

Moving HOPE Forward into the 21st Century

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HOPE has made college more accessible and affordable for almost two million college students since Georgia voters approved the creation of the lottery-funded HOPE Scholarships and Grants more than 25 years ago.

Georgia needs to develop and harness all its people's talents in order for the economy to recover and stay competitive. For example, individuals without postsecondary credentials are at much higher risk for joblessness during recessions, and college and technical college enrollment tends to increase during economic downturns. However, a significant share of Georgia students still lacks the resources needed to attend and graduate college. Uneven barriers to opportunity begin from the earliest years and continue through elementary and secondary school. Wide racial and ethnic disparities in health, income and wealth create challenges to college preparation, persistence and graduation.

The HOPE Scholarship dominates the current state financial aid system. Though HOPE has enticed many students to stay in-state for college and promoted college preparation in high school, the scholarship displays patterns that reflect the state's racial, ethnic, income and geographic inequalities.

Lawmakers can improve the state financial aid structure to provide more meaningful opportunity and economic mobility for a wider group of college students. Georgia needs to develop and take advantage of all its people's talents to recover and be competitive in the next century. Moving HOPE forward requires both commitment and adaptation as the state, economy and students change and grow.

Note: This report focuses on students receiving HOPE awards at Georgia's public colleges and universities. Students at private colleges and universities also receive HOPE awards.

Key Findings

- 44 percent of undergraduate students received the HOPE Scholarship or Zell Miller Scholarship. Asian and white students are most likely to get HOPE or Zell Miller Scholarships. Black and Native American students are the least likely.¹
- Black students are severely underrepresented in the full-tuition Zell Miller Scholarship, compared to their representation among students.²
- Students from higher-income families are more likely to get the HOPE or Zell Miller scholarship.³
- Students at the University of Georgia get more than twice the amount of HOPE dollars as students in the entire Technical College System of Georgia.⁴
- HOPE Grant recipients in technical colleges largely reflect technical college students overall. But full-tuition Zell Miller Grant recipients skew towards white students. White students are also overrepresented among associate degree students at technical colleges receiving the Zell Miller Scholarship.⁵

Key Recommendations

- Fund the need-based scholarships authorized by the Georgia General Assembly in 2018.
- Restore HOPE Grants at technical colleges and include associate degrees.
- Maximize lottery funds by increasing the share turned over to the state over time, making a spend-down plan for excess reserves or converting reserves to a state endowment whose earnings are dedicated to education.

University System of Georgia: Racial, Ethnic, Income and Geographic Disparities in HOPE

Students of color have fought for full inclusion in higher education over decades. One indicator of success is the fast-growing college enrollment rate among students of color in Georgia. In the last 20 years, Black student enrollment grew twice as fast as the overall increase in Black residents, and Latinx student enrollment grew more than four times faster than overall Latinx population increase.⁶

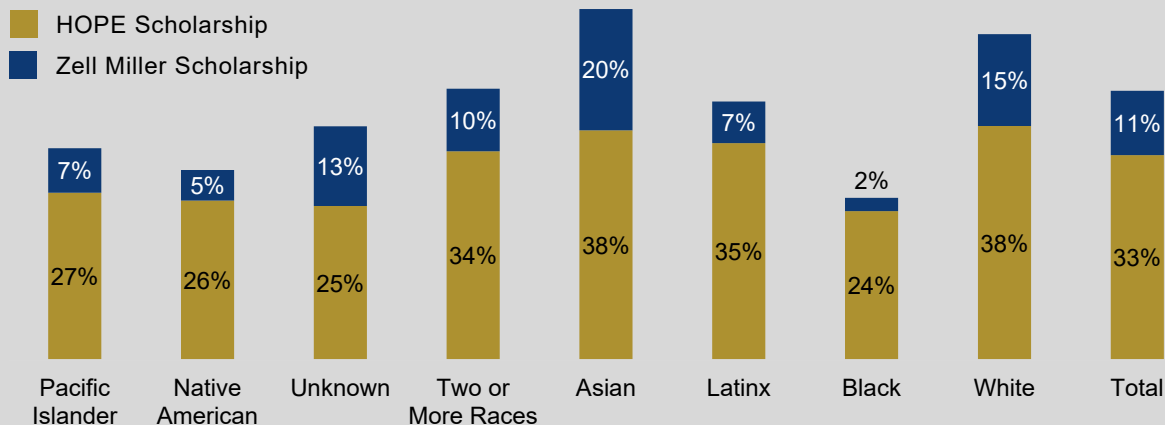
HOPE Scholarship and Zell Miller Scholarship recipients also grew more diverse as more Asian, Black, Latinx and multiracial students enroll in Georgia colleges. For example, between Fall 2010 and 2018, both Latinx student enrollment and HOPE Scholarship recipients nearly doubled.⁷

Lawmakers changed the HOPE Scholarship, which covered full tuition and fees for all eligible students, into two scholarships in 2011, after dramatic public funding cuts and steep tuition hikes. The Zell Miller Scholarship covers full tuition for students who meet higher GPA and standardized test score requirements. The HOPE Scholarship covers most of tuition. Neither scholarship covers fees. See Appendix for more.

