

UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2020 LEGISLATURE

Annual Report on the
Hawai'i Promise Scholarship Program, FY 2019

HRS 304A-2102

December 2019

**Annual Report to the 2020 Hawai'i Legislature on
The Hawai'i Promise Scholarship Program, FY 2019
HRS 304A-2102**

Introduction/Background

In 2017, the legislature appropriated \$1.8 million for the creation of the Hawai'i Promise Program for qualified students attending a community college via Act 49, Session Laws of Hawai'i (SLH) 2017 (supplemental budget bill). In 2018, the governor signed Act 14, which provided \$700,000 for fiscal year 2018-2019 to provide additional financial assistance for unmet direct educational costs to qualified students enrolled at any community college campus of the University of Hawai'i. Act 14 was later codified as section 304A-2102, Hawai'i Revised Statutes, which included a reporting requirement that would include the number of scholarships provided under the Hawai'i Community College Promise Program during the preceding year. During the 2019 Legislative Session, Act 61, SLH 2019 was signed into law which appropriated \$700,000 for fiscal years 2019-2020 and 2020-2021.

The Hawai'i Community College Promise provides scholarships to all qualifying community college students with financial need; Hawai'i Promise supplements other grants and scholarships so that students can pay for "direct" educational expenses – such as tuition, fees, books and supplies -- without having to take out loans. Students must apply for financial aid by submitting their Free Application for Federal Student Aid (FAFSA) and receive the award as part of their University of Hawai'i Community College (UHCC) financial aid package.

Academic Year Expenditures

For the 2018-19 academic year, the University awarded \$1,640,463, assisting 1,378 UHCC students who were eligible for the scholarship. Hawai'i Promise Scholarship recipients received an average scholarship award of \$1,190. Hawai'i Promise provided the "last dollar" to cover the gap between students' other sources of non-loan aid (e.g., federal grants, private scholarships) and the "direct education costs" (estimated cost of tuition, fees, books, supplies and transportation).

HAWAI'I PROMISE SCHOLARSHIPS 2018-19

Campus	Total Amount Awarded and Paid in 2018-19	Number of Recipients	Average Hawai'i Promise Award
Hawai'i CC	\$96,404	75	\$1,285
Honolulu CC	205,306	177	1,160
Kapi'olani CC	370,494	322	1,151
Kaua'i CC	71,296	84	849
Leeward CC	517,097	441	1,173
Maui College	307,479	210	1,464
Windward CC	72,388	72	1,005
Total:	\$1,640,463	1,378*	\$1,188

* Three students received aid from more than one college.

Hawai'i Promise Scholarship Recipients

In 2018-19, the Hawai'i Promise program supported 1,378 UHCC students who had financial need. Average family income of Hawai'i Promise scholarship recipients was \$54,098 (Adjusted Gross Income), well below the state's median income of \$77,765 (2017) and Aloha United Way's "ALICE" threshold of \$72,336 for a family of four (2015). Nearly half of Hawai'i Promise recipients (46%) did not receive federal Pell grants, indicating that Hawai'i Promise supported many students in a "gap" group who had financial need but who did not qualify for a Pell grant.

More than half of Hawai'i Promise scholarships were awarded to students who are identified as underrepresented at UH: Native Hawaiians, Filipinos, Pacific Islanders, American Indian or Alaskan Native, African American or Black, and Hispanic. These underrepresented students, who made up 52% of overall UHCC enrollment in Fall 2018, received 60% of Hawai'i Promise scholarships.

