
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 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 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;
- 15 (5) Commits to maintaining residency in the State for at
16 least five years after receiving a baccalaureate
17 degree to pursue a post baccalaureate degree or an
18 employment opportunity; and
- 19 (6) Has been determined by the campus to have unmet direct
20 cost needs.



1 (d) Scholarships shall be awarded to the extent possible
2 based on available funds and on a first-come, first-served
3 basis. An award granted to a student shall be equal to the
4 student's unmet direct cost need, based on the Free Application
5 for Federal Student Aid calculation of need, less the amounts
6 available to the student from Pell grants and other
7 scholarships.

8 (e) To maintain a scholarship under this section, a
9 student:

10 (1) If enrolled at a community college campus, shall
11 maintain a grade point average of 2.0 or higher, on a
12 scale of 4.0 or its equivalent;

13 (2) If enrolled at a University of Hawaii campus, other
14 than a community college campus, shall maintain a
15 grade point average of 2.5 or higher, on a scale of
16 4.0 or its equivalent;

17 (3) Shall earn a minimum of:

18 (A) Twelve credits in one academic year if enrolled
19 at a community college campus; or



1 (B) Thirty credits in one academic year if enrolled
2 at a University of Hawaii campus other than a
3 community college campus; and

4 (4) Shall comply with any other conditions placed on the
5 scholarship by the University of Hawaii.

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

8 Social, economic, and other factors, or other extenuating
9 circumstances as determined by the University of Hawaii shall be
10 considered in determining probation. If the student
11 demonstrates during the probation period satisfactory progress
12 toward meeting degree completion and satisfying the requirements
13 of the scholarship, the student shall be returned to good
14 standing. Failure to meet the probationary period requirements
15 of this subsection shall result in revocation of the student's
16 scholarship, and the student shall be responsible for
17 reimbursing the University of Hawaii for up to two semesters of
18 scholarship amounts received under the program. A student may
19 be placed on scholarship probation only once during any eight-
20 semester period at a University of Hawaii campus. If a student
21 is returned to good standing after a period of probation, but



1 subsequently fails to comply with the requirements of subsection
2 (e) at any time within an eight-semester period, after the
3 return to good standing, the student's scholarship shall be
4 revoked.

5 (g) As used in this section, "direct cost" means any cost
6 directly related to a student's education. "Direct costs"
7 include tuition, educational fees, and the costs of books,
8 supplies, and transportation between the student's dwelling and
9 the student's campus."

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

13 "§304A-B Hawaii promise program special fund. (a) There
14 is established the Hawaii promise program special fund to be
15 administered by the University of Hawaii. The special fund
16 shall be administered pursuant to the authority of the board of
17 regents to grant, modify, or suspend the scholarship and
18 assistance under section 304A-501. This fund shall be used to
19 provide financial assistance to qualified students through
20 Hawaii promise program scholarships under section 304A-A.



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

- 5 (1) The number of scholarships provided under the Hawaii
- 6 promise program in the preceding year; and
- 7 (2) Recommendations as appropriate to the legislature on
- 8 all tuition waivers.

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

11 SECTION 4. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so much
13 thereof as may be necessary for fiscal year 2017-2018 and the
14 same sum or so much thereof as may be necessary for fiscal year
15 2018-2019 to be deposited into the Hawaii promise program
16 special fund.

17 SECTION 5. There is appropriated out of the Hawaii promise
18 program special fund the sum of \$ or so much thereof as
19 may be necessary for fiscal year 2017-2018 and the same sum or
20 so much thereof as may be necessary for fiscal year 2018-2019 to
21 establish and implement the Hawaii promise program, including



1 the provision of the program's scholarships, at the University
2 of Hawaii at Manoa, University of Hawaii at Hilo, and University
3 of Hawaii - West Oahu campuses.

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

6 SECTION 6. There is appropriated out of the Hawaii promise
7 program special fund the sum of \$ or so much thereof as
8 may be necessary for fiscal year 2017-2018 and the same sum or
9 so much thereof as may be necessary for fiscal year 2018-2019 to
10 establish and implement the Hawaii promise program, including
11 the provision of the program's scholarships, at the community
12 college campuses of the University of Hawaii.

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

15 SECTION 7. In codifying the new sections added by sections
16 2 and 3 of this Act, the revisor of statutes shall substitute
17 appropriate section numbers for the letters used in designating
18 the new sections in this Act.

19 SECTION 8. New statutory material is underscored.

20 SECTION 9. This Act shall take effect on July 1, 2050.



Report Title:

University of Hawaii; Promise Program; Scholarships;
Appropriation

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. (SB1162 HD1)

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