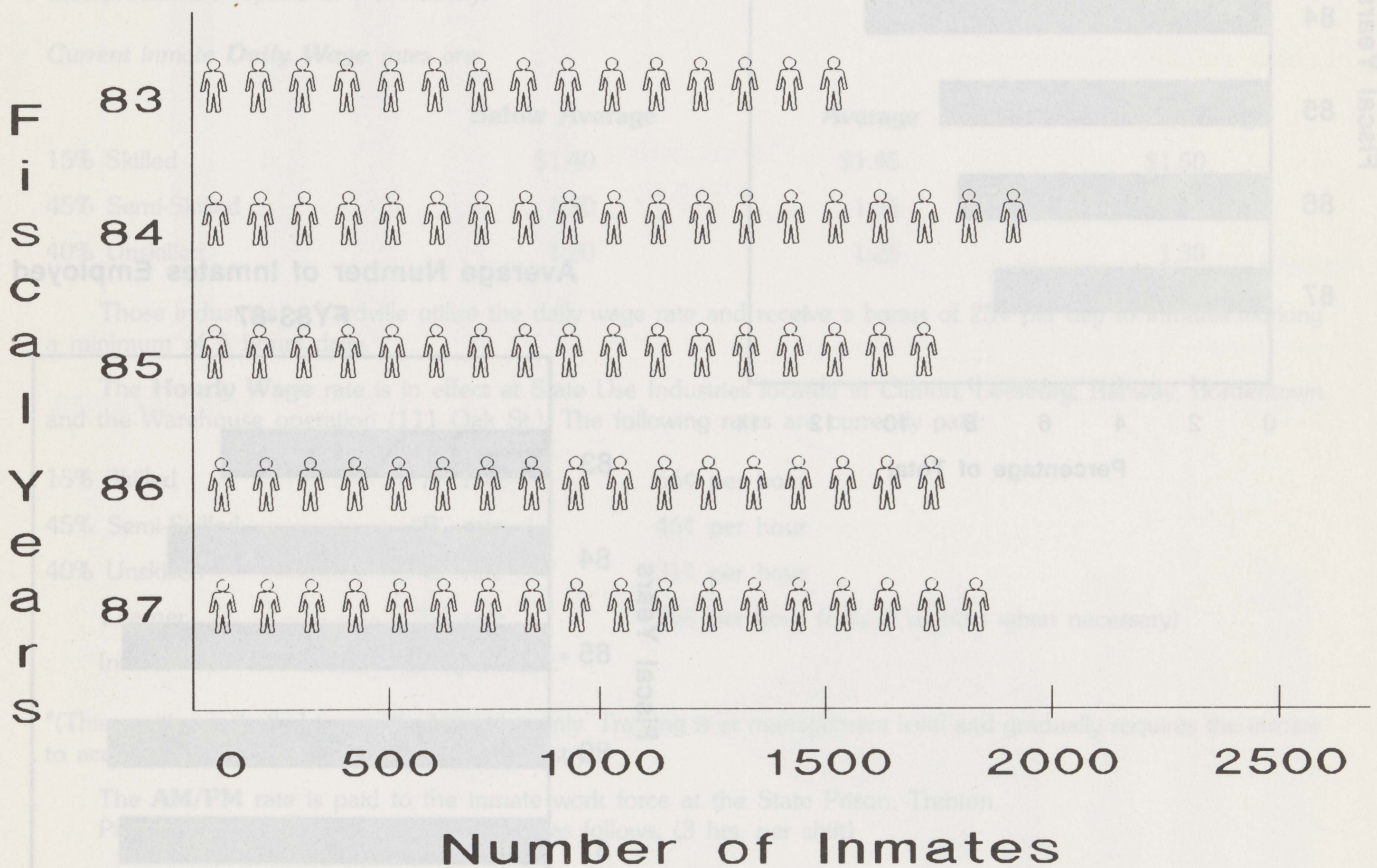
Inmate Employment Summary

Total Employed	1,827
Number of Working Days	246
Average Number Employed	601
Number of Inmates Per Job Assignment	2.1
Number of New Inmates Assigned to Payroll	1,226
Number of Inmates Dropped from Payroll	1,145

