Testimony Presented Before the
House Committee on Finance

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by
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SB 3120, SD 2 – RELATING TO THE UNIVERSITY OF HAWAI'I

Chair Takamine and Members of the Committee:

The purpose of Senate Bill 3120, SD 2 is to increase the amount of general fund appropriations previously appropriated for the State of Hawai'i B Plus Scholarship program. It also establishes a workforce development scholarship program at the community colleges, and specifies that state funds for all scholarship programs shall be placed in a separate account in the student scholarship and assistance special fund.

The University of Hawai'i deeply appreciates the Legislature's efforts on behalf of student access to higher education and this increase in need-based aid for Hawai'i residents. The creation of a need-based scholarship focused on workforce development is particularly important for the state given our critical need for well-prepared workers to meet the demands of the economy.

If the intent of the bill is to provide an appropriation for the B Plus and the Workforce Development Scholarships, the members of the Committee may wish to designate the share that should be allocated for each state scholarship in keeping with their public policy intent. Although there is considerable variation by state, on average, states provide approximately 70% of their state financial aid based on need, and 30% based on non-need or merit. According to the College Board's *Annual Survey of Colleges*, 2005, of the 48 states that have state grants or scholarships, an average of $500 in grant aid per full-time equivalent student was awarded in 2003-04. (For comparative purposes, the total UH system FTE enrollment was 34, 672 in fall 2004, and of that total, 15,039 FTE were enrolled at the community colleges.)

The University supports this bill provided that its passage does not replace or adversely impact priorities indicated in our Board of Regent approved Executive Supplemental Budget.

Thank you for the opportunity to testify in support of this measure.