University of Hawai‘i

Financial Assistance Program Proposal (Draft)

Revised Fall 2005

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November 17, 2005

UH Financial Assistance Program Proposal

**Purpose**

To revise the existing tuition waiver program and the non-resident tuition differential (NRTD) program:

- To maximize the financial assistance available for Hawai‘i residents enrolled as students in the UH system
- To ensure that the revenues made available for financial assistance serve the interests of the University and the taxpayers of the state of Hawai‘i.

UH Financial Assistance Program Proposal

**Objectives**

- To monetize the existing tuition waivers and non-resident tuition differentials as appropriate
- To increase the amount of assistance available to students based on their financial need

UH Financial Assistance Program Proposal

**Background**

- Until 1995, the Legislature had sole authority over tuition waivers, which represented forgone state revenue
- Act 161 (1995) and Act 237 (1996) gave the Board of Regents (BOR) authority to grant, modify, or suspend tuition waivers
- Existing Tuition Assistance Implementation Plan, approved by the BOR in 1997, continued most of the previously mandated tuition waivers and non-resident tuition differential waivers
BOR Tuition Waivers & Scholarship Policy (BOR 6-7b)

BOR 6-7b
- Support equal access by Hawai‘i residents by making institutional aid available to students with demonstrated financial need
- Promote high quality programs by attracting and retaining academically superior students to UH
- Foster the development and maintenance of a highly diversified and stimulating campus environment

BOR 6-7c
- Support the UH’s mission to educate those who will assume positions of leadership and service in the Pacific and Asia

Current Tuition Assistance Plan & NRTDs

- Number of waivers = 13% of the previous fall FTE enrollment
  - Need-based: 70% of waivers
  - Merit-based: 30% of waivers
- Pacific Asian Scholars = 2% of the previous fall FTE enrollment
- 600 NRTDs for Pacific-Asian students

2004–05 Tuition Waivers, UH System

- Total value of waivers: $20.4M
- Total recipients: 8,840
Disadvantages of the Current Financial Assistance Program

- Value of the tuition assistance provided known only after awarded
- Share for need-based aid no longer consistent with intent of BOR policy
- Tuition waivers cover tuition only
- Waivers obscure real $ value
- Waivers diminish value of assistance—make education appear “free”

Proposed UH Financial Assistance Program

- UH Opportunity Grants
- UH Achievement Grants
- UH International Student Scholarships
- Tuition Exemptions

UH Opportunity Grants

- Need-based grants for full-time and part-time Hawai’i resident students
- Require completion of the Free Application for Federal Student Aid (FAFSA)
- Grants may be applied to the difference between the cost of attendance (i.e., the cost of tuition and fees, books, housing, and transportation) and the expected family contribution (after federal financial aid is applied)
- Protects access of low income resident students as tuition rates increase


- Current Need-Based Aid
- Anticipated Increase in Need
- Minimum Increase in Aid
UH Achievement Grants

- Include awards to Regents and Presidential Scholars, other merit-based, and service-based scholarships (e.g., band, athletics, etc.)
- Residents of Hawai’i receive preference
- Criteria and requirements may be increased or expanded based on the mission of campuses and programs

University of Hawai’i International Student Scholarships

- All full-time, classified international students, undergraduate and graduate, will be eligible
- Priority given to students:
  1) From the Asia/Pacific region
  2) Studying the Asia/Pacific region
  3) Participating in international exchange agreements stipulating scholarship opportunities
- Maximum International Student Scholarship comparable to WUE rate (student pays 150% of resident tuition) unless other agreement

UH Tuition Exemptions

- Graduate Assistants are exempted from tuition as a function of their employment with the University
- Employees (and spouses of UHPA members) are exempted from tuition as established in collective bargaining agreements
- Native Hawaiian need-based waivers will continue to be awarded (in conformance with the law)

Funding of the UH Financial Assistance Program

- Grants and scholarships will be funded through the tuition revenues generated by each campus
- Annual allocation for grants and scholarships will be determined on a dollar value, as opposed to full-time equivalency (FTE) enrollment
- Students receive a grant or scholarship of a specific dollar amount rather than a “full” or “partial” tuition waiver
Current Funding Allocation
Share of Tuition Assistance, Need-Based and Non-Need-Based, by Campus, 2004–05

Proposed Funding Allocation
Share of Tuition Assistance, Opportunity, Achievement & International, by Campus

Proposed Six Year Implementation
- Quadruple need-based aid in keeping with commitment made to students
- System total of $23m based on estimated enrollments and revenues
- Shift need and non-need shares over time
- Honor differences in mission and program priority by campus

UH Financial Assistance Program Proposal
Need & Non-Need Allocations, AY 07–12, (Projected Percent of Tuition Revenue)
UH Financial Assistance Program Proposal

UH Financial Assistance Program
Need & Non-Need Allocations, AY 07–12,
(Projected Percent of Tuition Revenue)

UH Hilo

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UH West O'ahu

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UH Community Colleges

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Advantages of the Proposed Financial Assistance Program

• Allows the University to predict and monitor the value of the tuition assistance provided
• Accommodates the SCT Banner student information system
• Allows greater flexibility in awarding grants and scholarships of varying dollar value
• Creates the possibility of awarding financial assistance beyond the cost of tuition based on financial need
• Creates a financial assistance program that is based on need and/or achievement, rather than simply waiving tuition or making it appear “free”
**Process and Timeline**

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<td>Fall 2005</td>
<td>System-wide consultation with faculty, staff, students, administrators, other constituents</td>
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<td>Jan 2006</td>
<td>Revise proposal for Board of Regents approval</td>
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<tr>
<td>Spring 2006</td>
<td>Implement UH Financial Assistance Program for Fall 2006</td>
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**Policy Considerations**

- Appropriate share of UH tuition revenues that should be devoted to financial assistance
- Appropriate share of UH financial assistance for need-based and non-need based awards
- Appropriate share of UH financial assistance earmarked for residents
- Appropriate share of UH financial assistance earmarked for undergraduates
- Extent to which shares should vary by campus mission and program