University of Hawai‘i

Student Financial Assistance Policy Revision
BOR Policy, Chapter 6

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June 15, 2006

BOR Action Requested:

Approve revisions to BOR policy, Chapter 6:

(1) To establish University of Hawai‘i grants and scholarships for student financial assistance;

(2) To modify exemptions to the non-resident tuition differential previously included in Hawai‘i Administrative Rules (HAR), Chapter 20-4.

Purposes for Policy Revision

To maximize the financial assistance available for Hawai‘i residents enrolled as students in the UH system

To ensure that the revenues made available for financial assistance serve the interests of the University and the taxpayers of the state of Hawai‘i

To monetize the existing tuition waivers and non-resident tuition differentials as appropriate

To increase the amount of assistance available to students based on their financial need

BOR Tuition Waivers & Scholarship Policy (BOR 6-7b&c)

BOR 6-7b

- Support equal access by Hawai‘i residents by making institutional aid available to students with demonstrated financial need
- Promote high quality programs by attracting and retaining academically superior students to UH
- Foster the development and maintenance of a highly diversified and stimulating campus environment

BOR 6-7c

- Support the UH’s mission to educate those who will assume positions of leadership and service in the Pacific and Asia
Current Tuition Assistance Plan & NRTDs

- Number of waivers = 13% of the previous fall FTE enrollment
  Need-based: 70% of waivers
  Merit-based: 30% of waivers
- Pacific Asian Scholars = 2% of the previous fall FTE enrollment
- 800 NRTDs for Pacific-Asian students

Disadvantages of the Current Financial Assistance Program

- Value of tuition waivers known only after awarded
- Share for need-based aid no longer consistent with intent of BOR policy
- Tuition waivers cover tuition only
- Waivers obscure real $ value & make education appear “free"
- Exemptions to non-resident tuition more generous than other states

Proposed UH Financial Assistance Program

- UH Opportunity Grants
- UH Achievement Grants
- UH International Student Scholarships
- Tuition Exemptions

Briefings

- VP/Chancellors
- UH System Financial Aid Officers
- All Campus Council of Faculty Senate Chairs
- UH Student Caucus
- UH Faculty Congress
- UH International Education Steering Committee
- UHM Management Team
- UHM International Education Committee
- UHM Financial Aid Staff
- Pūko'a Council
**Exemptions to Non-Resident Tuition**

- Pacific Islanders
  - HAR allows the resident rate for jurisdictions without a public institution of higher learning
  - BOR policy allows the resident rate for jurisdictions without a BA granting public institution of higher learning
  - Recommendation: resident rate replaced with 150% of resident rate
- Non-residents married to residents
  - HAR allows residency for tuition purposes to be established on basis of Hawai‘i spouse
  - Recommendation: residency for tuition purposes to be established on basis of personal evidence

**Further Consultation**

- VP/Chancellors
- UHH Leadership Team
- Student Caucus
- UH Chief Student Affairs Officers
- UH Chief Academic Officers
- UH Bursar & Fiscal Officers

**Concerns/Issues Raised**

- Impact of changes on current students
- Impact on international diversity
- Impact on Pacific Islanders
- Sufficiency of need & non-need aid for residents

**Impact on Current Students**

Concern raised for both resident & non-resident students:
- Resident students receiving need-based aid will be held harmless
- Aid based on need will increase
- Non-resident students receiving non-resident tuition differential waivers will continue to receive commensurate support (grandfathered)
**Impact on International Diversity**

Concern raised by BOR & campuses

- UH Steering Committee recommended broadening categories of eligibility
  
  “... too much tuition is being given away to students who could well afford to pay full out-of-state tuition. . .” (p. 18)

**Impact on Pacific Islanders**

Concern raised by UHH & UHM Center for Pacific Island Studies

- Created Pacific Islander Scholarship
- Expanded eligibility for need based Opportunity Grants to Pacific Islanders eligible for federal aid
- Tuition support for current students will be “grandfathered-in”

