



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 1, 2018

GOV. MSG. NO. 1114

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

This is to inform you that on June 1, 2018, the following bill was signed into law:

HB2501 HD1 SD2 CD1

RELATING TO THE UNIVERSITY OF HAWAII
COMMUNITY COLLEGE PROMISE PROGRAM
ACT 014

Sincerely,

A handwritten signature in black ink that reads "David Y. Ige".

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor
on JUN 01 2018

ORIGINAL

ACT 014

HOUSE OF REPRESENTATIVES
TWENTY-NINTH LEGISLATURE, 2018
STATE OF HAWAII

H.B. NO. 2501
H.D. 1
S.D. 2
C.D. 1

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:

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

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



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

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

19 However, the study acknowledged that despite Hawaii's
20 overall high affordability ranking, attending college was a
21 large expense for families earning less than \$30,000 annually;



1 that Hawaii's financial aid policies did little to alleviate
2 costs for these families; and that the State provided minimal
3 need-based aid to students attending public institutions.

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

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

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



- 1 "§304A-A Hawaii community college promise program;
2 established. (a) Notwithstanding section 304A-501, there is
3 established the Hawaii community college promise program to be
4 administered by the board of regents. The program shall provide
5 scholarships for the unmet direct cost needs of qualified
6 students enrolled at any community college campus of the
7 University of Hawaii.
- 8 (b) A student enrolled at a community college campus shall
9 be eligible for scholarship consideration for a maximum of eight
10 semesters if the student:
- 11 (1) Qualifies for Hawaii resident tuition;
12 (2) Completes and submits the Free Application for Federal
13 Student Aid for each academic year and accepts all
14 federal and state aid, grants, scholarships, and other
15 funding sources that do not require repayment;
16 (3) Is enrolled in a classified degree or certificate
17 program with six or more credits per semester;
18 (4) Maintains satisfactory academic progress, as defined
19 by federal requirements established pursuant to Title
20 IV of the Higher Education Act of 1965, as amended,



1 and determined by the campus at which the student is
2 enrolled; and

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

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

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

13 (e) As used in this section, "direct cost" means any cost
14 directly related to a student's education, including tuition;
15 educational fees; and the costs of books, supplies, and
16 transportation between the student's dwelling and the student's
17 campus."

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



1 "§304A-B Hawaii community college promise program
2 subaccount. (a) There is established the Hawaii community
3 college promise program subaccount within the University of
4 Hawaii general fund. Moneys in the subaccount shall be used to
5 provide financial assistance to qualified students through
6 Hawaii community college promise program scholarships under
7 section 304A-A.

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

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

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



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

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

9 SECTION 6. In codifying the new sections added by sections
10 2 and 3 of this Act, the revisor of statutes shall substitute
11 appropriate section numbers for the letters used in designating
12 the new sections in this Act.

13 SECTION 7. New statutory material is underscored.

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

APPROVED this 01 day of JUN , 2018



GOVERNOR OF THE STATE OF HAWAII



HB No. 2501, HD 1, SD 2, CD 1


THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2018
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018.



Scott K. Saiki
Speaker
House of Representatives

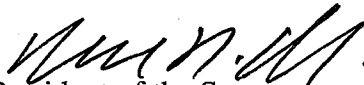



Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2018
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Twenty-ninth Legislature of the State of Hawai'i, Regular Session of 2018.


President of the Senate


Clerk of the Senate