The most recent snapshot of HOPE and Zell scholarship recipients comes from Fall 2018. In that semester, 44 percent of undergraduate students received the HOPE or Zell Miller Scholarship. Asian and white Students are the most likely to get the scholarship, and Black and Native American students are the least likely.⁸

HOPE and Zell Miller Scholarship Varies by Race and Ethnicity

Share of In-State Undergraduates with HOPE by Race/Ethnicity, University System of Georgia, Fall 2018



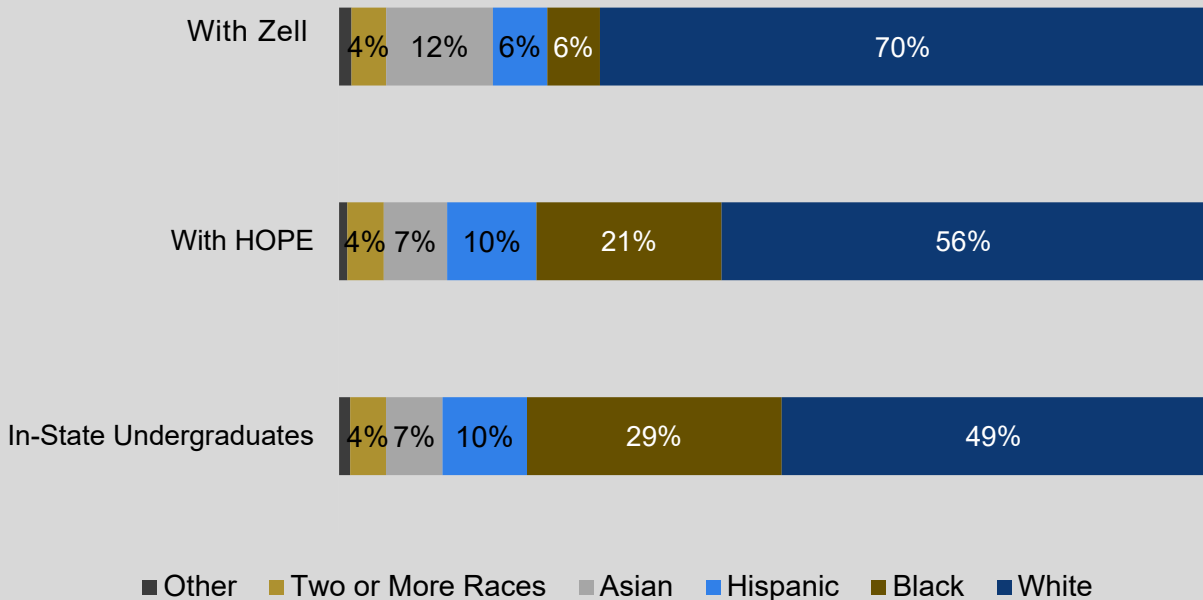
Source: University System of Georgia.

Black students are most underrepresented in Zell Miller Scholarships (6 percent) compared to their representation among undergraduate students (29 percent). Latinx students are proportionately represented among HOPE Scholars but underrepresented among Zell Miller Scholars.⁹

Zell Miller Scholarships require a 3.7 high school GPA in core courses, a 3.3 cumulative college GPA, four rigorous credits such as Advanced Placement or Dual Enrollment and a 1200 on the SAT or 26 on the ACT (HOPE rigor requirement does not need to be fulfilled by AP; see full course list at gafutures.org). Inequitable opportunities in early childhood, elementary and secondary schools create barriers for students trying to meet these standards. In school districts with higher poverty rates and higher proportions of Black students, students are more likely to be taught by inexperienced teachers or those teaching a subject in which they are not licensed or certified. Students are less likely to have access to rigorous coursework and earn credit for Dual Enrollment, Advanced Placement or International Baccalaureate courses.¹⁰

Zell Miller Scholarship Shows Biggest Racial and Ethnic Disparities

Share of Scholarship Recipients and Students by Race/Ethnicity, University System of Georgia, Fall 2018



Source: GBPI analysis of University System of Georgia data.

