HOPE Programs Briefing
for Senate Study Committee on Gaming and Pari-Mutuel Wagering on Horse Racing and Growing Georgia’s Equine Industry

Caylee Noggle
President
August 27, 2019
• Over the past 26 years, the HOPE programs have been hugely successful, with over **1.8M students** benefitting from over **$10.8B** in awards

• Rapid, sustained growth in HOPE Program awards since inception

• Periodic concerns about program growth exceeding Lottery revenues
  • Cost concerns through 2003 led to reforms in 2004
  • Cost concerns through 2010 led to reforms in 2011

• Current outlook:
  • Continually increasing costs and additional program demands may warrant a review of program structure and expenditures within the next few years
HOPE Programs
Basic Structure & History
<table>
<thead>
<tr>
<th>Agency</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Early Care and Learning</td>
<td>$378,703,805</td>
</tr>
<tr>
<td>Georgia Student Finance Commission</td>
<td>$869,477,624</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,248,181,429</strong></td>
</tr>
</tbody>
</table>
HOPE Program Structure

HOPE Programs

HOPE Scholarship
- HOPE Scholarship FY1994
- Zell Miller Scholarship FY2012

HOPE Grant
- HOPE Grant FY1994
- HOPE Career Grant FY2014
- Zell Miller Grant FY2015

HOPE GED Grant FY1994
A Brief History

• First HOPE award: FY1994
• Huge growth in Lottery proceeds during first few years led to program expansion
• Lottery dollars used for many additional financial aid programs, in addition to the main programs
• Legislative or budget changes nearly every year, many adding additional costs to the programs
• Reforms in 2004 to control costs
• Reforms again in 2011 to control costs
  • First and only reduction to award amounts
Changes Throughout the Years

• 2004:
  • Award payments for “mandatory fees” were frozen/capped at 2004 rates
  • End-of-Spring and Three-Term checkpoint added
  • Maximum number of “paid” hours established
  • High school GPA calculation was standardized and set to be calculated electronically by GSFC beginning May 1, 2007
  • Triggers were established to further reduce benefits if reserve funds were utilized
  • No changes to award amounts
Changes Throughout the Years, cont’d.

• 2011:
  • Book and fee payments completely eliminated
  • Seven year time limit on eligibility (extended back to 10 years for new recipients beginning July 1, 2019)
  • Rigor requirements to begin with 2015 high school graduating class (minimum number of “rigorous” high school credits)
  • HOPE award amounts partially decoupled from tuition amounts
    • HOPE Scholarship and Grant fully decoupled from tuition
    • Zell Miller Scholarship created; Zell Miller Scholarship continues to pay 100% of tuition, thereby remaining tied to tuition
  • HOPE Scholarship award now tied to “Factor Rate” to be adjusted annually, allowing for long-term cost controls
HOPE Programs
Then and Now: Awards and Dollars
HOPE and Zell Miller Scholarship Public: Expenditures in Dollars

High Point Prior to 2011 Reforms

HOPE Scholarship Public  Zell Miller Scholarship Public


Millions

$0  $100  $200  $300  $400  $500  $600  $700  $800

10

GSFC | Georgia Student Finance Commission
HOPE Scholarship Programs: Students and Dollars

Graph showing the number of students and dollars from 1994 to 2019. The graph indicates a significant increase in both students and dollars after 2011, with a notable rise in dollars starting around 2011.
HOPE and Zell Miller Grant: Expenditures in Dollars

High Point Prior to 2011 Reforms

HOPE Grant  Zell Miller Grant  HOPE Career Grant
All HOPE Programs Combined: Students and Dollars

GSFC | Georgia Student Finance Commission

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**Students and Dollars**

- **2011 Reforms**

**Fiscal Year**

- 1994
- 1995
- 1996
- 1997
- 1998
- 1999
- 2000
- 2001
- 2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2019

