

UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2022 LEGISLATURE

Annual Report on the
Hawai'i Promise Scholarship Program, FY 2021

HRS 304A-2102 and Act 61, SLH 2019

December 2021

**Annual Report to the 2022 Hawai'i Legislature on
The Hawai'i Promise Scholarship Program, FY 2021
HRS 304A-2102 and Act 61, SLH 2019**

Background

Hawai'i Promise is a state-funded scholarship program that ensures that residents with financial needs can afford a college education. Hawai'i Promise provides free in-state tuition for qualified University of Hawai'i Community College students with financial needs. For eligible students, Hawai'i Promise provides the "last dollar" to cover direct education costs (e.g., tuition, fees, books) that are not met by other forms of financial aid such as federal grants and scholarships from private foundations or other sources.

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, Governor David Ige 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. In 2019, Act 61, SLH 2019 was signed into law which appropriated an additional \$700,000 for fiscal years 2019-2020 and 2020-2021.

Students are considered for the Hawai'i Promise when they submit their Free Application for Federal Student Aid (FAFSA) and they do not need to apply for the program separately. Eligible students must be qualified for Hawai'i resident tuition and be enrolled in at least six credits per term in a UHCC degree program. Hawai'i Promise scholarships are awarded as part of a student's financial package issued by their college.

Academic Year Expenditures

For the 2020-21 academic year, the University awarded and disbursed \$2,932,719 assisting 1,800 students from all 7 UH Community Colleges who were eligible for the scholarship. The average award was \$1,629. 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, 2020-21*

| Campus | # of Recipients | Avg Award (\$) | Total Awarded (\$) |
|---------------|------------------------|-----------------------|---------------------------|
| Hawai'i CC | 217 | \$1,749 | \$379,436 |
| Honolulu CC | 249 | 1,760 | 438,181 |
| Kapi'olani CC | 389 | 1,530 | 595,305 |
| Kaua'i CC | 169 | 1,516 | 256,285 |

| | | | |
|-------------------|--------------|----------------|--------------------|
| Leeward CC | 439 | 1,631 | 716,081 |
| Maui College | 250 | 1,674 | 418,541 |
| Windward CC | 89 | 1,448 | 128,890 |
| UHCC Total | 1,800 | \$1,629 | \$2,932,719 |

* Awards as of 11/29/21.

Hawai'i Promise Scholarship Recipients

In 2020-21, the Hawai'i Promise program supported 1,800 UHCC students who had financial need. Average family income of Hawai'i Promise scholarship recipients was \$53,755 (Adjusted Gross Income), well below the state's median household income of \$83,102 (Census, 2020) and Aloha United Way's "ALICE" threshold of \$76,632 for a family of four with school age children (AUW, 2018). Fifty-six percent (56%) of Hawai'i Promise Scholarship awardees were federal Pell Grant recipients. The federal Pell Grant program assists college students from low-income households, and the most economically disadvantaged students receive "full" Pell grants which covers the direct cost of education while other "Pell eligible" students receive federal aid on a sliding scale; Hawai'i Promise provides a scholarship to cover the direct cost of education for these "gap" students who receive some federal aid but not enough to cover tuition. Forty-four percent (44%) of Hawai'i Promise recipients did not receive federal Pell grants; this represents another "gap" group of students who have financial need but did not receive federal aid and whose tuition was supported by Hawai'i Promise.

