LEGISLATIVE REPORT

SUBJECT: Teacher Housing Program, Transfer to DOE

REFERENCE: SB 639, SD2, HD1, CD1 (SLH 2005) (Act 204, SLH 2005)

ACTION REQUESTED: Feasibility report on DOE’s capacity to assume HCDCH teacher housing responsibilities.

DOE REPORT: See attached.
DOE REPORT

Overview:

The teacher housing program was created to provide housing for teachers and principals in isolated rural communities where no other adequate private or leasing arrangements can be made within a reasonable commuting distance. The purpose of the program is to also support the recruitment and retention of highly qualified teachers and principals in these isolated areas. Currently, the program is administered by the Housing Community Development Corporation of Hawaii (HCDCH). It is comprised of 123 bedrooms units clustered in various manners and located in seven remote sites on three neighbor islands (Hawaii, Maui, and Molokai).

The program will be transferred from HCDCH to the Department of Education (DOE) on July 1, 2008.

Recommendations for Transfer:

The DOE recommends the following measures in preparation for the transfer of the program from HCDCH to the DOE:

- The continuation of the revolving fund when it is transferred to the DOE on July 1, 2008. The fund will be used for all purposes of the teachers’ housing program, including but not limited to planning, construction, maintenance, management, and operation of the teachers’ housing as well as the salaries of the necessary personnel in charge thereof.

- Current conditions show that there is a need for general repair and maintenance at all the sites to bring the teacher housing units up to an acceptable level for use. See attachment for an informal summary of condition by site in April 2006. The DOE will complete a formal condition assessment by January 1, 2008. Based on that assessment, the appropriate funding necessary to bring the housing up to an acceptable level will be requested as a supplement to the 2008-2009 CIP budget.

- There needs to be the establishment of the capacity within the DOE either by adding personnel or by the hiring of a property management firm to administer this program. If additional personnel are sought, the DOE recommends a property manager and an account clerk. Our recommendation, however, is that one or more property management firm/s be hired to administer the program.

- Certain procedures and policies should be implemented for the successful maintenance and operation of teacher housing:
  - Yearly inspections be re-established.
  - Measures to assure the timely addressing of repairs, both minor and major are developed.
  - A cycle maintenance program be established to address such items as re-roofing, re-painting, electrical upgrade for general use and telecommunications, termite inspection and mitigation/repair, plumbing – minor and major repair as needed, and the replacement of appliances, bedding, and basic furniture.
There is a need for renovation for some of the units for accessibility and improvement needs.

Annual budget amounts for operating and CIP funds will be incorporated into the DOE budget.

Long-term issues to be reviewed by DOE for the successful maintenance of the teacher housing program:

- **Review & Adjustment to the Rental Rate**
- **Review of the Occupancy Requirements**, i.e. priority in terms of types of personnel and length of stay. The DOE has confirmed the teacher housing program is a necessity for the recruitment and retention of highly qualified teachers and staff for the schools in certain areas of the state. The types of personnel now required for schools is no longer limited to teachers, but includes many other essential workers/employees/people to service the students and staff, i.e. occupational therapist (OT), physical therapist (PT), psychologist, mental health service providers, administrators, educational assistants (EAs), part-time teachers (PTTs), etc. Establishment of a DOE policy for the determination of occupancy assignment based on the respective principal’s input may be considered.

- **Change in Teacher Housing Needs:** The DOE has experienced a change in the type of housing required to attract highly qualified teachers and other staff. There is a greater emphasis on the need for privacy and the teacher is often either single or a single parent. With this, there is more demand for studio and/or one bedroom type with individual bathrooms. Though there still needs to be some two and three bedrooms type units for accommodation of families, the need is greater for the studio and/or one bedroom type of facility. The two and three bedroom units also need multiple bathrooms to address privacy and flexibility needs of the variety of tenants.

