



## DEPARTMENT OF AUDITS AND ACCOUNTS

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Greg S. Griffin  
STATE AUDITOR  
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January 19, 2017

Honorable Stacey Evans  
State Representative  
511-C Coverdell Legislative Office Bldg.  
Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
House Bill (LC 33 6737)

Dear Representative Evans:

This bill would provide retroactive payments for the difference between HOPE grants and full tuition costs for grant recipients who graduate on time and earn a diploma or certificate. The bill defines on time as "the number of consecutive semesters or quarters required to complete the coursework for a specific diploma or certificate if taking a full-time load plus one additional semester or quarter." The bill applies to students in a branch of the Technical College System of Georgia (TCSG) or a unit of the University System of Georgia (USG).

Providing retroactive payments for the difference between the HOPE grant amount and tuition costs could have a total fiscal impact to the state of about \$1.1 million annually (see Table 1). Almost all of the costs are associated with students enrolled in the TCSG. The Board of Regents (BOR) reported a minimal fiscal impact (\$16,720) for students attending a USG institution.

**Table 1. Additional Costs Associated with the Bill**

	On Time Graduates	Credit Hours	Total Tuition	HOPE Grant	Additional Cost under Bill
TCSG	2,018	50,424	\$4,487,736	\$3,378,408	\$1,109,328
USG	58	1,099	\$124,155	\$107,434	\$16,720
Total Additional Costs					\$1,126,048

TCSG reported that among the fall 2013 cohort, 2,018 HOPE grant recipients graduated on time with a certificate or diploma. The HOPE grant paid \$67 per credit hour while tuition was \$89 per credit hour. As shown in Table 1, if these students received a payment for the difference between the HOPE grant and full tuition, the retroactive payments would have totaled \$1.1 million. When

determining the number of students impacted by the proposed bill, TCSG defined on time as either three consecutive fall/spring semesters or five consecutive fall/spring semesters depending on the type of certificate or diploma earned.

In addition to the TCSG students, a small number of USG students would be impacted by this bill. According to BOR, 58 HOPE grant recipients graduated on time with a certificate from a USG institution in fiscal year 2016 (USG does not award diplomas). Under the bill, these students would have received retroactive award payments of \$16,720. These estimates are based on an on time definition of three consecutive fall/spring semesters. BOR noted that this estimate is an upper bound since some certificates are less than a full year.

It should be noted that the cost estimates do not include all potential impacts of the bill. If the bill results in an increase in on time completers, higher retroactive payments would be required. Changes in tuition amounts and HOPE grant award amounts would also impact the costs of the bill.

Sincerely,

A handwritten signature in blue ink that reads "Greg S. Griffin".

Greg S. Griffin  
State Auditor

A handwritten signature in blue ink that reads "Teresa A. MacCartney".

Teresa A. MacCartney, Director  
Office of Planning and Budget

GSG/TAM/kc