

GENERAL ASSEMBLY

of the

State of New Jersey



LEGISLATIVE OVERSIGHT COMMITTEE

STATE EMPLOYEE HOUSING:

A HOUSE IN NEED OF ORDER

Report No. 82-1

June, 1982

New Jersey State Library

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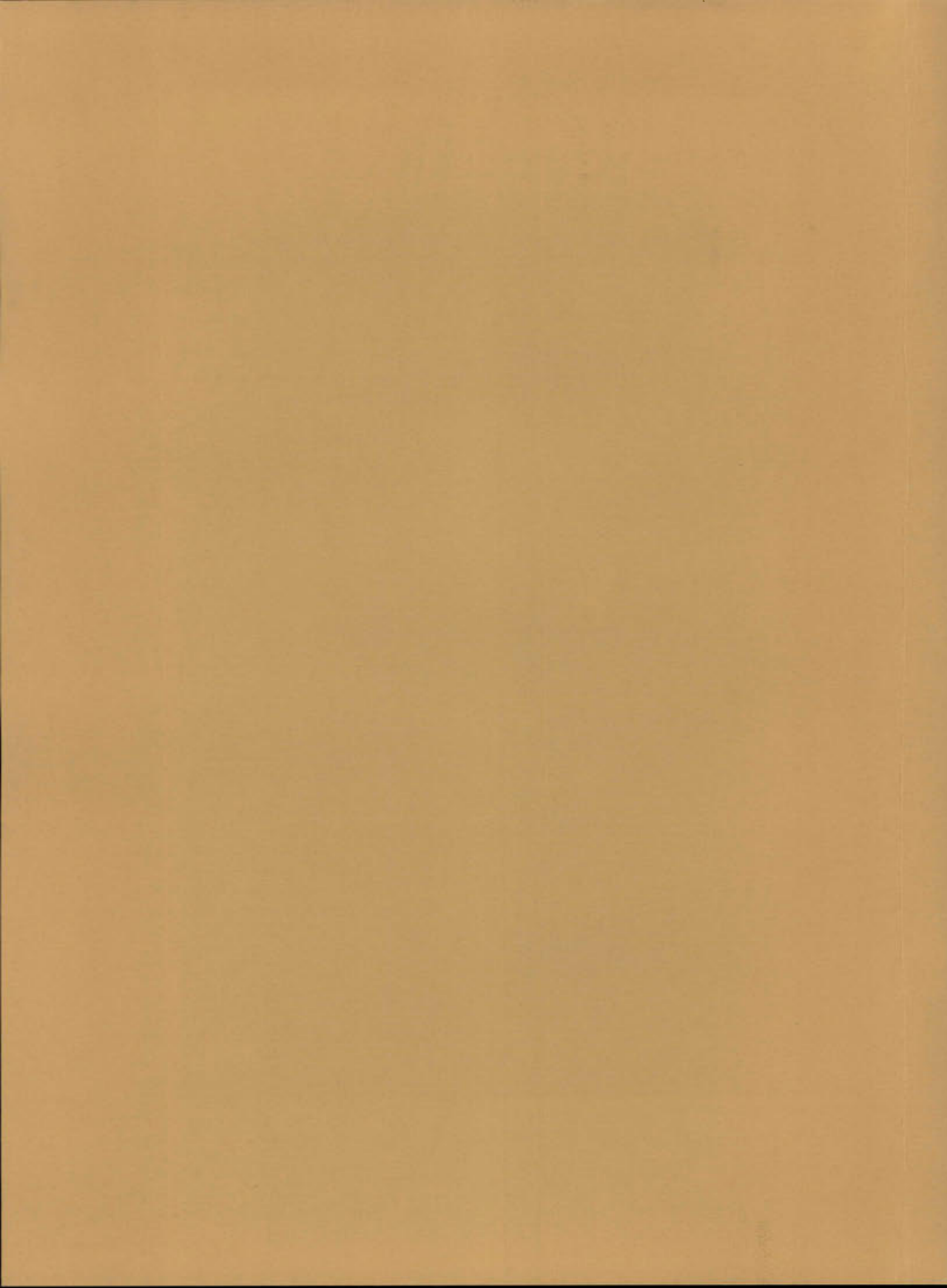
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Overview

The current climate of concern for cost-effective, efficient and accountable government operations can find few areas as ripe for overhaul as the unsystematic manner in which the State provides low-cost and utility-free housing to more than 1600 State employees. A mixture of tradition, necessity, convenience and perquisite, inexpensive employee housing is offered under an array of rationales, a variety of circumstances and a plethora of jurisdictions, all without benefit of any statutory guidelines for policies and procedures.

Employee housing has received its share of scrutiny in the past, through newspaper articles, reports by management consultants, internal agency studies and legislative reviews. Either for lack of sustained interest, or because the barriers to reform have proved impregnable, employee housing continues to exist much as it always has. With each passing year, however, its justification grows more questionable, its lack of uniformity more obvious, and its low rents more objectionable. Employee housing represents a classic example of a State activity that continues to exist primarily on the strength of its own inertia.

Six departments provide employee housing and a seventh sets the rental rates. The net result is an uneven patchwork of rationalizations and arrangements that inevitably fails to reflect an across-the-board, State-wide perspective. Even as elementary an item as a central registry of employee housing does not exist for the simple reason that no single agency is charged with the responsibility to compile it. More significantly, this decentralization means that fundamental issues are never addressed, such as whether and under what conditions is employee housing a legitimate function of government, or what is the relationship between the provision of housing and issues of employee compensation.

