



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

Date: 02/25/2026

Time: 02:00 PM

Location: 308 VIA VIDEOCONFERENCE

Committee: FIN

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB2338, HD1, RELATING TO THE HAWAII COMMUNITY COLLEGE PROMISE PROGRAM.

Purpose of Bill: Amends the Hawaii Community College Promise Program (Hawaii promise) to exclude grants, scholarships, and other funding sources from the calculation of Hawaii promise awards, allowing students to apply such funds toward indirect costs, including housing, food, and other living expenses, to reduce financial barriers and support student success. Addresses the change in federal law regarding Pell Grants. Changes Hawaii promise from being a last-dollar award. Effective 7/1/3000. (HD1)

Department's Position:

The Hawaii State Department of Education (Department) supports HB2338, HD1, which seeks to enhance the Hawaii Community College Promise Program by maximizing financial assistance for students. By amending the current "last-dollar" calculation to exclude external grants and scholarships, this measure ensures that state support is not reduced or rescinded when students secure additional funding. This shift allows students to apply their external scholarships toward critical indirect costs, such as housing, food, and transportation, which often serve as significant barriers to degree completion.

Furthermore, this bill provides essential stability for students who might otherwise face the financial instability of losing aid mid-semester due to retroactive award adjustments. By aligning the definition of "direct cost" with federal regulations and coordinating with updated Pell Grant eligibility rules, the program will preserve student eligibility for federal aid while delivering the maximum permissible state assistance. These changes foster a more equitable and supportive pathway for our graduates to thrive within the University of Hawaii system, ultimately promoting greater educational attainment across our islands.

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



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Finance
February 25, 2026 at 2:00 p.m.

By

Lui Hokoana

Interim Vice President for Community Colleges
University of Hawai'i System

HB 2338 HD1 – RELATING TO THE HAWAII COMMUNITY COLLEGE PROMISE PROGRAM.

Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

The University of Hawai'i (UH) supports the intent of HB 2338 HD1, which amends the Hawai'i Community College Promise Program (Hawai'i Promise) to exclude grants, scholarships, and other non-repayable aid from the calculation of Promise awards, allowing students to apply such funds toward indirect costs, including housing, food, and other living expenses, to reduce financial barriers and support student success.

This technical but consequential change ensures that students are not penalized for actively pursuing other financial aid. Under the current model, additional scholarships often trigger a dollar-for-dollar reduction in Hawai'i Promise grants. By allowing students to apply outside aid toward essential indirect costs, such as housing, food, transportation, and childcare, we address the expenses that too often force students to reduce their course loads or leave college altogether.

UH's seven community colleges serve some of the most financially vulnerable students in our state—many of whom are first-generation, working adults, caregivers, Native Hawaiian, and students balancing employment with full-time coursework. In 2024-25, 81% of Hawai'i Promise scholarships were awarded to students from historically underrepresented and underserved groups. 78% of recipients were also Federal Pell Grant recipients. While Hawai'i Promise has been instrumental in improving access to higher education, the program's current "last-dollar" structure limits its ability to fully address the real and growing costs of attendance faced by today's students.

This bill represents a high-return, low-risk investment:

- It maximizes the impact of existing state appropriations by improving student persistence, completion and success, reducing the need for repeated enrollment and excess credits. In 2024-25, Hawai'i Promise recipients earned more credits and had higher one-year persistence rates, compared to other students.

- It better aligns state policy with federal financial aid frameworks, including recent Pell Grant changes, reducing inefficiencies and minimizing administrative burden.
- It leverages federal, philanthropic, and institutional aid more effectively, ensuring that state dollars are used strategically to fill true gaps rather than displacing other funding sources.

Importantly, this bill reinforces Hawai'i's longstanding commitment to community colleges as a primary access point to higher education and workforce training. By modernizing the Hawai'i Promise Program, the Legislature is strengthening a proven tool that helps students not only enroll but succeed.