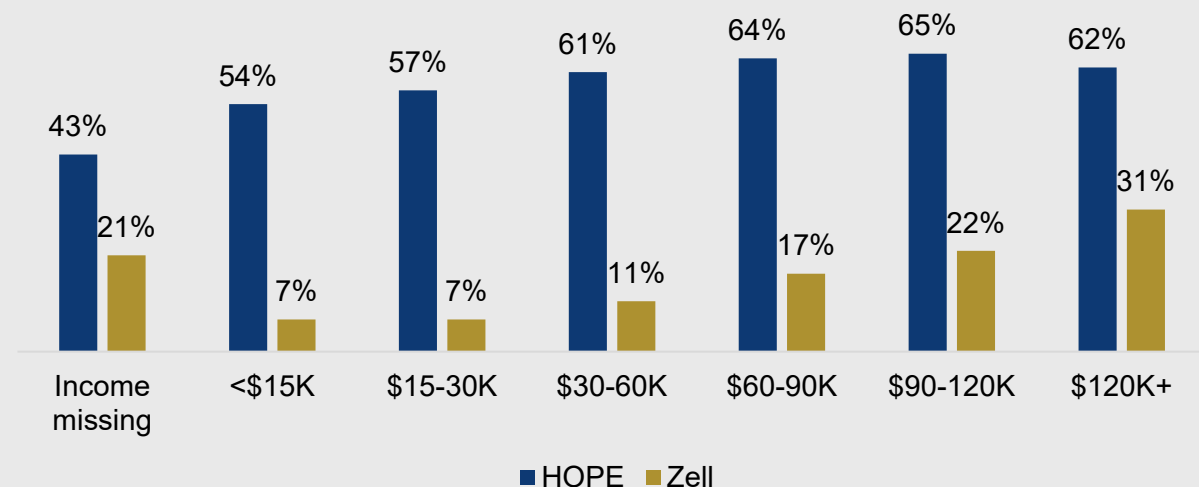
Higher Family Income Increases Likelihood of Scholarship Receipt

Likelihood of HOPE or Zell Miller Scholarship receipt increases with family income.¹¹ Family income correlates with standardized test scores throughout K-12 education, so it is unsurprising that the Zell Miller Scholarship whose eligibility is based partly on a standardized test reflects accumulated disadvantages associated with poverty. These barriers include poor health, limited access to high-quality early childhood education, worse access to experienced teachers, high rates of mobility and housing instability and worse access to summer and out-of-school enrichment activities.¹²

More than 90 percent of students with family income greater than \$120,000 in the university system were receiving either the HOPE Scholarship or Zell Miller Scholarship from 2013-14 to 2018-19. The full-tuition Zell Miller Scholarship skews mostly to higher-income families. More than 30 percent of students with family income higher than \$120,000 received the Zell Miller Scholarship for at least one semester during a five-year period, compared to less than 10 percent of students with family income less than \$30,000.¹³

Full-Tuition Zell Miller Scholarship Most Likely for Students with Family Incomes More than \$120,000

Share of Students with Scholarship for at Least One Semester, University System of Georgia, 2013-2014 to 2018-2019



Source: Jones, Todd R. (June 2020). *Post-Secondary Financial Aid Foundational Report: 2013-14 to 2018-19*. Georgia Policy Labs, Child & Family Policy Lab, <https://qpl.gsu.edu/publications/post-secondary-financial-aid/>.

The long-lasting impacts of slavery, Jim Crow and racially discriminatory housing, financial, employment and legal policies and practices lead to large racial and ethnic disparities in household income and wealth today.^{14, 15, 16, 17} The median income of Georgia’s white households is about \$68,000, compared to \$51,000 for Latinx households and \$45,000 for Black households.¹⁸ Differences are even greater in household wealth, which tends to compound through generations. Median wealth is more than \$127,000 for white households, \$17,000 for Latinx households and \$8,000 for Black households.¹⁹

Colleges and Universities Vary Widely in HOPE Funds Received

Colleges and universities with the highest-income students serve the largest share of students getting state financial aid through the HOPE Scholarship. About half of all university system students are from families with income less than \$44,000, but differences in a typical student’s family income varies widely by school. At the three schools where median family income of Georgia residents exceeds \$100,000, more than seven out 10 undergraduate students get the HOPE Scholarship. Fewer than half of students get state aid through HOPE at all other colleges.²⁰