Dissatisfaction with the present approach to employee housing is evident from a variety of sectors. The agency setting rents would rather have these duties shifted to another entity with experience in real estate management; the department with 80% of the housing stock would like to be out of the housing business altogether; the representative for a State workers' union charges abuse, lack of accountability and disregard for non-professional employees in the assignment of housing; and taxpayer organizations are irate over the low rents and see employee housing as an outright boondoggle.



A new approach is necessary, one based on professional principles of real estate management and an accurate assessment of the role of employee housing in furthering essential State purposes. Care must be taken to distinguish that which is necessary and appropriate from that which is outmoded and inexcusable. The Oversight Committee believes the legislation proposed in this report offers the best vehicle for achieving these goals.

Housing Statistics

The need for reform in the management of employee housing should not obscure the fact that for the most part the housing is neither spacious nor desirably located. While public attention is appropriately drawn to instances of attractive homes in comfortable environments, the truth is that the preponderance of employee housing units are located on the grounds of psychiatric, penal or similar facilities, and that nearly two-thirds are mere single rooms.

The lack of any central record-keeping or agency reporting requirements obviously complicates any attempt to provide definitive and up-to-date housing statistics. Figures presented to the Oversight Committee from the seven concerned departments indicate that the State maintains 1695 employee housing units (see Table 1, page 22).



The number has declined substantially in recent years as many units, particularly institutional dormitories, have been converted to other uses, shut down or razed. Earlier surveys by the Department of Civil Service listed more than 2100 units in the late 1970's.

The number of units in actual use is undoubtedly less than 1695. Some are vacant in anticipation of conversion, repair or demolition. Others remain unfilled as a result of a freeze on housing placements ordered by the Commissioner of Human Services, George J. Albanese, at the outset of the Oversight Committee's review of this issue.

More than 80% (1406) of the units are located at 15 institutions operated by the Department of Human Services. The Departments of Environmental Protection and Corrections rank a far distant second and third. The former houses 109 employees within 57 parks, historic sites, forests, water resource and wildlife management areas. The latter provides living quarters for 106 personnel at 13 penal facilities.

Three other departments have jurisdiction over the remaining 74 housing units: the Department of Education (mostly at the Katzenbach School for the Deaf), the Department of Higher Education (primarily at State colleges), and the Department of Defense (apartments at 12 armories).



Virtually all the units are located on the grounds of State-owned institutions and facilities. In the main, these locations are hospitals, treatment or care centers or penal institutions. In about 10% of the cases, however, the settings are considerably more pleasant: college campuses, historic sites, and recreational or natural resource areas. In addition, there are 31 houses (less than 2% of all units) located off the grounds of any facility. The occupants of 29 of these houses hold positions at the institutions to which the homes are nominally assigned. Two others are occupied by cabinet officials: the Chancellor of Higher Education and the Commissioner of Education. (The Governor's official residence and Island Beach summer home are not included in these statistics).

Rental Rates

Rental rates for all employee housing units are set by the Department of Civil Service under a law that directs the department to determine "the cash value of meals, quarters, uniforms and other allowances to employees" (NJSA 11:8-4). The law contains no guidance as to the factors to be considered in calculating rents, an omission which the Oversight Committee proposes to rectify in the legislation accompanying this report.

Following an approach which dates back to the 1940's, the department grades each unit as to its physical condition and living suitability. There are four quality grades (Table 2, page 23). The grading is carried out by the Division of Classification and Compensation, which judges each unit with a checklist of 16 physical and esthetic characteristics such as setting, distance from shopping areas, appearance, condition of facilities and need for repairs.

A basic room rate is established for each grade, with extra charges added for additional rooms or amenities (Table 3, page 24). The original schedule of rates, set in 1944, established basic monthly fees of \$14, \$12, \$10 and \$8 for each grade level. These rents remained unchanged for more than 30 years. The Department of Civil Service has tried to play catch-up in the last few years. Despite five increases since 1976, basic room rates are still extremely low, ranging from \$48 to \$28 per month. In fact the current rates are still well below the recommendations offered by a management consultant in 1970.*

* A \$60 per month room rate was recommended by Edward N. Hay & Associates: Report to the Governor and Legislature of the State of New Jersey Concerning State Employee Compensation Benefits, Perquisites and Working Conditions, and Productivity (April 3, 1970).

The original basis for setting rates and for calculating the differentials among housing grades have long since been lost or forgotten. What is presumed, however, is that the rates were purposefully set well below prevailing housing values. The practice is understandable when one considers that 40 years ago housing was provided both as a supplemental benefit for employees and as a necessity for the smooth functioning of State institutions. Although conditions and attitudes may have changed over the years, the Civil Service Commission continues to adhere to this original guideline.

Unfortunately, the Civil Service Commission acted with greater generosity than it realized when it began to revise the rates in 1976. The Commission committed an error in mathematical reasoning that resulted in rents even lower than it ostensibly intended. The Commission's action is described in written testimony presented to the Oversight Committee by the Director of the Division of Classification and Compensation in the Department of Civil Service, Joseph W. DiLascio:

In 1976, we recommended to the Civil Service Commission that rates be increased to reflect all of the increases that had occurred in the Consumer Price Index (Cost of Living) since the rate was last reviewed, sometime in the late 1940's. This would have resulted in an increase of approximately 250%. After a Public Hearing on the question, the Commission determined that the rate would be increased but by 150%. Part of the rationale for determining this figure is attributable to the long standing but undocumented policy that the rate for State-owned housing should be 60% of the market value for housing, and 150% is approximately 60% of the 250% increase that was recommended.