**Dollars (millions)**

- $0
- $200
- $400
- $600
- $800
## HOPE Program Budget Projections

<table>
<thead>
<tr>
<th>Program</th>
<th>FY2020 Base Appropriation / Available Funds</th>
<th>FY2021</th>
<th>Amended FY2020</th>
<th>Change (over FY2020 base)</th>
<th>Percent Change (over FY2020 base)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2020 Projection</td>
<td>AY2020 Request</td>
<td>Change (over FY2020 base)</td>
<td>FY2021 Projection</td>
<td>FY2021 Request</td>
</tr>
<tr>
<td>HOPE Scholarship - Public</td>
<td>$ 430,413,808</td>
<td></td>
<td></td>
<td>$ 447,630,360</td>
<td></td>
</tr>
<tr>
<td>HOPE Scholarship - Zell Miller Public</td>
<td>$ 263,254,824</td>
<td></td>
<td></td>
<td>$ 305,375,595</td>
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</tr>
<tr>
<td>Total HOPE Scholarship - Public</td>
<td>$ 703,115,948</td>
<td>$ 694,285,260</td>
<td>$ 703,115,948</td>
<td>$ 753,005,956</td>
<td>$ 753,005,956</td>
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<tr>
<td>HOPE Scholarship - Private</td>
<td>$ 44,897,972</td>
<td></td>
<td></td>
<td>$ 47,142,871</td>
<td></td>
</tr>
<tr>
<td>HOPE Scholarship - Zell Miller Private</td>
<td>$ 17,885,723</td>
<td></td>
<td></td>
<td>$ 21,105,153</td>
<td></td>
</tr>
<tr>
<td>Total HOPE Scholarship - Private</td>
<td>$ 62,017,197</td>
<td>$ 62,783,695</td>
<td>$ 766,498</td>
<td>$ 68,248,024</td>
<td>$ 68,248,024</td>
</tr>
<tr>
<td>HOPE Grant</td>
<td>$ 29,636,728</td>
<td></td>
<td></td>
<td>$ 30,229,462</td>
<td></td>
</tr>
<tr>
<td>Zell Miller Grant</td>
<td>$ 16,811,193</td>
<td></td>
<td></td>
<td>$ 18,492,312</td>
<td></td>
</tr>
<tr>
<td>HOPE Career Grant</td>
<td>$ 15,280,297</td>
<td></td>
<td></td>
<td>$ 17,725,145</td>
<td></td>
</tr>
<tr>
<td>Total HOPE Grant</td>
<td>$ 66,196,466</td>
<td>$ 61,728,218</td>
<td>$ 66,196,466</td>
<td>$ 66,446,919</td>
<td>$ 66,196,466</td>
</tr>
<tr>
<td>HOPE GED</td>
<td>$ 1,930,296</td>
<td>$ 1,930,296</td>
<td>$ 1,930,296</td>
<td>$ 1,930,296</td>
<td>$ 1,930,296</td>
</tr>
<tr>
<td>Total All HOPE Programs</td>
<td>$ 833,259,907</td>
<td>$ 820,727,469</td>
<td>$ 766,498</td>
<td>$ 889,631,195</td>
<td>$ 889,380,742</td>
</tr>
</tbody>
</table>
Cost Drivers to the Programs
Cost Drivers to the Programs

• Overall larger number of students eligible for Zell Miller Scholarship
  • Increasing number of students graduating from HS with qualifying GPAs
  • Higher standardized test score performance
  • Increasing number of courses being taken that are “weighted”

• High concentration of Zell Miller Scholars at highest cost institutions
Growth in Public High School Graduates Compared with Growth in Students with HOPE GPA 3.0 or Higher
Growth in High School Graduates Compared with Growth in Students with HOPE GPA 3.0 or Higher

Growth 2007-2018

- High School Graduates: 44.2%
- Students With GPA 3.0 or Higher: 70.9%
Growth in Zell Miller Scholarship Qualifying Test Scores

% of Georgia Students w. ACT Score >= 26

- 2012: 18.73%
- 2013: 18.66%
- 2014: 19.81%
- 2015: 21.05%
- 2016: 21.90%
- 2017: 23.31%
- 2018: 23.24%
Courses Receiving Extra Weight in the GPA Calculation

Course Type:
- AP
- IB
- Dual Enrollment

Graduation Year:
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2019

Courses
- 0
- 100,000
- 200,000
- 300,000
- 400,000
- 500,000
Weighting Impacting Zell Miller Eligibility

Meet Zell Miller GPA requirement via weighted courses

- 2014: 1.65%
- 2015: 1.96%
- 2016: 2.56%
- 2017: 3.05%
- 2018: 3.82%

Dual Enrollment: 12.11% 12.27% 12.77% 11.40% 11.23%
First-Time Zell and HOPE Scholarship Recipients Enrolled and Continuing to Receive Awards

![Graph showing enrollment and awards for Zell and HOPE scholarships over four years, with decreasing numbers each year for both categories.]

