

■ Overview: 2017 Fiscal Year Budget for Lottery-Funded Programs

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Gov. Nathan Deal's proposed budget of nearly \$1.05 billion for the state's lottery-funded programs adds money for needed enhancements to the Pre-Kindergarten program and financial aid for technical college students but falls short of meeting many families' needs. The nearly \$358 million allotted for Pre-K provides money to raise teachers' salaries, and the \$689 million directed to the HOPE financial aid programs includes an expansion of the Strategic Industries Workforce Development grant. Yet challenges to the quality and availability of the Pre-K program remain and covering college costs is a struggle for many students.

■ By the Numbers

Amended 2016 Fiscal Year Budget

- No substantial changes to funding for the Pre-K program are proposed, compared to the 2016 budget the governor signed last spring
- Funding for the HOPE Scholarship program for students in public colleges and universities goes up \$30.3 million to keep pace with the increase in the number of HOPE and Zell Miller Scholarship students and tuition increases

2017 Fiscal Year Budget

Total funding for the Pre-K program will go up \$36.5 million from the 2016 budget, which includes:

- \$26.2 million to implement a new compensation model for lead teachers and increase assistant teacher salaries, \$7.9 million for statewide merit pay and recruitment and retention salary adjustments for state employees
- \$2.3 million for teacher benefits

HOPE Financial Aid Programs

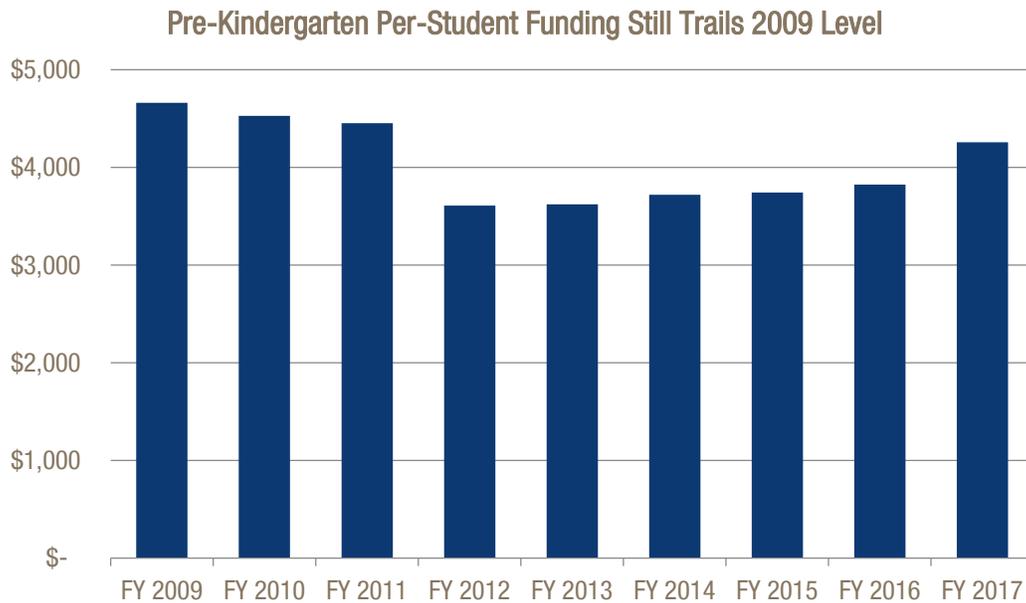
- Total funding for HOPE programs will go up by \$59.1 million. Of that \$53.8 million is for the HOPE Scholarship and \$5.3 million goes to the Zell Miller Scholarship, both for students at public colleges and universities
- Funding for the HOPE Grant, the HOPE GED grant, and the HOPE Scholarship for students at private colleges and universities is \$158.9 million in total, unchanged from the prior year

■ Pre-Kindergarten

Money for the Pre-K program increases by \$36.5 million, or about 11 percent, under the proposed 2017 budget. Virtually all of the added money is assigned to much needed pay raises for Pre-K lead and assistant teachers, one of the [recommendations](#) to improve the program offered by the governor's [Education Reform Commission](#). Lead teachers now earn annual salaries of \$34,095 and assistant teachers \$13,611. Unlike teachers in K-12 schools, Pre-K teachers' salaries are not supplemented as

they gain experience or complete graduate degrees. Retaining teachers is a challenge for Pre-K providers. The additional money for salaries will help address this.