The University of Hawai'i Community Colleges appreciate the Legislature's leadership and thoughtful consideration of this measure. We respectfully urge your favorable consideration of HB2338, HD1.

Mahalo for the opportunity to provide testimony on this measure.



info@hawaiikidscan.org
hawaiikidscan.org

February 23, 2026

House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

HawaiiKidsCAN strongly supports HB2338 HD1, which amends the Hawai‘i Community College Promise Program (Hawai‘i promise) to exclude grants, scholarships, and other funding sources from the calculation of Hawai‘i promise awards, allowing students to apply such funds toward indirect costs, including housing, food, and other living expenses, to reduce financial barriers and support student success; addresses the change in federal law regarding Pell Grants; and changes Hawai‘i promise from being a last-dollar award.

Founded in 2017, HawaiiKidsCAN is a local nonprofit organization committed to ensuring that Hawaii has an excellent and equitable education system that reflects the true voices of our communities and, in turn, has a transformational impact on our children and our state. We strongly believe that all students should have access to excellent educational opportunities, regardless of family income levels and circumstances.

The Hawai‘i Promise Scholarship has been a meaningful success. Since its inception in 2017, the program has served more than 12,000 University of Hawai‘i Community College students. Utilization has grown significantly, nearly doubling from 1,774 students in academic year 2022–23 to 3,446 students in 2023–24. Research and system data consistently show that Hawai‘i Promise recipients earn more credits, achieve higher GPAs, and persist at higher rates than their peers.¹

And yet, college remains out of reach for far too many students. This is where the current structure of Hawai‘i Promise falls short. The real cost of attending college extends far beyond tuition and fees. Housing, food, transportation, caregiving responsibilities, and basic living expenses make up the largest share of what students must pay, and these costs are extraordinarily high in Hawai‘i. And these costs are ineligible to be covered by Pell Grants or Hawai‘i Promise awards.

As a result, students may opt to give up on college, take on debt to cover the remaining costs, or seek out private scholarships, community grants, and other funding sources to help cover these basic living expenses to help them make ends meet while they pursue their studies. However, under the current last-dollar structure, securing that support can actually reduce a student's Hawai'i Promise award - even when those funds were never meant to pay for tuition or fees. Instead of closing gaps, the system reopens a financial gap.

This outcome is especially troubling given who Hawai'i Promise students are. The average family income of Hawai'i Promise recipients is \$43,143 - less than half of Hawai'i's median household income of \$95,322 (U.S. Census, 2023) and well below Aloha United Way's ALICE threshold of \$88,968 for a family of four (2022).² These students have already demonstrated significant financial need. Penalizing them for securing additional support ignores the true cost of attendance and limits the program's ability to make higher education genuinely accessible.

Due in part to the current challenges with administering Hawai'i Promise, including student frustration when Promise funds are rescinded upon earning additional scholarships, counselors report de-emphasizing the program. As HawaiiKidsCAN has traveled around the state to speak with students and families about financial literacy and college affordability, we've found very little name recognition for the program. This is in contrast to states like Tennessee, where they have leveraged their promise program to be one of the states with the highest FAFSA completion rates.

HB 2338 HD1 directly addresses the current structural problems of Hawai'i Promise. By excluding outside grants and scholarships from the Hawai'i Promise calculation, the bill ensures students are not punished for finding resources to cover basic living expenses. This change recognizes the realities students face, aligns financial aid policy with actual costs, and strengthens the Promise program's ability to support persistence and completion. These changes will also lower the administrative burdens put on financial aid professionals at UH and incentivize counselors to promote the program. This revised program will serve much more as a true promise to students, families, and the state.

