

# Department of Audits and Accounts

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January 26, 2016

Honorable Charlie Bethel  
State Senator  
12 1-E State Capitol  
Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
Senate Bill 312 (LC 33 63 19)

Dear Senator Bethel:

The bill would establish minimum payment rates for HOPE scholarship awards. Recipients would receive, at minimum, \$134 per credit hour or \$2,000 per semester, provided that payments do not exceed tuition. All Technical College System of Georgia institutions and 14 University System of Georgia institutions would be impacted by this bill.

Based on tuition and award amount data provided by the Georgia Student Finance Commission (GSFC), the bill is estimated to add between \$8.3 million and \$10.0 million to the cost of HOPE scholarships in fiscal year 2017 (see **Exhibit 1**). In fiscal year 2015, 21,534 students in qualifying institutions received 38,475 HOPE scholarship awards. GSFC currently estimates a yearly increase of 2% in HOPE awards. Because this bill would result in full tuition payment at qualifying institutions, an additional 4% increase in awards (a total 6% increase) has been projected as well.

## Exhibit 1

### Additional Costs to Fund HOPE Scholarships

	Estimated FY 2017 Costs Under Current Law(1)	FY 2017 Additional Costs under	
		2%	6%
<b>Institutions</b>	\$3,713,281	\$1,440,975	\$1,643,102
<b>USG</b>	\$33,101,985	\$6,832,452	\$8,398,509
<b>Total</b>	<b>\$36,815,267</b>	<b>\$8,273,427</b>	<b>\$10,041,611</b>

(1) Assumes 2% increase in the number of HOPE scholarships.

In addition to projecting an increase in awards, the cost analysis includes estimated tuition increases. These assumptions are based off of institutions' prior year tuition increases, which were generally around 3%. The number of HOPE scholarships received by students in the affected institutions was used as the basis for calculating the number of future awards.

**Exhibit 2** shows the current, fiscal year 2016 tuition and the HOPE scholarship amounts for the institutions that would be impacted by the bill.

**Exhibit 2**  
**Change in HOPE scholarships by affected institutions**

Name	FY 2016 – Current		FY 2017 - Under Bill
	Tuition per Hour	HOPE Award per Hour	HOPE Award per Hour(1)
All TCSG	\$89	\$67	\$93
Abraham Baldwin Agri. College	\$102	\$89	\$105
Darton State College	\$91	\$80	\$93
College of Coastal Georgia	\$102	\$89	\$105
Georgia Perimeter College	\$91	\$80	\$93
Gordon State College	\$102	\$89	\$105
Middle Georgia College	\$109	\$89	\$118
South Georgia College	\$91	\$80	\$93
Dalton State College	\$102	\$89	\$105
Georgia Highlands College	\$91	\$80	\$93
East Georgia State College	\$91	\$80	\$93
Bainbridge College	\$91	\$80	\$93
Atlanta Metropolitan College	\$97	\$80	\$105
Georgia Gwinnett College	\$128	\$106	\$134
UNG-Associate Degrees (excl. ASN)	\$102	\$89	\$105

(1) The estimated 2017 HOPE awards per hour would likely equal tuition at all the institutions. If Georgia Gwinnett College's tuition increases by 5%, the HOPE award amount for the institution will reach the maximum allowed under the bill (\$ 134 per hour).

Sincerely,

/s/ Greg S. Griffin  
State Auditor

/s/ Teresa A. MacCartney, Director  
Office of Planning and Budget