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1956

N. J. - Buildings

STATE OF NEW JERSEY



State Office Building Program

- Department of Education
- Department of Health
- Department of Labor & Industry

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TRENTON, NJ 08625-0520

Trenton, New Jersey
September 17, 1956

STATE OF NEW JERSEY



State Office Building Program

- Department of Education
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State Office Building Program

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STATE OFFICE BUILDING PROGRAM

Ten years ago the lack of adequate State office space was recognized by the Governor and the Legislature. The shortage has since grown increasingly acute, and a permanent solution of the problem cannot be further delayed.

While I have repeatedly called attention to the need for new space, I believe it of great importance that you have before you at this time up-to-date detailed information as to the desperate conditions under which our agencies are now trying to serve the public and the construction program which we are proposing.

The most efficient and economical solution is the early approval of a State building program - a program of limited proportions geared to the most pressing needs. Failing that action, there will be open no alternative but to authorize long-term leases of large blocks of space which will permit the most seriously handicapped departments to consolidate their operations in adequate quarters. But that unsatisfactory alternative would only aggravate the present uneconomical and inefficient arrangements which involve an annual rental bill for the Trenton area alone of more than one million dollars.

Three Buildings Proposed

The present proposal eliminates all but the most urgently needed construction. Accordingly the five separate structures, first proposed in my Supplementary Budget Message of March 14, 1955, have been cut to three - one each for the Departments of Health, Education, and Labor and Industry. The buildings for Health and for Labor and Industry would each house all the activities of each department conducted in this area. The Education building would be restricted to administrative needs and would exclude the State Library and the State Museum.

Present Overcrowding and Dispersal

Inadequate, dispersed, and overcrowded quarters cause the State excessive operating costs, reduced work performance, and lost time. Working conditions are demoralizing to employees and exasperating to the public. The present operations of these three departments not only furnish examples of extreme overcrowding, but illustrate the worst sort of scattering of activities. In Trenton, the Department of Labor and Industry is housed in thirteen buildings, the Department of Health in six. Education, for the purposes of its administrative services, is forced to operate in an ancient building originally built as a private residence. Divisions of departments are in several instances divided between two and even three buildings.

The laboratory of the Health Department, operating under the most difficult conditions, is housed on the third and fourth floors of the State House -- the fourth floor is an attic, directly under the roof. In addition to the physical limitations, extreme heat, windowless rooms and other discomforts, the present quarters are a hazardous place in which to work with virulent organisms. If any private company were to carry on laboratory work under like conditions, it would unquestionably be condemned by our own inspectors.

Moreover, there is the extreme inconvenience to the citizen having business with one of these departments. Because of the widely scattered offices he will in all likelihood have to go to two or more buildings before he can conclude his business with one department. And even more important than these delays is the resulting failure of the State to perform fully and properly the services to which the citizens are entitled.

These three departments are ones which have much direct contact with the citizens of New Jersey. The acuteness of the situation is heightened by the fact that without any increases in facilities each of the departments has had in recent years to assume new functions as well as meet the regular growth of the State.

The Public Health Statistics Bureau alone serves about 6,400 persons per year at the State House, plus about 540 mail and telephone requests per day. Six to ten persons a day personally bring in blood samples to the State House laboratory. To the Department of Health's regular duties have been added the supervision of the radiological hazards and air pollution control, and the department hopes to be able to provide other services, impossible under the present conditions.

Similarly, the Department of Education must meet the requirements of a school system that has increased from 588,017 students in 1946 to an estimated 875,000 this year. It administers State aid which has trebled since 1953, approves new school building plans and supervises extension of credit procedures which involve more than one hundred hearings during the year. Teachers endure delays in the issuance of their certificates because this function of the department has doubled since 1946, and records of financial reports and audits from the school districts are so scattered that they are difficult to use.

The Federal government has expressed a growing displeasure with the scattered and inadequate facilities of the Department of Labor and Industry. The administration of unemployment and disability compensation, and the work of the Rehabilitation Commission are areas of State government which regularly come in contact with thousands of people. Undue inconvenience in their operations must be corrected.