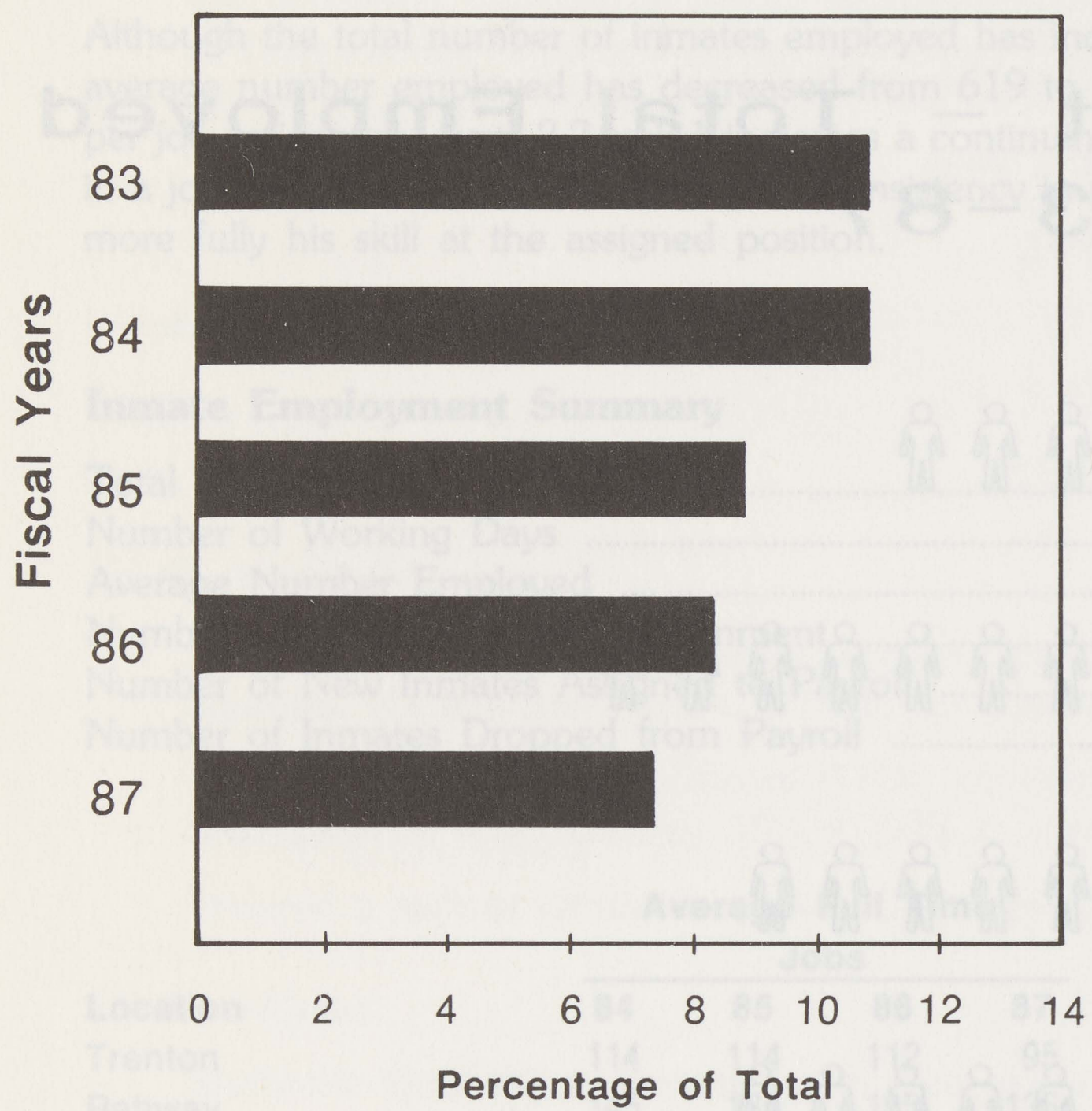
Location	Average Full Time Jobs				Inmates Assigned During Year				Average Per Job			
	84	85	86	87	84	85	86	87	84	85	86	87
Trenton	114	114	112	95	505	428	231	216	4.4	3.7	2.0	2.2
Rahway	145	135	135	135	405	363	178	199	2.8	2.6	1.3	1.4
Bordentown	71	80	55	65	228	217	96	78	3.2	2.7	1.7	1.2
Clinton	56	110	110	110	210	230	199	171	3.8	2.0	1.8	1.5
Yardville	30	27	26	26	119	98	57	60	4.0	3.6	2.1	2.1
Leesburg	111	110	110	110	597	567	315	382	5.4	5.1	2.8	3.4
Annandale	23	25	25	25	48	114	94	95	—	4.5	3.7	3.8
Riverfront	—	—	—	10	—	—	—	25	—	—	—	2.5
	550	601	573	576	2,112	2,017	1,170	1,226	3.9	3.4	2.2	2.1

