

JAN 15 2025

S.B. NO. 171

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# A BILL FOR AN ACT

RELATING TO ACCESS TO HIGHER EDUCATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that access to higher  
2 education plays an important role in individual and societal  
3 success. According to the College Board, there is a correlation  
4 between higher levels of education and higher earnings for all  
5 racial and ethnic groups, as well as both men and women. The  
6 College Board has noted that the income gap between high school  
7 graduates and college graduates has increased significantly over  
8 time, while higher levels of education also correspond to lower  
9 levels of unemployment, poverty, public health risks, and  
10 incarceration throughout society.

11       The legislature further finds that in April 2016, the  
12 Institute for Research on Higher Education at the University of  
13 Pennsylvania Graduate School of Education issued a study that  
14 analyzed college costs in relation to family income level. The  
15 study revealed that while Hawai'i ranks high in college  
16 affordability, higher education costs remain a major expense for  
17 working families, especially those earning less than \$30,000



1 annually. The department of education also reported that the  
2 college-going rate for the class of 2021 high school students is  
3 fifty-one per cent, with Native Hawai'ian, Pacific Islander, and  
4 Filipino students continuing to enroll in college at rates that  
5 are lower than other ethnic groups.

6 Additionally, the legislature finds that the Hawai'i  
7 community college promise program was established to alleviate  
8 the high cost of obtaining a college education for low-income  
9 families. Yet the program, along with other financial aid  
10 policies, has not made community college fully affordable for  
11 all students who wish to enroll in a community college.  
12 Currently, the State provides minimal need-based assistance to  
13 offset the unmet direct cost of community college for qualified  
14 students enrolled at any community college campus within the  
15 university of Hawai'i system, with the financial assistance  
16 through the program contingent upon available funding and on a  
17 greatest need basis.

18 The legislature also finds that some states have  
19 implemented programs to make community college free for all or  
20 most students, including California, Delaware, Nevada, New York,  
21 Oregon, Rhode Island, Tennessee, Virginia, and Washington. The



1 legislature finds that expanding access to the Hawai'i community  
2 college promise program to all qualified applicants would  
3 increase Hawai'i's college-going rate, especially for students  
4 and families who are economically disadvantaged. Expanding  
5 access would also provide more students with the educational  
6 opportunities that are necessary for the development of a  
7 sustainable and diversified twenty-first century economy in the  
8 State.

9       The legislature notes that the cost of making community  
10 college tuition free can be estimated using data obtained from  
11 the university of Hawai'i's institutional research, analysis, and  
12 planning office. For the fall 2022 semester, the university of  
13 Hawai'i reported that 12,449 classified students with Hawai'i  
14 residency were enrolled in community college, 4,930 of whom were  
15 registered as full-time students and 7,519 of whom were  
16 registered as part-time students. The university of Hawaii also  
17 reported that approximately forty-two per cent of community  
18 college students received financial aid to cover the cost of  
19 their tuition in the most recent year for which data is  
20 available and that part-time residential community college  
21 students enroll in 6.6 credits per semester on average. When



1 these data points are considered, the cost of making community  
2 college tuition free for Hawai'i residents can be estimated at  
3 less than \$20,000,000, even after accounting for first-year  
4 enrollment increases experienced by other states that have  
5 implemented free community college programs. Moreover, the  
6 actual cost of making community college tuition free would  
7 likely be even lower than these numbers suggest, since many  
8 students received financial assistance from the military or from  
9 other scholarship programs.

10 Accordingly, the purpose of this Act is to expand access to  
11 higher education for qualified Hawai'i residents by:

12 (1) Expanding eligibility for scholarships under the  
13 Hawai'i community college promise program to all  
14 qualified students; and

15 (2) Appropriating funds to finance the expansion.

16 SECTION 2. Section 304A-506, Hawaii Revised Statutes, is  
17 amended by amending subsections (a) through (c) to read as  
18 follows:

19 "(a) Notwithstanding section 304A-501, there is  
20 established the Hawaii community college promise program to be  
21 administered by the board of regents. The program shall provide



1 financial assistance in the form of scholarships for the unmet  
2 direct cost needs of all qualified students enrolled at any  
3 community college campus of the [~~University~~] university of  
4 Hawaii.

5 (b) [~~A~~] Each student enrolled at a community college  
6 campus shall be eligible for [~~scholarship consideration~~] and  
7 shall receive financial assistance through scholarships for a  
8 maximum of eight semesters [~~if~~] through the Hawaii community  
9 college promise program; provided that the student:

- 10 (1) Qualifies for Hawaii resident tuition;
- 11 (2) Completes and submits the Free Application for Federal  
12 Student Aid for each academic year and accepts all  
13 federal and state aid, grants, scholarships, and other  
14 funding sources that do not require repayment;  
15 provided that this paragraph shall not apply to a  
16 student who enrolls in a certificate program;
- 17 (3) Is enrolled in a classified degree or certificate  
18 program with six or more credits per semester;
- 19 (4) Maintains satisfactory academic progress, as defined  
20 by federal requirements established pursuant to title  
21 IV of the Higher Education Act of 1965, as amended,



1           and determined by the campus at which the student is  
2           enrolled; and

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

5           (c) ~~[Scholarships shall be awarded to the extent possible~~  
6 ~~based on available funds and on a greatest need basis.]~~ An  
7 award granted to a student shall be equal to the student's unmet  
8 direct cost need, based on the Free Application for Federal  
9 Student Aid calculation of need, less the amounts available to  
10 the student from Pell grants and other scholarships; provided  
11 that the unmet direct cost need for a student who enrolls in a  
12 certificate program shall be based on a suitable instrument, as  
13 determined by the university of Hawaii, less the amounts  
14 available to the student from grants and other scholarships."

15           SECTION 3. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$20,000,000 or so  
17 much thereof as may be necessary for fiscal year 2025-2026 and  
18 the same sum or so much thereof as may be necessary for fiscal  
19 year 2026-2027 for expansion of eligibility for scholarships  
20 under the Hawai'i community college promise program to all  
21 qualified students.



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

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

5       SECTION 5. This Act shall take effect on July 1, 2025.

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INTRODUCED BY:

Karl Rhoad



**Report Title:**

UH; Hawaii Community College Promise Program; Community College Access; Financial Assistance; Scholarships; Appropriations

**Description:**

Expands eligibility for scholarships under the Hawaii Community College Promise Program to all qualified students. Appropriates funds.

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