Commonwealth of Massachusetts
EXECUTIVE OFFICE OF HOUSING &
LIVABLE COMMUNITIES
Maura T. Healey, Governor ◆ Kimberley Driscoll, Lieutenant Governor ◆ Edward M. Augustus Jr., Secretary

TO: All Local Housing Authority Executive Directors

FROM: Ben Stone, Undersecretary Division of Public Housing and Rental Assistance

DATE: August 27, 2024

RE: Clarification to Account No 4410, Maintenance Labor and Account No 4110 Administrative Salaries

The FY'25 Local Housing Authority Budget Guidelines issued August 12, 2024, via PHN 2024-13 provides for an increase of up to 9% to Account No. 4410, Maintenance Labor, as well as to Account No. 4110, Administrative Salaries exclusive of the Executive Director salary.

Please note that the increase states "up to" 9%. EOHLC is not setting the increase to these Accounts at 9% but rather giving housing authorities flexibility to make decisions of how to allocate costs within the approvable Allowable Non-Utility Expense Level (ANUEL). The FY25 budget guidelines increases ANUEL by 12% over FY24.

The up to 9% increase applies to the Total Maintenance Labor Account No. 4410, which includes maintenance wage rates, and extra services; such as, overtime, seasonal help. The most impactful change to this account is that LHAs can set maintenance wages at or above the DLWD rate. The DLWD rate has become the minimum rate that an LHA must pay a maintenance staff person. Previous to the FY25 Budget Guidelines, LHAs had to submit waiver requests to increase an individual maintenance employee's hourly rate above the DLWD rate.

Because the DLWD rate is now the minimum, the provision to specifically allow up to an $8.00/hr increase over the DLWD rate for the maintenance supervisor has been eliminated this year and forward. The change allows LHAs to make decisions based on the operational needs of the LHA. Do you need to add staff, increase rates to retain or attract staff, add temporary help, increased extra services? LHAs now have the freedom to make these decisions as long as the increase to Account No. 4410 can be afforded within the ANUEL.

When an LHA is determining maintenance staffing needs, EOHLC has a long-standing guideline of one full time maintenance staff person per 40 units of family housing or one full time maintenance staff person per 80 units of elderly housing. This is a guideline, not a rule, requirement, or cap. Rather, the number of maintenance staff you employ is determined by many factors property needs, number and category(ies) of maintenance staff needed, contract costs, and most importantly the overall budget of the Housing Authority.

The maximum increase to administrative salaries (Account No. 4110) excluding the executive director's salary is 9%. Other than the percentage amount applied to this Account, there is no change from previous year's budget guidelines. The maximum amount allows LHAs flexibility in determining individual salaries, adding positions, or temporary help. It does not require LHAs to budget a 9% increase in this line item, it merely caps the amount that will be approved by EOHLC.

An LHA may increase either of these line items by more than the threshold amount of 9% due to a re-organization. A re-organization plan must be submitted with the budget and an explanation must be provided in the budget dialogue box. If there is no explanation provided in the dialogue box, the budget will be reverted. Any increase in either of these accounts must be absorbed with the LHAs approvable ANUEL. EOHLC will not grant a budget exemption to fund increased maintenance staff except for extraordinary temporary circumstances.

With the funding increases and changes to allow LHAs greater flexibility, we hope that LHAs will be better able to plan and address the overall budgetary needs of the administrative, operational, maintenance, and resident service needs of each LHA.