The Commission erred in not realizing that the CPI increase of 250% represented a constant factor that should have been applied to the original rents in order to maintain the 60% differential between State rents and 1976 market values. By increasing the rents by only 150%, while market values increased 250%, the Commission effectively set the new rents at only 43% of 1976 market prices.*

Under the current schedule, the rent for a four-room apartment in excellent condition is \$161 per month (\$1932 per year). A six-room house with two bathrooms and a garage rents for \$230 per month (\$2760 per year) in grade I. Most units are graded at less than top quality, however, and are charged even lower rates. Up-to-date statistics on the quality of the housing stock are not available, but the Oversight Committee estimates on the basis of a 1979 survey by the Department of Civil Service that 75% of the houses and apartments are rates as good or satisfactory (grades II and III) and that 90% of the single rooms are considered satisfactory (grade III). Representative rates for houses are presented in (Table 4, page 25).

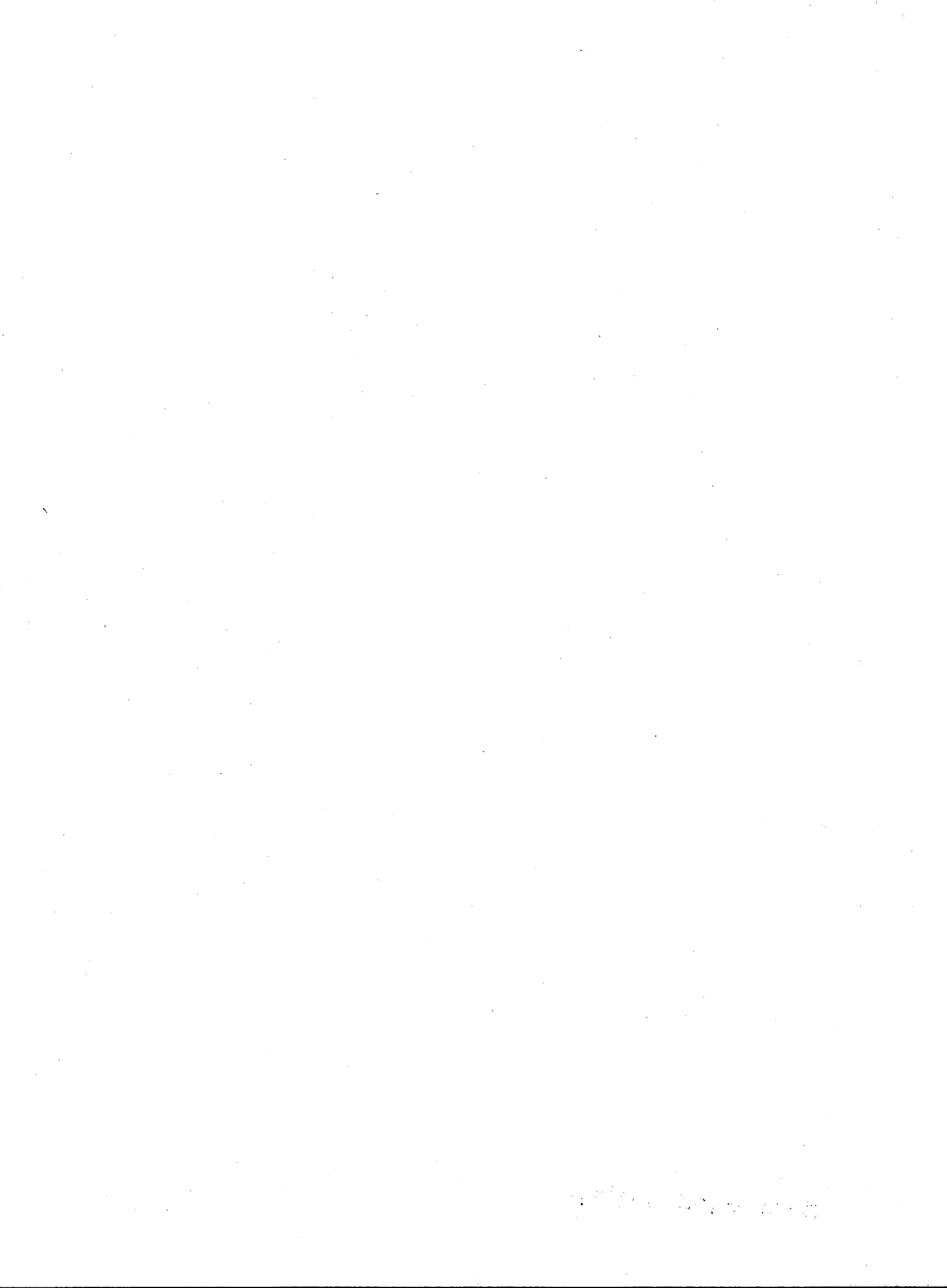
* As an example, consider a market rent at \$100 and a State rent set at 60% of that figure -- or \$60. An increase in the market price of 250% yields a rent of \$350. An increase in the State rent of 150% yields a rent of \$150. Now the new State rent is only 43% of the new market rent.

As low as the rents may be, not all occupants pay even these amounts. Employees who are required to live in a State-owned housing unit as a condition of employment (such as security or caretaker personnel) are granted a reduction of 50% in their rent. The approximately 100 employees in this "mandatory" category are also entitled to deduct the amount of their rent payments from their federal taxes under IRS regulations concerning expenditures required as a condition of employment.

Eighteen State officials are provided with rent-free housing. This category includes the Chancellor of Higher Education, the Commissioner of Education, State college presidents and prison superintendents.

Utilities and Maintenance

Employees living in State housing do not pay for their use of electricity, gas or heating oil. For the most part, housing units are not individually metered. Further, no attempt is made to factor the cost of utilities into the rent schedule. As a result, occupants are spared substantial out-of-pocket costs. In fact, in some cases the savings to residents probably approaches an amount equal to that of the rents themselves. Needless to say, the provision of free utilities also does little to encourage the conservation of energy.



