



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 9, 2023

Honorable Stacey Evans
State Representative
409-D Coverdell Legislative Office Bldg.
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill (LC 49 1058)

Dear Representative Evans:

The bill would increase the award amount for HOPE Grants to equal the student's full tuition expense for the current academic year. HOPE Grants are currently set at 90% or more of prior year undergraduate tuition and are provided to eligible students in certificate or diploma programs, which are primarily in the Technical College System of Georgia (TCSG). The bill would discontinue the Zell Miller Grant program, which currently pays 100% of standard tuition with certain academic criteria. No eligibility requirements for HOPE Grant will change. The bill does not contain an effective date.

Information from the Georgia Student Finance Commission (GSFC) indicates that the bill would have increased HOPE Grant costs by approximately \$3 million had it been in place during FY 2022 (see **Table 1**). However, this estimate may be lower than the actual impact given the factors below.

- GSFC officials noted that TCSG enrollment fluctuates significantly and that current HOPE Grant participation is historically low, resulting in the bill having a lower cost impact now than it may have in the future. GSFC noted that the cost would have been \$6.3 million using FY 2016 Grant participation.
- Full coverage of tuition could increase enrollment in certificate and diploma programs, increasing the costs of the bill. Increased enrollment in select majors would result in higher HOPE Career Grant program costs as well. GSFC data indicates that 74% of HOPE/Zell Grant recipients also receive the HOPE Career Grant, which averages \$591 per student annually.
- The HOPE Grant has a 2.0 GPA requirement vs. a 3.0 GPA for the HOPE Scholarship. The lower requirement could lead to some students enrolling as HOPE Grant students for a limited time.

Table 1. Cost Based on 2022 Grant Participation and Cost

	Students	Credit Hours	Grant Cost - Current Law	Grant Cost - Under Bill	Additional Cost of Bill
USG	271	2,771	\$386,886	\$425,052	\$38,166
TCSG	23,852	291,521	\$22,142,890	\$25,058,100	\$2,915,210
Total Dollars			\$22,529,776	\$25,483,152	\$2,953,376

According to Georgia Student Finance Commission (GSFC), implementing the bill would not increase administrative costs. This is under the pretense that GSFC is not required to make any other changes resulting from the legislative session.

Respectfully,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget

GSG/KF/ay