



# 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 Higher Education  
February 6, 2026 at 2:05 p.m.

By

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

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

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

The University of Hawai'i supports the intent of HB 2338, 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 Hawaii 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 HB 2338.

Mahalo for the opportunity to provide this testimony and for your continued support of Hawai'i's students and community colleges.



Testimony Presented Before the  
House Committee on Higher Education  
Friday, February 6, 2026, at 2:05 p.m.  
By  
Stephen Schatz, Executive Director  
Hawai'i P-20 Partnerships for Education

HB 2338– RELATING TO THE HAWAII COMMUNITY COLLEGE PROMISE PROGRAM

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

Thank you for the opportunity to testify on HB 2338. 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 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.



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David Miyashiro  
Executive Director

February 6, 2024

House Committee on Higher Education

Rep. Andrew Takuya Garrett, Chair

Rep. Terez Amato, Vice Chair

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

**HawaiiKidsCAN strongly supports HB2338**, 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 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,

David Miyashiro  
Founding Executive Director  
HawaiiKidsCAN

[1, 2] [University of Hawai'i System Annual Report to the 2025 Legislature on the Hawai'i Promise Scholarship](#)

**HB-2338**

Submitted on: 2/5/2026 1:33:54 PM

Testimony for HED on 2/6/2026 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alex Harris	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.



**Prepared Statement by Dr. John Barnshaw, Senior Leader with College Promise on Hawai'i House Bill 2338**

Dear Chair Garrett, Vice Chair Amato, Members of the Committee, Higher Education Stakeholders, and Students,

My name is John Barnshaw, and I am a Senior Leader at College Promise. College Promise is a national, nonpartisan nonprofit organization working to ensure all students can access the education and support they need to achieve social and economic mobility. Founded in 2015, we champion a growing network of "Promise programs"—local and statewide initiatives that help students afford college and succeed to and through college. Today, more than 450 Promise programs operate across all 50 states—a remarkable expansion from just 53 programs a decade ago.

I would like to share insights about HB2338 and how it impacts Promise students across Hawai'i.

Hawai'i Promise is one of the 38 statewide Promise programs. Under its last-dollar structure, the Hawai'i Promise provides funding for unmet need once all scholarships and grants are deducted.

Over the past two years, through my work at College Promise, I have collaborated with Hawai'i Promise administrators, higher education professionals in the University of Hawai'i system, community members and stakeholders, members of this Legislature and committee, and—most importantly—students participating in the Hawai'i Promise.

As I noted in *Keeping the Promise: Actions to Simplify, Support, and Improve the Hawai'i Promise* (Barnshaw and Cloud, 2025), the Hawai'i Promise is not unique as a last-dollar program; more than six in ten Promise programs nationally operate under this model. However, Hawai'i Promise is distinctive in one critical respect.

Under [Section 304A-501\(b\)2](#), "grants, scholarships, and other funding sources that do not require repayment" must be factored into the last-dollar calculation. To my knowledge, no other last-dollar Promise program includes such a broad requirement. This is significant because coordinating multiple aid sources in real time creates substantial administrative burdens for both students and institutions.

In my conversations with Hawai'i Promise stakeholders—including financial aid administrators and program coordinators—this requirement was consistently described as onerous. Even dedicated higher education professionals struggle to implement this policy effectively, resulting in delays in aid disbursement and confusion for students navigating the process. During my analysis, I connected with one veteran in Hawai'i who mentioned to me: “I’m one of the students that was affected by the issue of not receiving my Hawai'i Promise scholarship due to receiving VA (Veterans Administration) benefits. I think it is unfair for us veterans not being able to receive this scholarship. Most of us still need the extra money we could get and we would much appreciate it.”

HB 2338 addresses this challenge by simplifying the provision. The bill would allow the program to provide “scholarships for the unmet direct cost needs of qualified students” without unnecessarily reducing state benefits when students receive additional aid. This change would streamline administration, reduce confusion, and ensure students receive the full support they're entitled to under the Promise.

**First, clarifying the transition from "last-dollar" funding.**

HB 2338 expresses an intent to “transition from a last-dollar model,” but it does not clearly define what model the Hawai'i Promise would transition to. Under the current last-dollar approach, the State of Hawai'i covers unmet need only after all federal aid has been applied, up to the point when available state funds are exhausted in a given year.

A clearer definition of the alternative model would provide future policymakers, students, and potential philanthropic partners a stronger understanding of the legislative intent of how the program operates. Adding language that defines the intended funding model could ensure consistency and improved understanding by stakeholders.

**Second, aligning the definition of “direct costs” with federal standards.**

Section 304A-506A(g) defines “direct cost” as “any cost directly related to a student's education, including tuition, fees, books, and supplies.” HB 2338 intentionally omits “transportation between the student's dwelling and the student's campus,” which was included in prior language.

However, the current federal Cost of Attendance definition, as outlined by the Department of Education, includes several additional categories (<https://studentaid.gov/help-center/answers/article/what-does-cost-of-attendance-mean>):

- Transportation expenses.
- Allowance for childcare or other dependent care.
- Costs related to disability.
- Cost of housing and food.

If the intent of this legislation is to align more closely with federal standards, perhaps specifying categories or indexing the state definition directly to the federal Cost of Attendance definition could:

- Reduce ambiguity for financial aid administrators.
- Provide clearer guidance for students about what expenses are covered.
- Ensure consistency between state and federal aid programs.

Both of these clarifications would strengthen the bill and support smoother implementation of the Hawai'i Promise.

In closing, I want to acknowledge that revisiting and refining successful programs requires both courage and commitment. The willingness to improve upon what has already been accomplished speaks to this committee's dedication to Hawai'i's students.

I thank you for your thoughtful consideration of these remarks and for your efforts to strengthen the Hawai'i Promise. As stated in HB 2338, this bill seeks to provide students with greater financial stability, support critical living expenses, and advance persistence and degree completion. These goals align directly with College Promise's mission and with the needs we hear from students across the state.

I appreciate the opportunity to provide written testimony.

Thank you for your time and attention.

John Barnshaw, Ph.D.

Senior Leader

College Promise

**HB-2338**

Submitted on: 2/5/2026 12:26:36 PM

Testimony for HED on 2/6/2026 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry Support

2338 HB RELATING TO THE HAWAII COMMUNITY COLLEGE PROMISE PROGRAM.