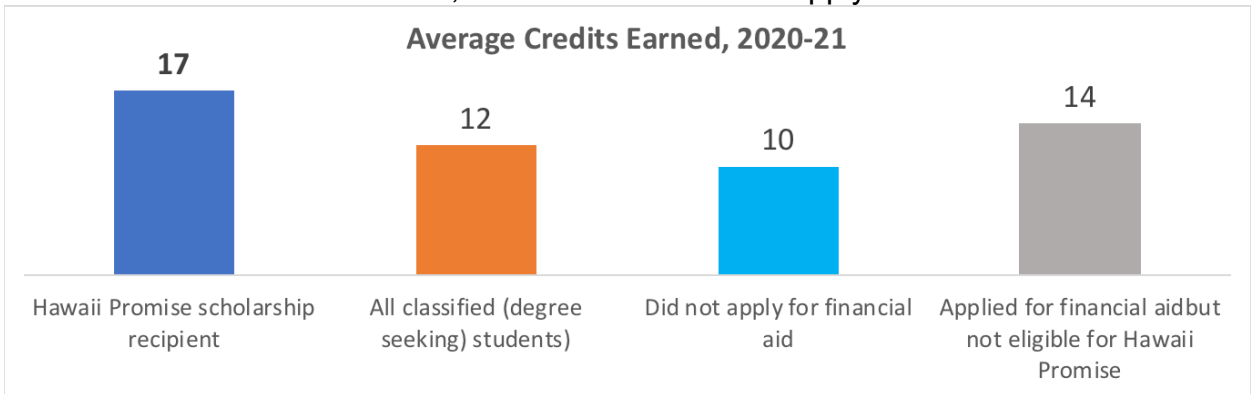
Fifty-nine percent (59%) of the Hawai'i Promise scholarships were awarded to students who identified as underrepresented at UH: Native Hawaiians, Filipinos, Pacific Islanders, American Indian or Alaskan Native, African American or Black, and Hispanic. These underrepresented ethnicity groups comprised 52% of overall UHCC enrollment in 2020-21.

Hawai'i Promise Scholarship Impact

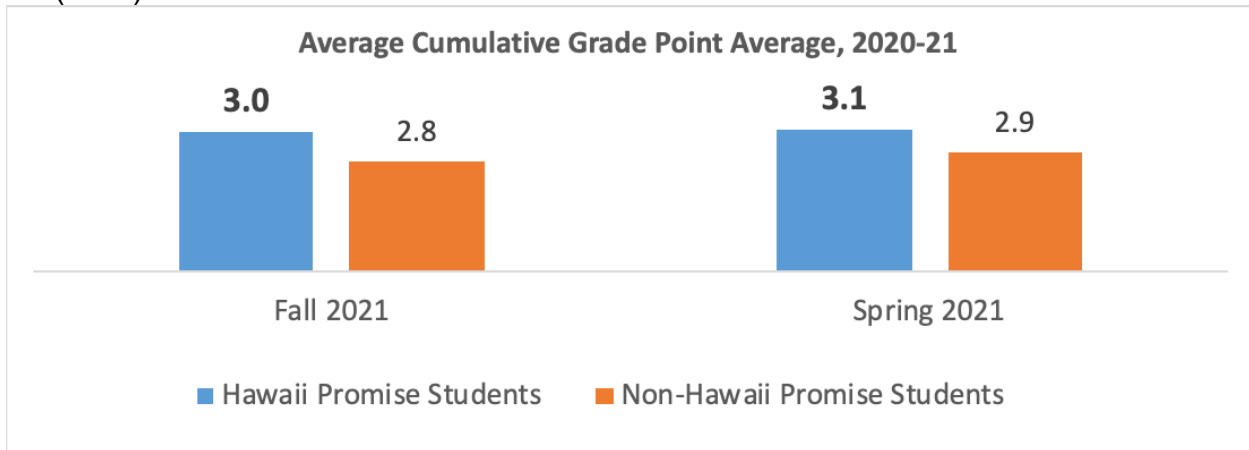
Results from Hawai'i Promise continue to be extremely positive.

- **Less student loan debt:** Hawai'i Promise awardees took out student loans at a lower rate than non-awardees (11% vs. 13%). Among students who took out loans, Hawai'i Promise recipients borrowed an average of \$5,492 which was less than their peers who borrowed an average of \$5,933.
- **More credits earned:** In 2020-21, Hawai'i Promise recipients attempted and earned more credits than non-Hawai'i Promise awardees. More credits earned has academic and financial benefits to the student including reducing time to degree and increased likelihood of persistence and degree completion. This comparison held true relative to 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.