Mahalo for your consideration,

Erica Nakanishi-Stanis
Advocacy Director
HawaiiKidsCAN

[1, 2] University of Hawai'i System, *Annual Report on the Hawai'i Promise Scholarship Program, FY 2024: Report to the 2025 Legislature* (Dec. 2024), https://www.hawaii.edu/govrel/docs/reports/2025/hrs304a-2102_act61-slh2019_2025_hawaii-promise_annual-report_508.pdf

25 community members have also co-signed our testimony in support of HB 1891.

Name of Individual or Organization	Affiliation	Zip Code
Misty Cruden		96760
Elijah Kochenbach		96720
Alexander Callenback		96778
Kim Guieb		96818
Keoni Uehara		96792
Phaedra Robinson, Ph.D.	RAI Hawaii LLC	96734
Silvia Tedeschi		96814
Brigitte Schell		96816
Jacqueline Lamontagne		96744
Sachie Yorck		96816
Kaela Teho		96813
Mindy Yang		98613
Dylan Fujitani		96822
Marissa Brooks	FIT4MOM Honolulu	96825
Kate Sowards		96826
Michelle Lam		96744
Leilani Kailiawa		96720
Anne Weber-Yarbrough		96819
Nick Gladfelter		96826
Paloma Almanza		96734
Germaine Kaleilehua Tauati, MA.ED.		96720
Jill Takasaki Canfield	Hawaii Literacy	96817
Momi Mae Ham		96816
Leilani Kailiawa		96720
Jillian Levy		96792



Testimony Presented Before the
House Committee on Finance
Friday, February 26, 2026, at 2:00 p.m.
By
Stephen Schatz, Executive Director
Hawai'i P-20 Partnerships for Education

HB 2338 HD 1 – RELATING TO THE HAWAII COMMUNITY COLLEGE PROMISE PROGRAM

Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

Thank you for the opportunity to testify on HB 2338 HD 1. Hawai'i P-20 Partnerships for Education (Hawai'i P-20) supports this measure, which seeks to maximize financial support for students at the University of Hawai'i Community Colleges.

One of the biggest barriers to attending college for Hawai'i's students is the financial burden a college education puts on students and their families. While Hawai'i Promise was created to help cover the unmet direct costs of attendance, the current "last-dollar" approach often limits the total amount of aid a student can receive. Under this model, when a student receives an external grant or scholarship—such as those provided through the new GEAR UP Hawai'i Scholarship or from other organizations or programs—it can result in a reduction of their Hawai'i Promise award.

HB 2338 HD 1 fixes this by allowing other grants and scholarships to supplement, rather than replace, Hawai'i Promise funding. This change acknowledges that "direct costs" like tuition are only one part of the financial barrier. By allowing other scholarship funds to be applied toward essential living expenses—such as housing, food, and transportation—this bill ensures that students can better utilize the various forms of financial support available to them to meet their actual needs.

Hawai'i P-20 works with education partners across the State to improve educational outcomes of our students. This bill complements Hawai'i P-20's larger effort to remove barriers to college access, particularly for students of low socioeconomic status, thus improving the educational capital of the State.

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

February 24, 2026

To: Chair Chris Todd, Vice Chair Jenna Takenouchi, and Members of the House Committee on Finance

Subject: HB2338 Relating to Hawaii Community College Promise Program

I am writing in support of HB2338 which represents a productive use of existing financial aid resources. Rather than creating a new program or significantly increasing state expenditures, this bill improves how current Promise funds interact with federal and private aid. By excluding other grants and scholarships from the Promise award calculation, the bill allows students to apply non-state funds toward essential living costs such as housing, food, and transportation expenses..

From a finance standpoint, this approach maximizes the impact of state dollars. Community colleges play a critical role in Hawai'i's workforce, particularly in healthcare, skilled trades, education, and public service. When students are able to remain enrolled and complete their programs, the state sees a stronger return on its investment through a more prepared workforce, reduced time-to-completion, and lower dropout rates. Supporting completion, rather than just access, helps avoid the higher costs associated with students stopping out or repeating coursework.

