



DEPARTMENT OF AUDITS AND ACCOUNTS

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January 6, 2017

Honorable Lester Jackson
State Senator
121-J State Capitol
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 41 0884)

Dear Senator Jackson:

The bill would create a need based HOPE scholarship and grant to pay an additional tuition amount for HOPE Scholarship or HOPE Grant recipients who are claimed as dependents and whose parents' total gross annual income is less than \$75,000; or are independent and whose total gross annual income is less than \$75,000. This additional tuition amount would equal the difference between the full tuition rate and the current HOPE Scholarship or HOPE Grant award amount at each institution.

As shown in **Table 1**, the bill would require additional spending of approximately \$55.3 million annually based on FY 2016 HOPE Scholarship and Grant recipients. Approximately \$41.8 million of the additional costs would occur for students in University System of Georgia (USG) institutions and \$11.5 million for the Technical College System of Georgia (TCSG). The remaining \$2.0 million would be for private institutions.

Table 1. Projected Need Based HOPE Grant and Scholarship Costs

USG Costs	TCSG Costs	Private Institution Costs	Total Costs of LC 41 0884
\$41.8 million	\$11.5 million	\$2.0 million	\$55.3 million

The estimate is based on the number of students who would have qualified for the scholarship in FY 2016. There were 86,477 students who were awarded a HOPE Scholarship or Grant and met the need qualifications set by this bill in FY 2016. The Georgia Student Finance Commission does not have tax record information for students who receive a HOPE award; therefore, eligible students were determined by examining their Free Application for Federal Student Aid (FAFSA) application (which includes adjusted gross income and identifies the dependency status of

students). The percent of HOPE recipients without FAFSA data was 6.90% among USG recipients, 11.0% for TCSG recipients, and 5.73% for recipients at private institutions. If any of these students meet the income qualifications, the cost of the bill would increase. In addition, the estimate is based on FY 2016 tuition and enrollment. An increase in either would likely increase the cost of the bill.

Sincerely,



Greg S. Griffin
State Auditor



Teresa A. MacCartney, Director
Office of Planning and Budget

GSG/TAM/nc