



**WRITTEN TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2026**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 2338, H.D. 1, S.D. 1, RELATING TO THE HAWAII COMMUNITY COLLEGE PROMISE PROGRAM.

**BEFORE THE:**

SENATE COMMITTEE ON WAYS AND MEANS

**DATE:** Wednesday, April 1, 2026      **TIME:** 10:03 a.m.

**LOCATION:** State Capitol, Room 211

**TESTIFIER(S):**      **WRITTEN TESTIMONY ONLY.**  
(For more information, contact Candace J. Park,  
Deputy Attorney General, at (808) 586-0618)

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Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill amends the University of Hawaii (UH), Hawaii Community College Promise Program (Hawaii Promise) to exclude grants, scholarships, and other funding sources from the calculation of Hawaii Promise awards; authorizes Hawaii Promise to coordinate with federal student aid programs; amends the definition of "direct cost," and requires that Hawaii Promise awards provide for ninety-five percent of the unmet direct cost needs of qualified students enrolled at any UH community college campus. This last requirement was added in S.D. 1 of this bill.

This bill implicates article X, section 6, of the Hawai'i Constitution, which gives the Board of Regents of the University of Hawai'i "exclusive jurisdiction over the internal structure, management, and operation of the university." Section 6 further provides: "This section shall not limit the power of the legislature to enact laws of statewide concern. The legislature shall have the exclusive jurisdiction to identify laws of statewide concern." We recommend an amendment that adds a statement identifying this bill as a law of statewide concern.

Thank you for the opportunity to provide these comments.



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

**Date:** 04/01/2026

**Time:** 10:03 AM

**Location:** CR 211 & Videoconference

**Committee:** WAM

**Department:** Education

**Person Testifying:** Keith T. Hayashi, Superintendent of Education

**Title of Bill:** HB2338, SD1, RELATING TO THE HAWAII COMMUNITY COLLEGE PROMISE PROGRAM.

**Purpose of Bill:** Addresses the change in federal law regarding Pell Grants by amending the Hawaii Community College Promise Program (Hawaii Promise) to provide scholarships for ninety-five percent of a student's unmet direct cost need and exclude grants, scholarships, and other funding sources from the calculation of Hawaii Promise awards, thereby allowing students to apply such funds toward indirect costs, including housing, food, and other living expenses, to reduce financial barriers and support student success. Changes Hawaii Promise from being a last-dollar award. Authorizes Hawaii Promise to coordinate with federal student aid programs to maximize total financial assistance available to students. Effective 7/1/3000. (SD1)

**Department's Position:**

The Hawaii State Department of Education (Department) supports HB2338, HD1, SD1, 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. These updates, including the provision to support up to ninety-five percent of unmet direct cost needs and to coordinate with federal student aid programs, strengthen the program's ability to maximize financial assistance for eligible students. 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 Hawai'i 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

**LATE**

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Testimony Presented Before the  
Senate Ways and Means Committee  
April 1, 2026 at 10:03 a.m.

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

HB 2338 HD1 SD1 – RELATING TO THE HAWAII COMMUNITY COLLEGE PROMISE PROGRAM.

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The University of Hawai'i (UH) strongly supports HB 2338 HD1 SD1. This bill seeks to clarify that Hawai'i Promise funds are awarded as a last public (federal or state) dollar, and that private scholarships, institutional grants, and other non-repayable aid are excluded from the award calculation. This approach would enable students to use those additional funds to cover indirect costs—such as housing, food, transportation, and other essential living expenses—thereby reducing financial barriers and strengthening student persistence and 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.

For the 2024-2025 fiscal year, the University of Hawai'i Community Colleges (UHCC) awarded and disbursed \$5,692,152 to assist 1,941 students from all seven UHCCs who were eligible for the scholarship or the grant. The average amount awarded to each student was \$2,933.

Of the \$5.692 million awarded in Hawai'i Promise funds, \$5.529 million was appropriated by the state legislature, and due to additional need, campuses contributed an additional \$163,000.

The UHCCs' financial aid strategy is designed to leverage federal, state, and institutional resources—including Hawai'i Promise—to cover as close to 100 percent of students' direct costs of attendance (tuition, fees, and required course materials) as possible. Financial need is determined through the FAFSA using the Student Aid Index (SAI), which also establishes the expected student contribution. Through this

coordinated approach, we have been able to fully support all eligible students who demonstrate financial need.

