

2024 Annual Report of Program Data Financial Aid Office



1. Program or Unit Mission

The Hawai'i Community College (Hawai'i CC) Financial Aid Office (FAO) assists current and prospective students fund their educational goals by administering a variety of federal, state, and institutional financial aid programs, some of which include Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study, Federal Direct Loans, University of Hawai'i (UH) access grants, University of Hawai'i Foundation (UHF) scholarships, and institutional grants and scholarships.

2. Program Student Learning Outcomes or Unit/Service Outcomes

There are currently no unit-specific outcomes established that take into consideration the state of the FAO and the University of Hawai'i Community Colleges' (UHCC) centralization project. Most goals and initiatives are set at the system level, but the Hawai'i CC FAO will be working with the Institutional Assessment Coordinator (IAC) to determine appropriate, measurable outcomes for future assessments. For additional information and historical context, refer to page 10 of the [2022 FAO Annual Unit Report AUR](#).

3. Analysis of the Program/Unit

Challenges and Accomplishments

From July 1, 2023 to June 30, 2024, financial aid operations have continued to be impacted as discussed in the FAO's 2022 AUR, which is to say that the FAO is still understaffed and struggling to fulfill its duties. Of the two permanent positions previously requested and approved, neither were hired as of the end of the end of the 2024 fiscal year.* Of the multiple Paepae Haumāna (the Welcome Center) building improvements and repairs requested and approved, none have been addressed – the air conditioning system has not been replaced and inconsistently cools the building when it is not broken down; no security system or cameras have been installed; the fire security device is still not functional and triggers randomly; and the front doors of the building have not been replaced, which means that the entrance is still not ADA compliant and the doors remain open and unable to be easily shut or locked in the case of an emergency.

**Although the two permanent positions previously referenced were not filled by the end of the fiscal year, they were filled in September and October of 2024.*

UHCC System FAO processes continue to require significant campus follow-up and review. With each new process or change, the workload at the campus FAO's increases, which is compounded by

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the system FAO's staffing shortages – when the campus FAO experiences staffing shortages, the workload per person increases; when the system FAO experiences staffing shortages, work is returned or delegated to the campus FAO's, further increasing the workload per person at the campus level. Despite the system's recommendation that the Hawai'i CC FAO maintain minimum staffing of four full-time APT employees, as of the end of the fiscal year, the Financial Aid Manager (FAM) position was still the only filled, full-time, permanent position in the FAO. One highly experienced clerical staff was still on long-term loan to the FAO from the Vice Chancellor for Student Affairs' (VCSA) office, and one casual employee was still being hired in 89-day intervals (the maximum appointment period for employees with the casual designation). Beyond their help, overtime was being relied upon to assist in keeping up with minimum requirements for compliance. Other offices, such as Academic Counseling, are also being utilized to assist with certain customer service and outreach tasks.

For the 2023-2024 school year, Hawai'i CC's simple audit focused on the prior year's findings and other standard tests, resulting in no findings, repeat or otherwise. The findings from the prior year were addressed via training and updated procedures, however the root cause of the issue remains – lack of adequate staffing. Workloads continue to be beyond capacity, which leads to mistakes and oversights. As more work is expected – not less – due to the UHCC System's centralization initiatives, it is imperative that the remaining absent position be returned or replaced as soon as possible. Further, as discussed in the [2022 AUR](#) (page 8), adequate staffing is a federal requirement and understaffing could result in sanctions assessed by the US Department of Education (US DOE), including fines or revocation of the ability to participate in the federal student aid programs.

Despite all challenges, the FAO continues to persevere and has multiple achievements worthy of note, which are listed below.

- The FAO continues to remain open and available to provide customer service and support for students by email, phone, and in person.
- Multiple financial aid forms for Hawai'i CC have been converted from a paper (PDF) format to a digital (Kuali) format, improving security and reducing the likelihood of fraud, and saving time for both students and the FAO, which in turn has reduced barriers to completion for students.
- The two permanent positions that were acquired by trading in two temporary/half-temporary positions were filled as of the writing of this report, though not before the end of the 2024 fiscal year. As expected, filling the two permanent positions has significantly increased the stability and functionality of the office, though the total employee count remains the same.
- The current FAO staff have a good working relationship and prioritize teamwork and collaboration. Responsibilities are shared in a manner that utilizes each individual's strengths, and individuals volunteer to assist each other as priorities are identified, particularly when there are tight time frames that must be adhered to. This has continued to result in a significant amount of cross-training and employee growth.

