SB2191 – RELATING TO THE UNIVERSITY OF HAWAII

Chairs Taniguchi and Espero, Vice Chairs Kahele and Baker, and Members of the Committees:

SB 2191 proposes to require the University of Hawai‘i to waive the undergraduate tuition and an unspecified portion of graduate tuition for recipients of the Purple Heart who are residents of the State of Hawai‘i.

The University of Hawai‘i appreciates the outstanding sacrifice and service that Purple Heart recipients have provided to our country, and we welcome the different life experiences they would bring to the college classroom, adding to the diversity of our campuses. While the University supports the overall intent of this bill, we have concerns about the implementation of the bill’s provisions.

The University currently exempts the payment of tuition for select categories of individuals pursuing post-secondary education (i.e. employees, spouses/partners of employees, native Hawaiians with substantial need, and graduate assistants). The approach used by the University for other student categories include tuition revenue scholarships and nonresident tuition differentials.

Currently, tuition revenue scholarships are provided by a percent set aside of tuition revenues per campus for students with financial need and with designated achievement or merit reasons. Nonresident tuition differentials are waived for active duty military members and their spouses as well as those in the National Guard or Reserves. For academic year 2012-2013, a total of 114 National Guard and Reserve personnel received this benefit which amounted to $774,792 of University foregone revenue. Additionally, in the same period, a total of 1,853 active duty personnel received this benefit amounting to $9,423,276 of University foregone revenue. Because the amount of Purple Heart recipients who would qualify for the bill’s proposed benefit is not known, the fiscal impact of waiving tuition for the University is of concern.

The other concern is more of an administrative one. Requiring the University to waive tuition for Purple Heart recipients enrolling during the summer terms is an issue in that summer school is expected to be a self-sustaining operation that requires student enrollment to be sufficient enough to cover tuition and other instructional costs. In effect, this bill will hamper summer schools’ ability to be financially self-sustaining.
Amending the bill’s provision to eliminate references to being admitted as a summer school student would minimize the hampering.

Thank you for the opportunity to testify on this bill. The University supports the intent of this bill, provided that this support does not impact the University’s budget priorities as articulated in its budget request. We appreciate your support of encouraging our veterans including those receiving Purple Hearts to improve themselves and the communities in which they reside through post-secondary education.