



# LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia • No. 4, February 28, 2011  
“Creating a More Educated Georgia”

## Governor Nathan Deal Proposes Changes to Save HOPE Scholarship Program

The HOPE –Helping Outstanding Pupils Educationally – Scholarship Program was established by Gov. Zell Miller and the General Assembly after Georgians approved a constitutional amendment creating the Georgia Lottery for Education in November 1992. Along with the HOPE Scholarship, the Lottery funded two other educational initiatives: the HOPE Grant and the Georgia Pre-K program. One-third of lottery funds is for Georgia Pre-K and two-thirds go to higher education programs, including the HOPE Scholarship and HOPE Grant, as well as other higher education programs, such as the GED Grant and one-percent Student Access Loan.

Since its creation, the HOPE Program has provided more than \$5 billion in scholarships to more than 1.2 million students to help students pursue post-secondary education. Over time, programs and payouts have increased. The current rate of payments has caused the Lottery to pay out more than it brings into the reserve fund. Concerns about depleting the reserves by FY 2013 and not meeting its obligations has prompted Gov. Nathan Deal to call for changes to the program. House Bill 326 was introduced on February 22, to make programmatic changes that will address these concerns. (Status: Passed by House, March 1, 2011)

### HOPE Scholarship

*The HOPE Scholarship provides scholarships that reward students with financial assistance in degree programs at eligible Georgia public and private colleges and universities.*

#### Proposed Changes include:

- Book and fee allowance will be eliminated for all students
- Remedial classes will no longer be covered by scholarship funds for USG students
- Institutes a firm cap of 127 semester hours for all students
- Students who lose the HOPE Scholarship at an established checkpoint will have a single chance to regain HOPE
- Beginning with the high school graduating class of 2015, students will be required to demonstrate that they have taken a certain number of rigorous high school courses in math, science, and foreign language
- Divides the HOPE Scholarship into two programs:
  1. **The traditional HOPE Scholarship program:**
    - Eligibility remains a **3.0 GPA in high school**
    - Students **must maintain a 3.0 GPA in college** to keep the scholarship
    - **Amount for FY2012 will be set at 90 percent of the tuition amount of each of the USG institutions in FY2011**
    - **Amount may fluctuate from year to year**, depending upon the number of eligible recipients and the Lottery revenues
  2. **Zell Miller Scholarship – a special HOPE Scholarship program for high achievers**
    - Eligibility will be a **3.7 GPA in high school** and a **combined 1200 on the critical reading and math sections of the SAT or at least a 26 ACT score**. Students with these scores will represent the top 10 percent of all HOPE scholars
    - Students must **maintain a 3.3 GPA in college** to keep the scholarship
    - Zell Miller scholars will be awarded **full tuition scholarships** to USG institutions

See “HOPE,” Page 2 ...

# HOPE

Continued from Page 1...

## HOPE Grant

The HOPE Grant provides grants to students seeking a diploma or certificate at certain USG and Technical College System institutions.

### Proposed Changes

- Grant amount will be adjusted annually based on lottery revenues
- In Fall 2011, recipients will **receive 90 percent of FY11 grant award**
- Requires student **earn 3.0 GPA by first checkpoint, once enrolled in technical college courses**
- Students who already possess a post-secondary degree are ineligible
- Establishes **firm cap of 63 semester hours or 95 quarter hours** at for all students

## Need-Based Aid

Need-Based Aid is funding intended to help students pay expenses incurred while attending college, including tuition, fees, room and board, books, and supplies.

### Proposed Changes include:

- In 2008, the Georgia General Assembly passed legislation which created a **one percent student loan program**; however, **funds have never been appropriated to this fund.**
- To ease the burden of affording a college education and to encourage more private sector support for the one percent loan program, **the state will now contribute \$10M to the one percent loan program and will pledge another \$10M through a challenge-matching grant for the Student Access Loan.**
- The **Student Access Loan** provides student loans at an interest rate of one percent.
  - This program is a “loan of last resort” for students that have exhausted all other options.
  - The maximum loan amount is \$10,000 per year and a maximum of \$40,000.
  - This program may be used to obtain an Associates or Bachelor’s degree only.
  - The student must have diligently sought all other scholarships, grants and state-funded or Title IV loans.
  - To be eligible, the student must **graduate from high school with a minimum 2.5 grade point average and maintain a minimum 2.0 grade point average in college to be eligible for subsequent years.**
- **Loan forgiveness if a student teaches in a STEM field after graduation** for the same number of years as the student received the loan.

