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To: House of Representatives Committee on Education

From: Carlotta Amerino, Director

Date: February 6, 2025, 2:00 p.m.
State Capitol, Conference Room 309

Re: Testimony on H.B. No. 1344
Relating to Education

Thank you for the opportunity to submit testimony on House Bill 1344, which would require the Department of Education's (DOE) existing Free Application for Federal Student Aid (FAFSA) working group to create a state plan to make the completion of the FAFSA a statewide graduation requirement by the 2027-2028 school year, with an opt-out waiver in lieu of FAFSA completion. The Office of Information Practices (OIP) takes no position on the substance of this bill but offers **comments** and recommends an **amendment** to the bill's proposed exemption from the Sunshine Law, part I of chapter 92, Hawaii Revised Statutes (HRS).

Page 4, lines 12-16 of this bill proposes a complete exemption from the Sunshine Law but requires DOE to post some form of meeting minutes on its website. Boards subject to the Sunshine Law must post minutes that "give a true reflection of the matters discussed at the meeting and the views of the participants" within 40 days after a meeting in accordance with section 92-9, HRS, however House Bill 1344 provides no requirements as to how detailed the FAFSA working group minutes should be or when the minutes should be posted on DOE's website.

The Sunshine Law at section 92-1, HRS, recognizes that government agencies exist to help the people form and conduct public policy, and the only viable and reasonable method of protecting the public's interest is by opening the governmental processes to public participation and scrutiny. The existing informal FAFSA working group likely does not qualify as a "board" under the Sunshine Law because it is not created by statute or session law. See HRS § 92-2 (defining "board"). House Bill 1344 formalizes the FAFSA working group in session law but exempts it from the Sunshine Law's requirement of public participation without any obvious compelling reasons.

House Bill 1344 requires the working group to create a state plan to make the completion of the FAFSA a statewide graduation requirement. The new plan will likely garner high interest from public college-bound high school students and their parents or guardians, who may be concerned that FAFSA requires parents or guardians to provide extensive financial and tax return information. For students planning to go straight into the workforce or the military, FAFSA completion may be seen as an unnecessary obstacle to obtain a high school diploma. Yet this bill does not provide students, parents, and other members of the public with a right to attend the group's meetings, or a right to voice their opinions to the group. House Bill 1344 only allows the public to read minutes posted at some unspecified time after a meeting has taken place.

If there is a concern that the Sunshine Law would constrain the group's ability to talk with each other about financial aid issues as needed for their usual jobs, the Sunshine Law already allows board members to discuss board business outside of a meeting in a permitted interaction provided in section 92-2.5, HRS. Or, the Committee could add a new permitted interaction allowing less than a quorum of members to talk about board business together, while still allowing public participation consistent with the purpose and intent of the Sunshine Law.

OIP respectfully recommends that the Committee either remove entirely the Sunshine Law exemption at bill page 4, lines 12-16, or replace it with a permitted interaction allowing less than a quorum of members to talk together. If the Committee prefers the option of replacing the exemption with a permitted interaction, OIP recommends the following language:

Two or more members of the working group, but less than the number of members that would constitute a quorum for the working group, may discuss between themselves matters relating to official business of the working group to enable them to faithfully perform their duties to the working group and the organizations they represent, as long as no commitment to vote is made or sought. Such discussions shall be a permitted interaction under section 92-2.5.

Thank you for considering OIP's testimony.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/06/2025

Time: 02:00 PM

Location: 309 VIA VIDEOCONFERENCE

Committee: House Education

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Bill Title: HB 1344 RELATING TO EDUCATION.

Purpose of Bill: Requires the Department of Education's existing Free Application for Federal Student Aid (FAFSA) working group to create a state plan to make completion of the FAFSA or an opt-out waiver a statewide graduation requirement by the 2027-2028 school year. Requires a report to the 2026 legislature.

Department's Position:

The Hawaii State Department of Education (Department) respectfully provides comments on HB 1344.

The Department supports the intent of this bill to increase Free Application for Federal Student Aid (FAFSA) completion rates, but recommends the removal of the proposed statewide graduation requirement.

The Department maintains an established working group of representatives from various Department branches such as Data Governance and Analysis, Communications, and Student Services, as well as outside participation from Hawai'i P-20 Partnerships for Education; it welcomes the participation of additional members. While the Department acknowledges the critical role of FAFSA completion in facilitating college access and remains committed to further exploring this issue, its working group has determined that neither FAFSA completion nor an opt-out waiver should be a mandatory graduation requirement.

This conclusion is rooted in the principle that the attainment of a diploma should be contingent upon demonstrated academic proficiency rather than parental actions, such as submitting the FAFSA. The Department lacks the authority to mandate parental disclosure of financial information, and holding students accountable for decisions beyond their control, particularly in cases involving undocumented or otherwise ineligible students, poses significant ethical and logistical concerns. Furthermore,

imposing FAFSA completion as a prerequisite for graduation would be incongruous with existing requirements, given that not all students are eligible for financial aid or intend to pursue post-secondary education.