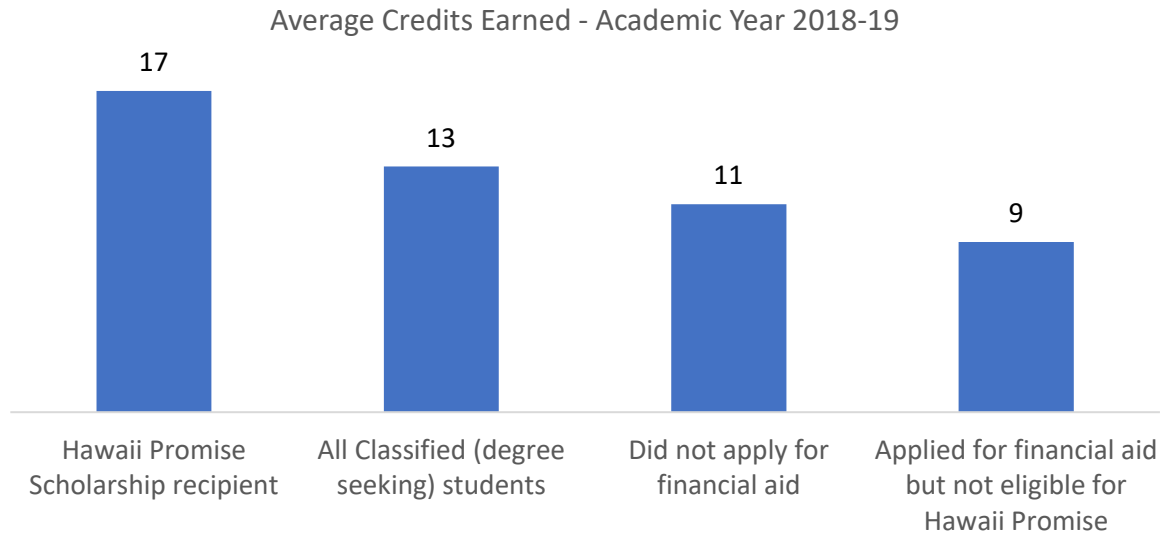
Hawai'i Promise scholarships supported more continuing than new students. In Fall 2018, 71% of scholarships were awarded to continuing students, while continuing students made up 66% of the overall student enrollment.

Hawai'i Promise Scholarship Impact

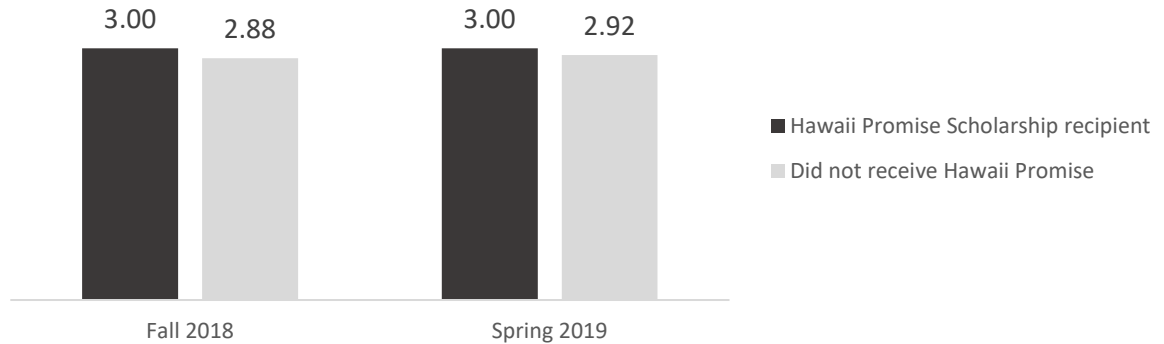
Results from Hawai'i Promise are extremely positive.

- **Less student loan debt:** Hawai'i Promise awardees took out student loans at about the same rate as non-awardees (16% vs. 17%). However, for those who took out loans, Hawai'i Promise recipients borrowed 14% less than their peers: \$4,972 vs. \$5,679 (average loan).
- **More credits earned:** In 2018-19, more Hawai'i Promise recipients attempted and earned more credits than non-Hawai'i Promise awardees. This includes comparison to various student groups: all degree seeking students, those who

applied for financial aid but did not receive Hawai'i Promise, and those who did not apply for aid.



- Better grades:** Hawai'i Promise recipients had higher passing rates than their peers, and they earned higher grades than their peers. In each term since Hawai'i Promise began, scholarship recipients have earned a 3.0 Grade Point Average (GPA) or better.



- Higher persistence and completion rates:** Hawai'i Promise recipients were more likely to continue their education than peers who did not receive Hawai'i Promise scholarships. Of new students who enrolled in UHCCs and received a Hawai'i Promise scholarship in Fall 2018 and who did not graduate in 2018-19, 67% continued to be enrolled in Fall 2019 compared with 58% of their peers who did not receive a Hawai'i Promise Scholarship.

Among Fall 2017 scholarship recipients who entered UHCCs as “first-time, full-time freshmen,” within two years, 16% have graduated, compared with 12% of peers who did not receive a Hawai'i Promise scholarship.