



UNIVERSITY OF HAWAI'I SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Veterans, Military, & International Affairs, & Culture and the Arts
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HB 1076 – RELATING TO TUITION WAIVERS

Chair Ito, Vice Chair Tokioka, and Members of the Committee:

HB 1076 proposes to allow the University of Hawai'i to waive the tuition for spouses or children of veterans who are totally disabled or who were killed in action while engaged in active federal service.

The University of Hawai'i appreciates the outstanding sacrifice that the spouses and children of veterans have provided to our country in support of our U.S. service members. The University would welcome the different life experiences these dependents of service members would bring to the college classroom, adding to the diversity of our campuses. However, the University has concerns about the approach being proposed by HB 1076.

The University currently exempts the payment of tuition for select categories of individuals pursuing post-secondary education (i.e. employees, spouses/partners of employees, native Hawaiians with substantial need, and graduate assistants). The Legislature in 2006 devolved responsibility for waiving tuition entirely or by portion for students to the Board of Regents (Section 304A-502, HRS). This replaced the former practice of statutorily identifying a laundry list of student categories eligible for tuition waivers from the University that expanded historically and led to increased foregone tuition revenue. Currently, the student categories that may receive tuition waivers include employees, spouses/domestic partners of employees, native Hawaiians with substantial need, and graduate assistants. These are prescribed by Regents Policy (RP6.207). The University prefers to identify additional student categories eligible for tuition support or relief after a thorough programmatic and financial assessment to determine the best approach to use, especially given competing priorities among the different student categories. Fulfilling HB 1076's provisions may result in a slippery slide return to a "laundry list" approach which may not be an optimal manner for the University to exercise fiscal stewardship.

The other financial approaches used by the University for providing financial assistance to designated student categories involve the awarding of tuition revenue scholarships and waivers of non-resident tuition differentials.

Tuition revenue scholarships are provided by a percent set aside of tuition revenues per campus for students with financial need and with designated merit reasons. These categories are prescribed by Regents and Executive Policies (RP6.204 and EP6.204) and include students

with financial need, students with academic or service achievement, athletes, international students, pacific island students, and high academic achievement Regents & Presidential Scholars. All students, military affiliated or not, may qualify for these types of tuition revenue scholarships.

Nonresident tuition differentials are waived for active duty military members and their authorized dependents as well as those in the National Guard or Reserves (per Regents Policy, RP6.208. For academic year 2013-2014, a total of 105 National Guard and Reserve personnel received this benefit which amounted to \$701,945 of University foregone revenue. Additionally, in the same period, a total of 1,823 active duty personnel or their dependents received this benefit amounting to \$10,332,567 of University foregone revenue. Because the amount of spouses or children of veterans who are totally disabled or killed in action, and would thus, qualify for HB 1076's proposed benefit is unknown, the fiscal impact of either waiving nonresident tuition differentials or entire tuition costs for the University is of concern.

Thank you for the opportunity to testify on this bill. The University would prefer to allow its ten campuses to determine financial need of the spouses or children identified in HB 1076 and craft a package of financial assistance without presupposing their ability to pay. Not assessing their financial need and expected family contribution to cover college costs may result in awarding financial assistance to individuals able to pay, while providing less financial assistance to those with limited abilities to pay. Although the University understands the intent of this bill, we ask that this bill be held.