The introduction of an opt-out waiver presents additional challenges. Families may fail to complete the waiver, leading to unintended consequences for students. Moreover, such a provision is inconsistent with other graduation requirements that do not allow exemptions, setting a problematic precedent. Additionally, an opt-out process may inadvertently diminish opportunities for schools to engage families in meaningful discussions about the advantages of FAFSA completion.

Recognizing the importance of FAFSA in expanding college access, the Department remains committed to increasing completion rates and ensuring students have the resources they need to pursue post-secondary opportunities. To support this effort, the Department will strengthen targeted outreach and school-based counseling support and collaborate with organizations such as Hawai'i P-20 Partnerships for Education to provide students and families with the necessary guidance and assistance. Additionally, the Department will explore new strategies and innovative approaches to improve FAFSA completion, engaging stakeholders to identify practical solutions that address barriers and maximize student participation.

Thank you for the opportunity to provide testimony on this measure.



Testimony Presented Before the
Committee on Education
Thursday, February 6, 2025, at 2:00 PM
By
Stephen Schatz, Executive Director
Hawai'i P-20 Partnerships for Education

HB1344 – RELATING INTERNSHIPS

Chair Woodson, Vice Chair La Chica, and Members of the Committee:

Thank you for the opportunity to provide comments on HB1344 relating to the creation of a state plan related to the completion of the Free Application for Federal Student Aid (FAFSA).

We appreciate the committee's interest in FAFSA completion, as completion of the FAFSA is one of the best predictors of whether a high school graduate will enroll in college. According to the National College Attainment Network (NCAN), an organization working to increase equity and excellence in postsecondary degree access and attainment, seniors who complete the FAFSA are 84% more likely to immediately enroll in postsecondary education. For the 2023-2024 school year, Hawai'i ranked 26th in the country in FAFSA completion and left nearly \$14 million in unclaimed Pell grants on the table

<https://www.ncan.org/page/NationalFAFSACompletionRatesforHighSchoolSeniorsandGraduates>).

Hawai'i P-20's federal GEAR UP project provides FAFSA outreach to students and families across the State throughout the year by offering in-person and virtual FAFSA completion workshops, and providing a FAFSA phone hotline and email address for direct access to financial aid professionals who can provide individualized support and assistance in completing the FAFSA. Hawai'i P-20 also promotes the Cash for College program, which challenges high schools to beat their prior year's FAFSA completion rate and compete with other high schools in order to win small incentives to support senior class activities.

Hawai'i P-20 works collaboratively with the Hawaii State Department of Education (DOE) and the University of Hawai'i (UH) to communicate the availability of these resources and to bring in-person workshops and support directly to high schools. In spite of these efforts, many families are still not completing the FAFSA, so we are committed to continue working with our partners to ensure more high school graduates complete the FAFSA and access higher education.

We commend the DOE for integrating FAFSA data into their data system so that school personnel, such as counselors can track their students' FAFSA status and follow up with families to provide the support necessary to complete the FAFSA, or refer them to the FAFSA hotline or planned workshops.

We appreciate the opportunity to continue our collaborative work with the DOE and UH, and to engage on questions of statewide policy related to FAFSA completion.

Thank you for the opportunity to submit comments on this bill.

LATE

Rep. Justin H. Woodson, Chair
Rep. Trish La Chica, Vice Chair

House Bill 1344

Thursday, February 6, 2025

2 pm

VIA Video Conference

Conference Room 309

State Capitol

415 South Beretania Street

Testimony In Support of House Bill 1344

Good afternoon,

My name is Jaysa Phelps, and I am a junior at the University of Hawaii, currently pursuing a Bachelor's degree in Social Work. I am here today to testify in support of House Bill 1344.

As outlined in Section 1 of this bill, \$14 million in federal Pell Grants went unclaimed in Hawaii in 2023. This funding could have provided 4,500 students with free tuition at any University of Hawaii Community College. These financial resources hold a crucial opportunity to support students in their pursuit of higher education and to strengthen Hawaii's workforce for a bigger and brighter future.

According to the National College Attainment Network's FAFSA tracker, only approximately 40% of Hawaii's Class of 2024 completed the Free Application for Federal Student Aid (FAFSA). This percentage is declining, and House Bill 1344 has the potential to reverse this trend by encouraging greater FAFSA completion rates and ensuring that more students are financially equipped to pursue postsecondary education.

Furthermore, the establishment of a working group is essential to the successful implementation of this legislation. As a graduate of a low-income, inner-city high school in Phoenix, Arizona—where FAFSA completion was a graduation requirement—I can personally attest to the challenges associated with the application process. Completing the FAFSA is often complex and overwhelming, and many students lack the necessary guidance to navigate it successfully. Without my high school's proactive initiative, I would not have been aware of FAFSA's availability, nor would I likely be where I am today in my academic journey.

In closing, I urge you to support House Bill 1344, as doing so will directly contribute to expanding access to higher education and fostering a more skilled and prepared workforce in Hawaii. Thank you all for your time and consideration.

Jaysa Phelps

jaysaj@hawaii.edu