

JAN 19 2018

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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



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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. Even though
2 financial aid through Pell grants, University of Hawaii and
3 private scholarships, the GI Bill for service members and
4 veterans, and employers cover much of the cost for need-based
5 students, cost is still a barrier for certain need-based
6 students.

7 The legislature further finds that in response to the
8 growing need for additional sources of financial aid, Hawaii has
9 recently implemented a financial aid program called the Hawaii
10 promise program. The Hawaii promise program is a need-based
11 award providing free in-state tuitions that are intended to be
12 applied toward the unmet need of qualified students enrolled at
13 any community college campus of the University of Hawaii.
14 Recipients are selected based on certain criteria combined with
15 the use of a selecting algorithm. The awards are contingent
16 upon funding and amounts received by qualified recipients are
17 determined by the individual students' Free Application for
18 Federal Student Aid information.

19 The legislature notes that H.B. No. 1594, Regular Session
20 of 2017, as amended, proposed to establish the Hawaii Promise
21 program under law, but this measure did not pass the



1 legislature. Instead, funding totaling \$1,800,000 for each year
2 of the fiscal biennium 2018 and 2019 for the Hawaii promise
3 program was included in the state budget under the Act 49,
4 Session Laws of Hawaii 2017. As a result of this legislative
5 appropriation, almost one thousand students from the University
6 of Hawaii's seven community colleges were awarded Hawaii Promise
7 scholarships for the 2017 fall semester. This represents about
8 four per cent of the twenty-three thousand students currently
9 enrolled at University of Hawaii community colleges.

10 The purpose of this Act is to:

- 11 (1) Codify the Hawaii promise program into law to provide
12 scholarships for the unmet direct cost needs of
13 qualified students;
- 14 (2) Expand the Hawaii promise program to qualified
15 students enrolled at any University of Hawaii campus
16 in addition to qualified students enrolled at any
17 University of Hawaii community college campus;
- 18 (3) Establish a special fund to maintain the Hawaii
19 promise program; and



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(4) Beginning with the 2018-2019 school year, directs all revenues collected from resident and nonresident tuition fees to be deposited into the special fund.

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

"§304A-A Hawaii promise program; established. (a)
Notwithstanding section 304A-502, there is established the Hawaii promise program to be administered by the board of regents. Beginning with the 2019-2020 school year, the program shall provide scholarships for the unmet direct cost needs of all qualified students enrolled at any 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;



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1 (3) Is enrolled in a classified degree or certificate
2 program with six or more credits per semester;

3 (4) Maintains satisfactory academic progress, as defined
4 by federal requirements established pursuant to Title
5 IV of the Higher Education Act of 1965, as amended,
6 and determined by the campus where the student is
7 enrolled; and

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

10 (c) A student enrolled at a University of Hawaii campus,
11 other than a community college campus, shall be eligible for
12 scholarship consideration for a maximum of eight semesters if
13 the student:

14 (1) Qualifies for Hawaii resident tuition;

15 (2) Completes and submits the Free Application for Federal
16 Student Aid for each academic year and accepts all
17 federal and state aid, grants, scholarships, and other
18 funding sources that do not require repayment;

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



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1 (4) Maintains satisfactory academic progress, as defined
2 by federal requirements established pursuant to Title
3 IV of the Higher Education Act of 1965, as amended,
4 and determined by the campus where the student is
5 enrolled; and

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

8 (d) Scholarships shall be awarded to the extent possible
9 based on available funds and on a first-come, first-serve basis.

10 An award granted to a student shall be equal to the student's
11 unmet direct cost need, based on the Free Application for
12 Federal Student Aid calculation of need, less the amounts
13 available to the student from Pell grants and other
14 scholarships.

15 (e) To maintain a scholarship under this section, a
16 student shall:

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

19 (2) Earn a minimum of:



1 (A) Twelve credits in one academic year if the
2 student is enrolled at a community college
3 campus; or

4 (B) Thirty credits in one academic year if the
5 student is enrolled at a University of Hawaii
6 campus other than a community college campus; and

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

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

11 Social, economic, and other factors, or other extenuating
12 circumstances as determined by the University of Hawaii shall be
13 considered in determining probation. If the student
14 demonstrates during the probation period satisfactory progress
15 toward meeting degree completion and satisfying the requirements
16 of the scholarship, the student shall be returned to good
17 standing. Failure to meet the probationary period requirements
18 of this subsection shall result in revocation of the student's
19 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 any eight-
2 semester period at a University of Hawaii campus. If a student
3 is returned to good standing after a period of probation, but
4 subsequently fails to comply with the requirements of subsection
5 (e) at any time within an eight-semester period, after the
6 return to good standing, the student's scholarship shall be
7 revoked.

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

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

16 **"§304A-B Hawaii promise program special fund.** (a) There
17 is established the Hawaii promise program special fund to be
18 administered by the University of Hawaii into which shall be
19 deposited all resident and nonresident tuition fees charged
20 pursuant to section 304A-401(a). The special fund shall be
21 administered pursuant to the authority of the board of regents



1 to grant, modify, or suspend the scholarship and assistance
2 under section 304A-501. This fund shall be used to provide
3 financial assistance to qualified students through Hawaii
4 promise program scholarships under section 304A-A.

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

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

11 (2) Recommendations as appropriate to the legislature on
12 all tuition waivers.

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

15 SECTION 4. Section 304A-401, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) The board of regents may charge resident and
18 nonresident tuition fees for regular courses of instruction at
19 any University of Hawaii campus, including any community
20 college[-]; provided that beginning with the 2018-2019 school
21 year, all resident and nonresident tuition fees charged and



1 collected shall be deposited into the Hawaii promise program
2 special fund pursuant to section 304A-B."

3 SECTION 5. Section 304A-2153, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) There is established the University of Hawaii tuition
6 and fees special fund into which shall be deposited all revenue
7 collected by the university for regular, summer, and continuing
8 education credit tuition, tuition-related course and fee
9 charges, and any other charges to students, except as provided
10 by law[~~-~~]; provided that beginning with the 2018-2019 school
11 year, all revenue collected from resident and nonresident
12 tuition fees shall be deposited into the Hawaii promise program
13 special fund pursuant to section 304A-B. Moneys deposited into
14 the fund shall be expended to maintain or improve the
15 university's programs and operations and shall not be:

16 (1) Used as a justification for reducing any budget
17 request or allotment to the university unless the
18 university requests such a reduction;

19 (2) Transferred unless otherwise authorized by the
20 legislature; and



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(3) Restricted by the governor or the director of finance
without the prior approval of the legislature.

Any rule, policy, or action of any agency or individual in
contravention of this subsection shall be void as against public
policy."

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

SECTION 7. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

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

INTRODUCED BY:


(BR)



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Report Title:

University of Hawaii; Hawaii Promise Program; Scholarships

Description:

Codifies the Hawaii promise program into law to provide scholarships for the unmet direct cost needs of qualified students beginning with the 2019-2020 school year. Expands the Hawaii promise program to qualified students enrolled at any University of Hawaii campus in addition to qualified students enrolled at any University of Hawaii community college campus. Establishes a special fund to maintain the Hawaii promise program. Directs all revenues collected from resident and nonresident tuition fees to be deposited into the special fund beginning with the 2018-2019 school year.

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