Colleges with Higher-Income Students Serve Larger Share of Students with HOPE		
<i>School</i>	<i>Median Family Income</i>	<i>Percentage of Students with HOPE</i>
Georgia Institute of Technology	\$120,878	76%
Georgia College and State University	\$110,059	73%
University of Georgia	\$100,976	81%
All Other USG Schools	\$62,404 or less	45% or less

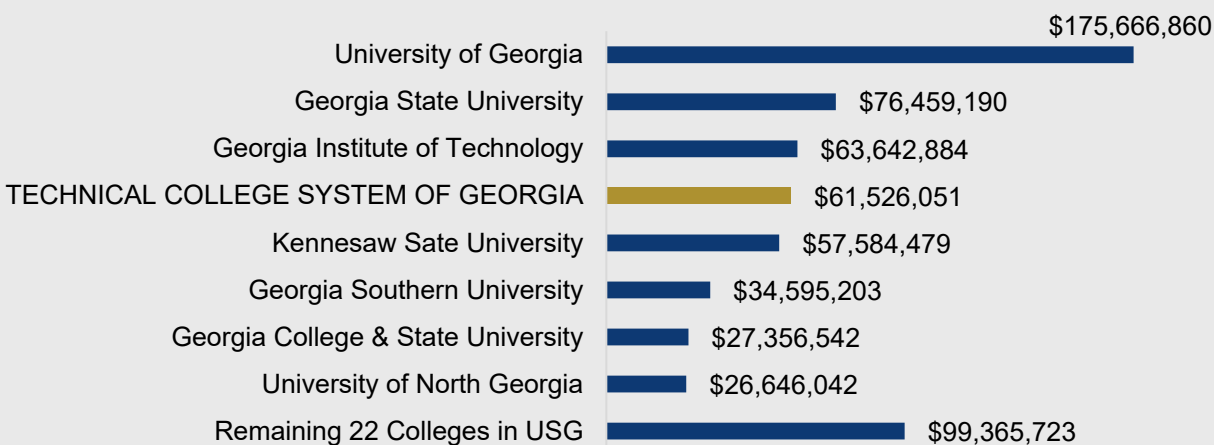
Source: For full list, see Georgia Higher Education Data Book: https://gbpi.org/georgia-higher-education-data-book-2019/#HOPE_Scholarships

At the three colleges with students from the highest-income families, Black students represent less than 10 percent of the student body, though they represent 26 percent of students in the university system overall.²¹ Underrepresentation of Black students at these well-resourced and prestigious universities follows a long history of official and unofficial racial discrimination. The University of Georgia and Georgia Institute of Technology admitted their first black students in 1961, after a federal district court judge ordered their integration after resistance from the state legislature. The university system continued to negotiate desegregation plans with the federal government during the 1970s and 1980s.²²

By far, the most HOPE Scholarship money goes to students who attend the University of Georgia. The University of Georgia (UGA) serves the most HOPE recipients, second to the technical college system. UGA also charges the second-highest tuition. HOPE Scholarships cover about 79 percent of tuition at UGA, more than 90 percent of tuition at most other USG schools and 76 percent of tuition at technical colleges. HOPE recipients at the University of Georgia get more than \$176 million in state financial aid. The school with the next largest pot of HOPE funds is Georgia State University, the largest school in the university system (\$76 million in HOPE dollars). The entire Technical College System of Georgia gets about \$62 million in HOPE dollars.²³

University of Georgia Students Get Nearly Three Times the Amount of HOPE Dollars as all Technical College Students

Total HOPE Dollars Awarded by School or System, FY 2018

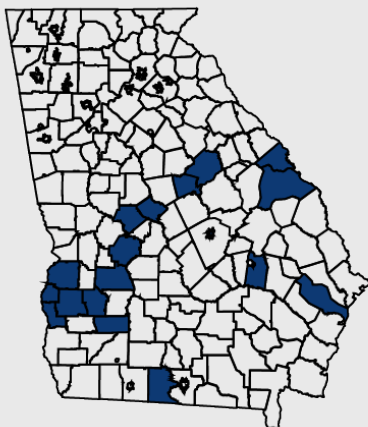


Source: Georgia Student Finance Commission, FY 2018. Remaining 22 Colleges in USG include Darton State, Bainbridge State and Armstrong State which have since been merged with other colleges/universities.

