
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
18 sole public higher education system, the University of Hawaii is



1 committed to doing its part to close the State's projected
2 educational attainment gap.

3 In April 2016, the Institute for Research on Higher
4 Education at the University of Pennsylvania Graduate School of
5 Education issued a study that analyzed college costs in relation
6 to family income level. The study revealed how higher education
7 has gone from expensive to unaffordable for most low- and
8 middle-income families. According to this same study, Hawaii
9 ranked third in the nation for overall college affordability and
10 noted that the University of Hawaii community colleges are the
11 most affordable public two-year institutions in the nation.

12 The report further acknowledged that despite Hawaii's
13 overall high affordability ranking, attending college was a big
14 expense for families earning less than \$30,000 annually; that
15 Hawaii's financial aid policies did little to alleviate costs
16 for these families; and that the State provided minimal need-
17 based aid to students attending public institutions.

18 Although the State does not budget for scholarships,
19 University of Hawaii policy requires that a minimum percentage
20 of tuition revenue be set aside for need-based scholarships,
21 including 8.8 per cent at the community colleges. The



1 University of Hawaii provided \$46,700,000 in tuition-funded
2 financial aid during 2014-2015, including \$6,300,000 at the
3 community colleges. Even though financial aid through Pell
4 grants, University of Hawaii and private scholarships, the GI
5 Bill for service members and veterans, and employers cover much
6 of the cost for need-based students, cost is still a barrier for
7 certain need-based students.

8 The purpose of this Act is to establish the Hawaii promise
9 program to provide scholarships for the unmet direct cost needs
10 of qualified students enrolled at any University of Hawaii
11 campus, including community college campuses, and to appropriate
12 funds to establish and implement the program.

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

16 "§304A-A Hawaii promise program; established. (a)
17 Notwithstanding section 304A-502, there is established the
18 Hawaii promise program to be administered by the board of
19 regents. The program shall provide scholarships for the unmet
20 direct cost needs of qualified students enrolled at any campus
21 of the University of Hawaii.



1 (b) A student enrolled at a community college campus shall
2 be eligible for scholarship consideration if the student meets
3 the following requirements:

4 (1) Qualifies for Hawaii resident tuition;

5 (2) Completes and submits the FAFSA for each academic
6 year, and accepts all federal and state aid, grants,
7 scholarships, and other funding sources that do not
8 require repayment;

9 (3) Is enrolled in a classified degree or certificate with
10 six or more credits per semester;

11 (4) Maintains satisfactory academic progress, as defined
12 by the Federal Title IV requirements and determined by
13 the campus where the student is enrolled; and

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

16 (c) A student enrolled at a University of Hawaii campus
17 shall be eligible for scholarship consideration if the student
18 meets the following requirements:

19 (1) Qualifies for Hawaii resident tuition;

20 (2) Completes and submits the FAFSA for each academic
21 year, and accepts all federal and state aid, grants,



1 scholarships, and other funding sources that do not
2 require repayment;

3 (3) Is enrolled in a classified degree or certificate
4 program with fifteen or more credits per semester;

5 (4) Maintains satisfactory academic progress, as defined
6 by the federal Title IV requirements and determined by
7 the campus where the student is enrolled; and

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

10 (d) Scholarships shall be awarded:

11 (1) On a first-come, first-served basis;

12 (2) In an amount equal to the student's unmet direct cost
13 need based on the FAFSA calculation of need minus what
14 is available from Pell grants and other scholarships;
15 and

16 (3) To the extent funds are available to support the
17 scholarship award.

18 (e) To maintain a scholarship under this section, a
19 student shall:

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



- 1 (2) Earn a minimum of:
- 2 (A) Twelve credits in one academic year if the
- 3 student is enrolled at a community college
- 4 campus; or
- 5 (B) Thirty credits in one academic year if the
- 6 student is enrolled at a University of Hawaii
- 7 campus; and
- 8 (3) Comply with any other conditions placed on the
- 9 scholarship by the University of Hawaii.
- 10 (f) A student who fails to comply with the requirements of
- 11 this subsection shall be placed on scholarship probation.
- 12 Social, economic, and other factors, or other extenuating
- 13 circumstances as determined by the University of Hawaii shall be
- 14 considered in determining probation. During the probation
- 15 period, the student shall demonstrate satisfactory progress
- 16 toward meeting degree completion and satisfying the requirements
- 17 of the scholarship. Failure to meet the probationary period
- 18 requirements in this section shall result in revocation of the
- 19 student's scholarship, and the student shall be responsible for
- 20 reimbursing the University of Hawaii for up to two semesters of
- 21 scholarship amounts received under the program. A student may



1 be placed on scholarship probation only once during an eight-
2 semester period at a University of Hawaii campus.

3 (g) As used in this section:

4 "Direct cost" includes tuition, fees, books, supplies, and
5 transportation.

6 "FAFSA" means the Free Application for Federal Student
7 Aid."

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

11 "§304A-B Hawaii promise program special fund. (a) There
12 is established the Hawaii promise program special fund to be
13 administered by the University of Hawaii. The special fund
14 shall be administered pursuant to the authority of the board of
15 regents to grant, modify, or suspend the scholarship and
16 assistance under section 304A-501. This fund shall be used to
17 provide financial assistance to qualified students through
18 Hawaii promise program scholarships under section 304A-A.

19 (b) The University of Hawaii shall submit a report to the
20 legislature no later than twenty days prior to the convening of



1 each regular session with information on the special fund. The
2 report shall include but not be limited to:

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

5 (2) Recommendations as appropriate to the legislature on
6 all tuition waivers.

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

9 SECTION 4. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$13,587,000 or so
11 much thereof as may be necessary for fiscal year 2017-2018 and
12 the same sum or so much thereof as may be necessary for fiscal
13 year 2018-2019 to be deposited into the Hawaii promise program
14 special fund.

15 SECTION 5. There is appropriated out of the Hawaii promise
16 program special fund the sum of \$13,587,000 or so much thereof
17 as may be necessary for fiscal year 2017-2018 and the same sum
18 or so much thereof as may be necessary for fiscal year 2018-2019
19 to establish and implement the Hawaii promise program, including
20 the provision of the program's scholarships.



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

3 SECTION 6. In codifying the new sections added by sections
4 2 and 3 of this Act, the revisor of statutes shall substitute
5 appropriate section numbers for the letters used in designating
6 the new sections in this Act.

7 SECTION 7. New statutory material is underscored.

8 SECTION 8. This Act shall take effect on July 1, 2017.

9



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. (SD1)

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