**Sufficiency of Need and Non-need Aid for Residents**

Student Caucus raised two concerns: “gap” group & resident priority for non-need aid

- Chancellors given latitude to adjust need levels for special cases
- Chancellors to consult with faculty & student groups in allocating monies to Achievement, International, & Pac Islander scholarships

**UH Opportunity Grants**

- Need-based grants for full-time and part-time, resident & non-resident UH students
- Require completion of the Free Application for Federal Student Aid (FAFSA)
- Grants may be applied to the difference between the cost of attendance (i.e., the cost of tuition and fees, books, housing, transportation, etc.) and the expected family contribution (after federal financial grant aid is applied)
- Protects access of low income students
UH Achievement Scholarships

- Include awards to Regents and Presidential Scholars, other merit-based, and service-based scholarships (e.g., band, athletics, etc.)
- Criteria and requirements may be increased or expanded based on the mission of campuses and programs
- Residents of Hawai‘i receive preference

University of Hawai‘i
International Student Scholarships

- Awarded to full-time, new or continuing, classified, graduate or undergraduate students in non-immigrant status
- Campus flexibility to award to:
  - Students from the Pacific-Asian region
  - Students studying about the Pacific-Asian region
  - Students who provide diversity in keeping with campus mission
- Maximum award: difference between non-resident tuition & 150% of resident tuition
**Pacific Islander Scholarship**
- Awarded to classified full-time or part-time, new or continuing, graduate or undergraduate students from eligible Pacific Island jurisdictions that do not have public higher educational institutions granting baccalaureate degrees.
- The Office of the President updates and distributes the listing of eligible Pacific Island jurisdictions.
- Criteria and dollar value for specific awards may vary based on the mission of campuses and program priorities.

**UH Tuition Exemptions**
- Graduate Assistants are exempted from tuition as a function of their appointment to a graduate assistantship.
- Employees (and spouses and domestic partners of UHPA members) are exempted from tuition as established in collective bargaining agreements.
- Native Hawaiian need-based waivers will continue to be awarded.

**Exemptions to Non-Resident Tuition**

**Retained from HAR:**
- East-West Center student grantees pursuing baccalaureate or advanced degrees;
- US military personnel stationed in Hawai‘i on active duty, and their authorized dependents;
- Employees of the university, their spouses, and their dependents.

**Additions:**
- Native Hawaiians whose domicile is outside of Hawai‘i.
- Members of the Hawai‘i National Guard & Hawai‘i-based Reserves;

**Modification:**
- Citizens from any Pacific Island district, commonwealth, territory, or insular jurisdiction, state, or nation which provides no public higher education institution granting baccalaureate degrees are permitted to pay 150 percent of the resident tuition rate.

**Deletion:**
- Non-residents based on residency of Hawai‘i spouse.
Delegated to President

- Share of UH tuition revenues to be devoted to financial assistance
- Share of UH financial assistance for need-based and non-need based awards
- Share of UH financial assistance earmarked for residents
- Share of UH financial assistance earmarked for undergraduates
- Extent to which shares should vary by campus mission and program

Financial Aid Allocation Model

- Share of tuition revenues for financial aid
  - Share of need / non-need aid (Opportunity / Achievement, International, Pac Islander)
  - Share of need aid by residency

Financial Aid Allocation: UH Mānoa

- Financial aid allocation: 15%
- Share of need / non-need aid: 50/50 (Opportunity / Achievement, International, Pac Islander)
- Share of need aid by residency: 70/30

Financial Aid Allocation: UHH/UHWO

- Financial aid allocation: 15%
- Share of need / non-need aid: 60/40 (Opportunity / Achievement, International, Pac Islander)
- Share of need aid by residency: 70/30
Financial Aid Allocation: UHCCs

- Financial aid allocation: 11%
- Share of need / non-need aid: 80/20 (Opportunity / Achievement, International, Pac Islander)
- Share of need aid by residency: 85/15