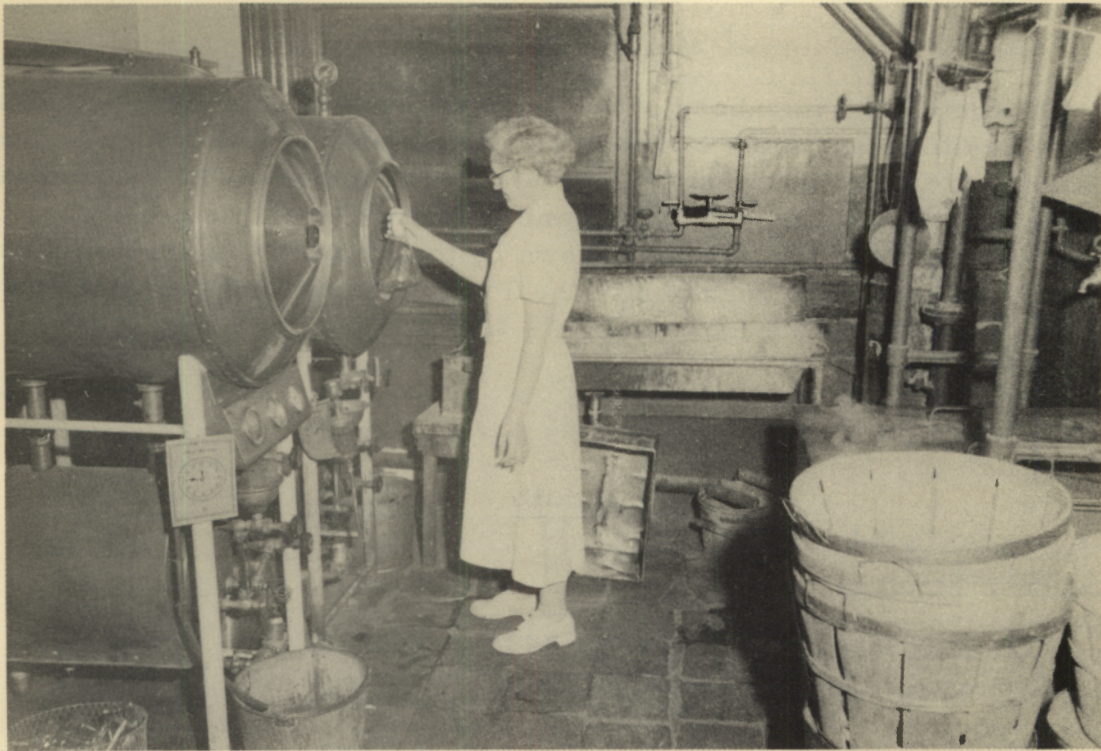
New Space Required

I urge all the members of the Legislature who have not done so to visit the Health Department on the upper floors of the State House and the Education building to the west of the State House Annex. The overcrowding, in the Health, Education, and Labor and Industry Departments, and particularly the first two, is best shown by the following figures on space now occupied and space required in the Trenton area, and the total rent which each Department is now paying.

	<u>Health</u>	<u>Education</u>	<u>Labor and Industry</u>
<u>Areas now occupied (in square feet):</u>			
Owned (gross)	19,793	16,250	-
Rented (gross)	<u>41,239</u>	<u>7,830</u>	<u>225,688</u>
Total	61,032	24,080	225,688
 Additional space needed (gross) .	 <u>72,968</u>	 <u>33,920</u>	 <u>45,393</u>
(including 15% for corridors, stairways, utilities and other non-usable space)			
 <u>Total space required (gross) . .</u>	 134,000	 58,000	 271,081
 Cost of Rented Space 1956-1957 . .	 \$91,000.00	 \$34,231.00	 \$551,618.00

In the case of the Department of Education and the Department of Labor and Industry, the space requirements are the same as given in my Supplementary Budget Message of March 14, 1955. The Health Department requirements have, however, been increased from 115,000 square feet to 134,000 square feet. The earlier figure made no provision for a cafeteria nor did it allow for the additional functions which have now been assigned to that department.

While other departments and agencies are also overcrowded, the evacuation of State-owned space which Health and Education now occupy will afford some relief to the acute conditions in the other departments.



Department of Health — Sterilizing room has antiquated equipment, inadequate temperature control and utilities. (Laboratory, Fourth floor, State House)



Department of Health — Store room housing combustibles registers 120°F on summer days. (Laboratory, Fourth floor, State House)

PROPOSED NEW BUILDINGS

The three-building proposal which I urge you to approve would be as follows:

The Health and the Education buildings would each consist of two stories and basement. The Labor and Industry building, in view of the larger size of that department, may have to be higher. All the buildings would be of simple design and omit expensive materials and detail.

Each building would provide the space requirements for each of the three departments and would be adapted functionally to the particular needs of the department to be served. Thus, for example, the Health building would provide through a separate unit for the necessary laboratory facilities, which cannot efficiently or safely be incorporated in a larger general purpose area.

The three buildings would be constructed on sites which allow for expansion, if later found necessary because of increased or additional functions. The location of the buildings, as well as the design and architecture, would be determined by the Governor with the approval of the State House Commission, which now performs such functions with respect to the present State buildings in Trenton.

The Department of Education recommends and has prepared plans for the erection of its building on the campus of the Trenton State Teachers College. A location adjacent to the buildings on the campus of the Teachers College would enable the departmental staff to make use of the facilities of the College, such as cafeterias and large meeting rooms, with resulting savings in construction. The other two departments have not recommended any specific sites, although in the case of the Health Department, land located at the School for the Deaf is a possible location.