- Zell Miller Scholarship Students
- HOPE Scholarship Students

- 2016 Zell Cohort
- 2016 HOPE Cohort
HOPE and Zell Scholarship Combined: Dollar Distribution


HOPE Scholarship Public  Zell Miller Scholarship Public
# Program Award Averages

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2012</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Group</td>
<td>Dollars Per Student</td>
<td>Dollars Per Student</td>
<td>% Change</td>
</tr>
<tr>
<td>HOPE Scholarship Public</td>
<td>$3,564.76</td>
<td>$4,233.62</td>
<td>18.8%</td>
</tr>
<tr>
<td>Zell Miller Scholarship Public</td>
<td>$5,921.45</td>
<td>$8,156.52</td>
<td>37.8%</td>
</tr>
<tr>
<td>HOPE Scholarship Private</td>
<td>$3,095.29</td>
<td>$3,652.52</td>
<td>18.0%</td>
</tr>
<tr>
<td>Zell Miller Scholarship Private</td>
<td>$3,728.88</td>
<td>$4,422.39</td>
<td>18.6%</td>
</tr>
</tbody>
</table>
## Zell Miller Scholarship - Students by Institution

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Institutions</td>
<td>19,424</td>
</tr>
<tr>
<td>Other USG Institutions</td>
<td>7,820</td>
</tr>
<tr>
<td>Private Institutions</td>
<td>2,798</td>
</tr>
<tr>
<td>TCSG Institutions</td>
<td>162</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29,356</strong></td>
</tr>
</tbody>
</table>

- Research Institutions: 64.31%
- Other USG Institutions: 25.89%
- Private Institutions: 9.26%
- TCSG Institutions: 0.54%
Zell Miller Scholarship- Dollars by Institution

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Institutions</td>
<td>$182,386,355</td>
</tr>
<tr>
<td>Other USG Institutions</td>
<td>$35,007,070</td>
</tr>
<tr>
<td>Private Institutions</td>
<td>$12,373,857</td>
</tr>
<tr>
<td>TCSG Institutions</td>
<td>$214,401</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$229,981,682</strong></td>
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</table>
HOPE Award Rates
Current HOPE Award Calculation

- “Factor Rate” Method established in 2011.
  - Decoupled from tuition
  - Percentage determined annually by General Assembly against which the previous year HOPE Award Amount is multiplied
  - Allows award amount to be controlled and managed to available revenues

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Factor Rate</th>
<th>Award Rate Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>90%</td>
<td>10% reduction; +/- due to subsequent tuition changes; only reduction in program history</td>
</tr>
<tr>
<td>2013</td>
<td>100%</td>
<td>Flat/No change</td>
</tr>
<tr>
<td>2014</td>
<td>103%</td>
<td>3% increase</td>
</tr>
<tr>
<td>2015</td>
<td>103%</td>
<td>3% increase</td>
</tr>
<tr>
<td>2016</td>
<td>103%</td>
<td>3% increase</td>
</tr>
<tr>
<td>2017</td>
<td>100%</td>
<td>Flat/No change</td>
</tr>
<tr>
<td>2018</td>
<td>103%</td>
<td>3% increase</td>
</tr>
<tr>
<td>2019</td>
<td>103%</td>
<td>3% increase</td>
</tr>
<tr>
<td>2020</td>
<td>103%</td>
<td>3% increase</td>
</tr>
</tbody>
</table>
South Georgia State College

South Georgia State College Tuition
South Georgia State College HOPE Rate
South Georgia State College Percent
Kennesaw State University

Kennesaw State University Tuition

Kennesaw State University HOPE Rate

Kennesaw State University Percent


$0 $500 $1,000 $1,500 $2,000 $2,500 $3,000 $3,500 $4,000 $4,500 $5,000

70.00% 75.00% 80.00% 85.00% 90.00% 95.00% 100.00%
University of Georgia


University of Georgia Tuition
University of Georgia HOPE Rate
University of Georgia Percent
Upcoming Considerations
New HOPE Award Calculation
Set for July 1, 2020