INMATE EMPLOYEE COMPENSATION

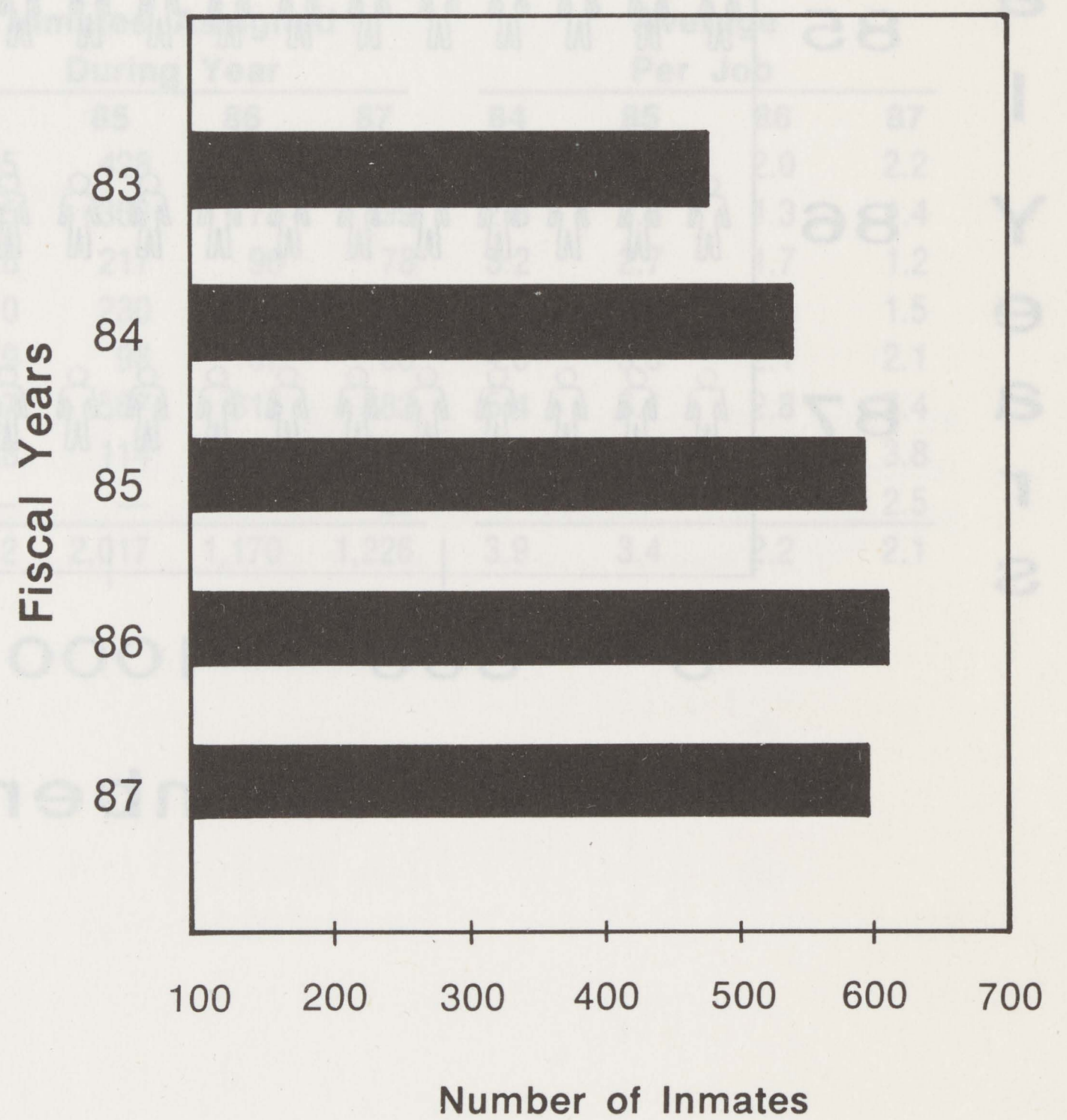
Inmate Employment – Total Employed FY83–87



**Inmate Employment
Percentage of Total Population
FY83-87**



**Average Number of Inmates Employed
FY83-87**



INMATE EMPLOYEE COMPENSATION

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. Each inmate starts out as a "learner" at .26 per hour for a period not to exceed two months. At that point, they are promoted to the "C" rate as an unskilled laborer at .31 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 .46 per hour. The "A" rate, skilled position at the top of the scale is .56 per hour.

