

House Bill 1370

By: Representatives Porter of the 143<sup>rd</sup>, Hugley of the 133<sup>rd</sup>, Smyre of the 132<sup>nd</sup>, Ashe of the 56<sup>th</sup>, Randall of the 138<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 7 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia  
2 Annotated, relating to HOPE scholarships and grants, so as to add definitions; to remove  
3 certain limitations on the amount of HOPE scholarships and grants; to remove maximum  
4 hour caps on HOPE grants; to provide for requirements to reduce individual award amounts  
5 of scholarships and grants; to amend Code Section 50-27-13 of the Official Code of Georgia  
6 Annotated, relating to disposition of lottery proceeds, budget report by the Governor,  
7 appropriations by the General Assembly, and the shortfall reserve subaccount, so as to revise  
8 certain provisions relating to shortfall reserve subaccounts for HOPE scholarships and grants;  
9 to provide for related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 style="text-align:center">**SECTION 1.**

12 Part 7 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,  
13 relating to HOPE scholarships and grants, is amended in Code Section 20-3-519, relating to  
14 definitions relative to HOPE scholarship and grants, by inserting new paragraphs (21.1) and  
15 (26) to read as follows:

16 "(21.1) 'Reduction of the individual award amount' means:

17 (A) An amount less than all tuition, approved mandatory fees, and a book allowance  
18 of \$100.00 per quarter or \$150.00 per semester for a HOPE scholarship awarded  
19 pursuant to Code Section 20-3-519.2;

20 (B) An amount less than \$3,000.00 per academic year for full-time enrollment or  
21 \$1,500.00 per academic year for half-time enrollment for a HOPE scholarship awarded  
22 pursuant to Code Section 20-3-519.3; or

23 (C) An amount less than all tuition, approved mandatory fees, and a book allowance  
24 of \$100.00 per quarter or \$150.00 per semester for a HOPE grant awarded pursuant to  
25 Code Section 20-3-519.5."

1 "(26) 'Tuition' means the charges by an eligible postsecondary institution to a student to  
 2 enroll in such institution for instruction, but not including any fees such as technology,  
 3 activity, athletic, or health fees."

#### 4 SECTION 2.

5 Said part is further amended by striking subsection (h) of Code Section 20-3-519.2, relating  
 6 to eligibility requirements for a HOPE scholarship at a public postsecondary institution and  
 7 scholarship amount, and inserting in lieu thereof a new subsection (h) to read as follows:

8 "~~(h)(1)~~ Subject to the amounts appropriated by the General Assembly and provisions  
 9 relating to the Lottery for Education Account in Code Section 50-27-13, a HOPE  
 10 scholarship awarded under this Code section shall include tuition, approved mandatory  
 11 fees, and a book allowance not to exceed \$100.00 per quarter or \$150.00 per semester;  
 12 ~~except as otherwise provided for in paragraph (2) of this subsection.~~

13 ~~(2) Effective beginning with the fall quarter or semester commencing after July 1, 2004,~~  
 14 ~~the amount of mandatory fees paid shall be equal to such amount or amounts that were~~  
 15 ~~paid on January 1, 2004, except as otherwise provided for in Code Section 50-27-13."~~

#### 16 SECTION 3.

17 Said part is further amended by striking subsections (d) through (f) of Code Section  
 18 20-3-519.5, relating to eligibility requirements for a HOPE grant at a branch of the Georgia  
 19 Department of Technical and Adult Education, and inserting in lieu thereof a new  
 20 subsections (d) through (f) to read as follows:

21 "~~(d)(1)~~ Subject to the amounts appropriated by the General Assembly and provisions  
 22 relating to the Lottery for Education Account in Code Section 50-27-13, a HOPE grant  
 23 awarded under this Code section shall include tuition, approved mandatory fees, and a book  
 24 allowance not to exceed \$100.00 per quarter or \$150.00 per semester, ~~except as otherwise~~  
 25 ~~provided for in paragraph (2) of this subsection.~~

26 ~~(2) Effective beginning with the fall quarter or semester commencing after July 1, 2004,~~  
 27 ~~the amount of mandatory fees paid shall be equal to such amount or amounts that were~~  
 28 ~~paid on January 1, 2004, except as otherwise provided for in Code Section 50-27-13."~~

29 ~~(e) No student may receive HOPE grants for more than 95 quarter hours or 63 semester~~  
 30 ~~hours of attempted coursework, except as provided for in subsection (f) of this Code~~  
 31 ~~section. No student may receive more than a cumulative total of 190 quarter hours or 127~~  
 32 ~~semester hours of combined HOPE scholarships and grants, unless in accordance with~~  
 33 ~~Code Sections 20-3-519.2 and 20-3-519.3. For purposes of this subsection, attempted hours~~  
 34 ~~shall include hours for courses taken pursuant to Code Section 20-2-161.1.~~

1 ~~(f) A student enrolled in a diploma program designed to be more than 95 quarter hours or~~  
 2 ~~63 semester hours in length is eligible to receive a HOPE grant for the lesser of:~~  
 3 ~~(1) A total of 130 attempted quarter hours or 86 attempted semester hours, or~~  
 4 ~~(2) The number of hours required for graduation."~~

#### 5 **SECTION 4.**

6 Said part is further amended by adding a new Code section to the end of such part to read as  
 7 follows:

8 "20-3-519.15.

9 No reduction of the individual award amount or reduction in the number of academic years  
 10 or credits funded of any scholarship or grant program awarded pursuant to Code Sections  
 11 20-3-519.2, 20-3-519.3, or 20-3-519.5 shall be effective unless approved by two-thirds of  
 12 the members of each house of the General Assembly."