As a student I have run into similar problems that this bill is trying to amend. Where scholarships that I have received negatively impacted my financial aid package in which I was unable to receive additional funds that would go towards resources that would have supported my physical and mental wellbeing throughout my academic journey. This bill ensures that students will not run into stress about receiving the maximum amount of federal assistance whilst doing their best to achieve higher education degrees.

For these reasons, I respectfully urge the House Committee on Finance to pass HB2338.

Thank you for the opportunity to submit testimony.

Mahalo,
Carlin McFadden & the Food+ Policy Team
#fixourfoodsystem

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2026, the cohort of interns are undergraduate and graduate students and young professionals working in the food system. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.

HB-2338-HD-1

Submitted on: 2/23/2026 8:03:29 PM

Testimony for FIN on 2/25/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry,

Comment 2338 HB RELATING TO THE HAWAII COMMUNITY COLLEGE PROMISE PROGRAM.

TO INCLUDE SINGLE PARENT-STUDENT, MARRIED STUDENT

HB-2338-HD-1

Submitted on: 2/25/2026 11:00:07 AM

Testimony for FIN on 2/25/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alana L Haitsuka-Fernandez	Individual	Support	Written Testimony Only

Comments:

**Testimony Presented Before the House Committee on Higher Education
Regarding HB 2338 – Relating to the Hawai‘i Community College Promise Program**

Chair Garrett, Vice Chair Amato, and Members of the Committee:

Aloha. My name is Alana Haitsuka-Fernandez, and I serve as the Teen College Counselors (TCC) Advisor and District Resource Teacher for PLC and College Access in the West Hawai‘i Complex Area. In my role, I work directly with high school students across our region to support their transition from high school into college, career, and training pathways. I respectfully offer testimony in strong support of HB 2338.

Each year, I work alongside students who are academically capable, motivated, and ready to continue their education, yet uncertain whether they can afford to do so. While tuition assistance programs like the Hawai‘i Promise Scholarship are critically important, my students’ greatest financial barriers extend far beyond tuition. They worry about housing, transportation, and the basic cost of living while attending school.

For students in West Hawai‘i, geography creates an additional and significant barrier. In order to attend Hawai‘i Community College in Hilo—or any of the community colleges located outside of their immediate area—students must secure housing. This more than doubles the actual cost of attendance. A daily commute from West Hawai‘i to Hilo is not realistic or sustainable, and students who attempt it face significant strain, lost time, and increased likelihood of disengagement.

To be successful, students need to live in proximity to their campus. Living near their college allows them to fully participate in academic life, access campus resources, and surround themselves with peers who are similarly focused on their education and future. This environment makes a profound difference. Students who live within a college community are far more likely to persist, maintain momentum, and complete their programs. In contrast, students who remain at home while attempting unrealistic commutes or juggling excessive logistical barriers face a much higher likelihood of stopping out. I have seen this pattern repeatedly over many years of working with West Hawai‘i students primarily at Honoka‘a High and Int. School.

Under the current structure, when students secure outside scholarships or grants—often to help cover housing and living expenses—theHawai‘i Promise award may be reduced. This unintentionally limits the very support students need most in order to attend and remain in college. Allowing students to apply external aid toward indirect costs, including housing, would significantly strengthen the effectiveness of the Hawai‘i Promise program and better align it with the realities faced by students from geographically isolated communities like West Hawai‘i.

This bill represents a meaningful step toward ensuring that students are not only able to enroll in college, but able to remain enrolled and succeed. When financial aid policies recognize the true cost of attendance—especially housing and living expenses—students are better positioned to complete their education and contribute to Hawai‘i’s workforce and communities.

Mahalo for your continued commitment to Hawai‘i’s students and for your thoughtful consideration of this measure. I respectfully urge your support for HB 2338.

**Sincerely,
Alana Haitzuka-Fernandez
Teen College Counselors (TCC) Advisor
District Resource Teacher for College Access
West Hawai‘i Complex Area**