

Overview: 2019 Fiscal Year Budget for Lottery-Funded Programs

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Gov. Nathan Deal's proposed 2019 budget includes \$70.5 million in added lottery funds, bringing the total for Georgia's lottery-funded Pre-Kindergarten and HOPE financial aid programs to \$1.2 billion. About \$834 million is for HOPE and \$367 million is for Pre-K. The biggest changes from last year include a \$68 million increase for HOPE Scholarships. The proposed 2018 amended budget adds \$8.2 million to meet the need for HOPE and Zell Miller scholarships.

By the Numbers

Amended 2018 Fiscal Year Budget

- Adds \$8.2 million to the Georgia Student Finance Commission to meet the need for HOPE and Zell Miller Scholarships

2019 Fiscal Year Budget

Funding for the Pre-K program goes up about \$2.4 million in the proposed budget or about half of 1 percent of current funding. The added amount is for increased payments to the Teacher Retirement System.

Proposed spending for HOPE grows \$68 million to a total of \$834 million, an 8.8 percent increase from last year:

- \$65 million for HOPE and Zell Miller Scholarships - Public Schools (total \$637 million)
- \$2.7 million for HOPE and Zell Miller Scholarships - Private Schools (total \$51 million)

The additions cover projected need and a 3 percent award increase. The award boost should offset inflation or any tuition increase. Tuition grew 2 percent for the 2017-2018 academic year. Most of the 2019 budget increase is to meet projected need, with the largest increase to meet need in Zell Miller Scholarships. HOPE Grant funding stays at \$109 million, which still covers a 3 percent award increase.

Student Access Loans stay funded at \$27 million. In budget year 2017, 6,900 students received \$32 million in loans funded by the lottery and loan repayments. These loans are for students who exhaust all other federal and state loans, scholarships and grants. The university system estimated more than 112,000 students in 2014-15 had unmet financial need of more than \$800 million, even after loans.

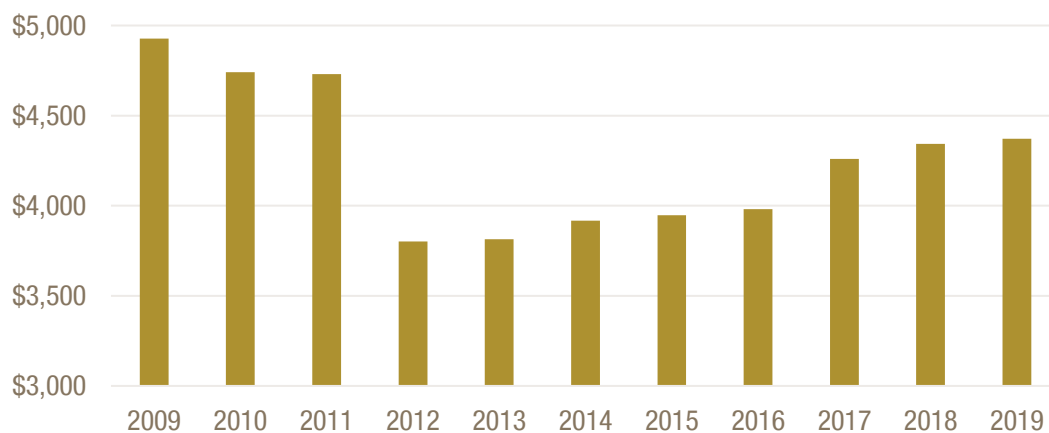
Lottery appropriations regularly exceed HOPE financial aid awards. Surplus money is deposited into lottery reserves. In budget year 2017 almost \$54 million in surplus dollars went into lottery reserves. Total lottery reserves are over \$1 billion. About half of these reserves are required under Georgia law in case of a shortfall.

Pre-K Class Size Still Exceeds Standard

Georgia's Pre-K program wins accolades as a national model, but it continues to exceed national standards for class size, a critical benchmark of quality. The National Institute for Early Education Research calls for a maximum class size of 20 and a maximum teacher-student ratio of 1-to-10. Georgia's maximum class size is 22 and its teacher-student ratio is 1-to-11. A 2015 task force convened by the governor to examine critical issues in education, the [Education Reform Commission](#), also called for class sizes to be lowered to this benchmark.

Prior to the Great Recession that began in 2007, Georgia's Pre-K met these standards. But funding fell sharply during the downturn, resulting in a temporary cut to the Pre-K school calendar and the ongoing increase in class size from 20 to 22. While much has been added back, per student funding trails pre-recession levels when adjusted for inflation.

Per Student Pre-K Funding Lags Earlier Investment Levels



Source: Georgia Amended Budget, Fiscal Years 2009-2017, Georgia Budget Fiscal Year 2018, Governor's Budget Report Fiscal Year 2019; U.S. Bureau of Labor Statistics Inflation Calculator

HOPE Financial Aid Program

The HOPE Scholarship marks its 25th anniversary in 2018. HOPE is the largest state merit aid program in the country, but Georgia is one of two states with no broad need-based aid. Before 2011, the HOPE Scholarship covered full tuition, fees and a book allowance for students with a 3.0 GPA. After 2011, awards for fees and books were eliminated. Now the HOPE Scholarship covers partial tuition. The Zell Miller Scholarship covers full tuition for students with a 3.7 high school GPA who score at least 1200 on the SAT or 26 on the ACT and take four Advanced Placement courses. Students must maintain a cumulative college 3.3 GPA to keep the award.

The HOPE Grant is for technical college students in certificate or diploma programs. The HOPE Grant covers partial tuition for students with a 2.0 GPA. The Zell Miller Grant covers full tuition for students with a 3.5 GPA. The HOPE Career Grant covers full tuition for students enrolled in eligible programs and with a 2.0 GPA.

HOPE's benefits vary a great deal by school, according to an [analysis of fall 2015 data](#). For example, almost 80 percent of undergraduates at the University of Georgia receive state aid through HOPE, compared to only 23 percent of students at Middle Georgia State.