Other challenges persist as per-student funding for the 2017 fiscal year will fall about 8.6 percent below 2009 levels in inflation-adjusted dollars.



Source: Amended Budget fiscal years 2009-2015, Budget FY 2016 and 2017;
U.S. Department of Labor, Consumer Price Index Inflation Calculator.

The class size cap was raised in 2012 to 22 students from 20, which is the [quality benchmark](#) set by the National Institute for Early Education Research. Returning class size standards to 20 students is a recommendation of the reform commission.

The commission's recommendation to increase start-up funds for Pre-K providers from \$8,000 to \$12,000 is also not included in the proposed budget. This increase would help address another persistent challenge—the insufficient number of Pre-K programs in areas where demand is high. The additional start-up money could lower the number of children on the waitlist, now about 5,000.

HOPE Financial Aid Programs

The HOPE programs are Georgia's largest financial aid offerings. The HOPE Scholarship covers a portion of tuition and is awarded to students who graduate from high school with a 3.0 GPA in core subjects and enroll in an associate's or bachelor's degree program. High school graduates must also take three classes identified as rigorous, such as Advanced Placement, to be eligible for the scholarship in 2016 and four in 2017. Students must maintain a 3.0 GPA to retain the scholarship. Students who graduate from high school with a 3.7 GPA and score 1200 on the SAT or 26 on the ACT exams earn the Zell Miller Scholarship, which covers full tuition. Students need a 3.3 GPA to retain the Zell Miller Scholarship.

The HOPE Grant covers a portion of tuition and is awarded to students in certificate or diploma programs at eligible postsecondary institutions, most often a technical college. Students must maintain a 2.0 GPA to retain the grant. Neither scholarships nor the grant covers fees.

HOPE Scholarship

Funding for the HOPE Scholarship for students at public colleges and universities is increased by \$53.8 million in the proposed 2017 budget to keep pace with an expected 2 percent increase in the number of scholarships awarded. The scholarship amount remains the same.

The Zell Miller Scholarship program receives an increase of \$5.3 million, which pays for anticipated 13 percent growth in the number of students receiving the scholarship, as well as tuition increases. Another factor in the rising cost of the program is retention rate. About 81 percent of freshmen who enter with a Zell Miller Scholarship keep it. This surpasses the 64 percent freshman HOPE Scholarship retention rate.

Funding for the HOPE Scholarship for students in private colleges and universities remain at the current \$47.9 million level.

HOPE Grant

Overall funding for the HOPE Grant along with the grant award amount will remain at \$109 million, although the budget proposes some reallocation. The number of students receiving the HOPE grant declined by about 21 percent between fiscal years 2013 and 2015, in part due to a decline in technical college enrollment.

Beginning in 2017, the Strategic Industries Workforce Development Grant program will expand to include technical college students in industrial maintenance certificate and diploma programs. The strategic industries initiative supplements the HOPE Grant, and helps students pursuing a certificate or diploma in now 11 strategic industries cover the full cost of tuition. In fiscal year 2014, 7,209 students received the supplemental grants and 13,703 students did in fiscal year 2015. Expanding the program in 2017 is projected to cost \$751,998, which will be covered by funds allocated to the HOPE Grant.

The expansion of the strategic industries initiative will make attending a technical college more affordable for some students. Keeping postsecondary study affordable for all students is a critical need. In fall 2013, nearly 60 percent of students in the technical college system received the federal Pell Grant for low-income students, according to the Technical College System of Georgia.