
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. An educated labor force and engaged citizenry
2 are essential in today's global, knowledge-based economy.
3 Across the nation, states have set ambitious goals to boost
4 college completion rates. The University of Hawaii's graduation
5 initiative is a systemwide strategic initiative endorsed by the
6 University of Hawaii board of regents with a goal to increase
7 the educational capital of the State by increasing participation
8 in, and completion of, college by students, particularly native
9 Hawaiians, low-income students, and those from underserved
10 regions and populations, and preparing them for success in the
11 workforce and their communities.

12 Furthermore, Hawaii's own 55 by '25 campaign goal focuses
13 on increasing the percentage of working-age adults with two- or
14 four-year degrees to fifty-five per cent by 2025. According to
15 the most recent data available, forty-four per cent of Hawaii's
16 working-age adults have a postsecondary degree. As the State's
17 sole public higher education system, the University of Hawaii is



1 committed to doing its part to close the State's projected
2 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
14 large expense for families earning less than \$30,000 annually;
15 that Hawaii's financial aid policies did little to alleviate
16 costs for these families; and that the State provided minimal
17 need-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



1 University of Hawaii provided \$46,700,000 in tuition-funded
2 financial aid during 2014-2015, including \$6,300,000 at the
3 community colleges. Even though financial aid through Pell
4 grants, University of Hawaii and private scholarships, the GI
5 Bill for service members and veterans, and employers covers much
6 of the cost for need-based students, cost is still a barrier for
7 certain students with financial need.

8 The purpose of this Act is to establish the Hawaii promise
9 program to provide scholarships for the unmet direct cost needs
10 of qualified students enrolled at any University of Hawaii
11 campus, including community college campuses, and to appropriate
12 funds to establish and implement the program.

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

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



1 (b) A student enrolled at a community college campus shall
2 be eligible for scholarship consideration for a maximum of eight
3 semesters if the student:

4 (1) Qualifies for Hawaii resident tuition;

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

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

11 (4) Maintains satisfactory academic progress, as defined
12 by federal requirements established pursuant to Title
13 IV of the Higher Education Act of 1965, as amended,
14 and determined by the campus where the student is
15 enrolled; and

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

18 (c) A student enrolled at a University of Hawaii campus,
19 other than a community college campus, shall be eligible for
20 scholarship consideration for a maximum of eight semesters if
21 the student:



- 1 (1) Qualifies for Hawaii resident tuition;
- 2 (2) Completes and submits the Free Application for Federal
- 3 Student Aid for each academic year and accepts all
- 4 federal and state aid, grants, scholarships, and other
- 5 funding sources that do not require repayment;
- 6 (3) Is enrolled in a classified degree or certificate
- 7 program with fifteen or more credits per semester;
- 8 (4) Maintains satisfactory academic progress, as defined
- 9 by federal requirements established pursuant to Title
- 10 IV of the Higher Education Act of 1965, as amended,
- 11 and determined by the campus where the student is
- 12 enrolled; and
- 13 (5) Has been determined by the campus to have unmet direct
- 14 cost needs.
- 15 (d) Scholarships shall be awarded to the extent possible
- 16 based on available funds and on a first-come, first-served
- 17 basis. An award granted to a student shall be equal to the
- 18 student's unmet direct cost need, based on the Free Application
- 19 for Federal Student Aid calculation of need, less the amounts
- 20 available to the student from Pell grants and other
- 21 scholarships.



1 (e) To maintain a scholarship under this section, a
2 student shall meet the requirements of subsections (b)(4) and
3 (c)(4), as applicable.

4 (f) As used in this section, "direct cost" means any cost
5 directly related to a student's education. "Direct costs"
6 include tuition, educational fees, and the costs of books,
7 supplies, and transportation between the student's dwelling and
8 the student's campus."

9 SECTION 3. Chapter 304A, Hawaii Revised Statutes, is
10 amended by adding a new section to part V, subpart C, to be
11 appropriately designated and to read as follows:

12 "§304A-B Hawaii promise program special fund. (a) There
13 is established the Hawaii promise program special fund to be
14 administered by the University of Hawaii. The special fund
15 shall be administered pursuant to the authority of the board of
16 regents to grant, modify, or suspend scholarship and assistance
17 under section 304A-501. This fund shall be used to provide
18 financial assistance to qualified students through Hawaii
19 promise program scholarships under section 304A-A.

20 (b) The University of Hawaii shall submit a report to the
21 legislature no later than twenty days prior to the convening of



1 each regular session with information on the special fund. The
2 report shall include but not be limited to:

3 (1) The number of scholarships provided under the Hawaii
4 promise program in the preceding year; and

5 (2) Recommendations as appropriate to the legislature on
6 all tuition waivers.

7 (c) This fund is not intended to provide loans or keep
8 track of payback provisions."

9 SECTION 4. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so much
11 thereof as may be necessary for fiscal year 2018-2019 to be
12 deposited into the Hawaii promise program special fund.

13 SECTION 5. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so much
15 thereof as may be necessary for fiscal year 2018-2019 to
16 establish and implement the Hawaii promise program, including
17 the provision of the program's scholarships, at the University
18 of Hawaii at Manoa, Hilo, and West Oahu campuses.

19 The sum appropriated shall be expended by the University of
20 Hawaii for the purposes of this Act.



1 SECTION 6. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so much
3 thereof as may be necessary for fiscal year 2018-2019 to
4 establish and implement the Hawaii promise program, including
5 the provision of the program's scholarships, at the community
6 college campuses of the University of Hawaii.

7 The sum appropriated shall be expended by the University of
8 Hawaii for the purposes of this Act.

9 SECTION 7. In codifying the new sections added by sections
10 2 and 3 of this Act, the revisor of statutes shall substitute
11 appropriate section numbers for the letters used in designating
12 the new sections in this Act.

13 SECTION 8. New statutory material is underscored.

14 SECTION 9. This Act shall take effect on July 1, 2050.



Report Title:

UH; Promise Program; Scholarships; Appropriation; Special Fund

Description:

Establishes the University of Hawaii Promise Program to provide scholarships for the unmet direct cost needs of qualified students enrolled at any campus of the University of Hawaii system or any community college campus. Appropriates funds to establish and implement the program. Creates a special fund. Effective 7/1/2050. (SD1)

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