The Committee has received comments concerning the technical difficulties and additional costs associated with metering all units, particularly single rooms. Other problems might be encountered in apportioning costs when all buildings of an institution are serviced from a central boiler plant or generator. These considerations only point up the need for placing State housing in the hands of professional property managers. Of fundamental significance is the fact no State official has offered any justification for the provision of free utilities.

Occupants of State housing need not concern themselves with exterior maintenance such as lawn care and snow-shoveling. These chores are undertaken by State agencies as part of their institutional groundskeeping. Only in the case of the Department of Environmental Protection, where housing units are in the midst of forests or open space lands rather than institutions, are the occupants responsible for outside maintenance.

Purpose for Housing

Each department establishes its own rationale in support of employee housing and each stands as the sole judge as to the value of housing in providing State services. These various perspectives are, of course, open to challenge. Fundamentally, it is ob-

vious that the existence of housing is in most cases more a function of the historical pattern of development of State institutions than a reflection of present-day decision-making. In fact, there is no observable relationship between the number of housing units at an institution and the population of that institution. Almost half of housing units in the Department of Human Services are located at just one psychiatric facility (Greystone Park), and half of the units in the Department of Corrections are situated at two centers (Clinton and Jamesburg).

As previously noted, 4 out of 5 employee housing units are located at psychiatric, retardation and other patient care facilities operated by the Department of Human Services. For the most part, these institutions -- which operate 24 hours a day and may serve a thousand residents each -- were purposefully located in areas remote from population centers. The State constructed on-site employee housing due to the lack of sizeable local labor forces and the lack of adequate transportation links from the urban areas.

With the spread of population and the growth of a highway system over the decades, these institutions are no longer as isolated as they once were. But for many workers, particularly those in low-wage non-professional or para-professional jobs, the remoteness

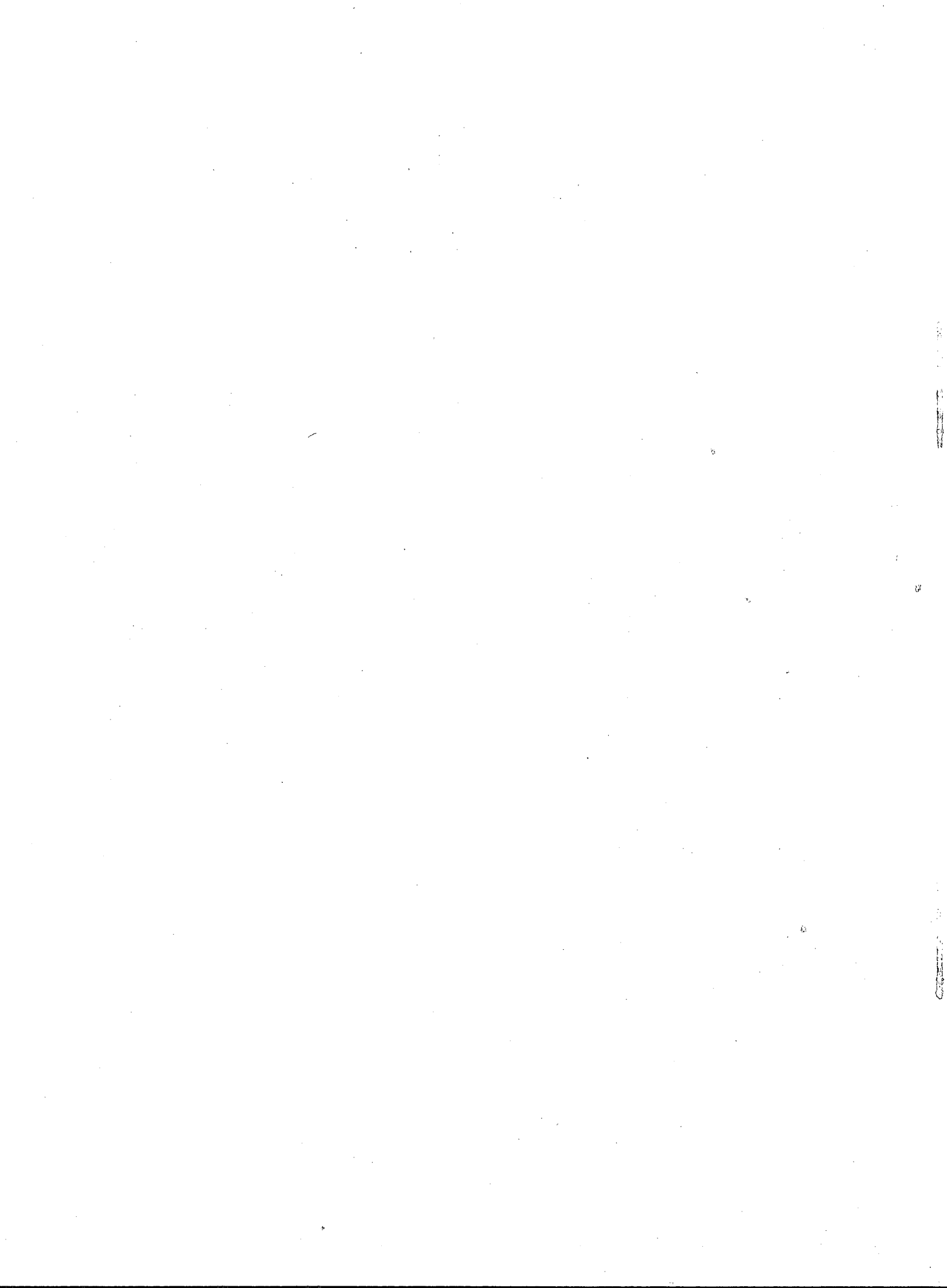


is still very real. These employees -- who are directly involved in patient care -- can not afford housing in the newly-developed suburban and exurban areas surrounding the institutions. The alternative -- commutation over long distances -- is costly, time-consuming and, in the case of reliance on public transportation, virtually non-existent.