In selecting locations, consideration must be given to provision for adequate parking and other facilities. It may also be appropriate to take into account the development and the problems of the City of Trenton. For example, although the fifteen present parking areas have a total capacity of 1,070 cars, requests have been received for 2,500 employee vehicles, and if the parking areas were more convenient the number of requests would be greater. The sites selected should, of course, be in line with the trend of business, industry and government and be so located as to serve the citizens of the State most efficiently, economically and with the greatest possible convenience to the public and the State employees.

A large 13-story building west of the State House Annex was contemplated by earlier legislation. As I said in my Second Annual Message on January 10 of this year, I have no pride of opinion as to the course to

be taken but think we should be careful to choose the better one. A multi-story building next to the State House Annex would create difficult traffic and parking problems. Also, in view of the growth of functions in the State Government in the last decade the plans then drawn up (gross area of 383,474 square feet) are no longer adequate to meet current space needs. Such a building would not readily permit any expansion that future development might require. The present cost of that building has been estimated at \$11,102,000.00. A further consideration is that because such a building would have to be of an appearance and construction appropriate to a location adjacent to the State House and State House Annex, the type of materials demanded would result in a substantially higher cost per unit of usable space. In addition, there is doubt whether funds accumulated under Employment Security legislation and which are expected to be sufficient to cover the entire cost of the Labor and Industry building, could legally be made available to meet the cost of a part of a larger building to be occupied by several departments, of which Labor and Industry would be only one.

Cost

There is attached a statement in tabular form showing the estimated cost of the building for each department, and the funds available under the Employment Security legislation and the Hill-Burton Act to meet part of that cost. Current monies and estimated income totalling \$8,800,000.00 (through July 31, 1958) are available in the Unemployment Insurance Auxiliary Fund and under the Employment Security Administrative Financing Act of 1954 for construction of the building for the Department of Labor and Industry. The Hill-Burton Act provides funds which may be used for a large part of laboratory costs of the Health building. Consequently, the estimated total net cost of the proposed construction to the State is \$4,386,997.00, not including the cost of any site acquisition where an acceptable location cannot be found on State-owned land. If land acquisition is necessary for the Labor and Industry building, the available funds will also cover that cost.

The gross estimate of \$11,116,463.00 (gross area of 463,081 square feet) represents a marked increase in the estimates for the three buildings (\$8,535,342.00) given you in my Budget Message of March 14, 1955. There are essentially two reasons for the increase. In the first place, there have been added in the present estimates of capital costs other necessary facilities such as the surfacing of parking space, allowance for utilities and for site preparation and landscaping, allowance for laboratory equipment and for increased costs of construction of the laboratory proper in the Health building and for cafeteria equipment in the Labor and Industry building. Secondly, the increase is a reflection of the general rise in labor and material costs which has occurred in the last eighteen months. The present estimate assumes a cost of \$21.00 per square foot of gross space (laboratory space is somewhat higher).

The increase in labor and material cost is a compelling reason for immediate action without further delay. Based upon the experience of recent years, the cost spiral will continue to ascend and the longer we wait, the more we shall have to pay.



Department of Education – Office of Bureau of Business Services (Division of Business and Finance, 175 West State Street)



Department of Education – A typical hearing for extension of credit (Conference Room, 175 West State Street)

Possible Sources for Meeting Cost

Funds exist from which the net cost to the State of the construction, \$4,386,977.00, could be met.

In my Supplemental Budget Message of March 14, 1955, in which I dealt with a capital construction program, I stated that \$3 million could be derived from the sale of permanent emergency housing. Receipts from this source, as on June 30, 1956, totalled \$2,386,196.45, and that sum is included as a part of the surplus in the General Treasury on that date. Between now and June 30, 1957, it is estimated that an additional \$750,000.00 will be collected, of which 90% will represent the State's share. This means that by June 30, 1957 at least \$3 million will be available from this source, and by June 30, 1958, the total would be approximately \$4 million.

