



# DOAA

Georgia Department  
of Audits & Accounts

**Greg S. Griffin**  
State Auditor

March 4, 2025

Honorable Chuck Martin  
Chairman, House Higher Education  
417-A State Capitol  
Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
House Bill 385 (LC 61 0101)

Dear Chairman Martin:

This bill would allow academically successful students who are either concurrently pursuing a baccalaureate degree and a first professional degree or who start a graduate program at an eligible postsecondary institution within 18 months of earning a baccalaureate degree to use the full number of hours of HOPE scholarship eligibility (127 semester hours or 190 quarter hours). The number of HOPE scholarship hours available toward a student’s professional or graduate degree program would be reduced by the number of dual enrollment hours that were paid for using state funds. The bill provides no effective date.

Data from the Georgia Student Finance Commission (GSFC) estimates that the population of eligible students under the bill is 37,516 with total hours available for graduate degree programs of approximately 368,000 (excluding dual enrollment hours). According to GSFC, graduate studies are not pursued by all baccalaureate degree recipients; thus, only a portion of available hours are expected to be used. **Table 1** shows the estimated annual costs to the state with utilization rates of 5%, 10%, and 25% of available hours. Assuming both HOPE and Zell utilization are at 5%, the cost would be approximately \$5.8 million based on Fall 2025 award rates. GSFC indicated that it is reasonable to assume that Zell recipients would utilize their available hours at a higher rate than the HOPE recipients. If HOPE utilization was at 10% and Zell utilization was at 25%, the annual cost to the state would be \$20.2 million. Additional details and assumptions are discussed below the table.

**Table 1. Estimated Costs of Extending HOPE Eligibility to Graduate Degree Programs**

	5% Utilization	10% Utilization	25% Utilization
HOPE Hours Available	12,825	25,650	64,124
Zell Hours Available	5,568	11,135	27,838
<b>Total Available Hours</b>	<b>18,393</b>	<b>36,785</b>	<b>91,962</b>
HOPE Annual Cost <sup>1</sup>	\$2,923,348	\$5,846,696	\$14,616,739
Zell Annual Cost <sup>1</sup>	\$2,868,378	\$5,736,757	\$14,341,892
<b>Total Annual Cost</b>	<b>\$5,791,726</b>	<b>\$11,583,452</b>	<b>\$28,958,631</b>

<sup>1</sup> Estimates are based on available hours and the Fall 2025 average award per institution per semester hour for HOPE and Zell Miller.

GSFC also estimates it would incur \$500,000 in one-time costs to update its IT systems to collect students' credential completion information and incorporate such information into the invoicing and HOPE eligibility systems. GSFC indicated these additions would constitute a major overhaul and require extensive development and testing. As a result, GSFC anticipates it would need a minimum of one year to implement the bill's provisions. It should be noted that, according to GSFC, all postsecondary institutions may also incur additional IT-related costs associated with submitting credential completion data to GSFC, though no estimate of these additional costs was provided.

#### Additional Information and Assumptions

- The bill's provisions are assumed to apply to the HOPE and Zell Miller Scholarship Programs.
- GSFC does not currently collect degree completion data from institutions. To estimate the number of students who may be eligible to use available HOPE or Zell hours toward graduate degree programs, GSFC used the following as proxies for eligible students<sup>1</sup>:
  - 22,352 students whose attempted hours are greater than or equal to 120 semester hours (the number of hours needed to earn the typical baccalaureate degree), and
  - 41,455 students whose attempted hours are greater than or equal to 105 hours and less than 120 hours. GSFC reported that 29% of high school students take AP and IB courses (the overwhelming majority of which are AP), 16% of students take a combination of AP and dual enrollment courses, and 10% of students take dual enrollment courses but no AP courses. The analysis assumes these students matriculate to a postsecondary institution with 15 semester hours of college credit and could complete their baccalaureate degree in at least 105 semester hours.
- Of the 63,807 students, 49,496 were identified as eligible for HOPE and Zell based on the most recent calculation of their GPA. For these students, their total attempted hours were subtracted from the HOPE attempted hours limit of 127 semester hours to determine the number of available HOPE or Zell hours. Once state-funded dual enrollment hours were deducted, 37,516 students (including 26,922 eligible for HOPE and 10,594 eligible for Zell) remained potentially eligible to use approximately 368,000 in available hours toward a graduate degree program.
- Increases in HOPE and Zell award amounts per semester hour in future years would increase estimated costs.

Respectfully,



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Richard Dunn, Director  
Office of Planning and Budget

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<sup>1</sup> Eligibility was based on student transcript information included in GSFC's data system for fiscal years 2023 and forward.