There can be no doubt, therefore, that housing some employees on institutional grounds offers a great convenience. Employees are readily available in the case of an emergency, for example. And a major snowstorm does not jeopardize the preparation of breakfast at 6 a.m. for a thousand patients.

The Department of Human Services, which has gradually been reducing the number of employee housing units and which does not require any employee to occupy a unit as a condition of employment, has offered these other justifications for employee housing:

- .Need for employee's presence in order to maintain the institution and safeguard the well-being of the residents;
- .To aid in the recruitment of hard-to-find employees in the areas where the State is non-competitive with the private sector;
- .To provide temporary quarters for trainees in various programs;
- .Various other considerations depending on unique needs of individual institution.



The Department of Environmental Protection stresses security and caretaker duties as the primary reason for the provision of employee housing. Its responsibilities include patrolling State forests, maintaining flood gates at reservoirs, managing fish and wildlife stations, operating 24-hour campsites, and providing caretaker services at historical sites.

The Department of Corrections considers it essential that the top officials at correctional facilities live on the grounds in order to be able to respond to emergencies.

By resolution of the State Board of Higher Education, housing is provided to the Chancellor and to State college presidents (not all of whom choose to live in an official residence). The purpose of the housing, as expressed by the Board, is as follows:

An official Chancellor's residence is essential to provide a meeting place during evenings and weekends for the Chancellor and college presidents, trustees, faculty and other persons outside the Department staff, as well as with higher education officials from other states.

The general end to be served by the provision of State-owned or State-rented housing for State college presidents is an educational or institutional one. State-provided housing for State college presidents is not considered compensation but rather the housing is considered a means by which the president is able to more adequately further the purposes of the institution.



The Oversight Committee is not in a position to pass judgment on the merits of the departments' statements as to the purposes and needs for employee housing. One fact seems obvious, however: the greatest inducement for providing housing to employees is the mere fact that it already exists. Even though the departments may offer somewhat persuasive reasons for the convenience, if not necessity, of employee housing, it is unlikely that they would argue for obtaining or constructing housing units if there were none. (The Department of Higher Education offers an exception to this point.) The actual pattern of housing supports this point. For no reason other than past happenstance, one institution may have a considerable amount of housing and another may not. One employee may receive housing while another employee with a similar job title at another institution may not. Departments are in the position of defending the status quo by citing necessity and convenience, even when the status quo lacks any principle of purpose or organization.

Selection of Occupants

The employees who live in State-owned housing hold a broad array of job titles and receive a wide range of salaries. As Table 5 shows, they include clerks, cooks, technicians, attendants, corrections officers, forest rangers, nurses, physicians, directors of institutions,



college presidents and cabinet officers. Salaries range from \$8000 to \$70,000.

Whether an employee has the opportunity to receive State housing is usually not determined by the particular job which the employee holds. While some housing is set aside for certain positions, much of it is awarded on a combination of other factors, according to information provided to the Oversight Committee by the various departments. The Department of Human Services provides housing through committees at each institution on the basis of "seniority, availability and other considerations decided upon by the Institutional Housing Committee." In the Department of Corrections, any additional houses beyond those required for the superintendent and assistant superintendent are assigned to job titles at the discretion of the superintendent. In the case of apartments and single rooms, however, allocations are made "based on the chronological date of requests by institutional employees." The Department of Environmental Protection provides housing through two Divisions (Fish, Game and Wildlife; Parks and Forestry), each of which sets its own policies. In neither case are job titles a major factor in the selection of housing occupants. Instead, the following items are considered:

- .security and management need;
- .which employee can most benefit the agency;



- .what other employees, if any, are housed on the area and of what benefit are they to the agencies' needs;
- .specific location, size and condition of the house;
- .seniority.

It is in the manner of selection of occupants that the issue of housing meets its most nettlesome problems. For example, given the low rents, the provision of housing is tantamount to a considerable fringe benefit. Yet employees who are not accorded housing receive no comparable compensation, either in additional salary or other perquisites. On another concern, Mark Neimeiser of the American Federation of State, County and Municipal Employees charges the existence of a veritable "caste system" within the Department of Human Services. He claims that non-professionals are eligible only for single rooms. Houses are reserved for professionals whose duties, he believes, are often "peripheral" to the essential operations of the institutions. Further, the fact that those in houses can be joined by their families and those in single rooms can not, may lead to additional friction.

The Oversight Committee is also aware of recurrent rumors on such matters as favoritism, ineligible occupants, and subleasing of units to outside parties.



While the Oversight Committee has not attempted to examine any of these particular charges, the Committee believes that whatever inequities and abuses may now exist will be substantially rectified under the terms of the legislation recommended in this report.

Recommendations

The Assembly Legislative Oversight Committee finds the dispersion of jurisdiction for State employee housing to be adverse to the interests of a sound system of residential property management. It prevents the development of uniform policies, creates confusion as to the rationale for employee housing, leaves no ultimate accountable authority, and inhibits the maintenance of central record-keeping. The extremely low rents and the lack of utility and maintenance charges are an unfortunate legacy of this antiquated bureaucratic maze, with adverse consequences to the State treasury. Any favoritism or abuse which may exist can also be laid to a lack of centralized attention and accountability.

The Assembly Legislative Oversight Committee has introduced Assembly Bill 1531 in response to the problems and concerns cited in this report. The text of the bill may be found beginning on page 29.



