

Age Restriction Likely Limits HOPE Scholarship Access for Non-traditional Students

Students who delay going to college to work, take care of family or other reasons are hindered from getting merit aid by the seven-year time limit for high school graduates to use the HOPE and Zell Miller Scholarship. More than 12 percent of undergraduates in the university system in 2015, or 33,183 students, were 25 years old or older.³⁹ Most will not be eligible for a scholarship.

The seven-year restriction plays a much larger role in limiting technical college students' access to merit aid. About 60 percent of associate degree students are 24 or older, yet they comprise only 27 percent of HOPE Scholarship recipients and 5 percent of Zell Miller recipients in the technical college system. The most academically successful students out of high school for more than seven years cannot get either scholarship.

Merit Scholars: Representation by Age in the Technical College System			
Age	% Associate Degree Students in TCSG	% HOPE Scholarship Recipients in TCSG	% Zell Miller Scholarship Recipients in TCSG
23 and under	40.2	72.7	94.7
24-34	33.4	17.3	5.3
35-44	15.4	6.1	0
45-54	8.6	2.8	0
55 and over	2.5	1.1	0

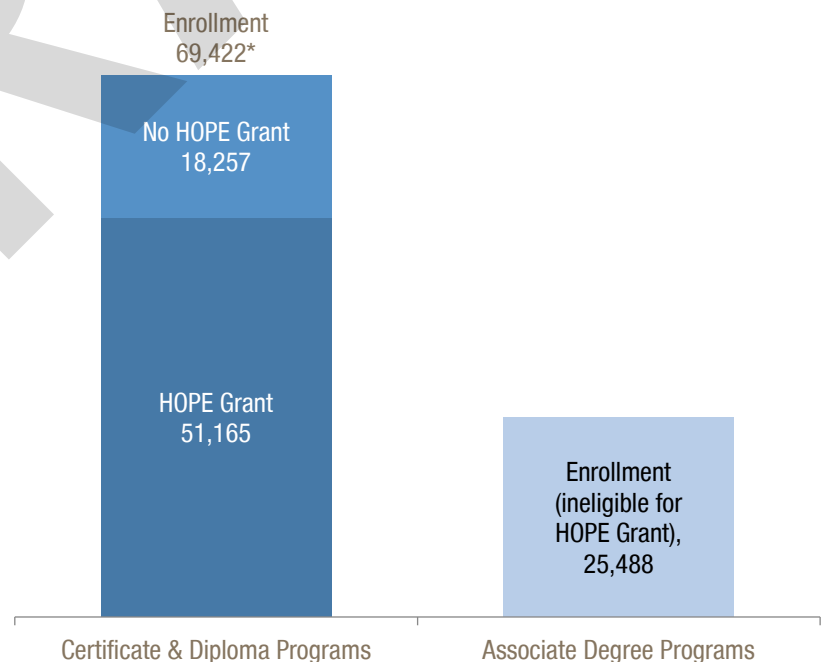
HOPE Grant Provides Broad Coverage but Doesn't Eliminate Cost Concerns

The numbers tell a different story for Georgia's main aid program for technical college students, the HOPE Grant. A much higher proportion of students in certificate and diploma programs receive a HOPE Grant, and there are fewer disparities between students who receive one and those who do not.

The HOPE Grant helps about 74 percent of the 69,422 technical college students in certificate and diploma programs. Technical college students who are in certificate and diploma programs are shown next to those in associate degree programs here for context. Associate degree students are eligible for the HOPE and Zell Miller scholarships but not the HOPE Grant.