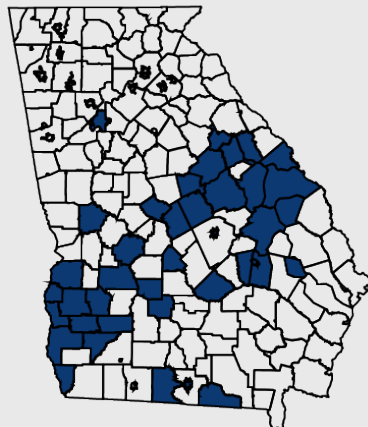
Many Rural Counties with High Concentrations of Poverty Lack Access to HOPE

Racial, ethnic and income disparities also reveal themselves in a geographic analysis of HOPE. Rural counties have the lowest levels of postsecondary attainment.²⁴ Students from rural counties make up the largest share of students at state universities and state colleges, which receive the smallest amounts of HOPE dollars.²⁵ In 16 counties, less than 30 percent of students are eligible for the HOPE Scholarship. These counties tend to have high concentrations of poverty, are home to high proportions of Black families and were historically most dependent on generations of enslaved labor.²⁶

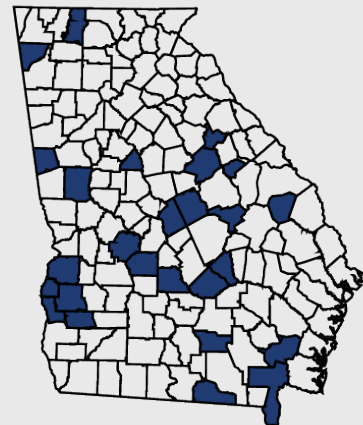
***HOPE Eligibility
Less than 30%***



***School Districts
with 50% or More
of K-12 Students
Living in Poverty***



***Counties Where
Percentage of Adults
with an Associate
Degree or Higher is
Less than 17 Percent***



Source: Based on a GBPI analysis of current enrollments and HOPE Scholarship eligibility, a GBPI analysis of student enrollment data (2018) and GBPI analysis of U.S. Census Bureau, 2017 American Community Survey 5-year data.

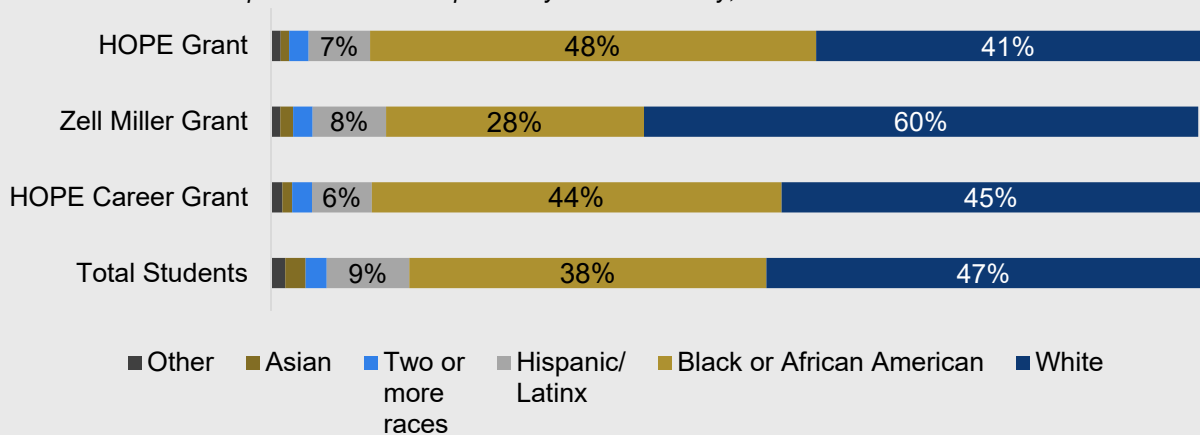
Technical College System of Georgia: Racial and Ethnic Disparities by Credential Type

Students who get HOPE awards at technical colleges largely reflect the racial and ethnic diversity of technical college students overall. About half of technical college students and HOPE recipients are white, nearly four in 10 are Black, and nearly one in 10 are Hispanic or Latinx.²⁷

But the five different HOPE awards that technical colleges students are eligible for reveal differences. In the three HOPE Grants for technical certificates and diplomas, those with HOPE Grants and HOPE Career Grants more closely reflect the racial/ethnic makeup of technical college students overall. The full-tuition Zell Miller Grants skew towards white recipients.²⁸ (See Appendix for details on different HOPE awards available to technical college students.)

