



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 7, 2026

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

SUBJECT: Fiscal Note
House Bill (LC 49 2455)

Dear Representative Evans:

The bill would set the award amount for HOPE Grants to equal the student's full tuition expense for the current academic year. Current law requires the HOPE award amount to be determined by the hourly HOPE award rate (based on the prior year's tuition charged by eligible institutions), number of credit hours, and the HOPE factor rate. The HOPE factor rate (currently set at 100%) may vary from year to year, based on appropriations, and determines how much HOPE will pay. The bill would also repeal the Zell Miller Grant Scholar program. No eligibility requirements for the HOPE Grant will change. The bill does not include an effective date.

Information from the Georgia Student Finance Commission (GSFC) indicates that revising how HOPE Grant award amounts are determined would not result in additional program costs, provided there are no tuition increases at Technical College System of Georgia (TCSG) institutions. In addition, GSFC estimates that repealing the Zell Miller Grant program would not increase costs.

Additional factors that may increase the cost of implementing the bill are discussed below.

- Currently, the HOPE award amount for a student for a given institution and term is determined by multiplying the hourly HOPE award rate times the student's number of credit hours times the factor rate. For fiscal year 2025 and 2026, the HOPE factor rate was set at 100%; prior to that, the rate was set at 90%. If the current factor rate was below 100%, the bill would result in additional program costs. For reference, had the factor rate been set at 90% for FY 2026, the estimated cost for this bill would be \$3.31 million.
- Occasional, moderate tuition increases of 2-3% may reasonably be expected over the long-term and would further impact cost. For reference, a 2.5% tuition increase for the USG and Technical College System of Georgia (TCSG) in FY 2026, the estimated cost for this bill would be \$1.24 million.
- This bill would create different processes for determining award amounts for the HOPE Grant program and HOPE Scholarship program (because the bill does not change how HOPE Scholarship award amounts are determined). According to GSFC, this could result in the HOPE Grant program paying a higher amount than HOPE Scholarships. For example, if a given course was required for both a diploma program and an associate degree program, the HOPE Grant

program could pay a higher amount for an eligible student seeking a diploma than for an eligible student seeking an associate's degree.

GSFC estimates that one-time administrative costs, such as those associated with rewriting rules and regulations, developing new training materials, updating education and awareness materials, and information technology updates would be relatively small and would require no additional funding.

Respectfully,

A handwritten signature in blue ink, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

A handwritten signature in blue ink, appearing to read "R. Dunn".

Richard Dunn, Director
Office of Planning and Budget

GSG/RD/pj