- **Teacher Incentives for Seeking Employment in Remote Areas or Under Achieving Schools.** The DOE will continue to investigate ways to promote and attract highly qualified teachers for all of its sites.

- **Alternative Methods to Address Teacher Housing.** The DOE will explore other ways to meet teacher housing needs. Consideration of an allowance for housing may be appropriate for some areas. Housing complexes for more than just DOE personnel should be investigated, to include health services, social services, law enforcement, etc.

- **Establishment of Ohana.** DOE recognizes the importance of employees establishing friendships/relationships/feeling part of the school and community as part of the retention factor and will investigate ways to achieve this.
Teacher Housing Summary of April 2006 Visitations:

Time of Visitation:
- The visitations were conducted from April 11 to April 25, 2006. A total of five days of travel were spent visiting the various sites. April 11 – Honokaa, Waimea, Kohala/Halaula were visited. April 13 – Hana High & Elementary was visited. April 18 – Molokai was visited. April 20 – Kau/Pahala was visited. April 25 – Lanai High & Elementary was visited.

Persons on Visitations:
- Visitations were performed by two Department of Education (DOE) employees from the Office of Human Resources (OHR) and Facilities Development Branch (FDB).

Purpose of Visitations:
- Verify the general need for teacher housing by speaking with/interviewing with cottages managers, principals of schools with teacher housing, teachers, and others living in the existing housing. Each site was asked to identify alternatives to providing teacher housing and what was their understanding of the going rate of rentals in the respective communities if available.
- Verify the number of bedrooms, type of units, and occupancy rates at each respective site.
- Gather a general assessment of the condition of the respective units through the discussions and visual inspection of the exterior of some of the units. Participants did walk through a few of the interior of units. Each site was asked to describe the general condition of the units, ease of and/or difficulty of getting both minor and major repairs done in a timely manner, type of typical repairs, and response/time of response from HCDCH.
- Gather input from the respective sites in terms of typical problems, recommendations for improvements and future building/development of teacher housing. Each site was asked to suggest areas for improvement if additional teacher housing units were to be provided, if they thought that the rental rate could be increased.
- A written questionnaire/evaluation had also been sent preceding the visitations to gather some initial information, obtain a first response to the need for teacher housing, and begin to have cottage managers collect their thoughts on the existing arrangement with HCDCH and ideas for improvement once DOE assumes responsibility for the units in July 2008.
Findings of Visitations:

- **Need for Teacher Housing.** All sites emphatically stated/described a need for teacher housing and that it was a significant factor in both teacher recruitment and retention. All of the sites stressed that there is no affordable alternative housing within the communities, especially so for Hana, Kau/Pahala, Lanai, and Molokai. Some of these remote areas have become havens for the rich, for vacation or with second homes, Hana, Lanai, Molokai, Honokaa, Kohala, and Waimea areas. In some cases, if there is construction in the areas, often the companies/developers doing the work are paying for the housing of their workers, which increases the rates for rentals.

- **Occupants/Principals/Cottage Managers.** Though most agreed that they would like to see improvement in the repair and maintenance, process of financial matters, etc. all were grateful for the existing housing program, for it is better than not having anything, and despite its short comings, it is serving it purpose and need. They also did not want to jeopardize their use and stay in the housing.

- **Condition of Teacher Housing.** Varied with the sites. Some sites are in better shape than others. Even with in a particular site, there often is a range in the conditions of the bedroom units, houses, etc. Currently, there is no periodic inspection of the sites/units by HCDCH.

- **Financial matters.** Currently, HCDCH is slow in processing payment for repair and maintenance. As a consequence, many of the sites have difficulty in providing proper repair and maintenance as needed. Many larger repairs, such as exterior/interior painting, scheduled roofing repair/replacement, treatment for termite and insects is not done, though many sites show evidence of termites, addressing of large plumbing issues, and proper upkeep of acceptable furniture and appliances. All expressed that the teacher housing program is needed and the existing housing is better than no program at all; however, there is great need for improvement to the program and to operate at a level that is truly a teacher recruitment and retention tool and at a condition that the DOE would consider acceptable. Cottage managers also expressed slowness in starting and ending salary deductions for renters. New cottage managers also expressed slowness in starting their salaries.