HOPE Grant Recipients at Technical Colleges More Racially and Ethnically Representative

Technical Certificate and Diploma HOPE Recipients by Race/Ethnicity, 2019

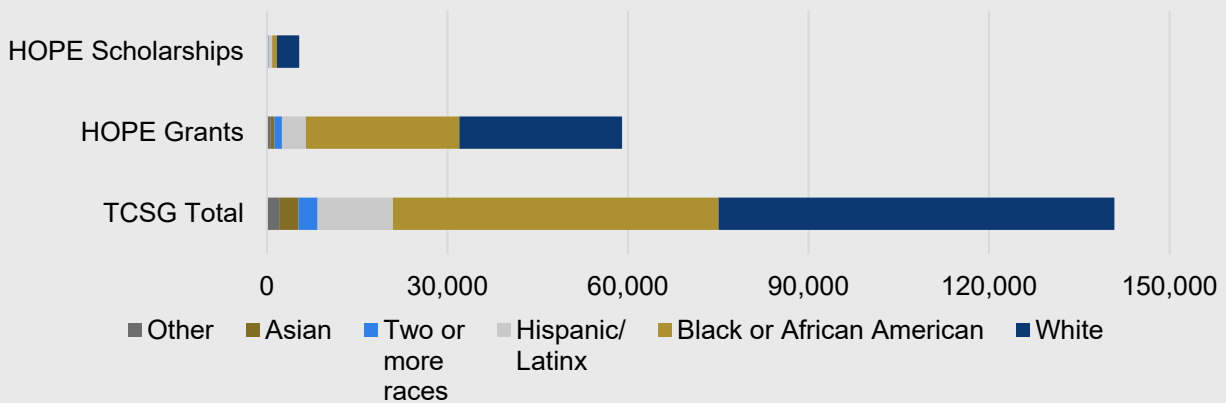


Source: GBPI analysis of Technical College System of Georgia Data, AY 2019. All students receiving HOPE Career Grants are included in HOPE Grant totals since they receive both. Total students include Dual Enrollment students.

About 5,400 HOPE or Zell Miller Scholarship recipients attend technical colleges. White students are overrepresented in the scholarship, which is available for technical college students pursuing associate degrees. Almost 70 percent of HOPE or Zell Miller Scholarship recipients are white. Only 15 percent are Black or African American, though Black students make up 38 percent of total students.²⁹

HOPE Scholarships Cover Few Students at Technical Colleges

HOPE Recipients by Race/Ethnicity, 2019



Source: GBPI analysis of Technical College System of Georgia Data, AY 2019.

Conclusion

Students arrive at their first college class with profoundly different lived experiences, financial resources, access to social capital and safety nets. Differences stem from where students are born, the schools they attend, their physical and mental health and family’s financial security.

But Georgia’s financial aid structure operates almost exclusively from a definition of “merit” that ignores these differences. The state awards dollars using indicators that reflect accumulated advantages and disadvantages. Georgia underinvests in the potential of colleges and universities to be true engines of opportunity and focuses mostly on rewarding past performance heavily influenced by factors outside students’ control.

The following ideas can reduce race and income-based inequalities and advance Georgia’s prosperity by ensuring that the state’s financial aid structure better serves Georgia.

Fund need-based scholarships authorized by the Georgia General Assembly in 2018

First structured as a need-based scholarship, HOPE is now the largest state-funded scholarship in the country that ignores financial need. Georgia is one of two states without broad need-based scholarships.³⁰ The state passed legislation to grant the Georgia Student Finance Commission the authority to create need-based scholarships in 2018, though they have not been funded.³¹ Georgia funds a popular hybrid merit-need scholarship called REACH Georgia at \$6 million in state funds, but the need far outstrips the current program, which disbursed 55 scholarships in FY 2019 and enrolled an additional 633 high school students.³² Though some individual colleges offer need-based scholarships, colleges and universities with the most resources tend to serve the fewest students with financial need. Most schools lack the fundraising ability to fill financial gaps for their students.³³

Restore HOPE Grants at technical colleges and include associate degrees

Though technical colleges charge higher tuition rates than some state colleges, they serve as a more affordable access point to higher education for a racially and ethnically diverse population of students who seek to graduate into the workforce or continue their education with a four-year degree. The **HOPE Career Grant**, started under Gov. Nathan Deal, restores full tuition benefits to students pursuing certain fields. But instead of choosing winners and losers, full-tuition HOPE Grant support should extend across all technical college fields. Full-tuition support should also include associate degrees, which have grown in popularity and now enroll more students than technical certificates and diplomas.

