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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 the University of  
2 Hawaii's Hawaii graduation initiative is a system-wide strategic  
3 initiative endorsed by the board of regents to increase the  
4 educational capital of the State. The Hawaii graduation  
5 initiative focuses on increasing the number of students who  
6 enroll and earn degrees, particularly native Hawaiians, low-  
7 income students, and those from underserved regions and  
8 populations, to prepare them for success in the workforce and  
9 their communities.

10           The legislature further finds that an educated labor force  
11 and engaged citizenry are essential in today's global,  
12 knowledge-based economy. Across the nation, states have set  
13 ambitious goals to boost college completion rates. Hawaii's own  
14 55 by '25 Campaign goal focuses on increasing the percentage of  
15 working age adults with two- or four-year degrees to 55 per cent  
16 by 2025. According to the most recent data available, 46 per  
17 cent of Hawaii's working age adults have a postsecondary degree.

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1 As the State's sole public higher education system, the  
2 University of Hawaii is committed to doing its part to close the  
3 State's projected 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 the United States  
10 Department of Education, Hawaii is ninth lowest in the nation  
11 for tuition and fees for two-year public institutions in 2020-  
12 2021, and eighteenth lowest overall for public institutions.  
13 Yet, as one additional measure of affordability demonstrates, in  
14 2020 when the University of Hawaii administered a survey to  
15 better understand college student basic needs, including food  
16 security, 39 per cent of respondents reported experiencing food  
17 insecurity within the last 30 days.

18 In 2017, the University of Hawaii implemented the Hawaii  
19 promise program, which provides need-based awards intended to be  
20 applied toward the unmet need of qualified students enrolled at  
21 any community college campus of the University of Hawaii.  
22 Awards are contingent upon funding and amounts are determined by

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1 the individual students' Free Application for Federal Student  
2 Aid information.

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

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

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

18 "[+]§304A-506[+] Hawaii [~~community college~~] promise  
19 program; established. (a) Notwithstanding section 304A-501,  
20 there is established the Hawaii [~~community college~~] promise  
21 program to be administered by the board of regents. The program  
22 shall provide scholarships for the unmet direct cost needs of

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1 qualified students enrolled at any [~~community college~~] campus of  
2 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 at which 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 in an undergraduate program at a  
21 University of Hawaii campus, other than a community college

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1 campus, shall be eligible for scholarship consideration for a  
2 maximum of eight semesters if 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 twelve 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; and  
15       (5) Has been determined by the campus to have unmet direct  
16       cost needs.

17       ~~(e)~~ (d) Scholarships shall be awarded to the extent  
18 possible based on available funds and on a greatest need basis.  
19 An award granted to a student shall be no higher than the  
20 student's unmet direct cost need, based on the Free Application  
21 for Federal Student Aid calculation of need, less the amounts

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1 available to the student from Pell grants [~~and other~~  
2 scholarships].

3 [~~(d)~~] (e) To maintain a scholarship under this section, a  
4 student enrolled at a community college shall meet the  
5 requirements of subsection (b)(4) [~~-~~] and a student enrolled in  
6 an undergraduate program at a University of Hawaii campus, other  
7 than a community college campus, shall meet the requirements of  
8 subsection (c)(4).

9 [~~(e)~~] (f) As used in this section, "direct cost" means any  
10 cost directly related to a student's education, including  
11 tuition; educational fees; and the costs of books, supplies, and  
12 transportation between the student's dwelling and the student's  
13 campus."

14 SECTION 3. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$\_\_\_\_\_ or so  
16 much thereof as may be necessary for fiscal year 2023-2024 and  
17 the same sum or so much thereof as may be necessary for fiscal  
18 year 2024-2025 to carry out the purposes of this Act, including  
19 the provision of scholarships.

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

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1 SECTION 4. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act, upon its approval, shall take effect  
4 on July 1, 2023.

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INTRODUCED BY: 

7

BY REQUEST

**JAN 23 2023**

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**Report Title:**

University of Hawaii; Scholarships

**Description:**

Provides scholarships for the unmet needs of qualified students at any four-year University of Hawaii 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.*

JUSTIFICATION SHEET

DEPARTMENT: University of Hawaii

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

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

MEANS: Amend section 304A-506, Hawaii Revised Statutes, and make appropriations for fiscal years 2023-2024 and 2024-2025.

JUSTIFICATION: An educated labor force and engaged citizenry are essential in today's global, knowledge-based economy.

The UH campuses play a vital role in meeting the education and employment needs of the State. A well-trained and highly qualified work force would 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 qualified 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 2023-2024  
                              \$     for FY 2024-2025

OTHER FUNDS:           None.

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

OTHER AFFECTED  
AGENCIES:              None.

EFFECTIVE DATE:        July 1, 2023.