



UNIVERSITY  
of HAWAII®  
MĀNOA

College of Engineering  
Dean's Office

November 17, 2014

Dear Kaleo Norman, Chair EE Student Advisory Board:

You asked me to "issue a clear statement to the student body indicating how the College of Engineering interprets [this] policy", where [this] presumably refers to the statement "the Office of Financial Aid will be counting stipends received for voluntary work performed by students for the school as part of their pre-existing financial resources".

My direct response to this question is: All UH Manoa students receiving financial are obligated to follow rules provided by the University in the statements relating to financial aid: <http://www.hawaii.edu/fas/policies/1415policy.php>. and [http://www.hawaii.edu/fas/downloads/how\\_scholarships\\_affect\\_financial\\_aid.pdf](http://www.hawaii.edu/fas/downloads/how_scholarships_affect_financial_aid.pdf).

In particular the following excerpts are particularly relevant:

### OTHER FINANCIAL RESOURCES

If you receive any other form of financial assistance in addition to those shown on your Award Offer (e.g., Kamehameha/Hawai'i Community Foundation/UH Foundation scholarships, University Department Tuition Waivers, Stipends, Fellowships, Resident Advisor Stipends etc.), you must notify FAS immediately. As required by federal regulations, an adjustment to your award(s) may be necessary to reflect the increase of your resources. *Failure to notify FAS may delay your financial aid disbursement and/or may require you to repay the university.*

### OVERAWARDS

An "over award" situation may result if funds have already been disbursed. This may happen when the following occurs (some examples):

- 1) You receive additional resources (if not already accounted for in original award offer)
- 2) Your residency status changes
- 3) Your living situation changes
- 4) Your enrollment is below full time at University of Hawai'i at Mānoa (12 credits for undergraduates, 8 credits for graduates, 12 or more credits for professional students)
- 5) Verification information changes your expected family contribution (EFC)

*\*Repayment may be required, and/or adjustments may be made to other types of aid and/or future disbursements within the academic year.*

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Of course, to some degree, this misses the point of your letter since it does not directly address the specific concerns you raise. However, these statements are clear and have to be my official reply to your request.

It is however true to say that there is a lot of ongoing discussion on this issue within the University on detailed aspects of these regulations and so it would be equally hard for me to be definitive on detailed issues falling into the general situation outlined above. I am continuing to work with others in the University to understand the situation further. I will also work now to issue a general statement to College students on the subject but would not envision that this statement will in substance be any different from the message I have given above.

Let me now discuss some of the issues as I see them. While the term “work” is used in your letter, the mechanism of compensating students reflected here is not “employment”, which is governed by other rules and regulations. (The College does indeed employ students in various roles such as graders, office employees etc.) The items under consideration here are all classed as general support of the student while at College and not payment for work delivered. The underlining principle being employed seems to be one of minimizing the long term financial burden placed on students (loans etc.), and so if some source of income is received by a student, which can in theory be used to lessen this burden, then the University is obligated by various laws to lessen the burden. (When a direct federal aid package is reduced then this is clear, but may be less clear when this comes from some other source, such as a state or university resource. However these latter sources are often derived from general student tuition and so lessening this burden from other sources will also indirectly lessen the burden on students in general). This principle seems sound enough to me and so I think that the general intent of the rules and regulations laid down by this university (and almost every other university) are fully understandable. This certainly has a generic effect that you point out in your item listed (1). Unless the general principle being applied here changes I don’t see today how to implement any mitigation of the effect (1).

Clearly however there are areas where the application of this general principle seems to less understandable. Without getting into details about all the various forms of compensation, I pick two contrasting types of compensation as examples of my thinking today (i) compensation for supplies bought by a student in fulfilling a particular (co-) curricula component of their degree program and (ii) a stipend.

In compensating supplies purchased by a student, my understanding is that the Financial Aid office will work with individual students and Colleges to work out if it is possible to essentially increase the cost of the program by a corresponding amount and hence circumvent the need to classify the payment as an over award. Thus in this case, while not always possible depending on exact circumstances, there seems to be a mechanism for the College to assist students in ensuring that the students overall compensation is not affected.



In the case of stipends, however, it is clearly stated above that when a student has financial aid the real possibility exist that UHM Financial Aid will have to classify the stipend as an additional source of income to the student. Again, the University clearly puts the responsibility on the student who receives financial aid to work directly with UH Mānoa Financial Aid office to ensure that they have documentation on all such payments. This is not a new University policy and is discussed in popular literature for example: at FinAid.org. See <http://www.finaid.org/scholarships/outside.phtml>

In many senses stipends are treated in much the same way as are scholarships awarded by the College. I believe that students should in particular not view stipends as compensation for a job being accomplished just as scholarships are not. Clearly the awarding of stipends is seen by students as compensation for a task, but this is not the intent and indeed we as administrators are instructed to not substitute stipends for paid employment. In particular your items listed as (2) and (3) are substantially flawed in that they inherently view stipends as paid compensation for work done, which they are not.


While stipends have been paid to students for many years, there has admittedly been a recent growth of the use of stipends by the College and in particular with the enhanced focus on student projects. The ability of the College to enhance the experience of students project work has been partially responsible for the increasing use of stipends (from largely the same donors who also give the College scholarships), but this is by no means my preference for the use of the funds. The choice to receive stipends in place of other means of project enhancement is mostly from the student. Other roles in which stipends are awarded are 'service' roles that aid the College in activities such as recruitment exercises, etc. This is a service role (paralleling the service role that many of our alumni undertake to their communities, and indeed the College) for which "recognition" is granted through a stipend.

I thank you for being pro-active members of our Engineering student body and bringing this issue to my attention. Rest assured that I will continue to seek more clarity to some of the detailed aspects of the issue, and will redouble efforts to ensure students in the College know about their responsibilities in this regard.

There is a new link on the College web site in this regard at: <http://www.eng.hawaii.edu/wp-content/uploads/2011/12/Do-Stipends-Affect-Financial-Aid.pdf>

I am sorry that my response will not greatly satisfy your immediate desires, but I do hope that it will begin to enable a better appreciation and awareness of the situation for Engineer students.

Sincerely yours,

  
Peter E. Crouch  
Dean