



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
February 13, 2018 at 2:10 p.m.

By
John Morton
Vice President for Community Colleges
University of Hawai'i System

HB 2501 – RELATING TO UNIVERSITY OF HAWAII COMMUNITY COLLEGE PROMISE PROGRAM

Chair McKelvey, Vice Chair Hashem, and members of the committees:

Last session the State Legislature appropriated \$1.8M for the Hawai'i Promise program providing for scholarships to assure that community college students with unmet direct costs of their education would have those costs met by grant aid. The program is a last dollar scholarship, meaning that students are first awarded Pell grants, UH scholarships, and private scholarships before being awarded the Hawai'i Promise scholarship if it is needed to eliminate those unmet direct costs.

The program was implemented for Fall 2017 students and as of today approximately 1500 students have benefited from the Hawai'i Promise program at a cost of approximately \$2.2M. The funds needed beyond the \$1.8M appropriated by the legislature were provided from community college operating reserves.

Implementation rules for the program initiated this year are consistent with the conditions described in section 2b of the proposed HB 2501 and are being incorporated into University of Hawai'i Board of Regent and executive policies.

The Board of Regents has requested an additional \$700,000 in the supplemental budget to raise the fund to \$2.5M. These additional funds will allow the University to actively market the program to prospective students and provide an incentive for students to pursue higher education.

The University does have concerns with the additional conditions described in section 2c of the proposed legislation. The requirements to stay eligible for the Hawai'i Promise program described in section 2c are higher and inconsistent with those required to remain eligible for Federal financial aid as described in section 2b(4). Additionally, the requirement that the recipient of the scholarship potentially must repay the scholarship converts the program to a loan program and students would have to be counseled about the repayment requirements prior to awarding the Hawai'i Promise scholarship. Since the financial aid award to the student is a mixture of Federal, University, and Hawai'i Promise dollars, the University would prefer to use a single set of conditions, as outlined in 2b(4), in order to effectively and efficiently manage the financial aid awards to the students. As currently written, the situation could arise where a student would be out of compliance with the Hawai'i Promise program while remaining fully compliant with the University and Federal requirements and the student would find him or

herself required to use their Federal financial aid to repay the Hawai'i Promise program rather than pay for their education costs.

Finally, HB 2501 proposes to establish a special fund for the Hawai'i Promise program. A separate fund is not required to implement the program and would not be appropriate given the general fund source for the program. A sub account can be created within the University of Hawai'i general fund to provide for a full accounting of the Hawai'i Promise awards.

In closing, I wish to thank the Legislature for their commitment to the Hawai'i Promise program and the funding that was provided this past year. Our highest priority is to expand the program to attract more students and we hope that you will give full consideration to our supplemental budget request.