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SENATE

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PROVIDING HABITABLE LIVING QUARTERS FOR TEACHERS, ADMINISTRATORS, OTHER SCHOOL STAFF, AND THEIR HOUSEHOLDS IN RURAL AREAS OF ALASKA LOCATED IN OR NEAR ALASKA NATIVE VILLAGES

NOVEMBER 17, 2004.—Ordered to be printed

Mr. CAMPBELL, from the Committee on Indian Affairs,
submitted the following

R E P O R T

[To accompany S. 1905]

The Committee on Indian Affairs, to which was referred the bill (S. 1905), to provide habitable living quarters for teachers, administrators, other school staff, and their households in rural areas of Alaska located in or near Alaska Native Villages, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill, as amended, do pass.

PURPOSE

The lack of habitable living quarters in rural areas of the State of Alaska has made it difficult to retain and recruit teachers, administrators, other school staff, and their households to serve in the teaching profession in that state.

The primary purpose of the Rural Teacher Housing Act of 2004 (S. 1905) is to address these problems by increasing the number of habitable living quarters in or near Alaska Native Villages, which in turn will improve the educational opportunities for Alaska native children who live in these areas.

This legislation authorizes funding to assist eligible school districts in rural Alaska to address the housing shortage in several ways: Construction, purchase, lease or rehabilitation of housing units, including purchase or lease of property upon which the units are located, and related activities; repayment of loans for teacher housing projects; and funding for any remaining costs for teacher housing projects that are not already financed by loans or other sources of funding.

BACKGROUND

Status of Rural Alaska Teacher Housing. Rural public school districts in Alaska—located in areas not connected to the Alaska road system—face the challenge of recruiting and retaining teachers, administrators, and other school staff due to the lack of adequate housing in rural communities. These school districts include a significant number of Alaska Native children whose education is negatively impacted by such conditions.

Survey. The Teacher Housing Working Group—comprised of the Denali Commission, the Department of Housing and Urban Development (HUD), the Department of Agriculture (USDA), the State of Alaska Department of Education and Early Development (ADEED), Alaska Native housing authorities, and the Alaska Housing Finance Corporation (AHFC)—released a survey in August, 2004 detailing teacher housing conditions.

The survey targeted 51 rural school districts in Alaska and found that 57 percent of the school districts surveyed experienced challenges in recruiting and retaining teachers. In particular, 33 percent of the schools noted that the condition or lack of housing was a factor impacting teachers decisions to resign.

This survey categorized the 51 rural school districts into three levels of teacher housing need: 53 percent of the school districts have limited need for teacher housing, 29 percent have moderate need, and 17 percent have high need. The primary factor used in the survey to determine the level of need for teacher housing was the impact of teacher housing on teacher attrition.

For instance, school districts in the “limited need” category experienced some challenges with teacher housing but which were not sufficiently detrimental to affect the retention of teachers. School districts in the “moderate need” category have problems with the cost of rental housing or housing construction. Such districts also rely on the private sector to supply housing for their teachers, however, unmet needs still exist.

The “high need” school districts have problems with affordability, quality, and availability of housing. The survey found that 65 percent of the housing units owned by the “high need” school districts need either major repairs or replacement. The cost of repairing the estimated 230 units that need repair is projected at \$5.9 million. The survey also estimates that the total development cost to replace existing housing units and construct additional new units to meet demand is \$100,489,104. Such a funding level would be sufficient to construct approximately 498 new housing units.

Site Visits. During site visits in 2003 through rural Alaska with Education Secretary Rod Paige, Senator Murkowski found terrible housing conditions facing the school districts. In particular, at the Native village school in Savoonga, located on an island off the coast of Nome, the principal slept in a broom closet in the school due to the lack of housing in that village. The special education teacher slept in her classroom, bringing a mattress out each evening to sleep on the floor. The other teachers shared housing in a single home with no room for the teachers’ spouses. The conditions existing at Savoonga are commonplace for teacher housing in rural Alaska.

These conditions result in a significant hardship for the rural school districts. Rural Alaskan school districts experience a high rate of teacher turnover—as high as 30 percent each year—with housing conditions cited as a major factor.

Serious difficulties in recruitment of teachers also exist due to the lack of housing. For example, the Lower Kuskokwim School District in southwest Alaska reported that it could only hire one teacher for every six who decide not to accept job offers. Half of its applicants who did not accept a teaching position indicated that their decision was based on housing factors.

