



DEPARTMENT OF AUDITS AND ACCOUNTS

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February 14, 2017

Honorable Rick Jasperse
Chairman, Higher Education
401-H State Capitol
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill 222 (LC 33 6803)

Dear Chairman Jasperse:

The bill would amend the eligibility requirements for HOPE scholarships and grants by changing the classification of a legal resident of Georgia for eligibility purposes to include any member of the Georgia National Guard or a reserve component of the armed forces of the United States that is located in Georgia. These individuals would still need to meet all other eligibility requirements to receive a HOPE scholarship or grant.

The total cost of the bill is dependent on the portion of those serving in Georgia units who otherwise meet HOPE eligibility requirements and attend a Georgia university or technical college. While we are unable to determine the number of Guard members and reservists that would both qualify and take advantage of the expanded residency definition for the HOPE scholarship and grant, we can provide some estimates of the number of potentially affected individuals.

- There are 89 members of the Georgia National Guard (82 in Army; 7 in Air Force) who do not currently meet the current state residency requirements, graduated from high school in the past seven years, and would become eligible as a state resident for HOPE under the bill. These individuals could qualify for the HOPE scholarship or grant.
- The Georgia Department of Defense reported an additional 483 Georgia Army National Guard members over the age of 26 who do not meet state residency requirements. Individuals in this group could qualify for the HOPE grant only.
- We were unable to determine the number of reservists in Georgia-based units that do not meet the state residency requirements. However, the total number of reservists was similar to the total number of Guard members in May 2016 (13,800 in Georgia National Guard; 13,400 in Georgia-based Reserve units).

According to the Georgia Student Finance Commission (GSFC), the average HOPE scholarship award per military member was \$1,567 per term. The average HOPE grant award per military member was \$620 per term. Assuming that newly qualified students are distributed to the same institutions as current military students and attend two terms per year, the cost for 50 new individuals receiving the HOPE scholarship would be \$156,700 annually ($\$1,567 \times 2 \times 50$). For every 50 new individuals that receive a HOPE grant and attend two terms per year, the annual cost would be \$62,000 ($\$620 \times 2 \times 50$).

Both the Georgia Department of Defense and GSFC indicated that any administrative costs that result from this bill would be minimal.

Sincerely,



Greg S. Griffin
State Auditor



Teresa A. MacCartney, Director
Office of Planning and Budget

GSG/TAM/nc