- **Privacy is needed.** The current arrangement of prioritization and design of units does not address privacy for the single teacher/with or without children well. It is taxing and often difficult to reach a level of compatibility among them that fosters recruitment and retention of employees and allows for a 100 percent occupancy rate.
- **Recommendations for Conditions to Be Met for DOE to Accept Responsibility of the Teacher-Housing Program in July 2008:**
  
  o **Personnel Issues.** Personnel are needed to oversee and run the program. At present, the only accommodation that is provided is the establishment of a revolving account for the collection of the rental payments. There are no personnel to be provided. At a minimum, there needs to be a person with facilities management skills and a secretary/clerk/accountant to maintain the financial/inventory/management matters of the program.
  
  o **Funding.** Additional initial funding is needed to bring all units up to a satisfactory/an acceptable level of current repair and maintenance. Suggest this be done incrementally over a three year period at a rate of $ based on a professional condition assessment of the units.
  
  o **Improved Repair & Maintenance.** Once all units are brought to an appropriate level, a scheduled maintenance program, with yearly inspections/prioritizations, needs to be implemented to maintain the desired level. The use of a purchase card or some other means of insuring timely payment for repairs done by a handyman or small trade contractors. In the past, slow payment has led to difficulty in maintaining their availability.
  
  o **Method for On-going R&M.** Discussion needs to be held to determine the best method for providing the R&M for the housing program. Should it be absorbed into the general school repair and maintenance program, dealt with separately, outsourced, etc?
  
  o **Increase in Rental Rate.** Consider raising the monthly rental rate, assuming the repair and maintenance is addressed and the standard furniture and appliances are brought to a suitable level.
  
  o **Replacement of Furniture and Appliances.** The replacement of the essential furniture and appliances needs to be placed on a scheduled cycle with exceptions made when necessary. This is especially important with respect to beds for sanitary/health reasons.
  
  o **Sliding Scale.** Consider a sliding scale on the rental rate, based on the type/level of income of the renter.
  
  o **Persons Eligible for Housing.** Review the prioritization index for teacher housing. The DOE now has many other professionals and student service providers (Administrators, SBBH, OT, PT, Counselors, SSC’s, EA’s, etc) that work directly with students and support increased student achievement and well-being besides teachers for these remote sites. Their presence on campus is equally needed.
  
  o **Length of Stay in Housing.** This is an area that needs to be reviewed. For some sites especially, there is no affordable housing for the teachers to consider at the end of their three year tenure.
  
  o **Purchase of Washer/Dryer.** Consider providing washer/dryer when enclosed/interior accommodations can be made for them. There is a need to protect them from the weather and exterior elements.
**Future Housing Considerations:**

- Future design needs to provide more privacy and mix of single and family accommodations should be reviewed. Though there needs to be a mix in the type of housing available, family to single occupant, there was a common request for more one bedroom and/or studio with separate bath. This meets the privacy need, best suits the beginning teacher needs (affordable, close to campus, etc), and allows for the greatest chance of meeting a high occupancy rate.

- Alternative methods/means of financing the design and construction of units should be investigated. Hana, for example, has an excellent building and construction program that has provided many permanent structures and improvements to the campus. Much of their current work has been done through the seeking of grants.

- The creation of friendships/bonding among campus personnel and community is an important factor for the teachers in terms of retention, especially for the schools in the more remote areas. Some of the sites expressed the need for this and have implemented activities/and had thoughts on ways to address this in the future. For example, Hana suggested creating a teacher housing complex on the lower portion of campus with a mix of unit types, sharing of common facilities such a outdoor cooking area, socializing, sports, etc.