



UNIVERSITY
of HAWAII®

Ke Kulanui o Hawai'i

David Lassner
President

DEPT. COMM. NO. 162

December 21, 2023

The Honorable Ronald D. Kouchi, The Honorable Scott Saiki, Speaker
President and Members of the Senate and Members of the House of Representatives
Thirty-Second State Legislature Thirty-Second State Legislature
Honolulu, Hawai'i 96813 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, the University of Hawai'i is transmitting one copy of the Annual Report on the Hawai'i Promise Scholarship Program, FY 2022 (Section 304A-2102, Hawai'i Revised Statutes and Act 61, Session Laws of Hawai'i 2019) as requested by the Legislature.

In accordance with Section 93-16, Hawai'i Revised Statutes, this report may be viewed electronically at: <https://www.hawaii.edu/offices/government-relations/2024-legislative-reports/>.

Should you have any questions about this report, please do not hesitate to contact Stephanie Kim at (808) 956-4250, or via e-mail at scskim@hawaii.edu.

Sincerely,

A handwritten signature in black ink that reads 'David Lassner'.

David Lassner
President

Enclosure

2444 Dole Street, Bachman Hall
Honolulu, Hawai'i 96822
Telephone: (808) 956-8207
Fax: (808) 956-5286

An Equal Opportunity/Affirmative Action Institution

UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2024 LEGISLATURE

Annual Report on the Hawai'i Promise Scholarship Program
FY 2023

HRS 304A-2102
and
Act 61, SLH 2019

December 2023

**Annual Report to the 2023 Hawai'i Legislature on
The Hawai'i Promise Scholarship Program, FY 2023
HRS 304A-2102 and Act 61, SLH 2019**

"We are a family of 5 with one income. Everyone knows that Hawaii is one of the most expensive states to live in. The Hawaii Promise Scholarship helped cover all my expenses for my AST degree. Thank you so much for helping mama's like me who put college on hold to raise their family, go back and get a degree. God bless you folks!" (quote from student, December 2023 survey)

Background

Hawai'i Promise is a state-funded scholarship program that ensures that residents with unmet financial needs can still access a college education at the University of Hawai'i Community Colleges. For eligible Hawai'i residents, Hawai'i Promise provides the "last dollar" to cover direct education costs (e.g., tuition, fees, books) that are not met by other forms of financial aid such as federal grants and scholarships from private foundations or other sources.

In 2017, the legislature appropriated \$1.8 million for the creation of the Hawai'i Promise Program for qualified students attending a community college via Act 49, Session Laws of Hawai'i (SLH) 2017 (supplemental budget bill). In 2018, Governor David Ige signed Act 14, which provided \$700,000 for fiscal year 2018-2019 to provide additional financial assistance for unmet direct educational costs to qualified students enrolled at any community college campus of the University of Hawai'i. Act 14 was later codified as section 304A-2102, Hawai'i Revised Statutes, which included a reporting requirement that would include the number of scholarships provided under the Hawai'i Community College Promise Program during the preceding year.

In 2019, Act 61, SLH 2019 was signed into law which appropriated an additional \$700,000 for fiscal years 2019-2020 and 2020-2021. In 2021-2022, UH administered the legislative appropriated \$1.8 million funds for the Hawai'i Promise Program and UHCC campuses contributed another \$3 million of campus funds to expand Hawai'i Promise (for a total of \$4.8 million funds administered). In 2022-2023, UH awarded \$3.8 million of Hawai'i Promise funds appropriated by the legislature.

Students are considered for the Hawai'i Promise when they submit their Free Application for Federal Student Aid (FAFSA), and they do not need to apply for the program separately. Eligible students must be qualified for Hawai'i resident tuition and be enrolled in at least six credits per term in a UHCC degree program. Hawai'i Promise scholarships are awarded as part of a student's financial package issued by their college.

Fiscal Year Expenditures

For the 2022-2023 fiscal year, the University awarded and disbursed \$3,799,695 to assist 1,774 students from all 7 UH Community Colleges who were eligible for the scholarship. The average amount awarded to each student was \$2,142 (Table 1).