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Hawai'i CC's total Pell disbursements for the 2023-2024 school year were \$3,193,886, which is a 7.98% increase from the prior school year's disbursements of \$2,957,776.60 (adjusted down from the 2023 AUR due to the late notice and subsequent return of funds resulting from uncashed checks). Additional financial aid data provided in the [2024 Annual Report of Program Data \(ARPD\)](#)

shows that the Pell Participation Rate for all students has dropped, despite the total dollar increase, from 55.5% to 51.7%; and the Pell Participation Rate for Native Hawaiian students has also dropped from 59.7% to 55.5%, continuing the previously identified trend of fewer Native Hawaiian Pell recipients year over year. With that said, the methodology used to calculate this data is not provided, so there may be issues with the data. For example, in other data sets that consider Native Hawaiian ethnicity, it has been discovered that only a student's first-listed ethnicity was being considered. If the same issue, or other such issues, exist in the dataset, the number of Native Hawaiian Pell recipients may not be accurate.

Another data point relevant to the FAO is Hawai'i CC's Cohort Default Rate (CDR), which was 0% for the 2021 cohort (borrowers who entered repayment from 10/1/2020 to 9/30/2023). While this may seem good, it is actually a direct result of the COVID-19 pandemic payment pause, for which all federal student loan payments were discontinued and no loans were moved into delinquent or default status. This has effectively made the recent data useless, but rates are expected to rebound to, or exceed, pre-pandemic levels as students continue entering repayment now that the pandemic payment pause has expired. In the past, Hawai'i CC has worked with a third-party servicer, Inceptia, to handle loan repayment outreach in order to manage its CDR and stay in good standing with the federal student aid programs, however the Inceptia contract was canceled because the UHCC System FAO was expected to procure a contract with a default management company in 2023 on behalf of all of the UHCC's. As of the writing of this report, the system-level contract has still not been finalized.

Finally, the change to student loan awarding practices discussed in the [2022 AUR](#) (page 6) continues to result in climbing numbers of student loan borrowers as well as total borrowing. As shown in the chart below, the number of student loan borrowers increased 38.89% from 2022 to 2023 and another 47% from 2023 to 2024, despite having a net decrease in total enrollment from 2022 to 2023 of 0.5% and a net increase from 2023 to 2024 of only 6.48%. Even more pronounced, however, is the change in the total amount borrowed, which increased by 66% from 2022 to 2023, and by another 23.61% from 2023 to 2024. Because the previously mentioned CDR metric is both several years behind and currently showing useless data as a result of the pandemic payment pause, it is too soon to see how the increased borrowing will affect Hawai'i CC's CDR, but it is also worth considering the various impacts of increased borrowing and indebtedness aside from institutional metrics, such as for the students themselves and the communities served by Hawai'i CC, and how the increased borrowing contributes to the national conversation regarding increased borrowing and the associated burdens of an increasingly indebted society.

School Year	Total Students	Total Borrowers	Borrower Percentage	Subsidized Loans	Unsubsidized Loans	Total Loans
2021-2022	2870	72	2.51%	\$ 215,545.00	\$ 222,642.00	\$ 438,187.00
2022-2023	2855	100	3.50%	\$ 414,068.00	\$ 313,341.00	\$ 727,409.00
2023-2024	3040	147	4.84%	\$ 425,661.00	\$ 473,518.00	\$ 899,179.00

** Loan amounts shown are after loan fees are deducted. Despite never having access to the full amount of the loans they accept, students are responsible for repaying the full principle and interest, which includes the amount disbursed, interest on the the amount disbursed, loan fees, and interest on the loan fees.*

4. Action Plan

The FAO has not yet had an opportunity to meet with the Institutional Assessment Coordinator (IAC) to evaluate and determine appropriate, measurable outcomes for current or future assessments due to lack of adequate staffing. Currently the FAO is focused primarily on ensuring that basic operations are able to continue and that institutional compliance obligations are met to the extent possible. Accordingly, the FAO's action plan remains similar to prior years,

1. Work with the Vice Chancellor for Student Affairs (VCSA) to hire one additional full-time, permanent, APT employee.
2. Work with current staff and outsourcing partners to maintain compliance with applicable laws, regulations, and policies.
3. Continue working collaboratively with the UHCC System FAO to increase automation and make other changes that will positively impact students.
4. Continue working with the Admissions and Records Office and the Information Center to determine the best layout and workflow for Paepae Haumāna operations.
5. Fix broken or dysfunctional Paepae Haumāna building components, including the front entrance and the malfunctioning fire alarm system. Replace the air conditioning system, as recommended by multiple vendors and consultants.
6. Work with Hawai'i CC's IAC to establish unit outcomes and evaluation metrics for the FAO.

5. Resource Implications

I AM requesting additional resource(s) for my program/unit.

Total number of items being requested: 2

1. One full-time permanent APT position/employee.
2. Paepae Haumāna building improvements and repairs by June 30, 2022.