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# A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature recognizes that, according to  
2 the national center for public policy and higher education, net  
3 college costs for low- and middle-income students to attend  
4 Hawaii's public four-year colleges and universities represent a  
5 third of their families' annual income. In 2004, the national  
6 non-profit independent organization gave Hawaii a "D" for  
7 affordability. The organization also noted that "over the past  
8 few years, Hawaii has had among the steepest declines in the  
9 nation in the percentage of first-time, full-time college  
10 students earning their bachelor's degree within six years of  
11 enrolling in college."

12           During the 2005 legislative session, recognizing the need  
13 to provide financial support to Hawaii's residents in attaining  
14 a post secondary degree, the legislature appropriated \$1,500,000  
15 in general funds for the fiscal biennium 2005-2007 to provide  
16 merit-based scholarships for Hawaii's low-income public school  
17 graduates wishing to attend the university. Despite this  
18 appropriation, the legislature finds that the increases in the



1 tuition and fee schedule, which takes effect in the fall of  
2 2006, will continue to make it difficult for Hawaii's residents  
3 to attend the university. The legislature also finds that the  
4 initial appropriation of \$1,500,000 is not sufficient to enroll  
5 a significant proportion of the estimated number of eligible  
6 applicants.

7       Given the State's current financial surplus, and based on  
8 input from the University, the purpose of this Act is to  
9 encourage Hawaii residents to pursue post secondary school  
10 education by:

- 11       (1) Amending section 57 of Act 178, Session Laws of Hawaii  
12             2005, to increase the 2006-2007 appropriation by  
13             \$2,000,000;
- 14       (2) Establishing a workforce development scholarship  
15             program at the community colleges based on need; and
- 16       (3) Placing state funds for all scholarship programs in a  
17             separate account in the student scholarship and  
18             assistance special fund.

19       SECTION 2. Chapter 305, Hawaii Revised Statutes, is  
20 amended by adding a new section to be appropriately designated  
21 and to read as follows:



1           "§305-    Workforce development scholarship program.    (a)

2   There is established the workforce development scholarship  
3   program to be administered by the University of Hawaii to  
4   address projected shortfalls and needs.  The program shall be  
5   used to provide financial assistance for up to three years to  
6   any qualified student enrolled at a community college campus of  
7   the University of Hawaii.

8           (b)  The number of scholarships awarded and the amount of  
9   each scholarship shall be determined by the university and  
10   subject to the availability of funds.  The University of Hawaii  
11   shall offer scholarships to pay for educational costs, such as  
12   tuition, fees, books, housing, and other educational costs;  
13   provided that the scholarship applicant:

- 14           (1)  Qualifies for Hawaii resident tuition;
- 15           (2)  Earned a high school diploma or passed the general  
16           educational development test; and
- 17           (3)  Is eligible for need-based aid according to federal  
18           financial aid guidelines.

19   The scholarship may be renewed annually up to three years  
20   provided that the student maintains satisfactory academic  
21   progress.

1        (c) Appropriations for the state scholars program shall be  
2 deposited into the University of Hawaii student scholarship and  
3 assistance special fund pursuant to section 304-16.6."

4        SECTION 3. Section 304-16.6, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6        "(a) There is established the student scholarship and  
7 assistance special fund to be administered by the University of  
8 Hawaii. This fund shall be used to provide financial assistance  
9 to qualified students enrolled at any campus of the University  
10 of Hawaii.

11        (b) Revenues deposited into this fund shall include but  
12 not be limited to state, federal, and private funds[~~7~~] and funds  
13 transferred by the university from the tuition and fees special  
14 fund pursuant to section 304-16.5[~~7~~]; provided that state funds  
15 appropriated for any scholarship program, including but not  
16 limited to the B Plus scholarship program, the Hawaii state  
17 scholars program, and the workforce development scholarship  
18 program, shall be kept in a separate and distinct account."

19        SECTION 4. Act 178, Session Laws of Hawaii 2005, is  
20 amended by amending section 57 to read as follows:

21        "SECTION 57. Provided that of the general fund  
22 appropriation for the university of Hawaii systemwide (UOH 900),

1 the sum of \$500,000 or so much thereof as may be necessary for  
2 fiscal year 2005-2006, and the sum of [~~\$1,000,000~~] \$ \_\_\_\_\_ or  
3 so much thereof as may be necessary for fiscal year 2006-2007,  
4 shall be deposited into the student scholarship and assistance  
5 special fund; provided further that the amounts shall be used to  
6 fund the [~~B-Plus~~] B Plus Scholarship program; provided further  
7 that the university shall offer [~~full~~] scholarships to any  
8 Hawaii resident [~~applying to~~] who: enrolls in any campus within  
9 the university system [~~provided that the individual~~]; has  
10 graduated from a Hawaii public high school with a cumulative  
11 grade point average of 3.0 or better; and is [~~considered low~~  
12 ~~income according to the state of Hawaii department of~~  
13 ~~education's guidelines for students qualifying for the free and~~  
14 ~~reduced lunch program.~~] eligible for need-based financial aid  
15 based on federal financial aid guidelines; and provided further  
16 that the scholarship may be renewed annually if the student  
17 maintains satisfactory academic progress and continues to meet  
18 financial aid guidelines."

19 SECTION 5. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ \_\_\_\_\_, or so  
21 much thereof as may be necessary for fiscal year 2006-2007, for  
22 establishing the workforce development scholarship program. The



1 sum appropriated shall be expended by the University of Hawaii  
2 for the purposes of this Act.

3 SECTION 6. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 7. This Act shall take effect on July 1, 2006.



SB3120, SD2

**Report Title:**

UH; Special Fund

**Description:**

Increases the amount of general fund appropriations previously appropriated for the B Plus scholarship program. Deposits the appropriations into the student scholarship and assistance special fund. Changes the income guidelines. Establishes a workforce development scholarship program at the community colleges. Specifies that state funds for all scholarship programs shall be placed in a separate account in the student scholarship and assistance special fund. (SD2)

