

# Overview: 2023 Fiscal Year Budget for Lottery-Funded Programs

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Governor Brian Kemp's proposed 2023 budget includes \$1.4 billion for Georgia's lottery-funded pre-Kindergarten and HOPE financial aid programs. About \$982 million is for HOPE and \$401 million is for pre-K.

Lottery-funded programs saw increases to meet projected changes in need, increase HOPE Grant and Scholarship amounts at some schools, expand HOPE Career Grants and restructure the HOPE GED program. Proposed additions also fund a \$2,000 pre-K teacher pay raise and \$5,000 cost-of-living adjustments for pre-K teachers and staff.

## By the Numbers

Overall, the Fiscal Year (FY) 2023 budget for lottery-funded programs grew \$100 million, or 8 percent. Proposed spending for the various HOPE programs grows \$80 million to total \$982 million, a 9 percent increase from last year.

Additions include \$53 million to meet projected need in HOPE Scholarships for students who attend public colleges and \$25 million to increase HOPE Scholarship and Grant awards to cover 90 percent of tuition at all technical colleges and university system colleges and universities. It also includes funds to add Criminal Justice and Law Enforcement to the HOPE Career Grant fields where full tuition is covered for eligible students.

The FY 2023 budget adds \$1.4 million to restructure the HOPE GED program to pay for high school equivalency exam costs for test-takers, which includes the GED and HiSET exams. Georgia added the HiSET exam as an option for high school equivalency in 2020.

Awards stayed flat for HOPE Scholarships for students attending private colleges and universities.

Lottery dollars also supply \$26 million in student loans administered by the Georgia Student Finance Commission. These loans were first made available for students in FY

2012. Before using these loans, student borrowers must first use all available federal, institutional and private scholarships and loans, as well as veterans' educational benefits.

### Pre-Kindergarten

Gov. Kemp's proposed budget includes \$18 million in additional lottery funding (5 percent) for a \$2,000 pre-K teacher pay raise, \$5,000 cost-of-living adjustments for non-teaching state employees and a reduction in formula funds due to past enrollment declines.

### 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 (e.g., Advanced Placement or Dual Enrollment). Students must also maintain a 3.3 cumulative college GPA to keep the award.

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, Health Science and Early Childhood Education. The FY 2023 budget would add Criminal Justice and Law Enforcement to these fields.

### Lottery Reserves

Surplus lottery funds transfer to lottery reserves held by the State Treasury. At the end of budget year 2021, \$71 million in lottery dollars went unspent. Total reserves now stand at \$1.67 billion. About \$619 million is required in case of a shortfall to be able to fund HOPE programs. An additional \$1 billion are considered unrestricted reserves.