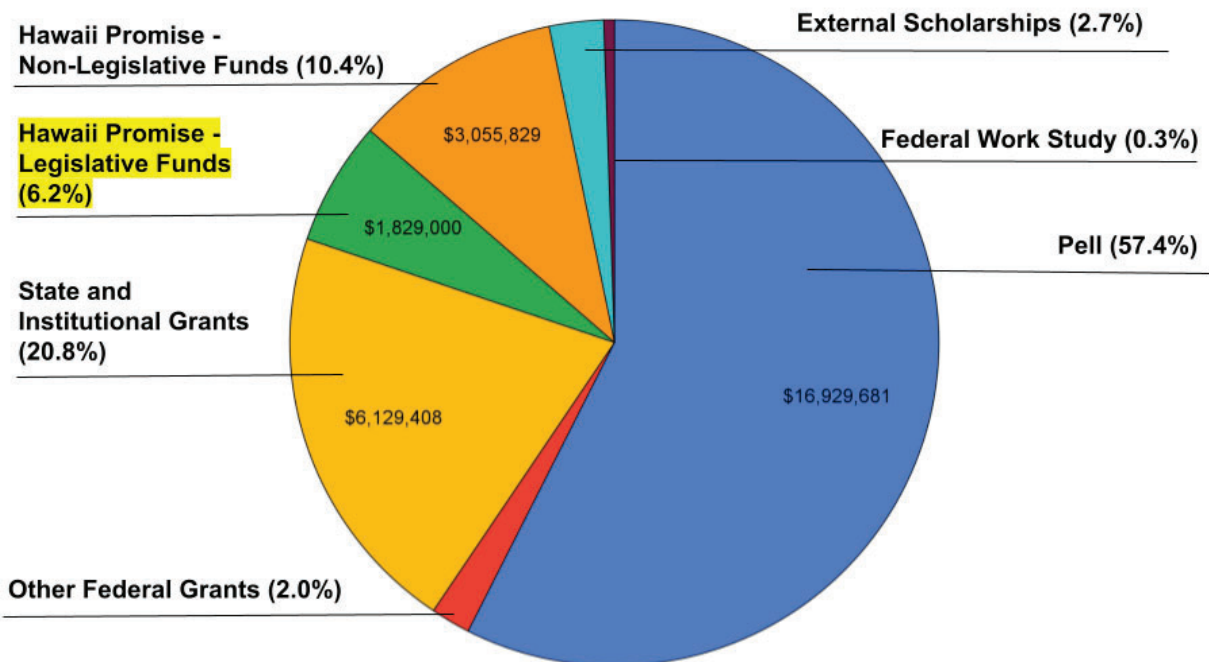
Table 1. Hawai'i Promise Scholarships, 2022-23*

Campus	# of Recipients	Avg Award (\$)	Total Awarded (\$)
Hawai'i CC	180	\$2,011	\$361,993
Honolulu CC	218	\$2,225	\$485,102
Kapi'olani CC	445	\$2,181	\$970,651
Kaua'i CC	101	\$1,904	\$192,262
Leeward CC	485	\$2,036	\$987,579
Maui College	235	\$2,507	\$589,157
Windward CC	110	\$1,936	\$212,951
UHCC Total	1,774	\$2,142	\$3,799,695

* Awards as of 11/28/23.

