



DEPARTMENT OF AUDITS AND ACCOUNTS

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March 13, 2018

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

SUBJECT: Fiscal Note
House Bill 392 (LC 33 7089S)

Dear Chairman Jasperse:

The bill would allow specific postsecondary institutions, namely Georgia Military College (GMC) at this time, to be eligible to receive payments for dual enrollment courses provided to high school students for up to five academic terms per year. Currently, Georgia Student Finance Commission (GSFC) regulations limit payments for dual enrollment students to three semester terms (Summer, Fall, and Spring) or four quarter terms (Summer, Fall, Winter, and Spring) per academic year. GMC offers courses to students over five quarter terms during the year (Summer, Fall-1, Fall, Winter, and Spring).

Although GSFC's regulations allow GMC to combine two or more mini-terms into a standard term for dual enrollment application and payment purposes, the combined number of quarter hours per student may not exceed 12 per standard term or 48 per academic year. The addition of the fifth quarter would increase from 48 to 60 the total number of quarter hours eligible for dual enrollment payment per student each academic year. Therefore, GMC would be eligible to receive up to \$187 per credit hour in tuition and \$15 per credit hour in book fees for the additional 12 credit hours, as well as \$50 per student in mandatory fee payments for the extra term.

Allowing payment for up to five academic terms rather than four quarters will require additional state funding of \$1.3 million to \$3.8 million in FY 2019. The low estimate is based on the number of students that GMC reported impacted by the four quarter limitation during the academic year (AY)¹ 2018 summer quarter and assumes similar annual enrollment growth in AY 2019. The high estimate assumes that the fifth quarter enrollment is equivalent to an additional summer quarter and also assumes annual enrollment growth.

¹ An academic year begins with the summer term. Academic year 2019 will begin with the summer term in calendar year 2018.

Based on dual enrollment award information for GMC, student enrollment grew 87% from 959 students in the AY 2017 summer quarter to 1,795 students in the AY 2018 summer quarter. GMC estimated that 626 of the students enrolled during the AY 2018 summer quarter were affected by the four quarter limitation. With an average per-student award amount of \$1,130 and similar enrollment growth to 1,171 in AY 2019, additional state funding of \$1.3 million would be required.

GSFC reported that the FY 2019 cost could be as much as \$3.8 million if enrollment during the additional quarter is the equivalent of another summer quarter and growth continues at the same rate. From fiscal years 2017 to 2018, dual enrollment payments to GMC for each summer quarter grew by 88.5% from \$1,065,612 to \$2,027,681.

Sincerely,



Greg S. Griffin
State Auditor



Teresa A. MacCartney, Director
Office of Planning and Budget