



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways & Means
Thursday, February 20, 2014 at 9am, Conference Room 211
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SB 2131 SD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Ige, Vice Chair Kidani, and Members of the Committee:

SB 2131 SD1 proposes to require the University of Hawai'i to waive the nonresident tuition & fee differential for veterans of the five major branches of the US Armed Forces (Army, Navy, Air Force, Marine Corps, and Coast Guard).

The University of Hawai'i appreciates the outstanding service that military veterans have provided to our country, and we welcome the different life experiences they bring to the college classroom, adding to the diversity of our campuses. We do support the overall intent of this bill and concurrently, are concerned about its programmatic and fiscal impact on the University.

The University currently waives payment of the nonresident tuition differential 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 1,853 active duty personnel received this benefit amounting to \$9,423,276 of University foregone revenue. Additionally, in the same period, a total of 114 National Guard and Reserve personnel received this benefit which amounted to \$774,792 of University foregone revenue. For the University, the amount of funding caused by waiving the nonresident tuition & fee differential for veterans and active duty/reserve personnel would be significant.

Awarding the non-resident tuition differential for veterans discharged honorably from the Armed Forces will no doubt increase the numbers of student veterans on the University of Hawai'i campuses. The University would rely on veterans showing their certificates of release or discharge from active duty to confirm their veterans' status and type of discharge (DD 214). The University will nevertheless, still require personnel to review these Department of Defense forms.

A major unknown that concerns the University is the amount of veterans who will avail themselves of this tuition differential benefit. SB 2131 SD1 would allow any and all veterans globally to enjoy this benefit, even those physically out-of-state who have no intention of becoming residents of Hawai'i. Also, any and all veterans, at any point after their discharge, could choose to enroll in a campus of the University of Hawai'i five years later and beyond, and enjoy this tuition differential benefit. For Fall 2013 semester, there were 761 individuals enrolled at the University of Hawai'i-Mānoa

campus, using veterans' educational benefits. If these individuals were taking a fulltime load and charged at the non-resident rate (i.e. \$12,456), the total tuition charged would be \$9,479,016. At the resident rate for a fulltime load (i.e. \$4,332), the total tuition would be \$3,296,652. The difference of \$6,182,364 would be the tuition that the University foregoes. Even if out of the 761 individuals enrolled last Fall 2013 at the Mānoa campus, only 50% were classified as non-residents (i.e. 380), the University would forego \$3,087,120 of tuition revenue (i.e. \$4,733,280 less \$1,646,160). For the University, the amount of funding foregone by waiving the nonresident tuition & fee differential for veterans and active duty/reserve personnel at all ten campuses would be significant.

Another unknown is pending federal legislation. The US House passed legislation requiring colleges and universities to offer in-state tuition rates to veterans. The US Senate is considering an omnibus veterans bill similarly requiring in-state tuition for veterans. No doubt, this legislative activity at the federal level may contain compliance requirements and provisions that supersede provisions in SB 2131 SD1.

In recognition of the University's commitment to serving veterans, University of Hawai'i Interim President David Lassner, after meeting with Secretary of Veterans Affairs Eric Shinseki last fall, established a task force to assess current institutional policies, programs, and practices, and to provide recommendations that improve veteran access to the University and that promote the success of student veterans matriculating at the University's ten campuses. The task force has been meeting regularly and we anticipate receiving its set of recommendations within a month or two.

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 to improve themselves and the communities in which they reside through post-secondary education.