

JAN 25 2017

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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 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 campus and to appropriate funds to establish and implement the  
13 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



1 direct cost needs of qualified students enrolled at any campus  
2 of the University of Hawaii.

3 (b) A student enrolled at a University of Hawaii campus is  
4 eligible for scholarship consideration if the student meets the  
5 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 fifteen 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) To maintain a scholarship under this section, a  
6           student shall:

7           (1) Maintain a grade point average of                    or higher,  
8           on a scale of 4.0 or its equivalent;

9           (2) Earn a minimum of thirty credits in one academic year;  
10          and

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

13          (e) A student who fails to comply with the requirements of  
14          this subsection shall be placed on scholarship probation.

15          Social, economic, and other factors, or other extenuating  
16          circumstances as determined by the University of Hawaii shall be  
17          considered in determining probation. During the probation  
18          period, the student shall demonstrate satisfactory progress  
19          toward meeting degree completion and satisfying the requirements  
20          of the scholarship. Failure to meet the probationary period  
21          requirements in this section shall result in revocation of the



1 student's scholarship, with the student responsible for  
2 reimbursing the University of Hawaii for up to two semesters of  
3 scholarship amounts received under the program. A student may  
4 be placed on scholarship probation only once during an eight-  
5 semester period at a University of Hawaii campus.

6 (e) As used in this section:

7 "Direct cost" includes tuition, fees, books, supplies, and  
8 transportation.

9 "FAFSA" means the Free Application for Federal Student  
10 Aid."

11 SECTION 3. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$13,587,000 or so  
13 much thereof as may be necessary for fiscal year 2017-2018 and  
14 the same sum or so much thereof as may be necessary for fiscal  
15 year 2018-2019 to establish and implement the Hawaii promise  
16 program, including the provision of the program's scholarships.

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

19 SECTION 4. New statutory material is underscored.



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

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INTRODUCED BY:

*[Signature]*

*[Signature]*

*[Signature]*

Michelle A. Indani

*[Signature]*

Rosaly de Bob

Will Exco

*[Signature]*  
*[Signature]*

~~*[Signature]*~~ *[Signature]*

*[Signature]*  
*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

Clarence K. Nishikawa

*[Signature]*

*[Signature]*



# S.B. NO. 1162

**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. Appropriates funds to establish and implement the program.

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