#### 13 **SECTION 5.**

14 Code Section 50-27-13 of the Official Code of Georgia Annotated, relating to disposition of  
 15 lottery proceeds, budget report by the Governor, appropriations by the General Assembly,  
 16 and the shortfall reserve subaccount, is amended by striking subsection (b) and inserting in  
 17 lieu thereof a new subsection (b) to read as follows:

18 "(b)(1) On or before the fifteenth day of each quarter, the corporation shall transfer to the  
 19 general fund of the state treasury, for credit to the Lottery for Education Account for the  
 20 preceding quarter, the amount of all net proceeds during the preceding quarter. The  
 21 director of the Office of Treasury and Fiscal Services shall separately account for net  
 22 proceeds by establishing and maintaining a Lottery for Education Account within the  
 23 state treasury.

24 (2) Upon their deposit into the state treasury, any moneys representing a deposit of net  
 25 proceeds shall then become the unencumbered property of the State of Georgia and the  
 26 corporation shall have no power to agree or undertake otherwise. Such moneys shall be  
 27 invested by the director in accordance with state investment practices. All earnings  
 28 attributable to such investments shall likewise be the unencumbered property of the state  
 29 and shall accrue to the credit of the Lottery for Education Account.

30 (3) A scholarship shortfall reserve subaccount shall be maintained within the Lottery for  
 31 Education Account. An amount equal to 10 percent of the total amount of lottery  
 32 proceeds disbursed during the preceding fiscal year in the form of scholarships and grants  
 33 for higher education shall be deposited from lottery proceeds each year until such amount  
 34 equals 50 percent of such sum. Thereafter, only an amount necessary to maintain the  
 35 scholarship shortfall reserve subaccount in an amount equal to 50 percent of the amount

1 of lottery proceeds disbursed during the preceding fiscal year shall be deposited into the  
 2 subaccount. If the net proceeds paid into the Lottery for Education Account in any year  
 3 are not sufficient to meet the amount appropriated for higher education scholarships, the  
 4 shortfall reserve subaccount may be drawn upon to meet the deficiency. ~~In the event it  
 5 becomes necessary to draw from the reserve subaccount in any fiscal year, the  
 6 scholarship program shall be reviewed and shall be reduced to accommodate available  
 7 lottery proceeds, exclusive of the scholarship shortfall reserve subaccount, through such  
 8 methods as reducing the family income cap qualification, reducing or eliminating grants  
 9 for student fees and books, and reducing the academic years funded.~~

10 (4) A shortfall reserve subaccount shall be maintained within the Lottery for Education  
 11 Account. The amount of the shortfall reserve subaccount shall be equal to 10 percent of  
 12 the total amount of lottery proceeds deposited into the Lottery for Education Account for  
 13 the preceding fiscal year. If the net proceeds deposited into the Lottery for Education  
 14 Account in any year, exclusive of the amount in the shortfall reserve subaccount, are not  
 15 sufficient to meet the amount appropriated for education purposes pursuant to subsection  
 16 (c) of this Code section, the shortfall reserve subaccount may be drawn upon to meet the  
 17 deficiency. In the event the shortfall reserve subaccount is drawn upon, the subaccount  
 18 shall be brought back to the appropriate level with the first available funds duly deposited  
 19 into the Lottery for Education Account.

20 ~~(5)(A) For purposes of this subsection, the term 'year-end balance' shall mean the  
 21 amount, as determined by the state auditor, of unexpended and uncommitted funds in  
 22 the Lottery for Education Account at the end of a fiscal year, which shall not include  
 23 amounts contained in the subaccounts provided for in paragraphs (3) and (4) of this  
 24 subsection.~~

25 ~~(B)(i) In the event that the year-end balance of a fiscal year is less than the year-end  
 26 balance of the fiscal year immediately preceding, then all scholarships and grants for  
 27 book allowances under Part 7 of Article 7 of Chapter 3 of Title 20 shall not exceed  
 28 \$150.00 per year beginning in the next fiscal year and thereafter. This provision shall  
 29 not apply to students who are eligible to participate in the federal Pell Grant program.~~

30 ~~(ii) In the event that the year-end balance of any subsequent fiscal year is less than  
 31 the year-end balance of the fiscal year immediately preceding, then all scholarships  
 32 and grants for book allowances under Part 7 of Article 7 of Chapter 3 of Title 20 shall  
 33 be eliminated beginning in the subsequent fiscal year and thereafter. This provision  
 34 shall not apply to students who are eligible to participate in the federal Pell Grant  
 35 program.~~

36 ~~(iii) In the event that the year-end balance of any further subsequent fiscal year is less  
 37 than the year-end balance of the fiscal year immediately preceding, then all~~

1 ~~scholarships and grants for mandatory fees under Part 7 of Article 7 of Chapter 3 of~~  
2 ~~Title 20 shall be eliminated beginning in the next fiscal year and thereafter.~~

3 In the event it becomes necessary to draw from the scholarship shortfall reserve  
4 subaccount, no reduction of the individual award amount, as defined in paragraph  
5 (21.1) of Code Section 20-3-519, of the scholarship and grant programs provided  
6 pursuant to Code Sections 20-3-519.2, 20-3-519.3, and 20-3-519.5 or reduction in the  
7 number of academic years or credits funded for such programs shall occur, pursuant to  
8 Code Section 20-3-519.15, unless at least 35 percent of all funds in the scholarship  
9 shortfall reserve subaccount have been expended."

10 **SECTION 6.**

11 All laws and parts of laws in conflict with this Act are repealed.