

S.B. NO. 1020

JAN 25 2017

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII PROMISE PROGRAM.

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

1 SECTION 1. The legislature finds that the University of
2 Hawaii's Hawaii graduation initiative is a systemwide strategic
3 initiative endorsed by the board of regents with a goal to
4 increase the educational capital of the state by increasing the
5 participation and completion of students, particularly native
6 Hawaiians, low-income students and those from underserved
7 regions and populations, and preparing them for success in the
8 workforce and their communities.

9 The legislature further finds that an educated labor force
10 and engaged citizenry are essential in today's global,
11 knowledge-based economy. Across the nation, states have set
12 ambitious goals to boost college completion rates. Hawaii's own
13 55 by '25 Campaign goal focuses on increasing the percentage of
14 working age adults with two- or four-year degrees to 55 per cent
15 by 2025. According to the most recent data available, 44 per
16 cent of Hawaii's working age adults have a postsecondary degree.
17 As the State's sole public higher education system, the

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1 University of Hawaii is committed to doing its part to close the
2 State's projected educational attainment gap.

3 In April 2016, the Institute for Research on Higher
4 Education at the University of Pennsylvania graduate school of
5 education issued a study that analyzed college costs in relation
6 to family income level. The study revealed how higher education
7 has gone from expensive to unaffordable for most low- and
8 middle-income families. According to this same study, Hawaii
9 ranked third in the nation for overall college affordability and
10 noted that the University of Hawaii community colleges are the
11 most affordable public two-year institutions in the nation.

12 The report further acknowledged that despite Hawaii's
13 overall high affordability ranking, attending college was a big
14 expense for families earning less than \$30,000 annually; that
15 Hawaii's financial aid policies did little to alleviate costs
16 for these families; and that the State provided minimal need-
17 based aid to students attending public institutions.

18 Although the State does not budget for scholarships,
19 University of Hawaii policy requires that a minimum percentage
20 of tuition revenue be set aside for need-based scholarships,
21 including 8.8 per cent at the community colleges. The
22 University provided \$46,700,000 in tuition-funded financial aid

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1 during 2014-2015, including \$6,300,000 at the community
2 colleges. Even though financial aid through federal Pell
3 Grants, University of Hawaii and private scholarships, the GI
4 Bill for service members and veterans, and employers cover much
5 of the cost for need-based students, cost is still a barrier for
6 certain need-based students.

7 The purpose of this Act is to establish a Hawaii Promise
8 program to provide scholarships initially for the unmet need of
9 qualified students enrolled at any University of Hawaii
10 community college and to provide an appropriation to establish
11 and implement the program.

12 SECTION 2. Chapter 304A, part IV, subpart A, subdivision
13 1, Hawaii Revised Statutes, is amended by adding a new section
14 to be appropriately designated and to read as follows:

15 "§304A- Hawaii Promise program; established.

16 (a) Notwithstanding section 304A-502, there is established the
17 Hawaii Promise program to be administered by the board of
18 regents. The program shall provide scholarships for the unmet
19 direct cost need of qualified students enrolled at any community
20 college campus of the University of Hawaii.

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1 (b) A student enrolled in a community college campus is
2 eligible for scholarship consideration if the student meets the
3 following requirements:

4 (1) Qualifies for Hawaii resident tuition;

5 (2) Completes and submits the Free Application for Federal
6 Student Aid (FAFSA) for each academic year, and
7 accepts all federal and state aid, grants,
8 scholarships, and other funding sources that do not
9 require repayment;

10 (3) Is enrolled in a classified degree or certificate
11 program with six or more credits per semester;

12 (4) Maintains satisfactory academic progress, as defined
13 by the Federal Title IV requirements and determined by
14 the campus in which the student is enrolled; and

15 (5) Has been determined by the campus to have unmet direct
16 cost needs.

17 (c) Scholarships shall be awarded:

18 (1) On a first come first served basis;

19 (2) In an amount equal to the student's unmet direct cost
20 based on the FAFSA calculation of need minus what is
21 available from Federal Pell Grants and other
22 scholarships; and

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Report Title:

UH Community College System; Scholarships

Description:

Provides scholarships for the unmet need of qualified students at any UH community college campus who meet certain criteria.

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JUSTIFICATION SHEET

DEPARTMENT: University of Hawaii

TITLE: A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII PROMISE PROGRAM.

PURPOSE: Provides scholarships for the unmet need of qualified students at any University of Hawaii (UH) community college campus who meet certain criteria.

MEANS: Amend chapter 304A, Hawaii Revised Statutes, by adding a new section and to make appropriations for fiscal year 2017-2018 and 2018-2019.

JUSTIFICATION: The purpose of this Act is to establish a Hawaii Promise program to provide scholarships initially for the unmet need of qualified students enrolled at any UH community college and to provide an appropriation to establish and implement the program.

The UH campuses play a vital role in meeting the education and employment needs of the State. A well-trained and highly qualified work force would also attract additional employers to Hawaii and diversify the local economy.

Because budget revenues are only increasing incrementally in many states and political realities often constrain the amount of new state spending, asking the State to cover all costs of tuition is not feasible. However covering the unmet needs of the students in the UH community college system after applying all federal and state aid is feasible. In covering the remaining costs, anyone in the State who meets eligibility criteria can attend a UH community college campus "tuition free". Because all pre-

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existing aid dollars would pay down tuition first, a sizable share of UH community college students would have little or no outstanding tuition costs.

Impact on the public: Students at the University of Hawaii community college campuses would have the ability, if eligible, to attend college with minimal cost impact. This in turn, would provide for a more educated workforce.

Impact on the department and other agencies:
None.

GENERAL FUND: \$2,500,000 for FY 2017-2018
 \$2,500,000 for FY 2018-2019

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: UOH-800, UOH-900.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: July 1, 2017.