

S.B. NO. 1282

JAN 24 2019

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 are not fully able to alleviate
16 costs for these families; and that the State provided minimal
17 need-based aid to students attending public institutions. Since
18 this report, the University of Hawaii implemented the Hawaii
19 promise program, which is a need-based award intended to be
20 applied toward the unmet need of qualified students enrolled at
21 any community college campus of the University of Hawaii.
22 Awards are contingent upon funding and amounts are determined by

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1 the individual students' Free Application for Federal Student
2 Aid information.

3 Even though financial aid through federal Pell Grants,
4 University of Hawaii and private scholarships, the GI Bill for
5 service members and veterans, and employers covers much of the
6 cost for need-based students, cost is still a barrier for
7 certain need-based students, especially for those who do not
8 qualify for the Hawaii promise program because they are enrolled
9 at one of the University of Hawaii's four-year campuses.

10 The purpose of this Act is to expand the Hawaii promise
11 program to provide scholarships for the unmet need of qualified
12 undergraduate students enrolled at the University of Hawaii at
13 Manoa, University of Hawaii at Hilo, and University of Hawaii-
14 West Oahu, and to provide an appropriation to establish and
15 implement the program.

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

18 "**§304A-506 Hawaii [~~community college~~] promise program;**
19 **established.** (a) Notwithstanding section 304A-501, there is
20 established the Hawaii [~~community college~~] promise program to be
21 administered by the board of regents. The program shall provide
22 scholarships for the unmet direct cost needs of qualified

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1 students enrolled at any [~~community college~~] campus of the
2 University of Hawaii.

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

6 (1) Qualifies for Hawaii resident tuition;

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

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

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

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

20 (c) A student enrolled in an undergraduate program at a
21 University of Hawaii campus, other than a community college

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1 campus, shall be eligible for scholarship consideration for a
2 maximum of eight semesters if the student:

- 3 (1) Qualifies for Hawaii resident tuition;
4 (2) Completes and submits the Free Application for Federal
5 Student Aid for each academic year and accepts all
6 federal and state aid, grants, scholarships, and other
7 funding sources that do not require repayment;
8 (3) Is enrolled in a classified degree or certificate
9 program with twelve or more credits per semester;
10 (4) Maintains satisfactory academic progress, as defined
11 by federal requirements established pursuant to Title
12 IV of the Higher Education Act of 1965, as amended,
13 and determined by the campus where the student is
14 enrolled; and
15 (5) Has been determined by the campus to have unmet direct
16 cost needs.

17 ~~(e)~~ (d) Scholarships shall be awarded to the extent
18 possible based on available funds and on a greatest need basis.
19 An award granted to a student shall be equal to the student's
20 unmet direct cost need, based on the Free Application for
21 Federal Student Aid calculation of need, less the amounts

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1 available to the student from Pell grants and other
2 scholarships.

3 ~~[(d)]~~ (e) To maintain a scholarship under this section, a
4 student enrolled at a community college shall meet the
5 requirements of subsection (b) (4) ~~[-]~~ and a student enrolled in
6 an undergraduate program at a University of Hawaii campus, other
7 than a community college campus, shall meet the requirements of
8 subsection (c) (4).

9 ~~[(e)]~~ (f) As used in this section, "direct cost" means any
10 cost directly related to a student's education, including
11 tuition; educational fees; and the costs of books, supplies, and
12 transportation between the student's dwelling and the student's
13 campus."

14 SECTION 3. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$_____ or so
16 much thereof as may be necessary for fiscal year 2019-2020 and
17 the same sum or so much thereof as may be necessary for fiscal
18 year 2020-2021 to the board of regents of the University of
19 Hawaii for the establishment and implementation of the Hawaii
20 promise program, including the provision of the scholarship.

21 The sums appropriated shall be expended by the University
22 of Hawaii system for the purposes of this Act.

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1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act, upon its approval, shall take effect
4 on July 1, 2019.

5

6

INTRODUCED BY:



7

BY REQUEST

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Report Title:

UH; Scholarships

Description:

Provides scholarships for the unmet need of qualified students at any four-year UH 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: Provides scholarships for the unmet need of qualified students at the University of Hawaii at Manoa, University of Hawaii at Hilo, and University of Hawaii-West Oahu, who meet certain criteria.

MEANS: Amend section 304A-506, Hawaii Revised Statutes, and make appropriations for fiscal years 2019-2020 and 2020-2021.

JUSTIFICATION: The purpose of this Act is to expand the Hawaii Promise program to provide scholarships for the unmet need of qualified students enrolled at any four-year University of Hawaii (UH) campus 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 at the four-year UH campuses 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 campus "tuition free". Because all pre-existing aid dollars

would pay down tuition first, a sizable share of the UH students would have little or no outstanding tuition costs.

Impact on the public: Students at the University of Hawaii 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: \$ for FY 2019-2020
 \$ for FY 2020-2021

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: UOH-100, UOH-210, UOH-700, UOH-900.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: July 1, 2019.