- Comparable persistence rates and higher completion rates for full-time students:** Hawai'i Promise recipients were as likely to continue to be enrolled in UH as peers who did not receive Hawai'i Promise scholarships. Sixty-seven (67%) of new Hawai'i Promise Scholarship recipients who enrolled full-time in Fall 2020 continued to be enrolled the following Fall, a rate equivalent to their peers.

Students who received Hawai'i Promise scholarships in prior years continue to be enrolled or graduate at higher rates than their peers. For example, among students who received scholarships as new students in Fall 2018, 56% who initially enrolled full time have graduated or continue to be enrolled compared with 48% of those who did not receive financial assistance.

- Higher persistence and completion rates for part-time students** For part-time students, Hawai'i Promise scholarship recipients returned at **higher rates** than their peers: 60% vs. 48%. Part-time Hawai'i Promise scholarship recipients graduate or continue to be enrolled at higher rates than their peers, a difference of over 10 percentage points.

Act 61 (2019) requested additional information about how many students would have enrolled without the benefit of the program, how many scholarship recipients are unable to complete their program despite receiving a scholarship, and the likelihood that receiving a scholarship increased students' degree completion. Hawai'i Promise recipients provided feedback in July 2021 that addressed the impact of the Scholarship on their ability to enroll, persist, and complete their college goals. Some of their stories of Hawai'i Promise students were published via UH news: <http://go.hawaii.edu/U6V> and included below.

"The Hawai'i Promise Scholarship has been such a blessing! I honestly don't think I would have completed my COSAC certification along with other classes needed to enroll for my BSW program with Manoa if it weren't for the scholarship."

Jessica Gazmen, Leeward Community College

"My name is Taira Teves-Balaan and I am a Veteran Student. I have just recently graduated with my Liberal Arts Associate's Degree at Kaua'i Community College."

"When the COVID-19 pandemic hit, classes were moved to all remote access. My utility and internet bills became much higher because we were all mandated to stay home and quarantine. With the extra money the Hawai'i Promise Scholarship provided me, I was able to pay my bills in order to keep attending my classes via Zoom."

Taira Teves-Balaan, Kaua'i Community College

"The Hawai'i Promise Scholarship has been of great help to me over the years. Because of the scholarship I was able to afford Books and supplies for my classes, as well as a bus pass for transportation before covid. It has allowed me to pay for my essentials for school and thus helped me progress towards my career, which is carpentry."

Rayvan Kebekol, Windward Community College

"The Hawaii Promise Scholarship has been a remarkable help to me. As a special-needs student, I cannot drive, and have to rely on my parents to drive me in and out of school every day (prior to Covid), and we live 25 miles away (50 miles round trip), about 1 block from the lava of 2018 in the Leilani subdivision (and we were homeless for 5 months, while displaced from the lava, and then had to rent a small studio in Mountain View (6 adults, 4 dogs). In having to do this, my father has taken a back seat to his professional career working as I'm his responsibility, and I have medical issues as well, so he is my caretaker (even though I'm 21 years old)."

This scholarship helped so much with my transportation costs, gas, about \$10 per day each way to/from school, so \$20 a day, 5 days a week, was then \$100 weekly (16 weeks, \$1600 per semester). That is a ton of money to our family. My mom is a part-time teacher for 22 years, and her salary has really dropped the last 3 to 4 years, so any scholarship and grant help, is absolutely so appreciated!"

Madellan Richardson, Hawai'i Community College

"I am a grateful recipient of the Hawai'i Promise Scholarship. The scholarship funds allowed me to pay for my tuition and purchase books for school. We have two children, one under the age of two and have relied upon a single income throughout the pandemic. This scholarship directly impacted my ability to continue my education. I am interested in becoming an early childhood educator in my community of Wai'anae. Mahalo Nui Loa!"

