

# MAINE STATE LEGISLATURE

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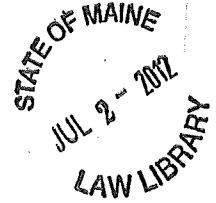
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STATE OF MAINE

DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES

Bureau of the Budget  
State House Station #58  
Augusta, Maine 04333



To: Committee on Appropriations & Financial Affairs  
From: Ellen Jane Schneider, State Budget Officer  
Date: December 30, 2009  
Subject: Biennial Report on the Provision of Housing and Food to State Employees

The State Budget Officer is required by 5 M.R.S.A., Section 8-F, to approve rules and regulations established by each department that must carry out the purposes of sections 8-B and 8-C concerning the provision of housing and food to employees. The following departments are affected by 5 M.R.S.A., Section 8-B and 8-C, and therefore subject to the provision:

Agriculture, Food and Rural Resources

The Department has not provided housing on a regular basis to its employees for several years. However, during the winter months from approximately late October to late January, a seasonal employee from the seed potato certification program is assigned to the Department's Test Farm in Homestead, Florida. This person stays at the farmhouse to provide continual oversight of the test crop thereby ensuring proper management, including irrigation and pest control. The employee is provided furnished living quarters and receives half the per diem rate because there are kitchen facilities. This employee is an Agricultural Worker I at pay range 14.

Department of Conservation

This department continues to utilize the housing policies it developed and remains in compliance with 5 M.R.S.A., Section 8-B. The department maintains 48 housing units throughout the State in the Bureau of Parks and Lands.

Department of Corrections

The department maintains seven (7) housing units at the Maine State Prison. They continue to use the state approved housing policies which are in compliance with the State Guidelines.

Department of Inland Fisheries & Wildlife

The Department maintains 20+ housing units throughout the state and is divided into three segments: 1) Warden Services, 2) Hatcheries, and 3) Public Information & Education-Maine Wildlife Park. The Department continues to use the policies set forth in the "Guidelines on State Housing".

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Department of Defense, Veterans & Emergency Management

During FY09, Maine Military Authority entered into an agreement with an employee who's primary location of work was Augusta, but he was required to travel to Limestone routinely. The apartment was leased from January through the end of June 2009 and was less expensive to rent than hotel rooms.

I have enclosed for the Council's review the aforementioned "Guidelines on State Housing" as developed by the Bureau of the Budget to provide uniformity in department rules and regulations.

If you should have any questions regarding this report, please do not hesitate to contact the Budget Office at (207) 624-7810.

Thank you.

EJS/kb

cc: Grant Pennoyer, Director, Office of Fiscal & Program Review  
Ryan Low, Commissioner, Administrative & Financial Services

