May 28, 2012

Memorandum

To: Kathy Cutshaw, VCAFO

Via: Bob Cooney, Chair, MFS Executive Committee

From: Doug Vincent, Chair, CAB

Subject: Report on the Faculty Housing Executive Policy

After committee final review and discussion, at the May 25, 2012 meeting of the MFS Committee on Administration and Budget, the CAB voted to provide the following comments to you regarding the draft Executive Policy on Faculty Housing E5.226, dated April 12, 2012. We have included suggested changes, with comments using Track Changes. In addition, we have included some general comments appended to this memorandum.

CAB held several meetings with representatives of the Faculty Housing Tenant Association. In the end, we did not agree with our colleagues about the details needed to implement this policy. Nor did we agree that provisions for “retaining” faculty be included in the policy.

cc. Kristin Herrick, MFS
CAB
SEC

attachment – CAB comments on E5.226 revised policy.
Specific Concerns Noted by CAB
May 25, 2012

While we appreciate the efforts of the OVCAFO’s office to develop a workable policy to manage faculty housing, the most troubling aspect of the policy in CAB opinion is the use of the term “retain” or “retention” of faculty. How the policy defines “retention” or “retaining faculty” is not defined in the policy and creates opportunities for abuse and perhaps, the preservation of current long term residents “tenure” in Faculty Housing.

Below market housing for newly recruited faculty creates an opportunity for new faculty to become adjusted to life on O‘ahu, especially to the cost of living and housing. It also serves as an opportunity for new faculty to develop networks of colleagues in different disciplines. But to CAB, it has always meant to be “transitional” housing, housing for individuals to stay a short time while both saving money and seeking housing elsewhere.

As it currently stands, the long term residents of Faculty Housing now receive a non-taxed housing allowance estimated to be $8,000 – $12,000 per year. Their persistence in faculty housing prevents newly recruited faculty from obtaining faculty housing due to the lengthy wait-list.

It has been argued by the Faculty Housing Tenant Association (FHTA) that faculty currently residing in faculty housing should be able to stay there because their lower than average salaries do not permit them to purchase “safe” housing elsewhere. That they should be permitted to stay in faculty housing indefinitely, to enable them to save money to afford a down payment. Factors such as student loan burdens, or lack of suitable spousal employment, or for international appointees, that delays in obtaining permanent residency for spouses preclude spousal employment, all contribute to their entitlement to remain in faculty housing. And without this entitlement, these highly qualified faculty members would leave the University, depriving the University of highly qualified members of the faculty.

The latter argument for “retention”, in CAB’s view, would continue to deprive newly recruited faculty to homes in faculty housing, as transitional housing and continues to create long term residents in Faculty Housing. The policy does not define how faculty eligible for this “retention” benefit would be established and how the program would be administered.

FHTA will argue that a combination of length of stay and salary would be used to establish when and if a faculty member would have to vacate the property. But again without a clear definition, this can be problematic. The data provided by the VCAFO, from FHTA, represented salaries of the leaseholder, not household income. The proposed “formula” by FHTA includes only the income of the leaseholder. Given that there are married faculty members or other dual earners living in faculty housing, again this creates a problem.

CAB does not completely rule out the use of some formula for establishing residency duration on a case-by-case basis but without clear and transparent criteria, absent in this policy, the continued abuse remains a strong possibility.