The lack of and quality of teacher housing in rural Alaska is a problem unique to Alaska and is further compounded by the inaccessibility of the village communities. Most of the communities in rural Alaska are not accessible by roads, with such communities served only by air or water.

Because of this inaccessibility, it is also very expensive to transport building equipment and supplies to such rural communities. In many cases, it is prohibitively expensive to deliver such supplies by way of aircraft. Most supplies must be delivered by barges which can only reach targeted communities less than six months per year—when the waterways (rivers, specifically) are free of ice.

Funding authorized by S. 1905 would also assist with the cost of transporting equipment and supplies to and from these rural communities.

By creating better teacher housing conditions, rural school districts will be able to recruit and retain more educators and their families. Such stability will greatly benefit the education of Alaska Native students.

SUMMARY OF MAJOR PROVISIONS

The Rural Teacher Housing Act of 2004 authorizes funding for teacher housing projects in rural school districts in Alaska. The funding is provided by the Department of Agriculture to the Alaska Housing Finance Corporation (AHFC), which is a State of Alaska agency. The AHFC—with significant experience in rural Alaska housing—is authorized to provide grant and loan funds to rural Alaskan school districts.

Funding can then be used for purposes of constructing, purchasing, leasing or rehabilitating housing units, including purchasing or leasing the property upon which the units are located and related activities, and repayment of loans for teacher housing projects.

The bill also addresses the allowable uses for funding and delineates how funding is to be disbursed to eligible school districts in qualified Alaskan communities. Also, the bill specifies the entities that may own teacher housing or land paid for by funds authorized by this legislation and who may occupy such teacher housing units.

Generally, housing developed under this bill will be available to teachers, administrators, other school staff, and members of their households, however under certain circumstances, school districts may make the housing available to non-educators on a temporary basis. The Alaska Housing Finance Corporation determines the maximum period of time a non-educator may occupy such housing. Additionally, the committee strongly recommends that the Alaska Housing Finance Corporation, after consulting with the relevant el-

eligible school districts, determine the level of rental payments, if any, such occupants must pay to the owner of the applicable teacher housing units.

The bill also mandates that all teacher housing constructed, purchased, rehabilitated, or leased with funds authorized by this bill complies with all applicable laws, regulations, and ordinances. The administration of grant and loan funds available under this bill made to eligible school districts is to be governed by the policies established by the Alaska Housing Finance Corporation.

The bill specifically provides that the Alaska Housing Finance Corporation shall establish such policies after consulting with eligible school districts. During the legislative hearing on this bill, a witness strongly suggested that, in addition to the eligible school districts, the Alaska Housing Finance Corporation also consult with Alaska Native entities located in the areas where the eligible school districts are located. Such entities would include Native village corporations, tribally designated housing entities, and related entities. The Committee agrees and strongly encourages the Alaska Housing Finance Corporation to consult with such Alaska Native entities.

Furthermore, during the legislative hearing on the bill, one of the witnesses recommended strongly that school districts that receive funds authorized by this legislation hire local workers who live in the communities where teacher housing projects take place. The Committee agrees and strongly encourages this type of hiring.

LEGISLATIVE HISTORY

S. 1905 was introduced on November 20, 2003, by Senator Murkowski for herself and for Senator Campbell and was referred to the Senate Committee on Indian Affairs.

A hearing on S. 1905 was held on March 16, 2004, and testimony was provided by a teacher from the Lower Yukon School District, a rural school district in Alaska; a technology trainer from the Northwest Arctic Borough School District, a rural school district in Alaska; the superintendent of the Yukon-Koyukuk School District, a rural school district in Alaska; the Co-Director of the Alaska Rural Systemic Initiative at the Alaska Federation of Natives; the Director of Rural Program Development at the School of Education at the University of Alaska, Fairbanks; the executive director of the Association of Alaska School Boards; the Commissioner of the Alaska Department of Education and Early Development; and the former principal of the village school in Savoonga, Alaska. All witnesses expressed support for the bill.

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title. This section cites the short title as the "Rural Teacher Housing Act of 2004".