The bill places management of all State-owned housing in the hands of a Residential Housing Management Board. The board is located in the Department of the Treasury, which already has considerable experience in property management. Its Division of Purchase and Property contains a Bureau of Real Property Management.

The members of the board are drawn from three departments which do not themselves provide employee housing, thus avoiding any possible conflict between management responsibilities and allegiance to employees. The members are the State Treasurer, who is the chairman, the President of the Civil Service Commission, who has familiarity with rent setting under the present system, and the Commissioner of Community Affairs, whose department is deeply involved with housing issues in general.

The board is responsible for managing all State-owned residential housing. This includes housing other than that provided to employees, such as housing acquired incidental to the purchase of open space lands and highway rights of way, as well as the occasional residences which become State property through donations and escheats. While this report has focused only on employee housing, the Committee believes that all residential units ought to be managed by a central agency and in a uniform manner. The Departments of Transportation and Environmental Protection now operate separate programs for the private rental of right-of-way and Green Acres purchases.



The board is charged with establishing policies concerning such matters as:

.the necessity and desirability for maintaining State-owned residences and the conditions and purposes under which agencies shall construct, acquire, continue in use, convert to other use, sell and dispose of housing units;

.rental rates, utility charges and maintenance fees;

.eligibility standards for occupancy;

.procedures for the application and selection of occupants;

.the necessity and desirability for requiring mandatory occupancy of a housing unit as a condition of employment;

.the respective landlord-tenant rights and responsibilities of the State and occupants; and

.a procedure whereby an occupant or prospective occupant may contest any administrative decision regarding housing policy.

The bill requires that rents be based on a variety of factors, not the least of which is a unit's fair market value. In addition, since the Oversight Committee believes that the provision of employee housing should be divorced from issues of employee compensation, the bill prohibits any reduction or waiver in rents for any reason. Even assuming the board finds that some employees and officials

must or should live in State housing, there is little reason why this fact alone should entail a reduction or waiver of rent. If these people are deserving of additional compensation or are entitled to reimbursement for expenses incurred in official business, then there are other existing mechanisms to make the funds available. Providing free or reduced rents merely confuses the issue, and raises questions concerning equitable treatment for other officials and employees.

The Committee finds absolutely no justification for employee housing located off the premises of an institution or facility. Accordingly, the bill provides that the board shall order the sale of any such house unless it finds clear and convincing evidence that use of the house serves an essential State purpose. In addition to removing a particularly obnoxious aspect of employee housing, sale of these units would raise a considerable amount of funds for the State and would place these homes on the property tax rolls of their municipalities.

The bill also introduces into law for the first time some policies whose values are self-evident. It provides that no tenant shall sublet a unit or permit persons other than members of his or her immediate family to occupy the unit without the permission of the board.

It requires a tenant to vacate a unit within 30 days after becoming ineligible for occupancy. It provides that housing shall be awarded without discrimination on account of race, religion, creed, sex, age, political affiliation or marital status.

The Committee envisions the work of the board to be financially self-sustaining. Revenue to the State will certainly increase as rates are set at more realistic levels. The bill provides that 5% of these funds are to be set aside to cover the board's administrative expenses.

TABLE 1 - Characteristics of State Employee Housing Units, April 1982

<u>Department (# of facilities with housing)</u>	<u>Total Units</u>	<u>Houses</u>	<u>Apts.</u>	<u>Single Rooms</u>	<u>Rent-free</u>	<u>Mandatory with job</u>	<u>Off-grounds of facility</u>
Corrections (13)	106	32	14	60	7	20	9
Defense (12)	12	0	12	0	0	12	0
Education (2)	38	1	9	28	2	8	1
Environmental Protection (57)	109	89	20	0	0	49	0
Higher Education (9)	24	10	14	0	7	16	5
Human Services (15)	1406	271	151	984	2	2	16
TOTALS	1695	403	220	1072	18	107	31

source: Department of Civil Service, and various Departments listed

TABLE 2 -Classification of Housing Grades

<u>Grade</u>	<u>Definition</u>
I	New houses, apartments and rooms or older houses, apartments and rooms in an excellent state of repair.
II	Older houses, apartments and rooms in a good state of repair. May need minor corrective maintenance.
III	Older houses, apartments and rooms in satisfactory state of repair. Needs minor repairs in some areas and perhaps major repair in one area.
IV	Oldest houses, apartments and rooms in an unsatisfactory state of repair; need major corrective maintenance and replacement in several areas.

source: Dept. of Civil Service

TABLE 3 - Housing Rental Rates

<u>GRADE</u>	<u>BASIC ROOM RATE</u>
I	\$46
II	40
III	34
IV	28

Additional charges for sanitary facilities in single rooms:

wash basin.....	\$3.50
private toilet.....	8.50
shared bathroom.....	25% of room rate
private bathroom.....	50% of room rate

Additional charges for multi-room units:

2nd room.....	75% of basic room rate
additional rooms.....	50% " " " "
kitchen.....	100% " " " "
	(counts as second room)
bathroom.....	50% " " " "
2nd bathroom.....	25% " " " "
	(no charge for 3 or more)
garage, porch, kitchenette.....	25% " " " "

source: Dept. of Civil Service

TABLE 4 - Typical Rents for State Housing

<u>Department Location</u>	<u>Description</u>	<u>Monthly Rates</u>	<u>Annual Rate</u>
Corrections			
Clinton	3 br, 3 1/2 bath	\$170	\$2040
	6 br, bath, office	314	3768
	3 br, bath	180	2160
Leesburg	5 br, 2 bath, study, 2 screened porches	234	2808
<hr/>			
Human Services			
Bordentown	4 br, 2 1/2 bath, family room	242	2909
Vineland	3 br	207	2484
Marlboro	3 br, 1 1/2 bath, 2 porches	119	1428
	3 br, 1 1/2 bath, den, encl. porch	137	1644
<hr/>			
Environmental Protection			
Skylands	3 br, 2 bath, dressing room	105	1260
Jackson Farm	4 br, porch, garage	137	1644
Spruce Run	3 br, family room double garage	200	2400
	4 br, family room screened porch, double garage, workshop	240	2880

