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

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1 its part to close the State's projected educational attainment  
2 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 the study, Hawaii ranked  
9 third in the nation for overall college affordability and the  
10 University of Hawaii community colleges are the most affordable  
11 public two-year institutions in the nation.

12 The study 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 which would  
18 provide support for tuition assistance and living expenses based  
19 on individual students' financial needs. Since this study, with  
20 the support of the legislature, the University of Hawaii  
21 implemented the Hawaii community college promise program, which  
22 provides scholarships for the unmet direct cost needs of

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1 qualified students enrolled at any community college campus of  
2 the University of Hawaii. Awards are contingent upon funding  
3 and amounts are equal to the student's unmet direct cost need,  
4 based on the Free Application for Federal Student Aid  
5 calculation of need, less the amounts available to the student  
6 from Pell grants and other scholarships.

7 Despite financial aid through federal Pell Grants,  
8 University of Hawaii and private scholarships, the Post 9/11 GI  
9 Bill Yellow Ribbon Program for service members and veterans, and  
10 employers, cost is still a barrier for certain need-based  
11 students, especially for those who do not qualify for the Hawaii  
12 promise program because they are enrolled at one of the  
13 University of Hawaii's four-year campuses.

14 The purpose of this Act is to expand the Hawaii community  
15 college promise program to provide scholarships intended to be  
16 applied toward the unmet need of qualified undergraduate  
17 students enrolled at the University of Hawaii at Manoa,  
18 University of Hawaii at Hilo, and University of Hawaii-West  
19 Oahu, and to provide an appropriation to establish and implement  
20 the program.

21 SECTION 2. Section 304A-506, Hawaii Revised Statutes, is  
22 amended to read as follows:

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1           "~~[+]§304A-506[+]~~ Hawaii [~~community college~~] promise  
2 **program; established.** (a) Notwithstanding section 304A-501,  
3 there is established the Hawaii [~~community college~~] promise  
4 program to be administered by the board of regents. The program  
5 shall provide scholarships for the unmet [~~direct cost needs of~~]  
6 costs associated with enrollment at any University of Hawaii  
7 campus for qualified students [~~enrolled at any community college~~  
8 ~~campus of the University of Hawaii~~].

9           (b) A student enrolled at a University of Hawaii community  
10 college campus shall be eligible for scholarship consideration  
11 for a maximum of [~~eight semesters~~] 66 credits if the student:

- 12           (1) Qualifies for Hawaii resident tuition;
- 13           (2) Completes and submits the Free Application for Federal  
14 Student Aid for each academic year and accepts all  
15 federal and state aid, grants, scholarships, and other  
16 funding sources that do not require repayment;
- 17           (3) [~~Is enrolled~~] Maintains enrollment in a classified  
18 degree or certificate program with six or more credits  
19 per semester;
- 20           (4) Maintains satisfactory academic progress, as defined  
21 by federal requirements established pursuant to Title  
22 IV of the Higher Education Act of 1965, as amended,

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1 and determined by the campus at which the student is  
2 enrolled; and

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

5 (c) A student enrolled at a University of Hawaii four-year  
6 campus shall be eligible for scholarship consideration for a  
7 maximum of 132 credits if the student:

8 (1) Qualifies for Hawaii resident tuition;

9 (2) Completes and submits the Free Application for Federal  
10 Student Aid for each academic year and receives a  
11 federal Pell grant;

12 (3) Maintains enrollment in a baccalaureate degree  
13 program;

14 (4) Maintains satisfactory academic progress, as defined  
15 by federal requirements established pursuant to Title  
16 IV of the Higher Education Act of 1965, as amended,  
17 and determined by the campus at which the student is  
18 enrolled; and

19 (5) Has been determined by the campus to have tuition and  
20 fees unmet needs.

21 (d) A student who transfers from a University of Hawaii  
22 community college campus to a University of Hawaii four-year

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1 campus to pursue a baccalaureate degree may be eligible for  
2 scholarship consideration for a maximum of 132 credits less the  
3 number of credits for which they received a Hawaii promise  
4 scholarship at the community college campus if the student meets  
5 the qualifications specified in subsection (c).

6       ~~[(e)]~~ (e) Scholarships shall be awarded to the extent  
7 possible based on available funds and on a greatest need basis.

8 ~~[An award granted to a student enrolled at a community college~~  
9 ~~shall be equal to the student's unmet direct cost need, based on~~  
10 ~~the Free Application for Federal Student Aid calculation of~~  
11 ~~need, less the amounts available to the student from Pell grants~~  
12 ~~and other scholarships.~~

13       ~~(d) To maintain a scholarship under this section, a~~  
14 ~~student shall meet the requirements of subsection (b).~~

15       ~~(e) As used in this section, "direct cost" means any cost~~  
16 ~~directly related to a student's education, including tuition;~~  
17 ~~educational fees; and the costs of books, supplies, and~~  
18 ~~transportation between the student's dwelling and the student's~~  
19 ~~campus.]~~

20       (f) The University of Hawaii shall establish policies and  
21 procedures to effectuate this section."

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1 SECTION 3. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so  
3 much thereof as may be necessary for fiscal year 2021-2022 for  
4 the purposes of this Act.

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

7 SECTION 4. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 5. This Act, upon its approval, shall take effect  
10 on July 1, 2020.

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INTRODUCED BY: \_\_\_\_\_

*Sam*

BY REQUEST

JAN 21 2020

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**Report Title:**

UH; Scholarships

**Description:**

Provides scholarships for the unmet financial needs of qualified students at any University of Hawaii campus who meet certain criteria.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*



JUSTIFICATION SHEET

DEPARTMENT: University of Hawaii

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

PURPOSE: To expand the Hawaii Promise program to provide scholarships for qualified students enrolled at any University of Hawaii (UH) campus and to provide an appropriation to implement the program.

MEANS: Amend section 304A-506, Hawaii Revised Statutes, and make an appropriation for fiscal year 2020-2021.

JUSTIFICATION: The University of Hawaii plays 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 associated with enrollment at a University of Hawaii campus is not feasible. The Hawaii Promise Program will provide scholarship funding for qualified undergraduate students enrolled at the University of Hawaii at Manoa, University of Hawaii at Hilo, and the University of Hawaii-West Oahu who meet certain eligibility criteria.

The general fund appropriation included in this measure has been proposed with consideration of the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. The total proposed

appropriations from the General Fund (which include the Executive Supplemental Budget for FB 2019-2021 and Administration Proposal BUF-08(20), appropriation for bargaining unit 13 collective bargaining increases to be submitted) exceed the appropriation ceiling by \$24,761,740 (or 0.3%) in fiscal year 2021. Funding requested in this measure to provide scholarship funding for qualified undergraduate students enrolled at the University of Hawaii at Manoa, University of Hawaii at Hilo, and the University of Hawaii-West Oahu who meet certain eligibility criteria will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2020-2021 by an additional \$ or X.X percent. [NOTE: The percent is calculated by dividing the \$ amount of general fund appropriations in this measure by \$8,489,002,457 which is the amount of the Executive Branch appropriation ceiling for FY 2020-2021.] This current declaration takes into account additional general fund appropriations authorized for fiscal year 2020-2021 in the Executive Supplemental Budget, administration proposal BUF-08(20), and this measure only, and does not include other general fund appropriations for fiscal year 2020-2021 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2020.

Impact on the public: Students at the University of Hawaii campuses would have the ability, if eligible and subject to availability of funds, 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: \$ for FY 2020-2021.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION:

UOH-900.

OTHER AFFECTED  
AGENCIES:

Budget and Finance.

EFFECTIVE DATE:

July 1, 2020.