Addressing Unmet Need with Multiple Sources

Figure 01. Breakdown of Aid Amount Awarded to UHCC Students, AY 2021-22

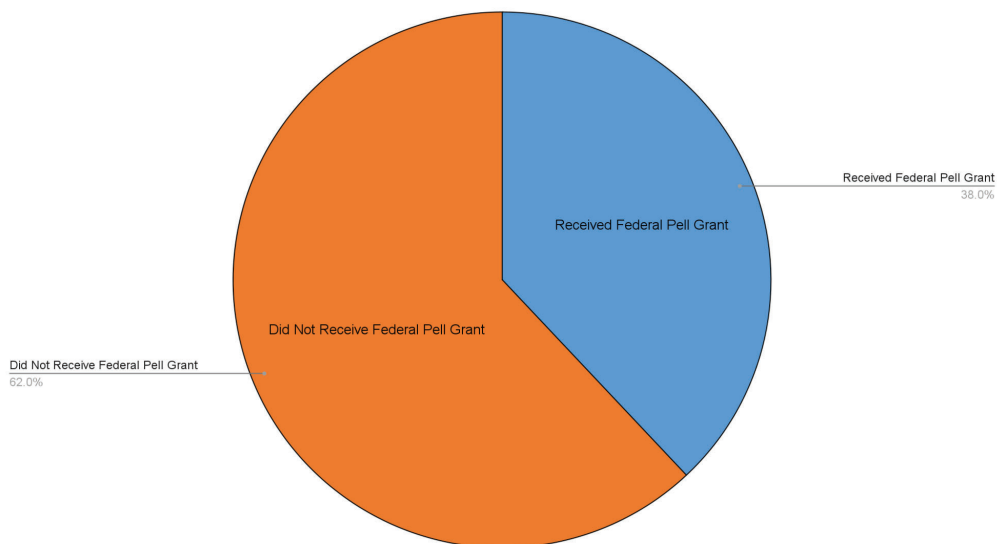


In 2021-22, Hawai'i Promise (HP) funds allocated from the Hawai'i State legislature accounted for 6.2% of all financial aid awarded to UHCC students. As a last dollar program, the HP program addresses the gap in any direct costs not covered by other sources of financial aid including federal Pell grants, need-based state and institutional opportunity grants (B Plus, Second Century scholarship, Native Hawaiian Tuition exemption), UH Foundation scholarships, and merit-based institutional achievement scholarships. In AY 2021-22, UHCC administered over \$29 million in financial aid to UHCC students (Figure 01). Unmet need is based on the federally recognized cost of attendance (~\$24,000 for full-time student) less the Estimated Family Contribution (EFC). EFC is calculated according to a formula established by federal law and considers applicants family's taxed and untaxed income, assets, and benefits (such as unemployment or Social Security).

Hawai'i Promise Scholarship Recipients

Average family income of Hawai'i Promise scholarship recipients was \$65,350 (Adjusted Gross Income), well below the state's median household income of \$83,102 (Census, 2020) and Aloha United Way's "ALICE" threshold of \$76,632 for a family of four with school age children (AUW, 2018).

Figure 02. Breakdown of HP Recipients with/without Federal Pell Grant, AY 2022-23



In addition, the average EFC of an HP recipient was \$7,802. Thirty-eight percent (38%) of HP scholarship awardees were also Federal Pell Grant recipients, the federal program designed to assist college students from low-income households. Sixty-two percent (62%) of recipients did not receive federal Pell grants, indicating that Hawai'i Promise supported many students in a "gap" group who had financial need but did not qualify for a Pell grant (Figure 02).



Figure 03. 60% of HP recipients belong to underrepresented communities in the UHCC campuses.

Sixty percent (60%) Hawai'i Promise scholarships were awarded to students who identified as underrepresented at UH: Native Hawaiians, Filipinos, Pacific Islanders, American Indian or Alaskan Native, African American or Black, and Hispanic (Figure 03). These underrepresented ethnicity groups comprised 54% of overall UHCC enrollment in 2022-23, so these groups received a higher share of Hawai'i Promise scholarships awards.

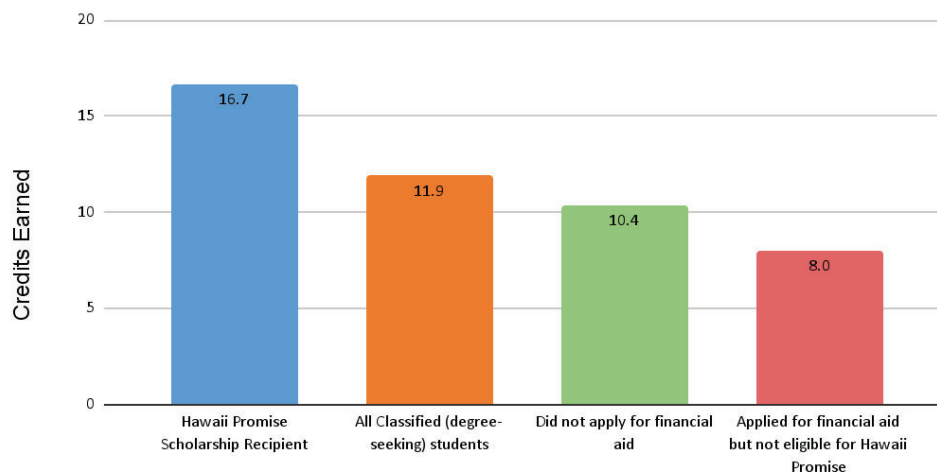
Hawai'i Promise Scholarship Impact

Results from Hawai'i Promise continue to be extremely positive.