## GUIDELINES ON STATE HOUSING

- A. Eligibility for State Housing. The State of Maine shall provide a housing facility to a State employee only when the employee's "residence elsewhere will ... substantially impair the effective management and operation of the State department or institution" (Title 5, M.R.S.A., Section 8-B).
- B. Excess Housing. Where the amount of available housing at any facility exceeds housing required to meet the criteria of Section A, the agency should consider alternative uses for such excess housing. Alternatives might include conversion of facilities to another use, transferring ownership to another State agency, "mothballing" or sale of facilities.
- C. Housing as Compensation. Provision of State housing is NOT intended to be a form of compensation. In addition, no State funds, regardless of source, shall be paid to any employee to compensate the employee for the expense of housing, whether State-owned, privately owned or rented.
- D. Dislodgment Notice. A State agency shall give an individual renting State housing 60 days written notice if the agency requires the individual to vacate such housing.
- E. Housing as a Condition of Employment. "No charge shall be made for the provision of housing facilities when the State employee involved is required as a condition of his employment to reside in such housing facilities and when the State employee involved receives a salary less than the salary received by an employee at pay range 23, step 8 of the compensation plan for classified employees." (Title 5, M.R.S.A., Section 8-B - Emphasis added) The provision of housing under this condition must be authorized by the appropriate department or agency head and is subject to existing Executive policy or any agreement resolved pursuant to Title 26, M.R.S.A., Section 979.
- F. Housing Provided when it is Beneficial to the State. When provision of State housing cannot be justified as a condition of employment, but yet is determined to be beneficial to the State, a rent should be charged based on insured value and the cost of fuel and utilities (see Sections G & H). The provision of housing under this condition must be authorized by the appropriate department or agency head and is subject to existing Executive policy or any agreement resolved pursuant to Title 26, M.R.S.A., Section 979.
- G. Billings for Fuel and Utilities.
- (1) Wherever it is feasible, the cost of fuel and utilities should be directly billed to the occupant(s) using the facility; in no instance will these expenses be billed to the State. This policy will apply to ALL occupants of State housing regardless of whether or not they are required to live in State housing as a condition of their employment.
  - (2) Wherever it is not feasible for the cost of fuel and utilities to be directly billed to the appropriate individuals, a determination should be made to see if the cost of the alterations necessary for direct billings is less than the previous year's fuel and utilities expense. If the cost of alterations is less expensive, those alterations should be instituted.

(3) Any facilities that are not insulated (exterior walls, roof and windows) and are needed for employees who qualify for housing as a condition of their employment, should be insulated at State expense. Before any direct billings to employees for fuel and electricity (where the facility is heated electrically) occurs, proper insulation should be completed.

#### H. Rent Determination.

(1) Rents should be based on 5% of structure's insured value (i.e., the Actual Cash Value, unless the building is insured at Replacement Cost and this is less than the Actual Cash Value) to recover the costs of capital, insurance and maintenance. In some cases a structure will be insured for only a demolition value. When this occurs, the department should establish a rental charge based on a review of similar employee housing within the state and equitable treatment for the employees involved. The insured value should not include the value of State-owned furnishings. For those facilities which must have the fuel and utilities billed to the State, the rent should also recover these expenses (by prorating the cost of fuel and utilities on a square foot basis).

(2) Over a period of twelve months, a multi-unit dwelling must derive at least 75% of the projected maximum rental. If less than 75% of the yearly revenue is received, the rental rates should be adjusted so that all costs to the State are recovered, or the provision of Section B should be followed. A shortfall of projected revenue resulting from the provision of housing as a condition of employment should not force the adjustment of the established rentals as long as 75% of the units are occupied.

(3) Employees occupying residences rented/leased by the State from private parties should not be charged a rent in that this practice should occur only when housing is provided as a condition of employment.

#### I. Shared Residences.

(1) Whenever a residence (including dormitory style rooms) is occupied by more than one employee, each employee should pay an equal share of the rental as determined under Section H.

(2) Rooms other than those regularly utilized and charged to the host employees which are occupied by nonofficial guests visiting employees with the approval of the head of the institution or facility should be charged at a daily rate of at least one-thirtieth of the full rent for the residence.

J. Rental Responsibility. No reduction in rent is allowed for any absence. If the resident employee is off the State payroll, he continues, nevertheless, to be responsible for the rental charge until he officially gives up his assigned quarters and vacates the premises of all his personal property.

- K. Repairs and Maintenance. Repairs and maintenance should be carried out as needed to keep the structure in adequate condition. Major rehabilitation should be undertaken only when the structure is necessary for "the effective management and operating of the State department or institution" and when economically feasible.
- L. Rentals to other than State Employees. Rentals to non-State employees should not occur in accordance with the provisions of Section A.
- M. Updating Rental Charges. It is the responsibility of each agency providing housing to update the rental charges in accordance with the above Sections A through L at the beginning of each fiscal year. The revised charges shall be collected by the agency. The Bureau of the Budget shall be notified of the rental charge for all units of housing on copies of the form provided with this guideline. Any exceptions to this policy shall be approved by the appropriate agency head and the Budget Officer.