



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.



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.



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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

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