HOPE Grant Covers Broad Swath of Technical College Students

TCSG enrollment, by degree program and receipt of HOPE Grant, fall 2013



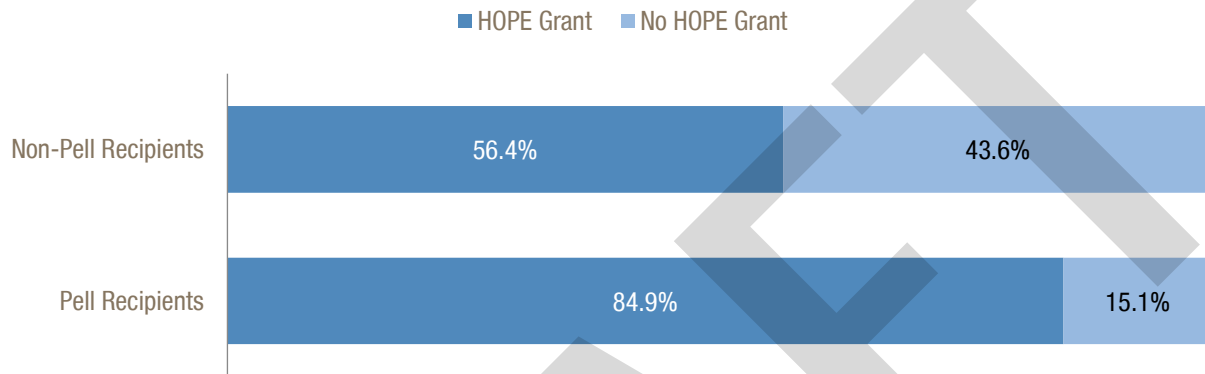
* Excludes undeclared students who are not eligible for financial aid

Grant Does Good Job Reaching Poor Students, Minorities

Poverty and race are much less a factor in a students' access to the HOPE Grant. About 85 percent of low-income students get the grant, although 6,382 low-income students went without one. About 56 percent of non-poor students receive a grant.

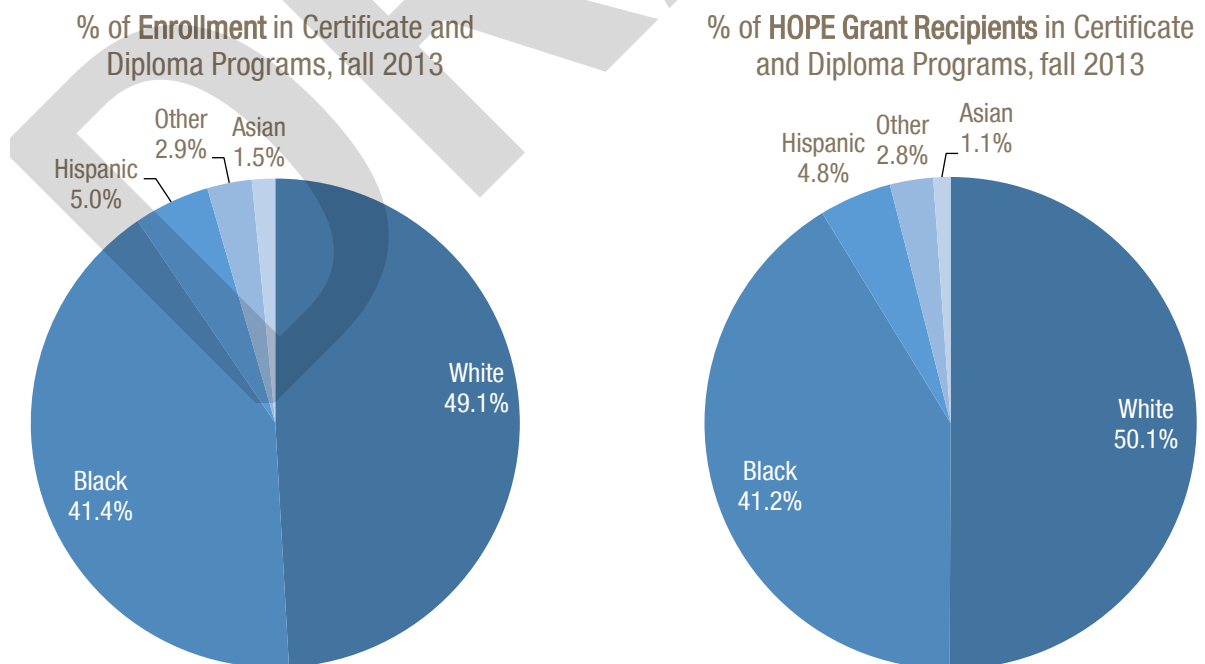
Most Low-Income Students in Eligible Technical College Programs Get the HOPE Grant

Receipt of HOPE Grant by income, as measured by Pell Grant eligibility, fall 2013



Access to the HOPE Grant varies little among student populations. The racial or ethnic makeup of grant recipients closely mirrors the makeup of the overall technical system. White, black, and Hispanic students comprise nearly 96 percent of students enrolled in certificate and diploma programs, and similar majorities of each group receive the grant.

