

Michigan Civil Service Commission

Regulation 5.14

Subject: Maintenance, and Travel, and Education Allowances and Reimbursements		
SPDOC No.: <u>232-1501</u>	Effective Date: January-March 15, 2023	Replaces: Reg. 5.14 (SPDOC 1622-0615, January 1, 2017 23)

1. Purpose

This regulation establishes standards for maintenance allowances and reimbursements.

2. CSC Rule References

5-7 *Expense Reimbursement*

5-7.1 *Travel*

- (a) **Eligibility.** *An employee on official travel is eligible for reimbursement and meal allowance as applicable under the standardized travel regulations issued by the department of technology, management and budget and state personnel director.*
- (b) **Rates.** *An eligible employee is reimbursed and receives applicable meal allowances at rates approved by the commission.*
 - (1) **Recommendation.** *The director of the department of technology, management and budget and state personnel director may jointly recommend changes in the travel reimbursement rates and allowances.*
 - (2) **Comments.** *Before submitting the recommendation, the director of the department of technology, management and budget shall solicit comments from employees and limited recognition organizations on reimbursement rates, allowances, methods, indices, and rate-setting.*
 - (3) **Commission action.** *The commission shall review and approve, reject, or modify recommendations.*
 - (4) **Exceptions.** *For reasons of business necessity, the director of the department of technology, management and budget and state personnel director may approve individual exceptions that vary from approved travel reimbursement and allowance rates or the standardized travel regulations.*

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(f) *Education Expense Reimbursement.*

(1) An appointing authority may implement a program for the reimbursement of employees' eligible educational expenses under procedural requirements and other limits established by the director in the regulations.

(2) An eligible employee may seek reimbursement for qualifying educational expenses from the professional development fund authorized by the commission and administered by the state employer, in accordance with the terms of such fund.

5-12 Maintenance Allowance

When allowances are made for maintenance or other purposes, they are considered as part of compensation, unless specifically excepted by the civil service commission. A payment of allowance for maintenance, such as meals, lodging, domestic or other personal services, medical care or treatment, laundry, or other services is made in accordance with the compensation plan.

3. Standards

A. General.

1. Any maintenance allowances are deducted from the employee's salary to the extent of their value as recommended by the appointing authority and the Department of Technology, Management, and Budget (DTMB) director.
2. Any such deductions require the state personnel director's approval.
3. The total salary or wages paid an employee plus the value of any maintenance cannot be less than the minimum rate nor greater than the maximum rate for the classification in the compensation plan.
4. Receipt of any offered maintenance is at the employee's option, unless necessary to properly perform the position's duties.

B. Meal Maintenance.

1. An employee may purchase meals at state facilities at the discretion of the employer.
2. Charges for any such meals are set by the appointing authority at a level equal to the cost of food and labor.
3. Each appointing authority shall annually provide written verification to the State Budget Office that charges for meals sold to employees are sufficient to cover the cost.

C. State-Owned Housing Maintenance.

1. **Mandatory Housing.**

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- a. Mandatory residency in state-owned housing is a condition of employment when the appointing authority determines that residency is essential and of benefit to the state.
- b. Notice of all mandatory housing determinations must be provided to the state personnel director and the DTMB director.
- c. Rental rates are established upon an employee's occupancy in a particular unit.
- d. Rates are not changed until the premises are vacated and a different employee is assigned to the mandatory housing unit.

2. Non-Mandatory Housing.

- a. State-owned housing may be leased to employees for their own benefit and convenience.
- b. Rental rates are based, in part, on 100% fair-market rental value as determined by on-site appraisals conducted at least once every five years by the DTMB.
 - (1) The rental rates are adjusted annually.
 - (2) Annual adjustments are based on the actual appraisals, and the percentage increase since the last adjustment in the Detroit Consumer Price Index for Urban Wage Earners and Clerical Workers, Residential Rent component.
 - (3) When it is impractical for employee-tenants to pay directly for utilities, the estimated costs for utilities are added to the appraised rental rate.

