

Overview: 2022 Fiscal Year Budget for Lottery-Funded Programs

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Gov. Brian Kemp's proposed 2022 budget includes \$1.3 billion for Georgia's lottery-funded pre-Kindergarten and HOPE financial aid programs. About \$903 million is for HOPE, and \$381 million is for pre-K.

Lottery-funded programs saw small increases to meet projected changes in expected need and to fulfill funding formulas.

By the Numbers

Overall, the proposed 2022 budget for lottery-funded programs grows by \$18 million, or 1.4 percent. Proposed spending for the various HOPE programs grows from \$16 million to total \$903 million, a 1.8 percent increase from last year.

All budget changes to HOPE programs are to meet projected need. Additions include \$8 million (1 percent) for HOPE scholarships for students who choose to attend public colleges, a \$612,000 increase (1 percent) for HOPE Scholarships for students who choose to attend private colleges and a \$7 million increase (11 percent) for HOPE Grant recipients to pursue postsecondary education at technical colleges.¹

There was no award increase for HOPE Grants or Scholarships.

Lottery-funded administrative costs for the Georgia Student Finance Commission (GSFC), the state agency that administers the lottery-funded HOPE, and for state-funded Dual Enrollment programs remain flat, \$1 million or 11 percent less than 2020.

Lottery dollars also supply \$26 million in student loans administered by GSFC. These loans were first made available for students in FY 2012. Before using Student Access Loans (SAL), student borrowers must first use all available federal, institutional and private scholarships and loans, as well as veterans' educational benefits.²

Pre-Kindergarten

Gov. Kemp's proposed budget includes \$1.5 million (0.5 percent) in additional lottery funding to compensate pre-Kindergarten teachers for additional experience and/or training.

It also includes \$602,706 to address an increase in the employer contribution to the teacher pension system, only available to lead teachers.

HOPE Financial Aid Programs

HOPE is comprised of several different programs: HOPE and Zell Miller Scholarships, HOPE and Zell Miller Grants, HOPE Career Grants and HOPE GED Grants.

The HOPE Scholarship is for students seeking associate or bachelor's degrees. The scholarship covers partial tuition for students with a 3.0 GPA in core academic courses. 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 rigorous courses in high school (e.g., Advanced Placement or Dual Enrollment). Students must also maintain a 3.3 cumulative college GPA to keep the award.

Current GSFC regulations state that students who graduated high school in 2020 have until June 30, 2021 to submit qualifying SAT or ACT scores to get retroactive payments for Zell Miller Scholarships. Current high school students have until their high school graduation date to take the SAT or ACT.

The HOPE Career Grant is an award on top of the HOPE/Zell Miller Grant for students enrolled in certain certificate and diploma program areas identified as strategically important to the state's economic growth. The most popular HOPE Career Grant programs include Practical Nursing and Health Science.

Lottery Reserves

Surplus lottery funds transfer to lottery reserves held by the State Treasury. At the end of fiscal year 2020, \$39 million in lottery dollars went unspent. There are now \$1.38 billion in total reserves. About half, \$604 million, are required under law in case of a shortfall to be able to fund HOPE programs. An additional \$781 million are considered unrestricted reserves.

End Notes

¹ For more information on HOPE Scholarships and Grants, see Lee, J. (2020). *Fast facts on HOPE – 2020*. Georgia Budget and Policy Institute. <https://gbpi.org/fast-facts-on-hope-2020/>

² For more information on Student Access Loans, see Lee, J. (2020). *Fast facts on Student Access Loans*. Georgia Budget and Policy Institute. <https://gbpi.org/fast-facts-on-student-access-loans/>