HOPE Grant Students Reflect Make-Up of Eligible Technical College Programs

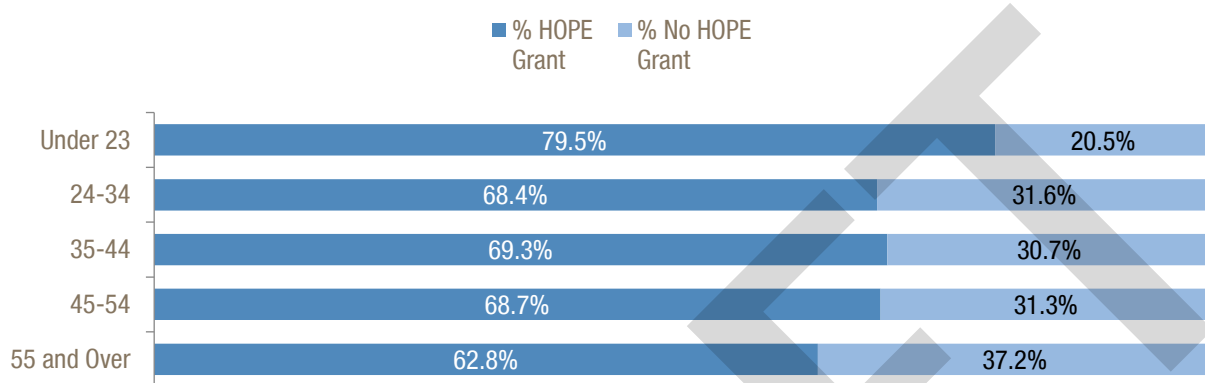


Age Not a Major Factor in Access to HOPE Grant

The HOPE Grant does not carry a seven-year post-high school time limit so age is not a big factor as with the merit scholarships. More students under 23 get one than in older age groups but the majority of students in all age groups get one.

Age Plays Little Role in Which Students Get HOPE Grant

Receipt of HOPE Grant in certificate and diploma programs, by age, fall 2013



Conclusion: Enhanced Approach to Financial Aid Can Strengthen Georgia's Future

Georgia lawmakers changed the landscape of higher education when they created the HOPE Scholarship and the HOPE Grant more than 20 years ago. The programs boosted postsecondary enrollment and helped keep more of Georgia's best prepared students in state for college. Georgia emerged as a national leader with its pioneering approach to keeping college costs within reach for many students. Other states followed its path. Georgia should take the lead again through an enhanced approach to financial aid that ensures students from all backgrounds, regardless of race, ethnicity, age or family income, can gain the benefits of a college degree.

This analysis concludes with three policy options that Georgia lawmakers can consider as first steps to remedy some of the inequities identified. This study is a launching point for additional GBPI research into these and other possible solutions.

Establish a new, stand-alone needs-based financial aid program. The HOPE and Zell Miller scholarships and the HOPE Grant provide a strong foundation for a broader approach to financial aid. One missing component is a set of strategies designed to help thousands of Georgia students struggling to keep up with rising costs. A program available to all students whether or not they also receive the HOPE Scholarship or HOPE Grant can provide a lifeline to hardworking families trying to juggle the high price of tuition, fees and cost of living.