- More credits earned:** In 2022-23, Hawai'i Promise recipients attempted and earned more credits than non-Hawai'i Promise awardees. More credits earned has academic and financial benefits to the student including reducing time to degree and increased likelihood of persistence and degree completion. This comparison held true relative to all degree seeking students, those who applied for financial aid but did not receive Hawai'i Promise, and those who did not apply for aid.

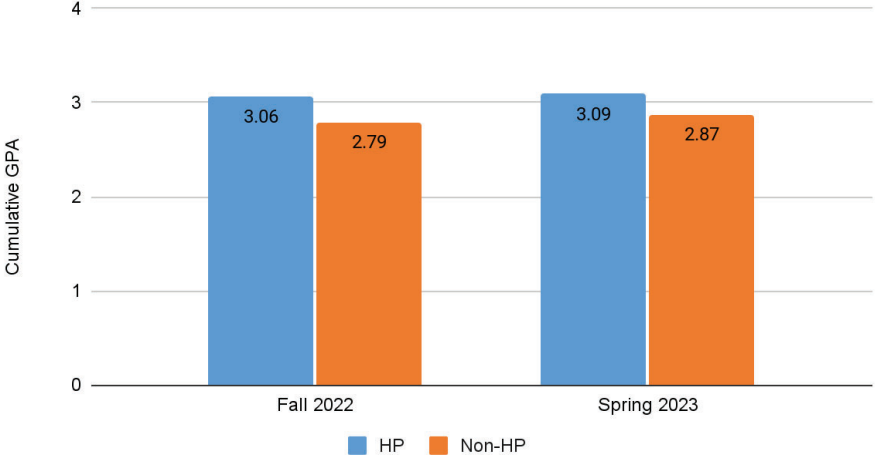
On average, during the 2022-23 academic year, Hawai'i Promise recipients earned 4 or more credits than students classified in these other categories (Figure 04).

Figure 04. Average Credits Earned, AY 2022-23



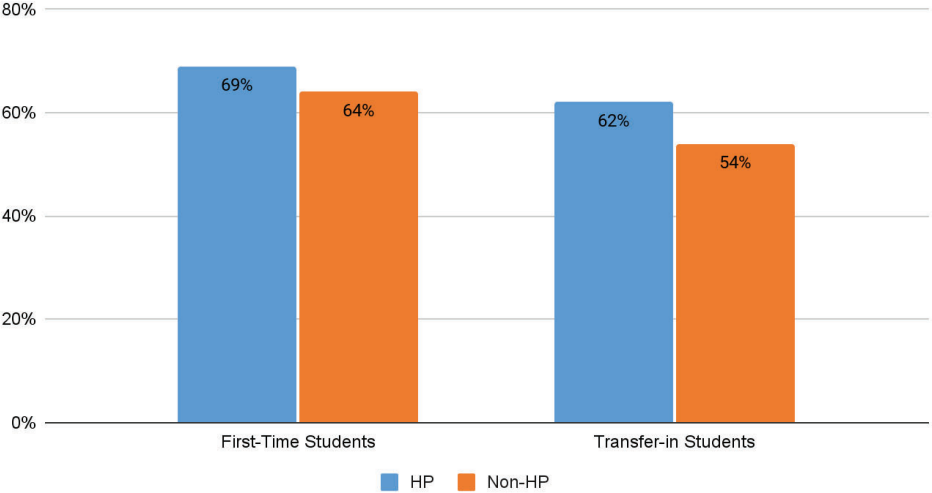
- **Better grades:** Hawai'i Promise recipients had higher passing rates than their peers, and they earned higher grades than their peers. In each term since Hawai'i Promise began, scholarship recipients have earned a 3.0 Grade Point Average (GPA) or better (Figure 05).

Figure 05. Average Cumulative GPA, AY 2022-23



- **Higher persistence rates for full-time students:** Hawai'i Promise recipients were more likely to continue to be enrolled in UH as peers who did not receive Hawai'i Promise scholarships. Sixty nine (69%) of new Hawai'i Promise scholarship recipients who enrolled full-time in Fall 2022 continued to be enrolled in Fall 2023, at a rate of five percentage points higher than non-Hawai'i Promise students. One-year persistence rates were higher for full-time transfer students as well, 62% compared to 54%, for Hawai'i Promise recipients vs. non-Hawai'i Promise recipients (Figure 06).