Maximize the potential and use of lottery funds

When voters approved the creation of the lottery for education, the law stipulated that the lottery turn over 35 percent of ticket sales over to the state. In practice, the share is closer to 25 percent.³⁴ At current ticket sales levels, a one percentage point increase would mean more than \$40 million additional for education. Over time, the state treasury has also amassed nearly \$1.3 billion in lottery reserves built up from unspent surplus funds. This amount exceeds the legal shortfall requirement for HOPE by more than \$700 million.³⁵ The reserves could be spent down over time or converted to an endowment whose earnings are dedicated to education. In FY 2019, \$26 million in interest earnings were added back to the reserves.³⁶

A prosperous Georgia in the 21st century requires innovation to build on HOPE’s accomplishments and increase college success, specifically for low-income students and students of color. Georgia’s state financial aid structure must support public colleges and universities to reduce, rather than reproduce, inequality.

Appendix: HOPE Scholarship and Grant Eligibility

HOPE Scholarships are awarded to students seeking bachelor’s and associate degrees, and HOPE Grants are awarded to students seeking technical certificates and diplomas. Because of SAT and ACT cancellations this spring due to the pandemic, the state extended the deadline for entering freshmen to submit SAT or ACT scores until December 30, 2020. A summary of basic eligibility requirements and award amounts follows. Please visit gafutures.org for more information and policy updates.

	Credential	Award Amount (2020-2021)	Initial Eligibility	Continuing Eligibility
HOPE Scholarship	Bachelor’s or Associate Degree	75-94% of tuition, depending on the school.	3.0 High School HOPE GPA (core courses only) 4 academically rigorous courses, such as Advanced Placement	3.0 cumulative college GPA
Zell Miller Scholarship	Bachelor’s or Associate Degree	100% of tuition.	3.7 High School HOPE GPA (core courses only) 4 academically rigorous courses, such as Advanced Placement 1,200 on SAT or 26 on ACT or be class valedictorian or salutatorian	3.3 cumulative college GPA
HOPE Grant	Technical certificate or diploma	76% of tuition or \$76 per credit hour.	Enroll in eligible technical certificate or diploma	2.0 cumulative college GPA

	Credential	Award Amount (2020-2021)	Initial Eligibility	Continuing Eligibility
Zell Miller Grant	Technical certificate or diploma	100% of tuition	3.5 cumulative college GPA	3.5 cumulative college GPA
HOPE Career Grant	Technical certificate or diploma	Combined with HOPE Grant, covers 100% of tuition.	Enroll in one of 17 approved HOPE Career Grant industry areas	2.0 cumulative college GPA

Note: HOPE awards do not include fees. Students who choose to attend private colleges get \$2,152 for one semester full-time and \$2,808 for Zell.

Endnotes

¹ University System of Georgia data.

² GBPI analysis of University System of Georgia data.

³ Jones, T. R. (June 2020). *Post-secondary financial aid foundational report: 2013-14 to 2018-19*. Georgia Policy Labs, Child & Family Policy Lab.
<https://qpl.gsu.edu/publications/post-secondary-financial-aid/>

⁴ Georgia Student Finance Commission data.

⁵ GBPI analysis of Technical College System of Georgia data.

⁶ GBPI analysis of University System of Georgia enrollment data, 1998-2018 and Census population data, 2000-2018. See also 2019 Georgia Higher Education Data Book.

⁷ GBPI analysis of University System of Georgia data. Slight differences may exist in data reporting between Fall 2010 and 2018. In Fall 2010, the base population of students is defined as students graduating from a Georgia high school. In Fall 2018, the base population is defined as “in-state.”

⁸ University System of Georgia data.

⁹ GBPI analysis of University System of Georgia data.

¹⁰ Owens, S. (Oct 2019). *Education in Georgia's Black Belt: Policy solutions to help overcome a history of exclusion*. Georgia Budget and Policy Institute.
<https://gbpi.org/education-in-georgias-black-belt/>

¹¹ Jones, Tod R. (June 2020). *Post-secondary financial aid foundational report: 2013-14 to 2018-19*. Georgia Policy Labs, Child & Family Policy Lab.
<https://gpl.gsu.edu/publications/post-secondary-financial-aid/>

¹² Ladd, H. F. (2012). Education and poverty: Confronting the evidence. *Journal of Policy Analysis and Management*, 31(2), 203-227.