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 UHCCs appreciate the Legislature's leadership and thoughtful consideration of this measure. We respectfully urge your favorable consideration of HB 2338 HD1 SD1.

Mahalo for the opportunity to provide testimony on this measure.

**HB-2338-SD-1**

Submitted on: 3/30/2026 1:50:49 PM

Testimony for WAM on 4/1/2026 10:03:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
alex harris	Testifying for Harold KL Castle Foundation	Comments	Written Testimony Only

Comments:

Since early in the pandemic, the Harold KL Castle Foundation has supported Windward Community College's Ho'olei scholarship that promises to make the first year of college free for all graduates of Windward public high schools who complete a FAFSA. Our experience supporting this effort underscores why this matters: Ho'olei helps cover tuition after financial aid is applied, reflecting a simple truth—tuition help is necessary but not sufficient for many Windward students balancing work, caregiving, and high costs of living. Letting students use outside scholarships and grants to cover the real, often deal-breaking costs of college—housing, food, transportation, and other living expenses—can be critical to their determination of whether college "is worth it". And in today's complex economy, a college degree is still the closest thing we have to a golden ticket into the middle class. Letting students stack support in a way that actually increases affordability and persistence aligns state policy with today's federal aid realities and removes a structural disincentive for communities and philanthropies to invest in students.



info@hawaiikidscan.org  
hawaiikidscan.org

April 1, 2026

Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

**HawaiiKidsCAN strongly supports HB2338 HD1 SD1**, which addresses the change in federal law regarding Pell Grants by amending the Hawai‘i Community College Promise Program (Hawai‘i Promise) to provide scholarships for ninety-five percent of a student's unmet direct cost need and exclude grants, scholarships, and other funding sources from the calculation of Hawai‘i Promise awards, thereby allowing students to apply such funds toward indirect costs, including housing, food, and other living expenses, to reduce financial barriers and support student success; changes Hawai‘i Promise from being a last-dollar award; and authorizes Hawai‘i Promise to coordinate with federal student aid programs to maximize total financial assistance available to students.

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.<sup>11</sup> Given ongoing efforts to align and harness UH community colleges as a key arm for workforce development, the investment in local community college students provides meaningful return on investment back into our state’s economy. In particular, earners of

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<sup>11</sup> 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](https://www.hawaii.edu/govrel/docs/reports/2025/hrs304a-2102_act61-slh2019_2025_hawaii-promise_annual-report_508.pdf)

Associate of Science (AS) and Associate of Applied Science (AAS) degrees hold up with similar ROI as those with general bachelor's degrees.<sup>2</sup>

And yet, community 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 community 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).<sup>3</sup> 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 SD1 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

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[https://www.hawaii.edu/news/2024/01/16/uhero-returns-to-higher-ed-report/#:~:text=A%20college%20education%20from%20the,program%20\(nine%20years%20after%20graduation\)](https://www.hawaii.edu/news/2024/01/16/uhero-returns-to-higher-ed-report/#:~:text=A%20college%20education%20from%20the,program%20(nine%20years%20after%20graduation))

<sup>3</sup> 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](https://www.hawaii.edu/govrel/docs/reports/2025/hrs304a-2102_act61-slh2019_2025_hawaii-promise_annual-report_508.pdf)

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,

David Miyashiro  
Executive Director  
HawaiiKidsCAN

30 community members have also co-signed our testimony in support of HB 2338 HD1 SD1.

<b>Name of Individual</b>	<b>Affiliation</b>	<b>Zip Code</b>
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
Emily SL Silver		96822
Lynn Finnegan		96744
Mariah Ramo		96797
Leilani Burchette		96786
Kashmira Reid		96822

March 30, 2026

To: Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee on Ways & Means,

Subject: HB2338 Relating to Hawaii Community College Promise Program

I am writing in **support of HB2338 SD1** which addresses a major gap in how financial aid currently works for community college students. The Hawaii Community College Promise Program helps cover direct education costs like tuition and fees, but only so much funding can be offered as it can prohibit eligibility for financial aid. This bill would exclude other grants, scholarships and financial aid from the Promise award calculation, which would enable students to receive the maximum funding to go towards essential living costs such as housing, food, and transportation expenses.

Many college students struggle with basic living expenses such as housing, food, and medical care. These indirect costs are often the biggest barrier to persistence and completion, especially for vulnerable populations and non-traditional students. A study was done at The University of Hawaii at West Oahu where they found that **“60% of students experienced food insecurity while 25% reported housing insecurity”** (University of Hawai‘i, 2025). Students who have dropped out were significantly more likely to have experienced these insecurities. Financial aid mainly covers tuition, therefore the ability for students to access additional funding for basic needs can significantly aid in their success and wellbeing.