Figure 06. One Year Persistence Rates of Fall 2022 Students



Students who received Hawai'i Promise scholarships in prior years continue to be enrolled, meet transfer goals, and earn degrees and certificates at comparable or greater rates to peers. For example, among students who received scholarships as new students in Fall 2020, 40% of Promise students successfully transferred to another institution and/or graduated, which is two percent higher than their peers (Figure 07).



Figure 07. From Fall 2020, so far 40% of HP recipients have graduated or transferred to another institution.

- **Higher persistence and completion rates for part-time students:** For part-time students, Hawai'i Promise scholarship recipients returned at **higher rates** than their peers: **63% vs. 49%**. Part-time Hawai'i Promise scholarship recipients graduate or continue to be enrolled at higher rates than their peers, which has been the case for all part-time student cohorts for the past six years.

Additional Information Requested

Act 61 (2019) requested additional information about how many students would have enrolled without the benefit of the program, how many scholarship recipients are unable to complete their program despite receiving a scholarship, and the likelihood that receiving a scholarship increased students' degree completion. Hawai'i Promise recipients provided feedback in December 2023 that addressed the impact of the Scholarship on their ability to enroll, persist, and complete their college goals.

“Being an older student and starting the path to my dream endeavor, was ONLY made possible by the Hawai'i Promise Scholarship. Had I known I could have qualified or have this kind of financial support toward my dream, I most certainly would have entered college sooner. I can now say that I'm a college student even at my age. I am so very thankful and blessed to have received such a gift of support! I was even selected to participate in the college's first European Culinary Education trip. This would never have been possible without first having the financial support and opportunity to be in the Culinary program to begin with. I'm in my second year now and I have had so many tremendous experiences and I am a 2nd year culinary student council member. I have been able to talk about and hopefully inspire high school students to enter the culinary program. Again,

all possible through scholarships like Hawai'i Promise Scholarship. It allows me to give back to and serve others."

"This scholarship is allowing me to pursue my teaching license so that I can join the dedicated ranks of teachers actively trying to make a difference in the life of Hawaii's youths. Our Keiki need teachers who are striving to help them make the most out of their educational careers and I hope to be one of them. I already work at one of the public elementary schools and do not make enough to afford my living expenses and pay for my education, so scholarships like this one are very instrumental in helping me pursue my dreams. Thank you so much for your faith in me and for this honor! I will not let you down!"

"This scholarship has been helping continue my education goals without the burden of student loans. I've recently had a baby and lost my hometown due to wildfires, but not having to worry about paying for school has been uplifting."

"For a single parent who has put a halt in pursuing my college education because I needed to prioritize providing for my family and due to lack of financial resources. Hawai'i Promise Scholarship made my long time dream come true by helping me pursue my first college degree. No more excuses for me to use to earn a college degree than can even help me secure a better job opportunity for a brighter future for me and my family. Now that I am a current student, I was able to inspire and motivate my daughter to continue her college education and my son who is in high school to plan for college education as well. Thank you Hawai'i Promise Scholarship! I could not have gone back to school without your assistance."

"The Hawai'i Promise Scholarship program provided more for me than I could've ever imagined. It made it possible for me to complete courses in my program within two years, and successfully transfer to UH Mānoa. When I made the decision to go back to college in 2021, I was not expecting any financial aid to be available for me. Thanks to the program (and other aid), I barely had to pay anything out-of-pocket to cover costs like tuition/fees, software used for different courses, school supplies, etc. As a non-traditional student, making the decision to go back to school while working a full-time job to provide for myself was (and continues to be) a challenge. The scholarship lightened the financial burden, and if it wasn't for this program, I wouldn't have been able to stick with school. I am so grateful!!"

"Aloha, to whom it may concern, the Hawai'i Promise Scholarship has guaranteed me the opportunity to continue pursuing my education within my home. It has given me access to more classes, allowing me to finish my degree at a faster pace. It has allowed me to still be able to afford rent, and help my parents with expenses while living under their roof. It is a huge blessing to myself as I can prioritize my education without having to sacrifice time to work more. I

thank everyone who was a part of the process in granting me this scholarship, and look forward to pursuing my education underneath it. Mahalo!"

"This scholarship has helped me in so many ways. I typically take minimal classes so that I can afford the tuition. I need to work so that I can continue going to school and also living expenses. I am currently in the nursing program at UHMC to get my RN license and working as an LPN at Hale Makua. I don't have the option to reduce my classes according to affordability. The scholarship has helped me pay for my tuition, but it has helped me reduce my stress and hours at work. Being able to pay my tuition was a big relief because it's one less thing for me to stress about. Being able to reduce my hours of work allows for more time to study. I greatly appreciate the Hawai'i Promise Scholarships!"