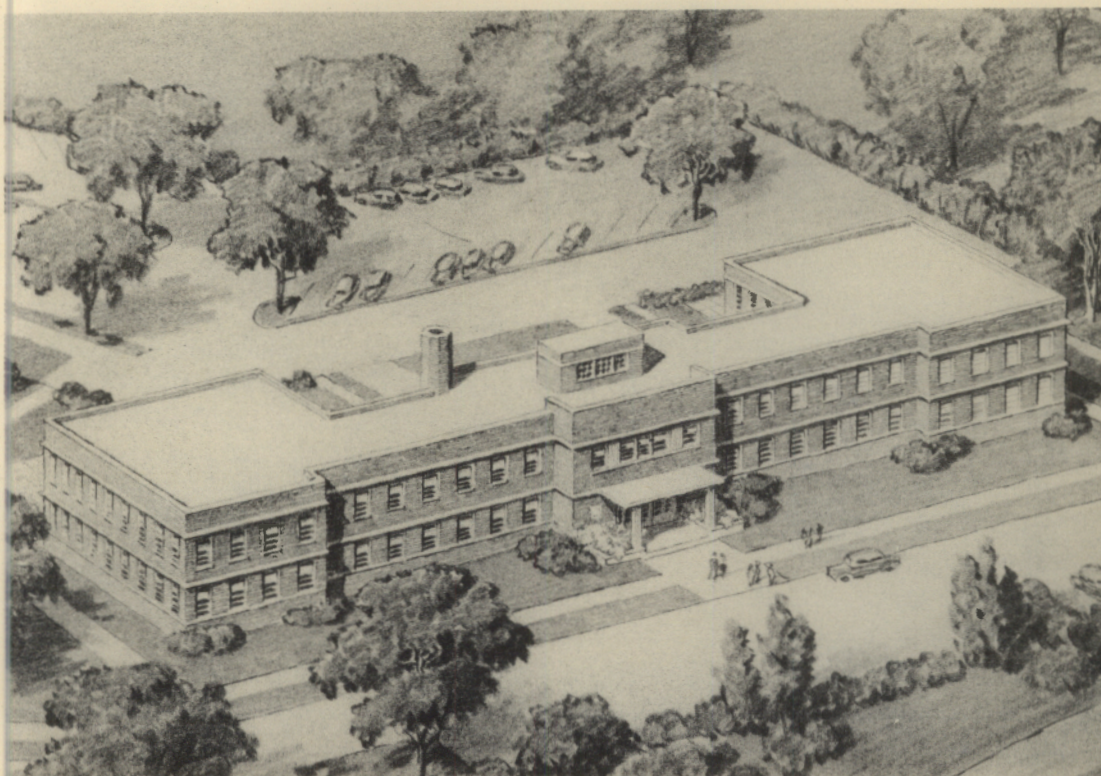
Another possible source for financing the building program is the Veterans Guaranteed Loan Fund. After making allowance for the prior appropriation of \$3 million to the Round Valley acquisition, the market value of the balance of the securities in that Fund as of June 30, 1956, plus the cash, is \$6,360,258.00. Against this \$6 million sum there is a contingent liability of \$450,000.00 to cover outstanding loans to veterans guaranteed by the Fund, thus leaving an uncommitted balance of \$5,910,258.00.

Growth of Demands on the State

In giving consideration to a State office building program, today's needs cannot be judged by those of ten years ago, or even five years ago. Nor may we conclude that because the State has been able to function since World War II in a straightjacket that it can continue somehow in the years immediately ahead to perform the necessary services with its present facilities.

The growth in the number of State employees points up the issue. In 1945 there were 12,937. That figure rose to 19,295 by 1952, 22,457 at the end of 1953 and since then to 24,631. The increasingly large responsibilities which have been placed in the Department of Health, Education, and Labor and Industry are obvious.

Moreover, these increased duties are only a small indication of what is to come. New Jersey's population has risen from 4,160,000 in 1940 to 5,420,000 in 1955, an increase of almost one and one-half million persons. A conservative projection for 1960 estimates a population of 5,892,000. We can anticipate a continuance of record high birth rates and of heavy influx of population into New Jersey. All signs indicate that the continued decentralization of urban population will develop areas formerly rural and semi-rural.



Proposed N. J. Department of Education Building.

But we have not provided our Departments of Health, Education, and Labor and Industry with the facilities to meet the growth which has already taken place, much less the growth we can expect. And the result is that the health of our citizens, the education of our children, the welfare of our workers and the progress of our industry must consequently suffer.

Everyone will agree on the desirability of keeping New Jersey high among the states which not only meet the current demands of its people but also intelligently provide for the future needs of an expanding population. If the personnel of our State government are to carry out the work demanded by a constantly growing State, we must provide them with space in which to carry out their duties through the adoption of a State building program commencing with the three buildings for the Departments of Education, Health, and Labor and Industry.