As an incentive to inmates who have demonstrated managerial abilities, the position of Inmate Instructor Assistant was created. This position pays .86 per hour, and leads to the eventual responsibility for assisting civilian employees with production aspects of the industry.

Current inmate **Daily Wage** rates are:

	Below Average	Average	Above Average
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 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.)

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

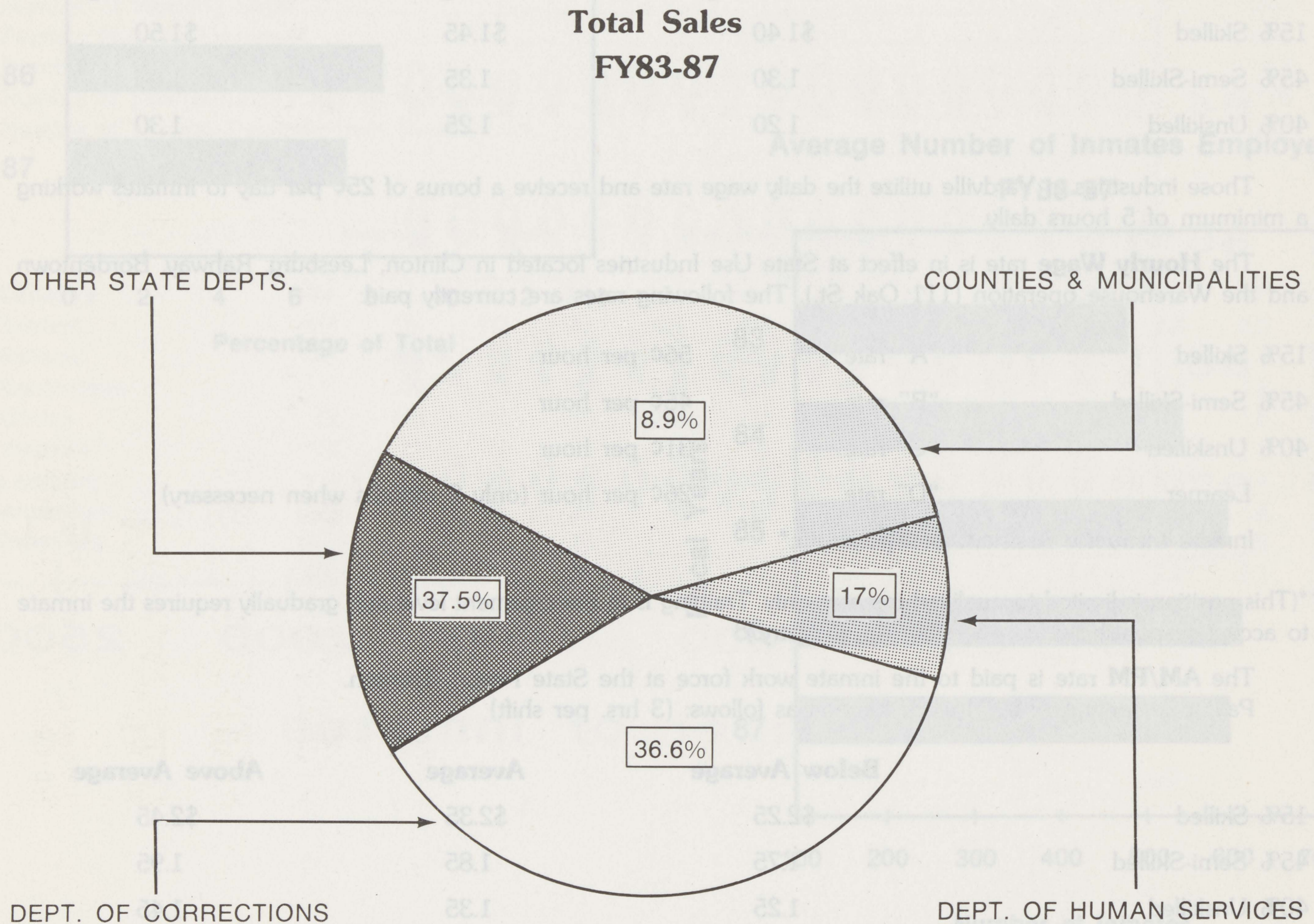
Learner—\$1.20 (for 2 months only when necessary)