TABLE 5 - Typical Residents of State Housing

<u>DEPARTMENT</u>	<u>INSTITUTION</u>	<u>TITLE</u>	<u>SALARY</u>
CORRECTIONS	Annandale	Commissioner	\$65,000
		Farm Supervisor	25,000
		Sr. Corrections Officer	18,000
	Clinton	Dir. Prof. Services	33,000
		Correction Officer	15,000
		Account Clerk	12,000
	Jamesburg	Teacher I	25,000
		Electrician	15,000
		Head Cook	13,000
	Leesburg	Asst. Supt.	34,000
		Skillman	Superintendent
			Confidential Agent
DEFENSE		Armorer IV	11,000
		Armorer I	20,000
EDUCATION		Commissioner	70,000
	Katzenbach School for Deaf	Residential Supervisor	14,000
ENVIRONMENTAL PROTECTION	Washington Crossing	Chief Ranger	21,000
		Foreman, Forest Tree Nursery	17,000
	Monmouth Battlefield	Regional Supt.	33,000
		Supt. III	20,000
		Ranger I	18,000
	Wharton Forest	Maintenance Worker I	12,000
	Ringwood	Sr. Landscape Architect	25,000
		Head Grounds Worker	18,000

TABLE 5 - cont'd

<u>DEPARTMENT</u>	<u>INSTITUTION</u>	<u>TITLE</u>	<u>SALARY</u>
ENVIRONMENTAL PROTECTION	Clark House	Caretaker	\$10,000
	Assunpink Wildlife Area	Sr. Wildlife Worker	17,000
	Hackettstown Fish Hatchery	Superintendent	29,000
	Spruce Run	Supervisor of Maintenance	23,000
	Round Valley	Business Manager	38,000
	D & R Canal	Supervisor Flood Control	23,000
HIGHER EDUCATION		Chancellor	70,000
		State College Presidents	55,000
	N.J. School for Conservation	Nurse	17,000
		Maintenance Worker	12,000
HUMAN SERVICES	Ancora	Physician I	39-53,000
		Personnel Officer	25-34,000
		Truck Driver	10-13,000
		Operating Engineer	13-18,000
		Human Services Technician	11-15,000
		Therapy Program Asst.	10-14,000
	Greystone	Sr. Food Worker	9-12,000
		Instutional Charge Attendant	10-13,000
		Head Clerk	13-17,000
		Food Service Worker	8-10,000
		Head Nurse	15-21,000
		Program Dev. Specialist	15-20,000
		Plumber	13-18,000

TABLE 5 - cont'd

<u>DEPARTMENT</u>	<u>INSTITUTION</u>	<u>TITLE</u>	<u>SALARY</u>
HUMAN SERVICES	Glen Gardner	Chief Executive Officer	\$41,000
		Human Service Asst.	9-12,000
		Sewing Worker	10-14,000
		Sr. Clerk Transcriber	10-13,000
	Woodbine	Business Manager	30-41,000
		Pharmacist	17-23,000
	Vineland	Cottage Training Technician	11-15,000
		Superintendent	35,000

AN ACT concerning State-owned residential housing and amending
R.S. 11:8-4.

BE IT ENACTED by the Senate and General Assembly of the
State of New Jersey:

1. There is established in the Department of the Treasury the Residential Housing Management Board. The board shall consist of the State Treasurer, as chairman, the President of the Civil Service Commission and the Commissioner of Community Affairs, or such designee as each member may appoint. The State Treasurer shall assign such employees of the Department of the Treasury to assist the board as he shall deem necessary.

2. The board shall be responsible for the management of all State-owned residential housing and shall establish policies and procedures for an equitable, coordinated and uniform housing program. The board shall have jurisdiction over residential housing located in every State agency, whether available for State employees or rental to the private sector and including housing acquired by eminent domain, bond issue purchase, donation, foreclosure or escheat.

3. The board shall establish policies concerning the following:

- a. the necessity and desirability for maintaining State-owned residential housing units and the conditions and purposes under which State agencies shall construct, acquire, continue in use, convert to other use, sell or dispose of the units;
- b. the rental rates, utility charges, and maintenance fees;
- c. eligibility standards for occupancy;
- d. procedures for the application and selection of occupants;
- e. the necessity and desirability for requiring mandatory occupancy as a condition of employment and the criteria for placing a job title in this category;

f. the respective landlord-tenant rights and responsibilities of an occupant and the State;

g. an appeals procedure by which an aggrieved person may contest any administrative decision regarding housing occupancy, rents, evictions or other matters.

4. The board shall conduct an annual survey of all housing units and shall maintain an inventory of each unit, including such information as its agency, purpose or reason for acquisition, location, environmental setting, type of unit, size, facilities, physical condition, fair market value, rental rate, utility charges, maintenance fee, name of occupant and, if a State employee, job title, salary and whether occupancy is a mandatory condition of employment. Each agency shall notify the board within 15 days of any change in the status of a unit or occupant.

5. The board shall establish and review annually a schedule of housing rental rates, utility charges and maintenance fees. The schedule shall be based on such factors as a unit's size, setting, facilities, design, living suitability, location, physical condition, fair market value and cost of maintenance to the State, including any in-lieu-of tax payments.

6. The board shall order the sale of any employee housing unit located off the grounds of a State institution or facility unless it finds clear and convincing evidence that use of the unit for employee housing serves an essential State purpose.