ROBERT B. MEYNER,

Governor

September 17, 1956

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TRENTON, NJ 08625-0520



Department of Health – Space is inadequate, tile walls reflect noise, tile floors produce sore feet. (Business Machines Room, Basement, State House)



Department of Health – “Elevator” service to Business Machines Room. Inadequate storage space compels trained employees to become delivery boys. (State House, Basement)

APPENDIX
COST SUMMARY

	Dept. of Health	Dept. of Education	Dept. of Labor & Industry	Total
Acquired Office Floor Space* @\$21 per square foot	\$2,045,547 (97,407 sq. ft.)	\$1,218,000 (58,000 sq. ft.)	\$5,692,701 (271,081 sq. ft.)	\$8,956,248 (432,488 sq. ft.)
Required Laboratory floor space @\$23.20 per square foot	848,958 (36,593 sq. ft.)	}		975,958
Laboratory Equipment	127,000			
Parking Area Surfacing @\$4 per square yard	56,000 (14,000 sq. yds.)	16,000 (4,000 sq. yds.)	64,000 (16,000 sq. yds.)	136,000
Site Preparation & Landscaping	35,000	20,000	75,000	130,000
Utilities	50,000	75,000	50,000	175,000
Cafeteria Equipment	50,000 (350 persons)	---	100,000 (700 persons)	150,000
New football field for Trenton State Teachers College to replace present one on site of building	---	10,000	---	10,000
Architect's Fee	195,750	30,105 (Balance)	357,402	583,257
TOTAL COST	\$3,408,255	\$1,369,105	\$6,339,103	\$11,116,463
Funds available until July 31, 1958 under Unemployment Insurance Auxiliary Fund and the Employment Security Administrative Financing Act of 1954 (Reed Bill) (estimated)	---	---	8,800,000	---
Funds available under the Hill- Burton Act for laboratory costs	390,383	---	---	---
NET COST	\$3,017,872	\$1,369,105	---	\$4,386,977

*Space figures include 15% allotted for corridors, stairways, utilities, toilet facilities and other non-usable space.

**Inadequate, Dispersed and
Overcrowded Offices of the
New Jersey State Dept. of Health**

cause citizens:

**LOST TIME
ANNOYANCE
FRUSTRATION
LOST MONEY
LOST SERVICE**

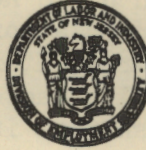


CARL HOLDERMAN
COMMISSIONER

JOHN J. YENCIK
DIRECTOR

State of New Jersey
DEPARTMENT OF LABOR AND INDUSTRY
DIVISION OF EMPLOYMENT SECURITY
TRENTON 8, NEW JERSEY
Telephone: EXport 6-2511

OFFICE OF THE DEPUTY DIRECTOR
28 WEST STATE STREET



FRANK T. JUDGE
DEPUTY DIRECTOR

August 6, 1956

Hon. Carl Holderman
Commissioner of Labor and Industry
1035 Parkway Avenue
Highway Bldg.
Trenton, New Jersey

Dear Commissioner:

The following information is furnished to you in accordance with your request.

On August 5, 1954, a Committee was appointed to formulate a program for "The Construction of a Central Office Building for the Department of Labor and Industry." The Committee was composed of:

Frank T. Judge, Chairman, representing the Department of Labor and Industry;

Roger M. Yancey, Deputy Attorney General, representing the Department of Law and Public Safety;

Anthony La Gattuta representing the Department of Treasury.

On March 30, 1955, the Committee filed with you its final Summary Report (Report No. 12). I am attaching hereto a copy of that Report containing a Supplement which was made a part of the Report on February 10, 1956.

There follows a synopsis of the salient points in the Report together with comments relating thereto.

Approximately 86% of the offices in a central office building for the Department of Labor and Industry would be tenanted by the Division of Employment Security and approximately 14% would be tenanted by other Divisions of the Department of Labor and Industry.

The conclusions set forth on page 1 of the Summary Report (Report No. 12) are still pertinent, as are the conclusions set forth on pages 4, 5 and 6 of the Report.

August 6, 1956

It would appear that the Committee's provision for 10% expansion may be conservative in the light of recent figures published in the April 6, 1956 edition of the U. S. News and World Report wherein it is indicated that there will be an increase in the population of New Jersey of approximately 2,000,000 over the next twenty years. It is not unrealistic to believe that such an increase in population will be accompanied by an expansion of the labor market in New Jersey, with its resultant increase in employment and unemployment. Undoubtedly, there will also be legislation adopted in the coming years which will require expansion in the administration of the employment security program as well as the other functions of the Department of Labor and Industry.

The Supplement to Summary Report (Report No. 12) with respect to "Future Space Needs" indicates that while some saving in square feet occupied was achieved through the consolidation of some of the offices of the Division of Employment Security, there was a slight increase in the "Total Annual Cost."

The Summary Report Table I indicates the space occupied by the Department of Labor and Industry as of June 30, 1954. Attached is a revision of that Table showing the space occupied by the Department as of July 19, 1956 which indicates a reduction of 13,000 square feet in space occupied and an increase of \$10,000 in "Total Annual Cost." These changes are not sufficient to materially affect the conclusions set forth in the Summary Report (Report No. 12).