Inmate Instructor Assistant—\$3.20

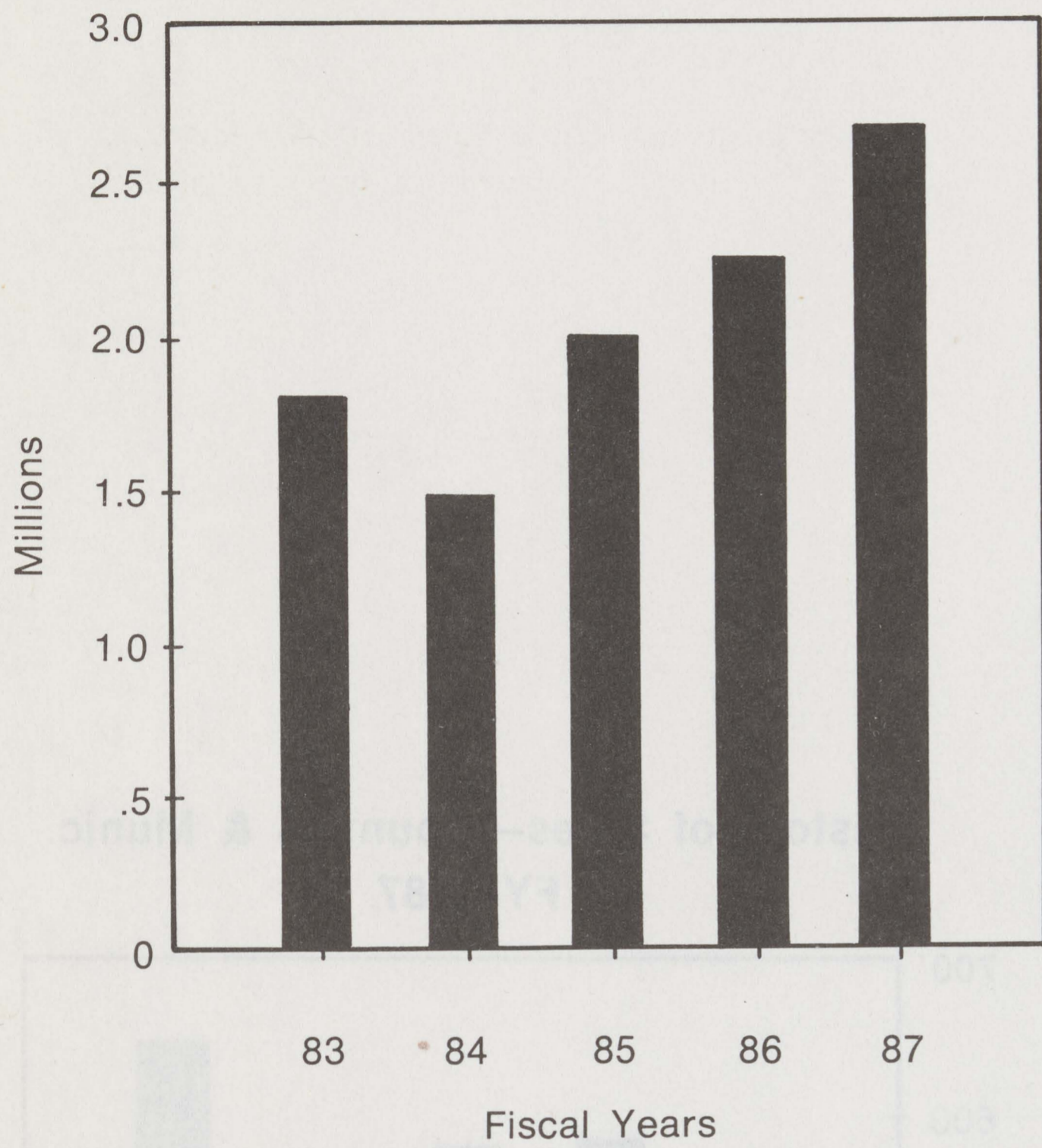
SALES

Fiscal 1987 total sales volume for the Bureau reached a record \$7,292,244.54 level, reflecting a considerable 12% increase over FY '86.

