



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 18, 2023

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

SUBJECT: Fiscal Note
House Bill (LC 49 1059)

Dear Representative Evans:

The bill would provide HOPE Grant eligibility for students seeking an associate degree from Technical College System of Georgia (TCSG) institutions only. It would also allow students to use the grant for remedial courses required as part of an associate degree program. Current law does not allow HOPE Grant funds to be used for an associate degree.

HOPE Grant Costs

Information from the Georgia Student Finance Commission (GSFC) suggests that the bill would result in an additional \$20.7 million in FY 2023 and \$24.9 million in FY 2025 (**Table 1**). The estimate includes the number of TCSG students with a college HOPE GPA of 2.0 or higher who are not receiving scholarship or grant funding. The growth rate is assumed at 20% based on enrollment growth prior to the pandemic and rebounding enrollment post-pandemic. It also assumes 1.66 awards per student each year and awards of \$1,350, both figures supported by recent data on awards for TCSG students.

Table 1. Additional HOPE Grant Costs under LC 49 1059

\$ in Millions	FY 2021 Students	FY 2022 Students	Projected FY 2023		Projected FY 2024	
			Students	Cost	Students	Cost
Impact of LC 49 1059	11,579	12,101	15,385	\$20.8	18,462	\$24.9

Several other factors could impact the cost of the bill.

- Current HOPE scholarship students who lose eligibility due to a GPA less than 3.0 could begin using grant funds for an associate degree at a TCSG institution. While those already enrolled at TCSG are included in the table above, it is not possible to determine whether students in other HOPE-eligible institutions would switch to TCSG institutions for this reason. GSFC reported the cost for 100 students at approximately \$100,000 per year.
- The lower GPA requirement could further increase enrollment in TCSG associate programs beyond the projections above. This would increase HOPE funding, as well as any TCSG formula funding.
- If LC 49 1058 were to become law, increasing the per semester hour award from \$90 to \$100, the costs of this bill would increase by 11.1% above the estimates in this fiscal note.

Administrative Costs

GSFC officials noted that bill would require changes to internal processes, regulations, documents, website design/content, and self-service student dashboard systems. It estimated a minimum of one year to make the required changes and one-time costs of \$250,000.

Respectfully,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget

GSG/KF/ay