## Non-Core Lottery-Funded Programs

Programs funded by the Georgia Lottery outside of the core programs of the HOPE Scholarship, HOPE Grant, and Georgia Pre-K, such as dual enrollment programs.

GEORGIA'S HOPE PROGRAM	
September 1, 1993 - February 19, 2011	
SUMMARY TOTALS	
UNIVERSITY SYSTEM	
STUDENTS	AMOUNT
670,814	\$3,842,762,051.52
TECHNICAL COLLEGES	
STUDENTS	AMOUNT
817,228	\$1,421,507,073.60
PRIVATE COLLEGES AND UNIVERSITIES	
STUDENTS	AMOUNT
156,705	\$643,509,590.01
TOTAL FOR ALL SCHOOLS	
STUDENTS	AMOUNT
1,644,747	\$5,907,778,715.13
<ul style="list-style-type: none"> <li>• Students who transfer to another eligible institution are duplicated in this count. The individual student count is 1,343,548</li> <li>• A total of 305,890 GED recipients have qualified for a HOPE GED Grant for the time period above.</li> <li>• Of this number, 76,898 have utilized the HOPE GED Grant to attend public or private post-secondary institutions, totalling \$38,332,240.62.</li> <li>• The TOTAL FOR ALL SCHOOLS student count includes HOPE GED Grant recipients.</li> </ul>	
Source: Georgia Student Finance Commission	

See “HOPE,” Page 3 ...

## HOPE

*Continued from Page 2...*

### Proposed Changes include:

**Accel:** Allows students to pursue post-secondary study at approved public and private post-secondary institutions while earning dual high school and college credit for successfully completed courses. The program will no longer be funded by Georgia Lottery funds, rather by state general appropriations.

### USG Reaction to Proposed Changes

- The University System is supportive of the proposed changes for the following key reasons:
  - The proposal fulfills the original educational intent of the program.
  - The Zell Miller Scholarship concept supports Georgia’s longtime and ongoing efforts to “raise the bar” academically for all students – K-20.
  - Under this proposal, students earning the 3.0 GPA will still receive significant tuition support.
  - The need-based aid component will now receive the needed funding under this proposal.
  - Funding of the need-based loan reflects a strong commitment to maintain access to college for an important group of students.
  - The proposal maintains the current ability of eligible students to receive both HOPE and PELL.
  - The proposal sends a signal to students enrolled in our system that they are indeed a part of the process, as some of the recommendations made by our various student government associations are incorporated.
- In summary, this proposal works to maintain access to postsecondary education for all Georgians.
- It will continue to send the right messages to students and others that academic rigor is supported and expected.
- Finlay, the changes are fair as all have been asked to sacrifice some so that HOPE endures for all. 🏛️

## Budget Update

**O**n February 22, the Senate Appropriations Committee approved the following recommendations on the FY 2011 amended budget:

- Reduction of \$401,408 for Worker’s Compensation premiums for the institutions
- Restoration of \$300,000 to offset reductions to the Agricultural Experiment Station
- Restoration of \$44,459 to offset reductions for SREB
- Reduction of \$56K for the Georgia Leadership Institute
- Reduction of \$52K for the ICAPP Health Program
- Restoration of \$200K to offset reductions for Cooperative Extension
- Restoration of \$98K to offset reductions for Georgia Military College

On Thursday, February 17, Chancellor Erroll Davis testified before the House Higher Education Appropriations committee, which is working on the FY12 budget. 🏛️

## SESSION CALENDAR

Thursday, March 3	in session
Friday, March 4	in session
Monday, March 7	in session
Tuesday, March 8	in session
Wednesday, March 9	in session
Thursday, March 10	in session
Monday, March 14	in session
Wednesday, March 16	in session
Monday, March 21	in session