- House Bill 801 from 2016 contains language that resets the HOPE Award amount calculation (Zell Miller unchanged; remains 100% of public tuition)
  - A percentage will be applied to prior year’s tuition amount to determine current year award rate
  - Percentage can still be adjusted yearly based on available funding
  - Will have impacts to amount paid at each institution with some increases and some decreases
<table>
<thead>
<tr>
<th>Institution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Georgia State College</td>
<td>70.00%</td>
</tr>
<tr>
<td>Georgia Highlands College</td>
<td>75.00%</td>
</tr>
<tr>
<td>South Georgia State College</td>
<td>80.00%</td>
</tr>
<tr>
<td>Georgia State University - Perimeter Campus</td>
<td>85.00%</td>
</tr>
<tr>
<td>Albany State University - Dalton Campus</td>
<td>90.00%</td>
</tr>
<tr>
<td>Middle Georgia State University</td>
<td>95.00%</td>
</tr>
<tr>
<td>Atlanta Metropolitan State College</td>
<td>100.00%</td>
</tr>
<tr>
<td>Clayton State University</td>
<td></td>
</tr>
<tr>
<td>Savannah State University</td>
<td></td>
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<tr>
<td>Georgia Southwestern State University</td>
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<tr>
<td>Fort Valley State University</td>
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<tr>
<td>Albany State University</td>
<td></td>
</tr>
<tr>
<td>Dalton State College</td>
<td></td>
</tr>
<tr>
<td>University Of North Georgia - Gainesville Campus</td>
<td></td>
</tr>
<tr>
<td>Gordon State College</td>
<td></td>
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<tr>
<td>College Of Coastal Georgia</td>
<td></td>
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<tr>
<td>Abraham Baldwin Agricultural College</td>
<td></td>
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<tr>
<td>University Of West Georgia</td>
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<tr>
<td>Valdosta State University</td>
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<tr>
<td>Georgia Southern University</td>
<td></td>
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<tr>
<td>Columbus State University</td>
<td></td>
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<tr>
<td>Georgia College &amp; State University</td>
<td></td>
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<tr>
<td>Kennesaw State University</td>
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<tr>
<td>University Of North Georgia</td>
<td></td>
</tr>
<tr>
<td>Augusta University - Summerville Campus</td>
<td></td>
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<tr>
<td>Georgia Gwinnett College</td>
<td></td>
</tr>
<tr>
<td>Augusta University - Health Sciences</td>
<td></td>
</tr>
<tr>
<td>Georgia State University</td>
<td></td>
</tr>
<tr>
<td>All TCSG Institutions</td>
<td></td>
</tr>
<tr>
<td>University Of Georgia</td>
<td></td>
</tr>
<tr>
<td>Georgia Institute Of Technology</td>
<td></td>
</tr>
</tbody>
</table>
HB 801 - Percent Change of Tuition Equal Percent Model

-10% -5% 0% 5% 10% 15%

Albany State University - Dalton Campus
Georgia State University - Perimeter Campus
South Georgia State College
Georgia Highlands College
East Georgia State College
Middle Georgia State University
Atlanta Metropolitan State College
Georgia Highlands College
South Georgia State College
Georgia State University - Perimeter Campus
Albany State University - Dalton Campus

Georgia Institute Of Technology
All TCSG Institutions
University Of Georgia
Georgia State University
Augusta University - Health Sciences
Georgia Gwinnett College
Augusta University - Summerville Campus
University Of North Georgia
Kennesaw State University
Georgia College & State University
University Of West Georgia
Valdosta State University
Georgia Southern University
Columbus State University
Dalton State College
University Of North Georgia - Gainesville Campus
Gordon State College
College Of Coastal Georgia
Abraham Baldwin Agricultural College
Clayton State University
Savannah State University
Georgia Southwestern State University
Fort Valley State University
Albany State University
Atlanta Metropolitan State College
Middle Georgia State University
East Georgia State College
Georgia Highlands College
South Georgia State College
Georgia State University - Perimeter Campus
Albany State University - Dalton Campus

Georgia Institute Of Technology
All TCSG Institutions
University Of Georgia
Georgia State University
Augusta University - Health Sciences
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Georgia Southwestern State University
Fort Valley State University
Albany State University
Atlanta Metropolitan State College
Middle Georgia State University
East Georgia State College
Georgia Highlands College
South Georgia State College
Georgia State University - Perimeter Campus
Albany State University - Dalton Campus
HB 801- 90% Model
HB 801- Percent Change of Tuition
90% Model

-5% 0% 5% 10% 15% 20%

Georgia Institute Of Technology
All TCSG Institutions
University Of Georgia
Georgia State University
Augusta University - Health Sciences
Georgia Gwinnett College
Augusta University - Summerville Campus
University Of North Georgia
Kennesaw State University
Georgia College & State University
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Valdosta State University
Georgia Southern University
Columbus State University
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University Of North Georgia - Gainesville Campus
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Fort Valley State University
Albany State University
Atlanta Metropolitan State College
Middle Georgia State University
East Georgia State College
Georgia Highlands College
South Georgia State College
Georgia State University - Perimeter Campus
Albany State University - Dalton Campus
HB 801- Equal Percent “Hold Harmless” Model

Georgia State University - Perimeter College
South Georgia State College
Georgia Highlands College
East Georgia State College
Georgia College & State University
Valdosta State University
Georgia Southern University
Columbus State University
University Of North Georgia - Gainesville
Dalton State College
Gordon State College
College Of Coastal Georgia
Abraham Baldwin Agricultural College
Clayton State University
Savannah State University
Georgia Southwestern State University
Fort Valley State University
Albany State University
Atlanta Metropolitan State College
Middle Georgia State University
Albany State University - Darton
Georgia Highlands College
South Georgia State College
Georgia State University - Perimeter College
Summary

• Success of combined HOPE programs
• With that success has come increasing costs
• GSFC recommends limiting any new or additional changes that result in additional costs
• If costs continue to increase at current pace, a review of program structure and funding model will be warranted within the next few years.
Our Mission

To promote and increase access to education beyond high school for Georgians.