3. Limitations.

- a. State-paid housekeeping or groundskeeping services may be provided to housing units located on a facility's main site. The value is determined by the DTMB.
- b. There is no state payment for telephone service within state-owned housing, unless costs are verified in writing as incurred on state business.
- c. Furnishings for state houses and apartments are provided by the occupants except for currently existing state-owned furnishings. Any replacement of existing furnishings is at the tenant's expense with a commensurate decrease in rental charges.

4. **Exceptions.** The governor's residences and training camps or academies operated by agencies related to state-employed trainees and students are excluded from this policy. Other exceptions may be granted by joint approval of the state personnel director and the DTMB director.

D. Clothing and Uniform Cleaning Allowances. For all employees who are furnished uniforms, identifying apparel, or protective apparel or equipment required by the employer as a condition of employment, the cost of dry-cleaning or replacing the items

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due to normal wear and tear or accidental damage is borne by the employer, unless the commission has approved special provisions for certain agencies.

E. Expense Reimbursement for Official Travel. The DTMB director and state personnel director shall jointly recommend reimbursement and meal allowance rates to the commission for employees on official travel.

1. **Comments.** Before submitting the recommendation, the DTMB director shall solicit comments from employees and limited-recognition organizations on reimbursement and meal allowance rates, methods, indices, and the rate-setting process.
2. **Commission action.** The commission shall review and approve, reject, or modify the recommendation.
3. **Exceptions.** For reasons of business necessity, either the DTMB director or state personnel director may approve individual exceptions from the approved rates.

F. Educational Reimbursement. An appointing authority may reimburse an employee's eligible educational expenses under a written policy with provisions including the following:

1. **Funds availability.** Any policy must require that any reimbursement of eligible educational expenses is subject to the availability of funds allocated by the agency specifically for such reimbursements.
2. **Eligible educational expenses.** A policy may provide for partial reimbursement of tuition costs for eligible educational courses and, if established in written policy, for costs for associated textbooks and lab, registration, matriculation, and student fees.
3. **Employee eligibility.** Unless otherwise approved by the director in writing, only full-time, career employees with status and in satisfactory standing who complete an eligible course from an eligible institution can receive reimbursement. Agencies may apply additional eligibility requirements in written policy.
4. **Institution eligibility.** Only courses from junior and community colleges, universities, trade schools, or other institutions accredited by an organization recognized by the United States Department of Education, or the Council for Higher Education Accreditation, may be eligible.
5. **Course eligibility.** Only eligible education expenses for courses expected to enhance the employee's job or career in the classified service with the employing agency may be eligible. A policy should require an employee to obtain agency approval of a course for potential reimbursement before beginning the course or within a reasonable time after beginning the course. Agencies may apply additional eligibility requirements in written policy.

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6. Satisfactory completion. Any policy must require an employee to provide the appointing authority proof of satisfactory completion with at least a 2.0 on a 4.0 scale in an eligible course to be eligible for reimbursement. Agencies may apply additional eligibility requirements in written policy.
7. Reimbursement amount. Any policy may provide for reimbursement of up to 50% of eligible education expenses, unless a higher percentage reimbursement is approved by the director in writing. Any policy must also identify the maximum dollar amount that an employee may be reimbursed in a year, which cannot exceed \$5,250 unless written approval is received from the state personnel director. Any educational expenses that are paid by a stipend, grant, scholarship, or any other payment through a governmental source or private foundation cannot also be reimbursed under a tuition reimbursement policy under this regulation. The written policy may limit how often and how many courses an employee may seek reimbursement for.
8. Application. Any reimbursement policy must require written application by the employee with satisfactory evidence that the employee has satisfied the policy's requirements before any reimbursement may be paid. A policy may require an employee to disclose with their application all state, federal, veteran, or other educational benefits that they have applied for or received for the expenses the employee is seeking reimbursement. An appointing authority may create and use agency-specific forms for these purposes.
9. Repayment. A policy may require repayment of a reimbursement only if approved in writing by the director.
10. Internal Revenue Service regulations. Any policy and reimbursements under a policy must comply with applicable IRS regulations.

CONTACT

Questions on this regulation may be directed to Compensation, Civil Service Commission, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909; 517-241-0837; or MCSC-Compensation@mi.gov.