Relene Kaaa, Leeward Community College

(1) How many scholarship recipients would have enrolled in the University of Hawai'i community college system without the benefit of the program;

A survey on Hawai'i Promise was emailed to 1,488 Hawai'i Promise recipients in January 2021 and 175 survey responses were received. The student sample of 175 Hawai'i Promise Scholarship recipients provides a picture of Hawai'i Promise Scholarship students as a whole and is acceptable for educational purposes with a 95% confidence interval and a 7% margin of error.

The large majority of survey respondents reported that the Hawai'i Promise Scholarship provided positive benefit and impact to their ability to afford, decision to enroll, and likelihood to persist in the University of Hawai'i Community College System.

- **90% of respondents** Strongly Agreed or Agreed that the Hawai'i Promise Scholarship helped me decide that college was affordable this year;
- **78% of respondents** Strongly Agreed or Agreed that the Hawai'i Promise Scholarship helped me to make the decision to enroll in college this year;
- **82% of respondents** Strongly Agreed or Agreed that returning to college next semester depends on continuation of my financial aid including Hawai'i Promise Scholarship.

Conversely, only **5% of respondents** Disagreed or Strongly Disagreed that the Hawai'i Promise Scholarship helped to decide that college was affordable this year and **5% of respondents** Disagreed or Strongly Disagreed that returning to college next semester depended on continuation of their financial aid including Hawai'i Promise Scholarship.

Based on this sampling, it can be projected that 95 students (5% of AY 2020-2021 Hawai'i Promise recipients) would have enrolled in the University of Hawai'i Community College system without the benefit of the program. It is projected that 1,482 students (78% of AY 2020-2021 Hawai'i Promise recipients) enrolled within the University of

Hawai'i community college system because of the benefits of the Hawai'i Promise program.

While Hawai'i Promise Scholarships are applied only to direct educational expenses (such as tuition), all respondents indicated that the Hawai'i Promise Scholarship enabled them to benefit in many ways to support their educational success.

| The Hawai'i Promise Scholarship allowed me to: | Percent of Sample |
|---|--------------------------|
| <i>Purchase books or supplies that I could not afford</i> | 78% |
| <i>Support my living expenses and basic needs, such as food and housing</i> | 71% |
| <i>Take more classes and credits</i> | 62% |
| <i>Reduce the amount of student loans I borrowed</i> | 43% |
| <i>Reduce the number of work hours</i> | 37% |

(2) How many scholarship recipients begin a degree program but are unable to complete the program, despite receiving the benefit of a Hawai'i community college promise program scholarship;

In November 2021, an analysis was conducted to assess the outcomes of all Hawai'i Promise recipients since program inception (Fall 2017 - Fall 2021). A total of 6,576 unique recipients were assessed.

82% Success Rate (Degree Completion, Transfer, and/or Persistence)

- 1,889 students completed a UH certificate or degree;
- 2,564 students are still pursuing a UH degree program including UHCC transfers currently enrolled in UH Bachelor's programs; and
- 915 students successfully transferred from UHCCs to UH or non-UH four-year institutions.

18% Stop-out Rate

- 1,208 students have some college experience but did not successfully transfer, complete, or persist.
- It is noted that the 18% Hawai'i Promise stop-out rate compares favorably to the 46% national measure for not enrolled, no degree status within 6 years for students that begin at a public, 2-year institution according to the National Center for Education Statistics.

(3) The degree to which receipt of a Hawai'i community college promise program scholarship directly increases the likelihood that a recipient completes a degree program.

Hawai'i Promise recipients have higher "success rates" as measured by graduation at a community college, transfer to a baccalaureate program, and continued enrollment. Overall success rates were 46% for Hawai'i Promise recipients compared with 40% for non-Hawai'i Promise recipients. In addition, the differences in overall success rates between Hawai'i Promise recipients and non-Hawai'i Promise recipients were found to be statistically significant.