



January 7, 2026

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

SUBJECT: Fiscal Note
House Bill (LC 49 2456)

Dear Representative Evans:

The bill would set the award amount for the HOPE Scholarship and HOPE Grant to equal the student's full undergraduate tuition amount 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 does not change academic eligibility requirements for HOPE scholarships and grants. The bill also does not include an effective date.

Information provided by the Georgia Student Finance Commission (GSFC) indicates that the bill would have increased HOPE costs by approximately **\$26 million** had it been in place for fiscal year 2026 (see **Table 1**). Because the factor rate is currently set at 100%, estimated costs are associated with four University System of Georgia (USG) institutions that utilize a tiered tuition model (e.g., a flat rate assessed to a range of credit hours versus a rate assessed per credit hour). For example, under the tiered model, the University of Georgia has set undergraduate tuition at \$2,982 for 6 or less credit hours and \$5,017 for 7 or more credit hours for fiscal year 2026. Tuition charges for a student enrolled in 12 credit hours would be \$5,017. However, the HOPE award is based on the student's credit hours and would be \$4,014. The bill would require HOPE to cover the full tuition amount (\$5,017).

Table 1: Estimated Additional Costs, FY2026

Institution	Additional Costs
Augusta University	\$1,062,396
Georgia College & State University	\$4,352,194
Georgia Institute of Technology	\$4,268,394
University of Georgia	\$16,357,507
Total	\$26,040,492

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%, estimated additional costs would be greater. For reference, had the factor rate been set at 90% for FY 2026, the estimated cost for this bill would be approximately \$55 million in addition to what is presented in Table 1.

- Occasional, moderate tuition increases of 2-3% may reasonably be expected over the long-term and would further impact cost. For reference, with a 2.5% tuition increase for the USG and Technical College System of Georgia (TCSG) in fiscal year 2026, the estimated cost for this bill would be approximately \$22 million in addition to what is presented in Table 1.
- The estimate assumes the bill would only apply to public post-secondary institutions, including all TCSG and USG institutions. If the bill is also intended to apply to private post-secondary institutions, estimated additional costs would increase significantly.

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,



Greg S. Griffin
State Auditor



Richard Dunn, Director
Office of Planning and Budget

GSG/RD/pj