

JAN 20 2017

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

13 Furthermore, Hawaii's own 55 by '25 campaign goal focuses
14 on increasing the percentage of working-age adults with two- or
15 four-year degrees to fifty-five per cent by 2025. According to
16 the most recent data available, forty-four per cent of Hawaii's
17 working-age adults have a postsecondary degree. As the State's



1 sole public higher education system, the University of Hawaii is
2 committed to doing its part to close the State's projected
3 educational attainment gap.

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

13 The report further acknowledged that despite Hawaii's
14 overall high affordability ranking, attending college was a big
15 expense for families earning less than \$30,000 annually; that
16 Hawaii's financial aid policies did little to alleviate costs
17 for these families; and that the State provided minimal need-
18 based aid to students attending public institutions.

19 Although the State does not budget for scholarships,
20 University of Hawaii policy requires that a minimum percentage
21 of tuition revenue be set aside for need-based scholarships,



1 including 8.8 per cent at the community colleges. The
2 University of Hawaii provided \$46,700,000 in tuition-funded
3 financial aid during 2014-2015, including \$6,300,000 at the
4 community colleges. Even though financial aid through Pell
5 grants, University of Hawaii and private scholarships, the GI
6 Bill for service members and veterans, and employers cover much
7 of the cost for need-based students, cost is still a barrier for
8 certain need-based students.

9 The purpose of this Act is to establish the Hawaii promise
10 program to provide scholarships for the unmet direct cost needs
11 of qualified students enrolled at any University of Hawaii
12 community college and to appropriate funds to establish and
13 implement the program.

14 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
15 amended by adding a new section to part IV, subpart A,
16 subdivision 1 to be appropriately designated and to read as
17 follows:

18 "§304A- Hawaii promise program; established. (a)
19 Notwithstanding section 304A-502, there is established the
20 Hawaii promise program to be administered by the board of
21 regents. The program shall provide scholarships for the unmet



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1 direct cost needs of qualified students enrolled at a community
2 college campus of the University of Hawaii.

3 (b) A student enrolled at a University of Hawaii community
4 college campus is eligible for scholarship consideration if the
5 student meets the following requirements:

6 (1) Qualifies for Hawaii resident tuition;

7 (2) Completes and submits the FAFSA for each academic
8 year, and accepts all federal and state aid, grants,
9 scholarships, and other funding sources that do not
10 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 the federal Title IV requirements and determined by
15 the campus where the student is enrolled; and

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

18 (c) Scholarships shall be awarded:

19 (1) On a first-come, first-served basis;

20 (2) In an amount equal to the student's unmet direct cost
21 need based on the FAFSA calculation of need minus what



1 is available from Pell grants and other scholarships;

2 and

3 (3) To the extent funds are available to support the

4 scholarship award.

5 (d) As used in this section:

6 "Direct cost" includes tuition, fees, books, supplies, and

7 transportation.

8 "FAFSA" means the Free Application for Federal Student

9 Aid."

10 SECTION 3. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$2,500,000 or so much
12 thereof as may be necessary for fiscal year 2017-2018 and the
13 same sum or so much thereof as may be necessary for fiscal year
14 2018-2019 to establish and implement the Hawaii promise program,
15 including the provision of the program's scholarships.

16 The sums appropriated shall be expended by the University
17 of Hawaii for the purposes of this Act.

18 SECTION 4. New statutory material is underscored.

19 SECTION 5. This Act shall take effect on July 1, 2017.

20

INTRODUCED BY:

 (BR)



S.B. NO. 135

Report Title:

University of Hawaii Promise Program; Community Colleges;
Scholarships

Description:

Establishes the University of Hawaii Promise Program to provide scholarships for the unmet direct cost needs of qualified students enrolled at a University of Hawaii Community College. Appropriates funds to establish and implement the program.

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