A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAI'I PROMISE PROGRAM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAI'I:

SECTION 1. The legislature finds that the University of Hawai'i's Hawai'i graduation initiative is a systemwide strategic initiative endorsed by the board of regents with a goal to increase the educational capital of the State by increasing the participation and completion of 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.

The legislature further finds that 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. Hawai'i's own 55 by '25 Campaign goal focuses on increasing the percentage of working age adults with two- or four-year degrees to 55 per cent by 2025. According to the most recent data available, 44 per cent of Hawai'i's working age adults have a postsecondary degree. As the State's sole public higher education system, 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 higher education has gone from expensive to unaffordable for most low- and middle-income families. According to this same study, Hawaii ranked third in the nation for overall college affordability and noted that the University of Hawaii community colleges are the most affordable public two-year institutions in the nation.

The report further acknowledged that despite Hawaii's overall high affordability ranking, attending college was a big expense for families earning less than $30,000 annually; that Hawaii's financial aid policies are not fully able to alleviate costs for these families; and that the State provided minimal need-based aid to students attending public institutions. Since this report, the University of Hawaii implemented the Hawaii promise program, which is a need-based award intended to be applied toward the unmet need of qualified students enrolled at any community college campus of the University of Hawaii. Awards are contingent upon funding and amounts are determined by
the individual students' Free Application for Federal Student Aid information.

Even though financial aid through federal Pell Grants, University of Hawaii and private scholarships, the GI Bill for service members and veterans, and employers covers much of the cost for need-based students, cost is still a barrier for certain need-based students, especially for those who do not qualify for the Hawaii promise program because they are enrolled at one of the University of Hawaii's four-year campuses.

The purpose of this Act is to expand the Hawaii promise program to provide scholarships for the unmet need of qualified undergraduate students enrolled at the University of Hawaii at Manoa, University of Hawaii at Hilo, and University of Hawaii-West Oahu, and to provide an appropriation to establish and implement the program.

SECTION 2. Section 304A-506, Hawaii Revised Statutes, is amended to read as follows:

"§304A-506 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) A student enrolled in an undergraduate program at a University of Hawaii campus, other than 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 twelve 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 where the student is enrolled; and

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

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.

(e) To maintain a scholarship under this section, a student enrolled at a community college shall meet the requirements of subsection (b)(4) and a student enrolled in an undergraduate program at a University of Hawaii campus, other than a community college campus, shall meet the requirements of subsection (c)(4).

(f) 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. There is appropriated out of the general revenues of the State of Hawaii the sum of $___________ or so much thereof as may be necessary for fiscal year 2019-2020 and the same sum or so much thereof as may be necessary for fiscal year 2020-2021 to the board of regents of the University of Hawaii for the establishment and implementation of the Hawaii promise program, including the provision of the scholarship.

The sums appropriated shall be expended by the University of Hawaii system for the purposes of this Act.
SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act, upon its approval, shall take effect on July 1, 2019.

INTRODUCED BY:

BY REQUEST

JAN 22 2019
Report Title:
UH; Scholarships

Description:
Provides scholarships for the unmet need of qualified students at any four-year UH campus who meet certain criteria.

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

TITLE: A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII PROMISE PROGRAM.

PURPOSE: Provides scholarships for the unmet need of qualified students at the University of Hawaii at Manoa, University of Hawaii at Hilo, and University of Hawaii-West Oahu, who meet certain criteria.


JUSTIFICATION: The purpose of this Act is to expand the Hawaii Promise program to provide scholarships for the unmet need of qualified students enrolled at any four-year University of Hawaii (UH) campus and to provide an appropriation to establish and implement the program.

The UH campuses play a vital role in meeting the education and employment needs of the State. A well-trained and highly qualified workforce would also attract additional employers to Hawaii and diversify the local economy.

Because budget revenues are only increasing incrementally in many states and political realities often constrain the amount of new state spending, asking the State to cover all costs of tuition is not feasible. However covering the unmet needs of the students at the four-year UH campuses after applying all federal and state aid is feasible. In covering the remaining costs, anyone in the State who meets eligibility criteria can attend a UH campus "tuition free". Because all pre-existing aid dollars
would pay down tuition first, a sizable share of the UH students would have little or no outstanding tuition costs.

Impact on the public: Students at the University of Hawaii campuses would have the ability, if eligible, to attend college with minimal cost impact. This in turn, would provide for a more educated workforce.

Impact on the department and other agencies: None.

GENERAL FUND: $ for FY 2019-2020
$ for FY 2020-2021

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: UOH-100, UOH-210, UOH-700, UOH-900.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: July 1, 2019.