The Committee's comments with respect to potential costs of a new building must be adjusted to conform to the increased cost of construction which has occurred since the Committee filed its report on March 30, 1955. Information received from valid sources, substantiated by a Building Cost Index, indicates that costs for constructing a building such as proposed have increased approximately 15% over the past eighteen months. Thus, as of July 1956, the cost of constructing the proposed building has increased approximately \$750,000 since March 1955. Should costs continue to increase, continued delay in construction will result in further increased cost.

The Committee in its comments concerning financing methods recommends the use of monies in the Unemployment Compensation Auxiliary Fund. This Fund was established on May 21, 1948; since that date, all penalties and interest collected under R.S. 43:21-14 and fines collected under R.S. 43:21-16 have been deposited in the Unemployment Compensation Auxiliary Fund and are invested by the Department of the Treasury through the Investment Council. Previous to May 21, 1948, these funds were deposited in the Unemployment Trust Fund in the United States Treasury Department.

The balance in the Unemployment Compensation Auxiliary Fund as of June 30, 1956 was \$3,239,585.18. It has been estimated that on the basis of present collections the balance in this Fund will increase at the rate of approximately \$700,000 or more a year, which would result in a balance in the Unemployment Compensation Auxiliary Fund as of June 30, 1957 of over \$3,900,000, and as of June 30, 1958 of \$4,600,000 or more. Use of monies in this Fund for construction of an office building would require that they be appropriated for that purpose by the Legislature.

August 6, 1956

Reference is made in the Supplement to Summary Report (Report No. 12) to Public Law 567, known as "The Employment Security Administrative Financing Act of 1954," and it is pointed out that this Law accomplishes three things:

- (1) Whenever, in any fiscal year, beginning with fiscal year 1954, Federal unemployment tax collections exceed the expenditures from the amount appropriated by the Congress to finance the administration of the employment security program, the excess collections are automatically appropriated and transferred to the Federal Unemployment Trust Fund.
- (2) Such excess will be transferred to the Federal unemployment account for purposes of advances (loans) to States for benefit payments until such account reaches \$200 million and whenever thereafter it is necessary to maintain the \$200 million balance.
- (3) When any annual excess funds are not needed to maintain the unemployment account at a cash balance of \$200 million, such excess funds will be transferred to the State accounts in the Trust Fund. Each State's share will be determined by the proportion that its taxable wages bear to the aggregate of taxable wages of all States paid in the preceding calendar year.

Under (3) set forth above, excess funds transferred to the State accounts can be used toward the cost of constructing a building to house employment security operations.

The Division of Employment Security has been advised by the United States Treasury Department that its account in the Unemployment Trust Fund has been credited as of July 1, 1956 with excess tax collections in the amount of \$1,380,855.29. Consequently, there is presently available in the Unemployment Compensation Auxiliary Fund a balance of approximately \$3,300,000, plus \$1,380,855.29 representing New Jersey's share of the distribution of excess Federal unemployment tax collections under "The Employment Security Administrative Financing Act of 1954," or a total of \$4,680,855.29 which can be appropriated for use in constructing a new Department of Labor and Industry central office building.

If the annual distribution of the excess tax collections under "The Employment Security Administrative Financing Act of 1954" is maintained at \$1,380,000 (and there is reason to believe it will increase), this amount, together with the estimated balance in the Unemployment Compensation Auxiliary Fund, will result in a total of approximately \$5,300,000 as of June 30, 1957, and \$7,400,000 as of June 30, 1958, available for construction of a central office building.

August 6, 1956

It should be noted that in the opinion of counsel "The Employment Security Administrative Financing Act of 1954" requires that excess tax collections credited to the States' accounts in the Unemployment Trust Fund must be exhausted before or during the fourth following fiscal year. In other words, all usable credits must fall within a five consecutive fiscal-year period and the credits for the first fiscal year can not be carried over into the sixth fiscal year. Furthermore, the law does not permit the expenditure of such money after the close of a two-year period which began on the date of enactment of a legislative appropriation act.

It is apparent that the \$1,380,000 credited to the Division of Employment Security's account in the Unemployment Trust Fund on July 1, 1956, must be used under legislative appropriation on or before the end of the fiscal year 1960-1961.

It has been pointed out that, giving effect to usual delays, the construction of the proposed building will take from eighteen months to two years. It would, therefore, seem judicious to start construction not later than 1957, and by the end of that year appropriate the monies required from the sources mentioned herewith.

The Committee also refers in the afore-mentioned section of its Summary Report (Report No. 12) to the fact that the Federal Bureau of Employment Security will approve applications of funds granted annually for rentals of space occupied in a central office building under the following conditions:

- (1) Such payments should not exceed an amount per square foot which would ordinarily be paid for rental of suitable, privately owned space in the general locality involved;
- (2) When the purchase price of the space occupied by the State Division of Employment Security has been fully met by grants made by the Federal Bureau of Employment Security for rental, funds will thereafter be made available for service and maintenance only;
- (3) Where space is shared with other Departments of the State Government, the amount of the grant for the fiscal year will not exceed the State Division of Employment Security's pro rata share of the total cost of the space for that fiscal year, based upon the type, kind and amount of the usable space occupied by it for the performance of its activities.