7. No State employee shall be granted a reduction or waiver of a rental rate, utility charge or maintenance fee, whether as a form of compensation, a condition of mandatory occupancy or a perquisite of a job title.

8. No tenant of a State-owned housing unit shall sublet the unit or shall permit additional persons, other than members of the tenant's immediate family, to occupy the unit without the approval of the board. A tenant who becomes ineligible to occupy a unit shall vacate the unit within 30 days, unless granted an extension by the board for reasons of hardship.

9. No person shall be denied occupancy of a State-owned residential housing unit on account of race, religion, creed, sex, age, political affiliation or marital status.

10. The board may create a housing advisory committee, to consist equally of management representatives of State agencies with housing responsibilities, tenants who reside in State-owned housing and representatives of municipalities in which State housing is located.

11. There is created a Residential Property Management Fund to which the receipts derived from rent, charges and fees for residential housing shall be transferred or credited by the Director of Budget and Accounting. The receipts shall be annually appropriated to the General State Fund, except that an amount not to exceed 5% of the total receipts shall be appropriated annually to the board for the administration of this act. The board shall submit an annual report to the Legislature through the Governor's Budget Message under the Department of the Treasury on the administration of this act and shall identify the funds which may be anticipated or otherwise made available. The form and manner of such reporting shall be determined by the Director of Budget and Accounting.

12. R.S. 11:8-4 is amended to read as follows:

11:8-4. The chief examiner and secretary, with the approval of the commission, shall, after consultation with the appointing authorities and their principal assistants, establish for the classified service the method:

a. Of computing the pay of employees employed less than full time or serving for only a part of a pay-roll period;

b. For regulating travel, living and sustenance allowance when an employee is on duty away from his regular place of duty or when a new assignment is made;

c. For allowances of employees in attendance upon courts and administrative investigations;

d. For regulating overtime and additional pay therefor and for determining the cash value of meals, quarters, uniforms and other allowances to employees.

13. This act shall take effect immediately, but no policy or schedule of rates adopted by the board shall be effective prior to 180 days after enactment.

AN ACT concerning State-owned residential housing and amending
R.S. 11:8-4.

BE IT ENACTED by the Senate and General Assembly of the
State of New Jersey:

1. There is established in the Department of the Treasury the Residential Housing Management Board. The board shall consist of the State Treasurer, as chairman, the President of the Civil Service Commission and the Commissioner of Community Affairs, or such designee as each member may appoint. The State Treasurer shall assign such employees of the Department of the Treasury to assist the board as he shall deem necessary.

2. The board shall be responsible for the management of all State-owned residential housing and shall establish policies and procedures for an equitable, coordinated and uniform housing program. The board shall have jurisdiction over residential housing located in every State agency, whether available for State employees or rental to the private sector and including housing acquired by eminent domain, bond issue purchase, donation, foreclosure or escheat.

3. The board shall establish policies concerning the following:

- a. the necessity and desirability for maintaining State-owned residential housing units and the conditions and purposes under which State agencies shall construct, acquire, continue in use, convert to other use, sell or dispose of the units;
- b. the rental rates, utility charges, and maintenance fees;
- c. eligibility standards for occupancy;
- d. procedures for the application and selection of occupants;
- e. the necessity and desirability for requiring mandatory occupancy as a condition of employment and the criteria for placing a job title in this category;

f. the respective landlord-tenant rights and responsibilities of an occupant and the State;

g. an appeals procedure by which an aggrieved person may contest any administrative decision regarding housing occupancy, rents, evictions or other matters.

4. The board shall conduct an annual survey of all housing units and shall maintain an inventory of each unit, including such information as its agency, purpose or reason for acquisition, location, environmental setting, type of unit, size, facilities, physical condition, fair market value, rental rate, utility charges, maintenance fee, name of occupant and, if a State employee, job title, salary and whether occupancy is a mandatory condition of employment. Each agency shall notify the board within 15 days of any change in the status of a unit or occupant.

5. The board shall establish and review annually a schedule of housing rental rates, utility charges and maintenance fees. The schedule shall be based on such factors as a unit's size, setting, facilities, design, living suitability, location, physical condition, fair market value and cost of maintenance to the State, including any in-lieu-of tax payments.

6. The board shall order the sale of any employee housing unit located off the grounds of a State institution or facility unless it finds clear and convincing evidence that use of the unit for employee housing serves an essential State purpose.

7. No State employee shall be granted a reduction or waiver of a rental rate, utility charge or maintenance fee, whether as a form of compensation, a condition of mandatory occupancy or a perquisite of a job title.

8. No tenant of a State-owned housing unit shall sublet the unit or shall permit additional persons, other than members of the tenant's immediate family, to occupy the unit without the approval of the board. A tenant who becomes ineligible to occupy a unit shall vacate the unit within 30 days, unless granted an extension by the board for reasons of hardship.

9. No person shall be denied occupancy of a State-owned residential housing unit on account of race, religion, creed, sex, age, political affiliation or marital status.

10. The board may create a housing advisory committee, to consist equally of management representatives of State agencies with housing responsibilities, tenants who reside in State-owned housing and representatives of municipalities in which State housing is located.

11. There is created a Residential Property Management Fund to which the receipts derived from rent, charges and fees for residential housing shall be transferred or credited by the Director of Budget and Accounting. The receipts shall be annually appropriated to the General State Fund, except that an amount not to exceed 5% of the total receipts shall be appropriated annually to the board for the administration of this act. The board shall submit an annual report to the Legislature through the Governor's Budget Message under the Department of the Treasury on the administration of this act and shall identify the funds which may be anticipated or otherwise made available. The form and manner of such reporting shall be determined by the Director of Budget and Accounting.

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