Proposed Six Year Implementation

- Quadruple need-based aid in keeping with commitment made to students (from $4m to $16m for residents)
- System total of $23m based on estimated enrollments and revenues
- Shift need and non-need shares over time
- Honor differences in mission and program priority by campus
- Grandfather in non-residents currently receiving subsidy (NRTD waiver or exemption)

Intended Outcomes

- Increase access and affordability for Hawai‘i residents
- Improve campus ability to predict and monitor financial commitments to aid
- Tighten residency for tuition purposes
- Enable campuses to manage enrollments
- Provide campuses flexibility to honor campus mission

Specific BOR Action Requested

Approval of the revisions to BOR policy, Chapter 6, as outlined in the attached document, in order to (1) convert tuition waivers and certain non-resident tuition differential waivers to University of Hawai‘i grants and scholarships, and (2) to modify BOR exemptions to the non-resident tuition differential previously included in Hawai‘i Administrative Rules (HAR), Chapter 20-4.
University of Hawai‘i
Student Financial Assistance Policy Proposal

Advantages of the Proposed Financial Assistance Program

- Allows the University to predict and monitor the value of the tuition assistance provided
- Accommodates the SCT Banner student information system
- Allows greater flexibility in awarding grants and scholarships of varying dollar value
- Creates the possibility of awarding financial assistance beyond the cost of tuition based on financial need
- Creates a financial assistance program that is based on need and/or achievement, rather than simply waiving tuition or making it appear “free”

2004–05 Tuition Waivers, UH System

Value of Waivers

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<th>Category</th>
<th>Value of Waivers</th>
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<tr>
<td>General (Need-Based)</td>
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<td>Pacific/Asian</td>
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<td>Athletic</td>
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<td>Grad Assistant</td>
<td>$6.1M</td>
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<td>All Other</td>
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Number of Recipients

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<th>Number of Recipients</th>
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<td>Pacific/Asian</td>
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<tr>
<td>Grad Assistant</td>
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<tr>
<td>All Other</td>
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Total value of waivers: $20.4M
Total recipients: 8,840

Note: Total undergraduate/graduate recipients includes 31 duplicate counts due to change in ed level.
2004–05 Tuition Waivers, UH System
Undergraduates, by Residency

Value of Waivers

Number of Recipients

Residents Non-Residents Total

Total value of waivers: $6.2M $3.5M $9.7M
Total recipients: 4,781 904 5,685

Note: Total undergraduate/graduate recipients includes 31 duplicate counts due to change in ed level.

2004–05 Tuition Waivers, UH System
Graduates, by Residency

Value of Waivers

Number of Recipients

Residents Non-Residents Total

Total value of waivers: $3.5M $7.2M $10.7M
Total recipients: 1,398 1,788 3,186

Note: Total undergraduate/graduate recipients includes 31 duplicate counts due to change in ed level.

2004–05 Non-Resident Tuition Differential, UH System

Total Tuition Charged: $18.8M
Total Value of Differential: $26.4M

Current Funding Allocation
Share of Tuition Assistance, Need-Based and Non-Need-Based, by Campus, 2004–05

Note: Total undergraduate/graduate recipients includes 31 duplicate counts due to change in ed level.
UH Financial Assistance Program Proposal

**Proposed Funding Allocation**

Share of Tuition Assistance, Opportunity, Achievement & International, by Campus

- UHM: 50%
- UHH: 40%
- UHWO: 40%
- UHCC: 20%

**Current Funding Allocation**

Share of Tuition Assistance, Need-Based and Non-Need-Based, by Campus, 2004–05

- UHM: 77% Need-Based, 23% Non-Need-Based
- UHH: 59% Need-Based, 41% Non-Need-Based
- UHWO: 82% Need-Based, 18% Non-Need-Based
- UHCC: 82% Need-Based, 18% Non-Need-Based