A comprehensive strategy employed by Georgia State University provides strong evidence that needs-based aid can help keep students on track for graduation and is a worthy investment. Georgia State established Panther Retention Grants in 2011 as part of a broader effort to improve completion rates. The grants go to students at-risk for leaving school due to non-payment of tuition and fees. Seventy-one percent of seniors who received the grants graduated within two semesters and 90 percent of the freshmen who got them were retained.⁴⁰ The grants are part of the reason Georgia State's graduation rate climbed from 32 percent in 2003 to 54 percent in 2014.⁴¹

Institutional efforts like these make a difference but fall short of the full scope of students' unmet financial needs. Students' unmet need totaled about \$660 million across the university system in the 2013-2014 academic year.⁴² That year institutions across the system raised only enough money to award \$28.8 million in need-based aid.⁴³

A comprehensive, statewide need-based aid program holds the potential to replicate the success of initiatives like those at Georgia State. Georgia now runs two aid programs that take need into account, but they serve only a small fraction of students (detailed in Appendix B).

Evidence shows need-based aid programs increase enrollment and support improved completion rates.⁴⁴ If the university system's graduation rate rose by 10 percentage points, approximately half Georgia State's increase, about 5,200 more of the freshmen who enrolled in fall 2015 would graduate within six years.^{45,46} Even if the graduation rate rose by only five percentage points, Georgia's colleges and universities would produce more than 2,600 additional graduates.

Restore the HOPE Grant to its original promise of full tuition plus fees for technical college. The reduction of the HOPE Grant award amount combined with tuition increases is making technical colleges less affordable. This is a likely factor in ongoing enrollment decline in Georgia's technical colleges since its peak in 2010. The drop in credit hours students take is another indicator of the toll of diminishing affordability. More students enrolled in technical colleges in fall 2015 than in fall 2007 but they took far fewer credit hours. Taking fewer classes and lengthening the time they spend in school puts students at greater risk for not finishing. And Georgia's employers depend on a steady contribution from the workforce development pipeline.

The Strategic Industries Workforce Development Grant supplements the HOPE Grant for students in selected fields as does the Zell Miller Grant and both are a valuable resources. But they serve only a portion of technical and diploma students. They also do not cover mandatory fees, which can be as costly as a class. A restored HOPE Grant will accelerate students' pathway into the workforce.

Eliminate the HOPE Scholarship's arbitrary penalty for students out of high school more than seven years. This regulation overlooks the growing number of students in their 20s, 30s and older who are enrolling in postsecondary programs. It is also at odds with a joint initiative by the university and technical college systems, Go Back, Move Ahead, to encourage people who dropped out of college to return and finish their programs. If they enroll in a certificate or diploma program, they can access a HOPE Grant. If their goal is an associate or bachelor degree, there is no state aid for them. Extending eligibility beyond seven years after high school gives academically successful college students of all ages a chance to participate in the HOPE Scholarship.