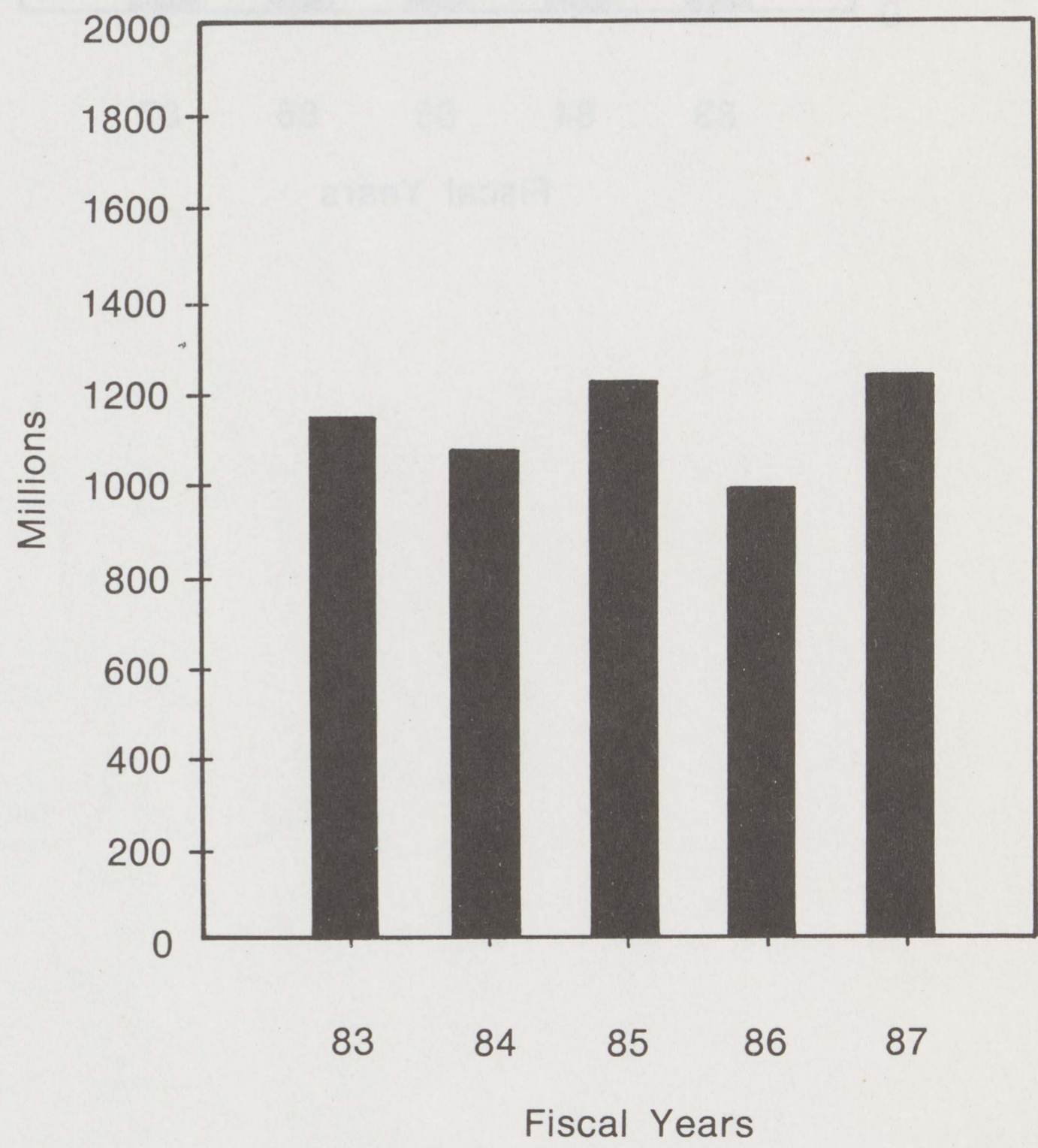
The Bureau's primary customer groups are indicated in the following chart as a percent of total FY '87 sales. Charts on subsequent pages indicate a five-year history of purchases for each group. These sales charts, related to the Bureau's industrial shop production data, are used to plan production and inventory levels for the year ahead.