(1) How many scholarship recipients would have enrolled in the university of Hawaii community college system without the benefit of the program;

A survey to gather student feedback on Hawaii Promise was emailed to all 1,640 students that received Hawai'i Promise in academic year 2022-2023. The survey was administered in December 2023 and 88 survey responses were received. The student sample of 88 Hawai'i Promise Scholarship recipients (5.4% response rate) provides a picture of HP Scholarship students as a whole and is acceptable for educational purposes with a 95% confidence interval and a 10% margin of error.

The large majority of survey respondents reported that the Hawai'i Promise scholarship provided positive benefit and impact to their ability to afford, decision to enroll, and likelihood to persist in the University of Hawai'i Community College System.

- **93% of respondents** Strongly Agreed or Agreed that the Hawai'i Promise scholarship helped me decide that college was affordable this year;
- **84% of respondents** Strongly Agreed or Agreed that the Hawai'i Promise scholarship helped me to make the decision to enroll in college this year;
- **84% of respondents** Strongly Agreed or Agreed that returning to college next semester depends on continuation of my financial aid including Hawai'i Promise scholarship.

Conversely, only **2% of respondents** Disagreed or Strongly Disagreed that the Hawai'i Promise scholarship helped to decide that college was affordable this year and **6% of respondents** Disagreed or Strongly Disagreed that returning to college next semester depended on continuation of their financial aid including Hawai'i Promise scholarship.

Based on this sampling, it can be projected that 49 students (3% of AY 2022-2023 Hawai'i Promise recipients) would have enrolled in the University of Hawai'i Community College system without the benefit of the program. It is projected that 1,378 students (84% of AY 2022-2023 Hawai'i Promise recipients) enrolled within the University of Hawai'i community college system because of the benefits of the Hawai'i Promise program.

While Hawai'i Promise scholarships are applied only to direct educational expenses (such as tuition), all respondents indicated that the Hawai'i Promise scholarship enabled them to benefit in many ways to support their educational success.

The Hawai'i Promise Scholarship allowed me to:	Percent of Sample
<i>Purchase books or supplies that I could not afford</i>	73%
<i>Support my living expenses and basic needs, such as food or housing</i>	65%
<i>Take more classes/credits</i>	65%
<i>Reduce the amount of student loans I borrowed</i>	55%
<i>Reduce the amount of my work hours</i>	34%

(2) How many scholarship recipients begin a degree program but are unable to complete the program, despite receiving the benefit of a Hawai'i community college promise program scholarship;

In November 2023, an analysis was conducted to assess the outcomes of all Hawai'i Promise recipients since program inception (Fall 2017 - Fall 2023). A total of 8,643 unique recipients were assessed.

71% Success Rate (Degree Completion, Transfer, and/or Persistence)

- 3,210 students completed a UH certificate or degree;
- 311 students successfully transferred from UHCCs to UH four year institutions;
- 467 students transferred to a non-UH college;
- 2,142 students are still pursuing a UH degree program.

29% Stop-out Rate

- 2,513 students have some college experience but did not successfully transfer to a UH four-year, complete a degree, or persist with their education. It is possible that many of these students successfully transferred to a non-UH four-year institution, but the finalized transfer data was not available at the time of this report.
- It is noted that the 29% Hawai'i Promise stop-out rate compares favorably to the 45% national measure for not enrolled, no degree status within 6 years for students that begin at a public, 2-year institution according to the National Center for Education Statistics.

(3) The degree to which receipt of a Hawai'i community college promise program scholarship directly increases the likelihood that a recipient completes a degree program.

Hawai'i Promise recipients have higher “success rates” as measured by graduation at a community college, transfer to a baccalaureate program, and continued enrollment. Overall success rates for first-time, full-time students were 42% for Hawai'i Promise recipients compared with 39% for non-Hawai'i Promise recipients. Hawai'i Promise recipients showed higher 150% graduation rates in all four years than their counterparts (30% vs. 26%). The 150% transfer rate has switched between the Promise recipients having the higher rates and the non-recipients having the higher rates from Fall 2017 to Fall 2020 (Figure 08).

Figure 08. Combined Success Rates of Students from Fall 2017-20