\$660 Million

Unmet student financial need across university system in 2013-2014

\$28.8 Million

Amount university system raised to award in need-based aid

Appendix A: Distribution of Merit Aid by Institution

Institution	% Pell	% HOPE Scholarship	% Zell Miller Scholarship	% HOPE & Zell Miller Scholarship	% No Merit Aid
Research Universities					
Georgia Institute of Technology	24.3	29.0	34.8	63.8	36.2
Georgia Regents University (now Augusta University)	46.7	26.5	3.0	29.5	70.5
Georgia State University	54.0	37.1	1.8	38.9	61.1
University of Georgia	25.9	51.0	27.6	78.6	21.4
Comprehensive Universities					
Georgia Southern University	41.3	39.0	3.5	42.5	57.5
Kennesaw State University	42.0	32.9	2.1	35.0	65.0
University of West Georgia	51.8	33.7	1.9	35.6	64.4
Valdosta State University	48.6	34.7	2.2	36.9	63.1
State Universities					
Albany State University	73.8	16.3	0.1	16.4	83.6
Armstrong State University	47.0	28.3	2.3	30.6	69.4
Clayton State University	62.6	14.2	0.4	14.6	85.4
Columbus State University	50.0	33.5	2.0	35.5	64.5
Fort Valley State University	78.4	14.4	0.4	14.8	85.2
Georgia College & State University	22.3	60.2	6.8	67.0	33.0
Georgia Southwestern University	49.9	23.6	1.9	25.5	74.5
Middle Georgia State University	53.5	20.7	0.8	21.5	78.5
Savannah State University	78.6	18.0	0.3	18.3	81.7
University of North Georgia	38.7	36.3	3.2	39.5	60.5
State Colleges					
Abraham Baldwin Agricultural College	50.3	31.1	1.9	33.0	67.0
Atlanta Metropolitan College	77.6	3.3	0.0	3.3	96.7
Bainbridge State College	80.9	32.2	0.3	32.5	67.5
College of Coastal Georgia	57.0	23.0	0.8	23.8	76.3
Dalton State University	59.8	37.0	1.0	38.0	62.0
Darton State College	59.5	14.6	0.6	15.2	84.9
East Georgia State College	64.9	18.3	0.5	18.8	81.2
Georgia Gwinnett College	53.4	20.7	0.5	21.2	78.8
Georgia Highlands College	51.8	18.8	0.3	19.1	80.9
Georgia Perimeter College	51.2	8.9	0.2	9.1	90.9
Gordon State College	57.0	21.8	0.7	22.5	77.6
South Georgia State College	66.9	24.8	1.2	26.0	74.0
Total	47.6	30.6	5.5	36.1	63.9

Appendix B: Georgia's Existing Need-Based Aid Programs: Help for Too Few Students

Georgia has two financial aid programs that target low-income students: the REACH Scholarship and the Student Access Loan program. Both provide valuable assistance to financially-needy students but their small size leaves thousands of low-income students without access to state aid.

REACH Scholarship. The Realizing Educational Achievement Can Happen Scholarship was established in 2012 and is a collaborative effort between the Georgia Student Finance Commission, school districts, and the private sector. To be eligible, students must qualify for the federal free and reduced lunch program, show academic promise, and have a record of good attendance and behavior. Preference is given to students who will be in the first generation in their families to attend a postsecondary institution. Students enter the program in eighth grade.

Students receive an annual scholarship of \$2,500 for four years to help cover the cost of attending a college or university. They also meet regularly with a mentor and an academic coach throughout high school. To retain the scholarship, they must maintain a 2.5 GPA in core subjects and good attendance and discipline records in middle and high school as well as a 2.0 GPA in college.

The state covers the full cost of each district's first cohort of REACH Scholars. Districts must raise a portion of the scholarship cost for subsequent cohorts. The amount is based on the relative wealth of a county as measured by unemployment rate, per capita income and percent of residents in poverty. The state covers the rest of the cost.

The number of scholarship recipients is capped at eight per graduating class for school districts with five or more high schools and five per graduating class for districts with four or fewer high schools. Thirty-three of the state's 180 school districts participate in the 2015-2016 school year. The GSFC plans to add up to 41 additional districts in 2016-2017.

Student Access Loan Program. The \$27 million SAL program provides low-interest loans to students who have exhausted all forms of federal financial aid but still have unmet need. Students are eligible if they are enrolled in an associate, bachelor or first-professional degree program in the university system or eligible private institution. Students enrolled in a certificate, diploma or associate degree program in the technical college system are also eligible. They must maintain satisfactory academic progress. HOPE and Zell Miller Scholarship recipients are given priority consideration. Remaining applicants are randomly selected.

The maximum loan amount for degree-seeking students is \$4,000 per semester and \$8,000 annually. Students may receive a loan multiple years. Loans are capped at \$1,500 per semester and \$3,000 annually for technical college students. The interest rate is one percent while students are in school and stays at that level for those who complete their programs in the designated amount of time. The rate increases to six percent for students who go past the designated time and rises to eight percent for those who graduate a year or more beyond.

Loans are cancellable for students who teach in science, technology, engineering or mathematics or work in public service. Loan repayment is waived for technical college students who graduate with a 3.5 GPA.

Over 3,900 students received loans averaging \$6,874 in fiscal year 2015. In total 13,265 students got loans since fiscal year 2012 when the program was launched.

ENDNOTES

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