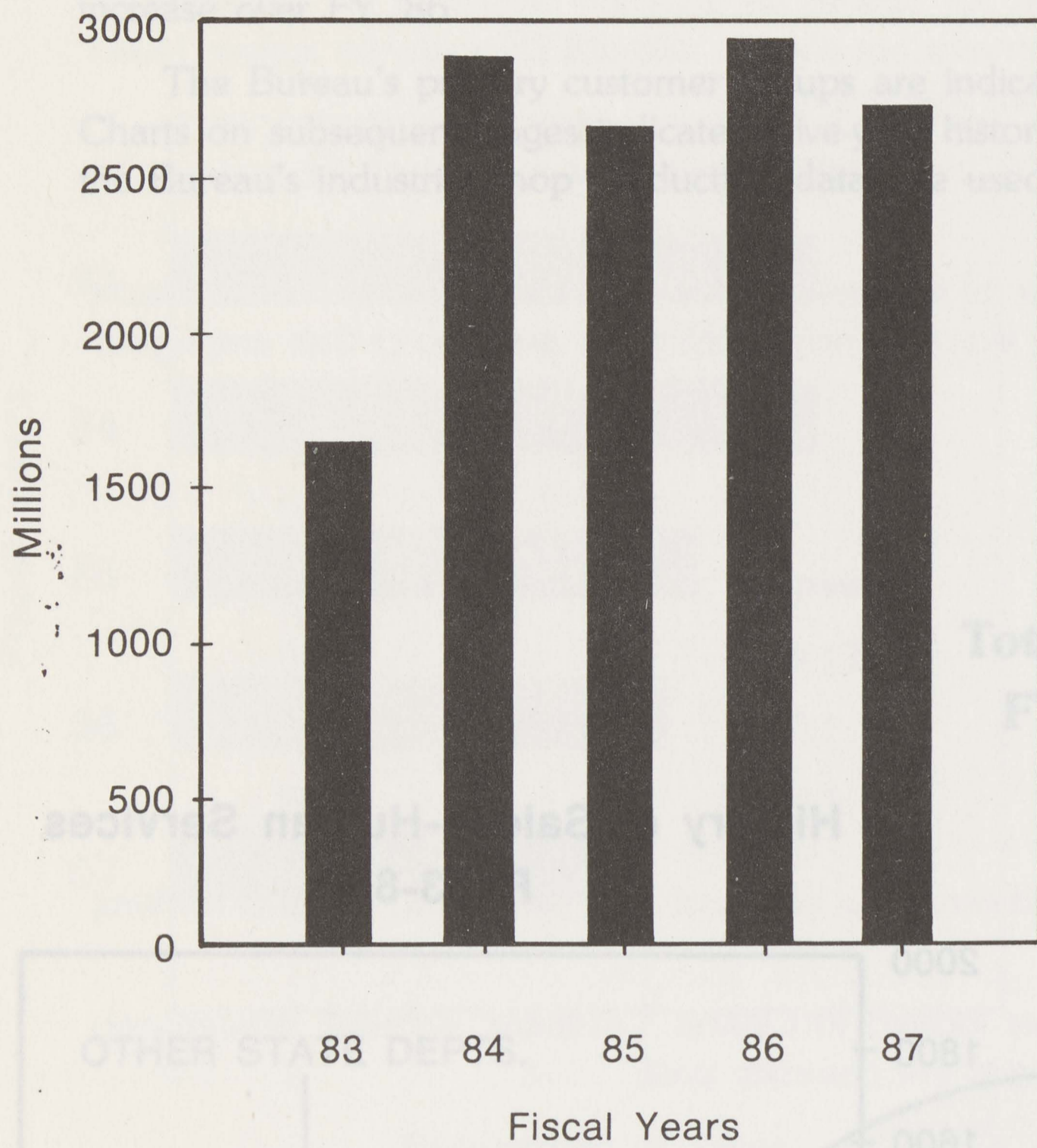
**History of Sales—Corrections
FY83-87**



**History of Sales—Human Services
FY83-87**



**History of Sales—State Depts.
FY83-87**



**History of Sales—Counties & Munic.
FY83-87**