It is apparent then that a central Department of Labor and Industry building can be constructed from funds presently available in the Unemployment Compensation Auxiliary Fund plus funds received from the Federal Government distribution of excess Federal unemployment tax collections under "The Employment Security Administrative Financing Act of 1954", and that the Federal Bureau of Employment Security will, through its annual grants for rentals for the administration of the employment security program, grant funds for the Employment Security Division's pro rata share of the space to the extent that such payments do not exceed an amount

August 6, 1956

per square foot which would ordinarily be paid for rental of suitable, privately owned space in the general locality involved; and when the purchase price has been fully met, they will thereafter through their annual grants make funds available for service and maintenance only on the basis of the Division of Employment Security's pro rata share of maintenance costs.

The Committee's report on "Potential Maintenance and Operating Costs," page 56 of the Summary Report (Report No. 12), indicates that on the basis of estimated space needs the annual maintenance and operating expense would approximate \$291,246.90, which reflects a saving of \$250,995.10 over the annual rental cost of \$542,242 (Table I, Committee's Summary Report). This saving will be greater than the figure indicates since approximately 70,000 square feet more space will be obtained for less money.

From the above comments and information contained in the Summary Report (Report No. 12) of the "Committee for the Construction of a Central Office Building for the Department of Labor and Industry, it is evident that:

- (1) The Federal Government for the past several years has urged a consolidation of the widely scattered office space of the Division of Employment Security under one roof to promote more efficient operations and potentially lower administrative costs, and, in 1954, urged Governor Meyner to take positive action to provide a central office building.
- (2) The same action is necessary with respect to the several other Divisions of the Department of Labor and Industry.
- (3) The present scattered locations are costly, inefficient, inadequate and a deterrent to proper administration presently and in the future.
- (4) There is an expected increase in population in New Jersey of approximately two million over the next twenty years, which will be accompanied by industrial and business expansion and a resultant increase in the labor market with greater employment and unemployment. This expectation, together with the possible passage of legislation requiring expansion of the administration of the employment security program as well as the other Department of Labor and Industry programs, gives further emphasis to (1), (2) and (3) above.
- (5) Monies for the construction of the building will not come from the General Treasury or Bond Issues, but from monies in the Unemployment Compensation Auxiliary Fund and payment by the Federal Government of excess Federal unemployment tax collections as required by "The Employment Security Administrative Financing Act of 1954," and, consequently, will in no wise burden the New Jersey taxpayer.

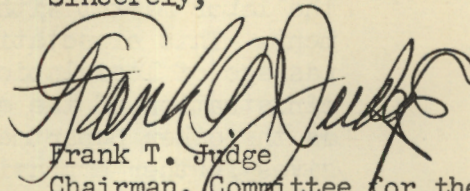
Hon. Carl Holderman
Commissioner of Labor and Industry

August 6, 1956

- (6) The \$1,380,000 credited to the Division of Employment Security's account in the Unemployment Trust Fund on July 1, 1956 under "The Employment Security Administrative Financing Act of 1954," must be used under legislative appropriation on or before the end of the fiscal year 1960-1961.
- (7) The Bureau of Employment Security, U. S. Department of Labor, will approve in its annual grants to the Division of Employment Security funds for rentals for the Division of Employment Security's pro rata share of space in the building, and, after the cost of the building has been amortized, will approve grants for the Division of Employment Security's pro rata share of the cost of maintenance and operation.
- (8) The annual maintenance and operating cost for the proposed building will approximate \$291,246.90 as compared with rentals paid in the amount of \$542,242 (Table I of the Committee's Summary Report), a savings of \$250,995 which does not reflect the additional space in the proposed building of some 70,000 square feet.
- (9) Delay in the construction of a central office building for the Department of Labor and Industry has resulted in an increase in the cost of construction of approximately \$750,000 due to a 15% rise in construction costs over the past eighteen months. Further delay may add to these increased costs.

I am attaching pictures of a few buildings constructed recently by the Labor Departments or Employment Security Departments of other States since they may be of interest.

Sincerely,



Frank T. Judge
Chairman, Committee for the Construction
of a Central Office Building for the
Department of Labor and Industry

FTJ:AC
Atts.

