

Honolulu, Hawaii

FEB 17 2017

RE: S.B. No. 348
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
S.B. No. 348 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC SERVICE LOAN
FORGIVENESS PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a public service loan forgiveness program and revolving fund in the University of Hawaii; and
- (2) Establish eligibility and repayment requirements for individuals who complete an associate, bachelor, or graduate degree program within the University of Hawaii System and agree to work full-time for the State or a county for a specified number of years as determined by the University.

Your Committee received testimony in support of this measure from five individuals. Your Committee received comments on this measure from the University of Hawai'i System.

Your Committee finds that students pursuing higher education are interested in pursuing jobs in the public sector upon graduation. However, rapidly rising tuition costs and Hawaii's high cost of living make it difficult for many students in Hawaii to endure the lower compensation provided by jobs in government compared to higher compensation in the private sector. Your



Committee further finds that a public service loan forgiveness program would provide financial support to students completing their associates, bachelors, or graduate degrees at the University of Hawaii and encourage more graduates to remain in the islands and work in the public sector.

Your Committee has amended this measure by:

- (1) Removing all references to working for a county so that the Hawaii public service loan forgiveness program only applies to students who work for the State for a specified number of years upon graduating from a degree program within the University of Hawaii System;
- (2) Inserting a blank appropriation for the Hawaii public service loan program within the University of Hawaii System for one full-time equivalent (1.0 FTE) program specialist position;
- (3) Inserting language to require that any balances remaining in the Hawaii public service loan program revolving fund at the conclusion of the fiscal year be available for the program in future years and shall not lapse to the general fund;
- (4) Inserting an effective date of May 12, 2059, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 348, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Higher Education,



KAIALI'I KAHELE, Chair