Section 2. Findings and Purpose. This section sets forth Congressional findings and the purposes of the legislation. Among the findings is the finding that rural teacher housing in Alaska is often substandard, if available at all; alternative shelter such as the school buildings themselves must be used; there are increased challenges, including meeting the mandates of the No Child Left Behind Act; and recruitment and retention of employees are problematic due to the lack of affordable, quality housing. The purpose of

this bill is to provide habitable living quarters for teachers, administrators, other school staff, and their households in rural areas of Alaska located in or near Alaska Native Villages.

Section 3. Definitions. Section 3 provides definitions for terms used throughout the Act.

Section 4. Rural Teacher Housing Program. This section authorizes the Department of Agriculture to provide funds for the construction of or improvements to teacher housing units in rural areas of Alaska located in or near Alaska Native Villages as block grants to the Alaska Housing Finance Corporation. This section also establishes standards and criteria for use and disbursement of such funds to eligible school districts—either in the form of grants or loans—including program policies and revisions to such policies.

Section 5. Regulations. This section requires the Department of Agriculture to promulgate regulations necessary to carry out this Act.

Section 6. Authorization of Appropriations. Section 6 authorizes appropriations of such sums as are necessary to carry out this Act for each fiscal year through 2015, including the amount of funds available for administrative expenses.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTE

In an open business session on September 29, 2004, the Committee considered a substitute amendment to S. 1905 proposed by Senator Murkowski. Following adoption of the amendment, the Committee voted unanimously to favorably report the substitute amendment to the full Senate with a recommendation that the bill do pass.

COST AND BUDGETARY CONSIDERATIONS

The cost estimate for S. 1905, as evaluated by the Congressional Budget Office, is set forth below:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 10, 2004.

Hon. BEN NIGHTHORSE CAMPBELL,
Chairman, Committee on Indian Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1905, the Rural Teacher Housing Act of 2004.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Chad Chirico.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

S. 1905—Rural Teacher Housing Act of 2004

Summary: S. 1905 would authorize the appropriation of funds for a program, beginning in fiscal year 2006, to provide housing for teachers in rural areas of Alaska located in or near native villages. The Secretary of Agriculture will provide funding to the Alaska

Housing Finance Corporation, which would make grants or loans to eligible school districts.

CBO estimates that appropriation of the necessary amounts would cost \$82 million over the 2006–2010 period. Enacting S. 1905 would not affect direct spending or revenues.

S. 1905 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit the state of Alaska and tribal governments in the state; any costs to those governments would result from complying with conditions of federal assistance.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 1905 is shown in the following table. The costs of this legislation fall within budget function 600 (income security).

	By fiscal year, in millions of dollars—					
	2005	2006	2007	2008	2009	2010
SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	0	21	22	22	23	23
Estimated Outlays	0	2	13	22	22	23

Basis of estimate: Based on data from the Alaska Department of Education and Early Development, CBO estimates that there are approximately 3,000 teachers employed by public schools in rural areas in or near native villages. A study conducted for Alaska's Denali Commission indicates that approximately 500 new units of housing are needed to assure teacher recruitment, retention, and job satisfaction at an estimated average development cost of \$200,000. Although the program is authorized for the 10-year period beginning in 2006, CBO assumes that grants funding roughly 100 units annually would be provided for the first five years of the period. Adjusting the development costs for inflation, CBO estimates that implementing the Rural Teacher Housing Act would require the appropriation of \$111 million over the 2006–2010 period, which would result in outlays of \$82 million over that period.

Intergovernmental and private-sector impact: S. 1905 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit the state of Alaska and tribal governments in the state; any costs to those governments would result from complying with conditions of federal assistance.

Estimate prepared by: Federal Costs: Chad Chirico; Impact on State, Local, and Tribal Governments: Sarah Puro; and Impact on the Private Sector: Nabeel Alsalam.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

REGULATORY AND PAPERWORK IMPACT STATEMENT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that each report accompanying a bill to evaluate the regulatory and paperwork impact that would be incurred in carrying out the bill. The Committee believes that the regulatory impact of S. 1905 will be minimal.

EXECUTIVE COMMUNICATIONS

There have been no executive communications received on this legislation.

CHANGES IN EXISTING LAW

In compliance with subsection 12 of rule XXVI of the Standing Rules of the Senate, the Committee finds that the enactment of S. 1905 will not result in any changes in existing law.

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