Investing in education and student success is the most cost effective way to support Hawaii’s future workforce and economic stability. Especially now as Hawai‘i is experiencing workforce shortages in essential industries. Students who receive academic completion are more likely to secure stable employment, reducing reliance on public assistance programs and increasing tax contributions over time. As a student I have faced similar issues where scholarships that I have received negatively impacted my financial aid package. This bill ensures that students will not have to worry about meeting their financial needs and allows them to focus on their future, employment and education goals. If passed, this bill has the potential to change the lives of many community college students and better support the future of Hawaii.

For these reasons, I respectfully urge the Senate Committee on Ways & Means to pass HB2338 SD1.

Thank you for the opportunity to submit testimony.

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

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**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.



**LATE**

Testimony Presented Before the  
Senate Committee on Ways and Means  
Wednesday, April 1, 2026, at 10:03 a.m.

By  
Stephen Schatz, Executive Director  
Hawai'i P-20 Partnerships for Education

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

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to testify on HB 2338 HD 1 SD 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 SD 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.

**HB-2338-SD-1**

Submitted on: 3/30/2026 12:36:56 PM

Testimony for WAM on 4/1/2026 10:03:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Emily Silver	Individual	Support	Written Testimony Only

Comments:

As a parent, educator, and citizen, I support the Hawai'i Community College Promise Program. The Hawai'i Promise Scholarship has already been a meaningful success. Since its inception in 2017, the program has served more than 12,000 University of Hawai'i Community College students.

And yet, college remains out of reach for far too many students. The growing number of Hawai'i Promise awards is itself evidence of persistent unmet financial need. This is where the current structure of Hawai'i Promise falls short. The real cost of attending college extends far beyond tuition and fees.

HB2338 HD1 SD1 directly addresses this problem. 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.

Given the growing workforce development contributions of our community colleges, this will be a clear return on investment for Hawaii's broader economy. I am a college counselor and support this!

**HB-2338-SD-1**

Submitted on: 3/30/2026 12:56:48 PM

Testimony for WAM on 4/1/2026 10:03:00 AM

Submitted By	Organization	Testifier Position	Testify
Gale Mejia	Individual	Support	Written Testimony Only

Comments:

Aloha e Chair, Vice Chair, and Members of the Committee,

My name is Gale Mejia, and I am a resident of ‘Ewa Beach. I write in strong support of **HB2338 HD1 SD1**.

This measure is a critical and timely update to the Hawai‘i Community College Promise Program (Hawai‘i Promise). By aligning state policy with recent federal changes to Pell Grants, this bill ensures that financial aid better reflects the true cost of attending college in Hawai‘i.

Since its inception in 2017, Hawai‘i Promise has supported more than 12,000 University of Hawai‘i Community College students. This is a testament to its importance and impact. However, it also highlights a persistent reality: too many students continue to face significant financial barriers to accessing and completing college.

While tuition and fees are covered under the current “last-dollar” structure, the real cost of college extends far beyond these direct expenses. Students must also navigate the high cost of housing, food, transportation, childcare, and other essential needs, especially here in Hawai‘i. For many, these indirect costs are the very barriers that prevent enrollment, persistence, and completion.

HB2338 HD1 SD1 addresses this gap in a meaningful way. By excluding outside grants, scholarships, and other aid from the Hawai‘i Promise calculation, the bill allows students to use those resources to cover essential living expenses. In doing so, it ensures that students are not penalized for seeking additional support and acknowledges the full reality of college affordability.

Additionally, transitioning Hawai‘i Promise away from a strict last-dollar model will:

- Increase flexibility in how financial aid supports students holistically;
- Reduce administrative burden on University of Hawai‘i financial aid offices; and
- Encourage greater participation and promotion of the program by counselors and institutions.

Importantly, this investment will yield long-term returns for our state. Hawai‘i’s community colleges play a vital role in workforce development, providing accessible pathways to high-

demand careers. Strengthening Hawai'i Promise will support student success, increase credential attainment, and contribute to a more resilient and locally rooted workforce.

Mahalo for the opportunity to testify. I respectfully urge the Committee to pass **HB2338 HD1 SD1**.

Respectfully,  
Gale Mejia  
'Ewa Beach, Hawai'i