¹³ Jones, T. R. (June 2020). *Post-secondary financial aid foundational report: 2013-14 to 2018-19*. Georgia Policy Labs, Child & Family Policy Lab.
<https://gpl.gsu.edu/publications/post-secondary-financial-aid/>

¹⁴ Rothstein, R. (2018). *The color of law: A forgotten history of how our government segregated America*. Liveright Publishing Corporation. For a case study, see Rothstein, R. (2014, Oct 15). *The making of Ferguson*. Economic Policy Institute.
<https://www.epi.org/publication/making-ferguson>

¹⁵ Baradaran, M. *The color of money: Black banks and the racial wealth gap*. Belknap Press of Harvard University Press. See book talk here: <https://www.epi.org/event/the-color-of-money-with-mehrsa-barad/>

¹⁶ Quillian, L., et. al. (2017, Oct 11). Hiring discrimination against Black Americans hasn't declined in 25 years. *Harvard Business Review*. <https://hbr.org/2017/10/hiring-discrimination-against-black-americans-hasnt-declined-in-25-years>

¹⁷ See summary of studies by Balko, R. (2020, June 10). There's overwhelming evidence that the criminal justice system is racist. *The Washington Post*.
<https://www.washingtonpost.com/graphics/2020/opinions/systemic-racism-police-evidence-criminal-justice-system/>

¹⁸ 2018 American Community Survey 1-Year Estimates, Table S1903

¹⁹ Prosperity Now analysis of U.S. Census Bureau's Survey of Income and Program Participation. Prosperity Now Scorecard. <https://scorecard.prosperitynow.org/>

²⁰ University System of Georgia data.

- ²¹ University System of Georgia, Fall 2019 Semester Enrollment Report
- ²² Hatfield, E. A. (2019, July 10). Desegregation of higher education. *New Georgia Encyclopedia*. <https://www.georgiaencyclopedia.org/articles/history-archaeology/desegregation-higher-education>.
- ²³ Georgia Student Finance Commission data.
- ²⁴ GBPI analysis of U.S. Census Bureau, American Community Survey 1-Year Estimates, Table S1501. County-level estimates come from 5-year estimates. See 2019 Georgia Higher Education Data Book.
- ²⁵ GBPI analysis of Georgia Student Finance Commission and University System of Georgia data, Resident Enrollment by Institution and County of Origin. https://www.usg.edu/research/enrollment_reports/. GBPI uses the U.S. Census Bureau's definition of "rural" to classify counties. See 2019 Georgia Higher Education Data Book.
- ²⁶ Owens, S. (Oct 2019). *Education in Georgia's Black Belt: Policy solutions to help overcome a history of exclusion*. Georgia Budget and Policy Institute. <https://gbpi.org/education-in-georgias-black-belt/>
- ²⁷ Technical College System of Georgia data. HOPE Recipients by Category and Race/Ethnicity, Academic Year 2019 as of June 2020.
- ²⁸ GBPI analysis of Technical College System of Georgia data.
- ²⁹ GBPI analysis of Technical College System of Georgia data.
- ³⁰ National Association of State Student Aid and Grant Programs. *49th annual survey report on state-sponsored student financial aid, 2017-2018 academic year*. https://www.nassgapsurvey.com/survey_reports/2017-2018-49th.pdf
- ³¹ House Bill 787 House Bill 787, 2017-2018 Session, <http://www.legis.ga.gov/Legislation/en-US/display/20172018/HB/787>. See also Lee, J. (2018, April 8). *Lawmakers pass need-based aid bill, what's next?*. *Georgia Budget and Policy Institute*. <https://gbpi.org/next-steps-need-based-aid-georgia/>
- ³² Governor's Office of Planning and Budget. *FY 2021 performance measures report*, p 104. <https://opb.georgia.gov/planning-and-evaluation/agency-performance-measures>

³³ For more, see Lee, J. (October 2018). *Need-based aid complements school scholarships, helps fill financial holes for students*. Georgia Budget and Policy Institute. <https://gbpi.org/need-based-aid-complements-school-scholarships-helps-fill-financial-holes-for-college-students/>

³⁴ Georgia Department of Audits and Accounts. (Dec 2016). Special examination, report no. 16-18: Requested information on the Georgia Lottery Corporation.

³⁵ State Accounting Office. *Georgia revenues and reserves report, fiscal year ended June 30, 2019*. <https://sao.georgia.gov/statewide-reporting/georgia-revenues-and-reserves>

³⁶ State Accounting Office. *Georgia revenues and reserves report, fiscal year ended June 30, 2019*. <https://sao.georgia.gov/statewide-reporting/georgia-revenues-and-reserves>