

ACT 14

H.B. NO. 2501

A Bill for an Act Relating to the University of Hawaii Community College Promise Program.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. An educated labor force and engaged citizenry are essential in today's global, knowledge-based economy. Across the nation, states have set ambitious goals to boost college completion rates. The University of Hawaii's graduation initiative is a systemwide strategic initiative, endorsed by the University of Hawaii board of regents, with a goal to increase the educational capital of the State by increasing participation in, and completion of, college by students, particularly Native Hawaiians, low-income students, and those from underserved regions and populations, and preparing them for success in the workforce and their communities.

Moneys allocated for the University of Hawaii's community college promise program in the state budget in 2017 helped provide scholarship opportunities to one thousand community college students. This success demonstrates that the permanent establishment of the program is warranted at the community college level.

The State's 55 by '25 campaign goal focuses on increasing the percentage of working-age adults with two- or four-year degrees to fifty-five per cent by 2025. According to the most recent data available, forty-four per cent of Hawaii's working age adults have a postsecondary degree. As the State's sole system of public higher education, the University of Hawaii is committed to doing its part to close the State's projected educational attainment gap.

In April 2016, the Institute for Research on Higher Education at the University of Pennsylvania Graduate School of Education issued a study that analyzed college costs in relation to family income level. The study revealed how the cost of higher education has changed from expensive to unaffordable for most low- and middle-income families. According to the study, Hawaii ranked third in the nation for overall college affordability. The study also noted that the University of Hawaii community colleges are the most affordable public two-year institutions in the nation.

However, the study acknowledged that despite Hawaii's overall high affordability ranking, attending college was a large expense for families earning less than \$30,000 annually; that Hawaii's financial aid policies did little to alleviate costs for these families; and that the State provided minimal need-based aid to students attending public institutions.

University of Hawaii policy requires that a minimum percentage of tuition revenue be set aside for need-based scholarships, including 8.8 per cent at the community colleges. The University of Hawaii provided \$6,300,000 in tuition-funded financial aid at the community colleges during the 2014-2015 school year. Despite financial aid from sources such as Pell grants, University of Hawaii and private scholarships, the GI Bill for service members and veterans, and employers, cost still poses a barrier for certain students with financial need.

The purpose of this Act is to address a statewide concern by codifying the Hawaii community college promise program to provide scholarships for the unmet direct cost needs of qualified students enrolled at any University of Hawaii community college campus and by appropriating funds to establish and implement the program.

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

“§304A-A Hawaii community college promise program; established. (a) Notwithstanding section 304A-501, there is established the Hawaii community college promise program to be administered by the board of regents. The program shall provide scholarships for the unmet direct cost needs of qualified students enrolled at any community college campus of the University of Hawaii.

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

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

(c) Scholarships shall be awarded to the extent possible based on available funds and on a greatest need basis. An award granted to a student shall be equal to the student’s unmet direct cost need, based on the Free Application for Federal Student Aid calculation of need, less the amounts available to the student from Pell grants and other scholarships.

(d) To maintain a scholarship under this section, a student shall meet the requirements of subsection (b)(4).

(e) As used in this section, “direct cost” means any cost directly related to a student’s education, including tuition; educational fees; and the costs of books, supplies, and transportation between the student’s dwelling and the student’s campus.”

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

“§304A-B Hawaii community college promise program subaccount. (a) There is established the Hawaii community college promise program subaccount

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within the University of Hawaii general fund. Moneys in the subaccount shall be used to provide financial assistance to qualified students through Hawaii community college promise program scholarships under section 304A-A.

(b) The University of Hawaii shall submit a report to the legislature no later than twenty days prior to the convening of each regular session regarding the subaccount. The report shall include but not be limited to the number of scholarships provided under the Hawaii community college promise program during the preceding year.

(c) This subaccount is not intended to provide loans or keep track of payback provisions.”

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$700,000 or so much thereof as may be necessary for fiscal year 2018-2019 to be deposited into the Hawaii community college promise program subaccount.

SECTION 5. There is appropriated out of the Hawaii community college promise program subaccount the sum of \$700,000 or so much thereof as may be necessary for fiscal year 2018-2019 to establish and implement the Hawaii community college promise program, including the provision of the program’s scholarships, at the community college campuses of the University of Hawaii.

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

SECTION 6. In codifying the new sections added by sections 2 and 3 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 7. New statutory material is underscored.¹

SECTION 8. This Act shall take effect on July 1, 2018.

(Approved June 1, 2018.)

Note

1. Edited pursuant to HRS §23G-16.5.