TABLE I

June 30, 1954
Revised July 19, 1956

ANALYSIS OF PRESENT SPACE OCCUPIED BY THE DEPARTMENT OF LABOR AND INDUSTRY IN TRENTON, NEW JERSEY

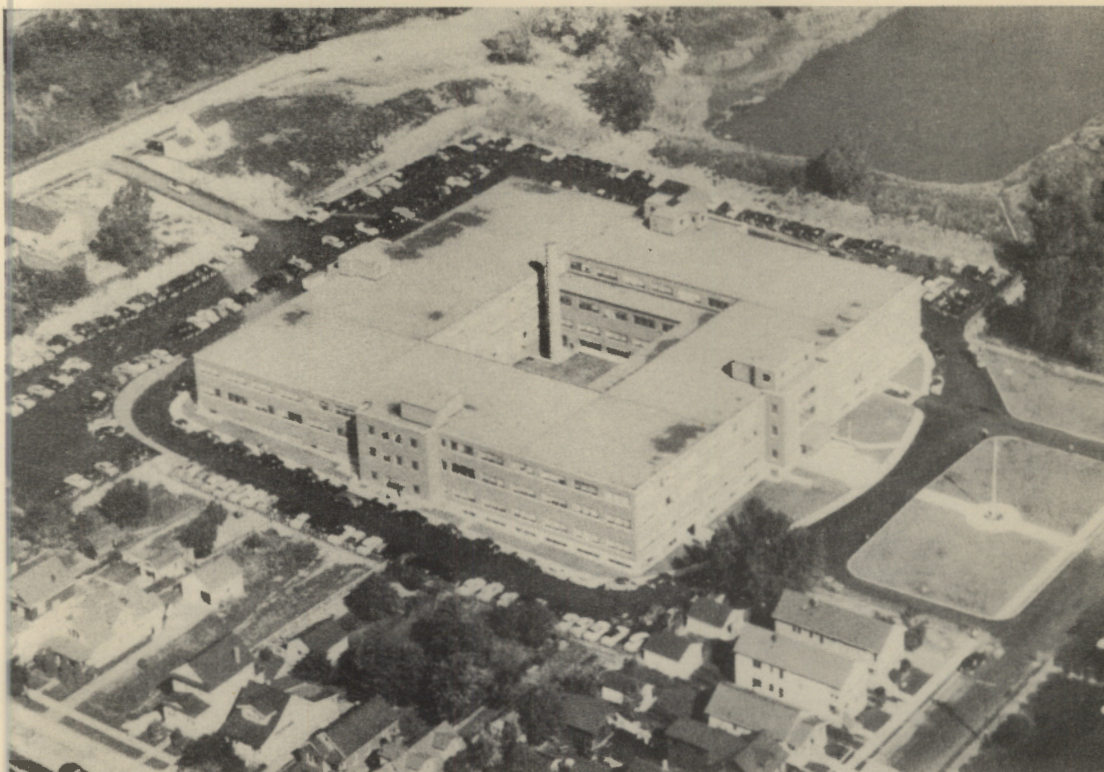
<u>LOCATION</u>	<u>USE</u>	<u>SQUARE FEET</u>	<u>TOTAL ANNUAL COST</u>	<u>LEASE EXPIRATION DATE</u>
State Highway Building	Commissioner's Office	1,200	None	_____
29 East Front Street	Division of Labor Division of Workmen's Compensation State Board of Mediation	26,000	\$ 78,000	September 30, 1963
38-40 South Clinton Avenue	Rehabilitation Commission	4,624	8,596	February 1, 1958
<u>Division of Employment Security</u>				
28 West State Street	Staff and Operating Bureaus	25,828	93,202	September 30, 1956
36 West State Street	Executive, Staff and Operating Bureaus	29,826	86,677	September 30, 1956
19 Chancery Lane	Bureau of Machine Operations	9,322	27,051	September 30, 1956
20 West Front Street	Disability Insurance Service Unemployment Insurance -Bureau of Contributors' Service (part of) and Department of the Treasury Unit	41,184	133,442	March 25, 1959
219 E. State Street	Appeal Tribunal and Board of Review	5,000	16,286	August 31, 1965
219 E. State Street	Bureau of Benefits	20,000	65,144	August 31, 1965
6 North Willow Street	Bureau of Research & Statistics	7,200	23,400	
100 Capitol Street	Semi-Active Files and Dead Storage of Records	7,352	6,390	April 30, 1957
16 Fowler Street	Warehouse for Supplies and Equipment Repair	13,793	\$ 10,680	June 30, 1957
33 Tucker Street	Storage of Inactive Records and Equipment (awaiting trade-in, repair or reassignment)	5,000	2,750	Month to Month
Total		196,329	\$ 551,618	



Proposed N. J. Department of Labor and Industry Building (prospectus contributed without cost by civic minded architect)



New Department of Employment Building – California (Housing all Division of Employment Security Central Offices)



New Division of Employment Building – New York (Housing all Employment Security Central Offices)



New State Labor Building – Georgia (Housing all Division of Employment Security Central Offices)

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