



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
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By

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HB 2640 – RELATING TO THE HAWAII PROMISE PROGRAM

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

Thank you for the opportunity to comment on HB 2640 that makes scholarships under the Hawai'i Promise program available to any qualified student enrolled at the University of Hawai'i, regardless of whether the student is enrolled at a community college, establishes a trust fund for the program, and increases individual income taxes for the highest income earners to provide funding for the program.

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.

The Legislature's commitment to the Hawai'i Promise program and the funding that was provided this past year contributed to college affordability for many of Hawai'i's students.

The University appreciates the Legislature's expanding Hawai'i Promise scholarships through HB 2640, to reach students beyond the community colleges and to be available to any qualified student enrolled at any UH campus. This broadened accessibility of the program to students at all UH campuses will attract more students, make college more affordable, and create opportunities for 4-year as well as 2-year degrees.

HB 2640 proposes to establish a trust fund for the Hawai'i Promise program administered by the University of Hawai'i. A separate fund is not required to implement the program, and it would not be appropriate to deposit state, federal, and private funds

given the separate regulations and restrictions governing these different sources of funds. 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.

Finally, the University would defer to the Hawai'i Department of Taxation to provide analysis of the sections of HB 2640 that propose changes to the income tax structure.

Thank you very much for the opportunity to provide comments on HB 2640.