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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 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 graduation initiative is a systemwide  
6 strategic initiative endorsed by the University of Hawaii board  
7 of regents with a goal to increase the educational capital of  
8 the State by increasing participation in, and completion of,  
9 college by students, particularly native Hawaiians, low-income  
10 students, and those from underserved regions and populations,  
11 and preparing them for success in the workforce and their  
12 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 covers 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 campus, including community college campuses, and to appropriate  
13 funds to establish and implement the program.

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

17 "§304A-A Hawaii promise program; established. (a)  
18 Notwithstanding section 304A-502, there is established the  
19 Hawaii promise program to be administered by the board of  
20 regents. The program shall provide scholarships for the unmet



1 direct cost needs of qualified students enrolled at any campus  
2 of the 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 where 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 at a University of Hawaii campus,  
21 other than a community college campus, shall be eligible for



1 scholarship consideration for a maximum of eight semesters if  
2 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 fifteen 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 (d) Scholarships shall be awarded to the extent possible  
18 based on available funds and on a first-come, first-served  
19 basis. An award granted to a student shall be equal to the  
20 student's unmet direct cost need, based on the Free Application  
21 for Federal Student Aid calculation of need, less the amounts



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

3 (e) To maintain a scholarship under this section, a  
4 student shall:

5 (1) Maintain a grade point average of 2.5 or higher, on a  
6 scale of 4.0 or its equivalent;

7 (2) Earn a minimum of:

8 (A) Twelve credits in one academic year if the  
9 student is enrolled at a community college  
10 campus; or

11 (B) Thirty credits in one academic year if the  
12 student is enrolled at a University of Hawaii  
13 campus other than a community college campus; and

14 (3) Comply with any other conditions placed on the  
15 scholarship by the University of Hawaii.

16 (f) A student who fails to comply with the requirements of  
17 subsection (e) shall be placed on scholarship probation.

18 Social, economic, and other factors, or other extenuating  
19 circumstances as determined by the University of Hawaii shall be  
20 considered in determining probation. If the student  
21 demonstrates during the probation period satisfactory progress



1 toward meeting degree completion and satisfying the requirements  
2 of the scholarship, the student shall be returned to good  
3 standing. Failure to meet the probationary period requirements  
4 of this subsection shall result in revocation of the student's  
5 scholarship, and the student shall be responsible for  
6 reimbursing the University of Hawaii for up to two semesters of  
7 scholarship amounts received under the program. A student may  
8 be placed on scholarship probation only once during any eight-  
9 semester period at a University of Hawaii campus. If a student  
10 is returned to good standing after a period of probation, but  
11 subsequently fails to comply with the requirements of subsection  
12 (e) at any time within an eight-semester period, after the  
13 return to good standing, the student's scholarship shall be  
14 revoked.

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



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

4 "§304A-B Hawaii promise program special fund. (a) There  
5 is established the Hawaii promise program special fund to be  
6 administered by the University of Hawaii. The special fund  
7 shall be administered pursuant to the authority of the board of  
8 regents to grant, modify, or suspend the scholarship and  
9 assistance under section 304A-501. This fund shall be used to  
10 provide financial assistance to qualified students through  
11 Hawaii promise program scholarships under section 304A-A.

12 (b) The University of Hawaii shall submit a report to the  
13 legislature no later than twenty days prior to the convening of  
14 each regular session with information on the special fund. The  
15 report shall include but not be limited to:

16 (1) The number of scholarships provided under the Hawaii  
17 promise program in the preceding year; and

18 (2) Recommendations as appropriate to the legislature on  
19 all tuition waivers.

20 (c) This fund is not intended to provide loans or keep  
21 track of payback provisions."





1 SECTION 4. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so much  
3 thereof as may be necessary for fiscal year 2018-2019 to be  
4 deposited into the Hawaii promise program special fund.

5 SECTION 5. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$ or so much  
7 thereof as may be necessary for fiscal year 2018-2019 to  
8 establish and implement the Hawaii promise program, including  
9 the provision of the program's scholarships, at the University  
10 of Hawaii at Manoa, Hilo, and West Oahu campuses.

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

13 SECTION 6. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$ or so much  
15 thereof as may be necessary for fiscal year 2018-2019 to  
16 establish and implement the Hawaii promise program, including  
17 the provision of the program's scholarships, at the community  
18 college campuses of the University of Hawaii.

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



1 SECTION 7. In codifying the new sections added by sections  
 2 2 and 3 of this Act, the revisor of statutes shall substitute  
 3 appropriate section numbers for the letters used in designating  
 4 the new sections in this Act.

5 SECTION 8. New statutory material is underscored.

6 SECTION 9. This Act shall take effect on July 1, 2018.

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INTRODUCED BY:

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# H.B. NO. 2165

**Report Title:**

University of Hawaii; Promise Program; Scholarships;  
Appropriation; Special Fund

**Description:**

Establishes the University of Hawaii Promise Program to provide scholarships for the unmet direct cost needs of qualified students enrolled at any campus of the University of Hawaii system or any community college campus. Appropriates funds to establish and implement the program. Creates a special fund.

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

