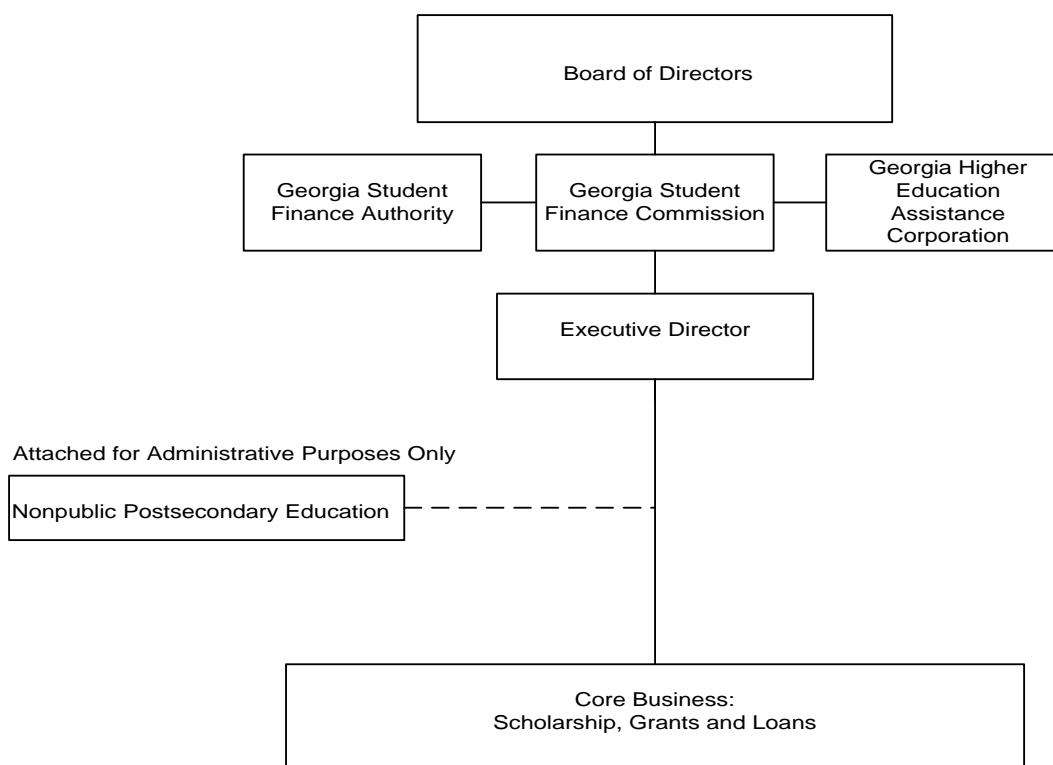


GEORGIA STUDENT FINANCE COMMISSION

Core Businesses and Programs

O.C.G.A. - 20-3-230 to 519.12



Scholarships, Grants and Loans (UNIT A)

- *Grant / Leveraging Educational Assistance Program (LEAP)*
- *Service Cancelable/ Guaranteed Educational Loans*
- *Governor's Scholarship Program*
- *Tuition Equalization Grants*
- *Loan/North Georgia College and State University Military Scholarships*
- *North Georgia College ROTC Grants*
- *Law Enforcement Dependents' Grants*
- *Loan / GA Military/North Georgia College transfer Scholarship*

Scholarships, Grants and Loans (UNIT B)

- *HOPE - Public Schools*
- *HOPE - Private Schools*
- *HOPE - Grant*
- *HOPE - GED*
- *Loan/Teacher Scholarship*
- *Loan/Promise Scholarship*
- *Loan/Georgia Military Scholarship (2-year)*
- *Grant/LEPD (Public Memorial Safety Grant)*
- *Loan/Engineer Scholarship*
- *Loan/Promise II Scholarship*

Programs are in **bold** type; sub-programs are in *italics*.

GEORGIA STUDENT FINANCE COMMISSION
Unit A - Georgia Student Finance Commission

DEPARTMENT BUDGET FINANCIAL SUMMARY - FISCAL YEAR 2005

| Budget Classes / Fund Sources | FY 2002 Expenditures | FY 2003 Expenditures | FY 2004 Current Budget | FY 2005 Agency Request Total | FY 2005 Governor's Recommended Total |
|----------------------------------|-------------------------|-------------------------|---------------------------|------------------------------------|--|
| Personal Services | \$553,337 | \$563,041 | \$557,222 | \$517,995 | \$517,995 |
| Regular Operating Expenses | 21,591 | 17,954 | 18,495 | 17,915 | 17,915 |
| Travel | 14,735 | 17,192 | 8,500 | 20,000 | 20,000 |
| Equipment | 11,053 | 8,536 | 6,300 | 8,300 | 8,300 |
| Computer Charges | 11,403 | 4,178 | 6,000 | 8,000 | 6,000 |
| Real Estate Rentals | 48,990 | 48,990 | 49,615 | 40,015 | 40,015 |
| Telecommunications | 9,839 | 8,914 | 9,496 | 8,996 | 8,996 |
| Per Diem and Fees | 8,034 | 148 | 7,560 | | |
| Contracts | 95,416 | 66,808 | 26,118 | 30,018 | 31,802 |
| Guaranteed Educational Loans | 3,826,461 | 3,805,549 | 3,759,435 | 3,477,477 | 3,477,477 |
| Tuition Equalization Grants | 33,449,189 | 28,961,137 | 29,108,559 | 26,914,514 | 28,820,424 |
| Law Enforcement Personnel | 63,854 | 43,313 | 66,313 | 61,339 | 61,339 |
| Dependents' Grants | | | | | |
| North Ga. College ROTC Grants | 442,500 | 347,866 | 467,545 | 432,479 | 432,479 |
| Ga. Military/North Ga. Military | 12,599 | | 22,427 | 21,306 | 22,427 |
| Transfer Scholarships | | | | | |
| North Ga. College and State | 259,783 | 426,887 | 505,584 | 467,665 | 661,524 |
| University Military Scholarships | | | | | |
| LEAP Program | 1,477,023 | 973,811 | 1,503,953 | 1,487,410 | 1,487,410 |
| Governor's Scholarship Program | 4,122,229 | 3,693,791 | 2,735,297 | 2,530,150 | 2,530,150 |
| Subtotal | <u>\$44,428,036</u> | <u>\$38,988,115</u> | <u>\$38,858,419</u> | <u>\$36,043,579</u> | <u>\$38,144,253</u> |
| <u>Less:</u> | | | | | |
| Federal Funds | \$525,883 | \$562,464 | \$520,653 | \$520,653 | \$520,653 |
| Other Funds | 497,144 | | | | |
| Subtotal | <u>\$1,023,027</u> | <u>\$562,464</u> | <u>\$520,653</u> | <u>\$520,653</u> | <u>\$520,653</u> |
| TOTAL STATE GENERAL FUNDS | \$43,405,009 | \$38,425,651 | \$38,337,766 | \$35,522,926 | \$37,623,600 |
| Positions | 8 | 8 | 8 | 7 | 7 |
| Motor Vehicles | 2 | 2 | 1 | 1 | 1 |

Note: The budget of the Nonpublic Postsecondary Education Commission is comprised within the common object classes.

GEORGIA STUDENT FINANCE COMMISSION
Unit A - Georgia Student Finance Commission

BUDGET SUMMARY - FISCAL YEAR 2005

| Governor's Recommended Adjustments to the Current Budget | Amounts |
|--|---------------------|
| FY 2004 STATE GENERAL FUND APPROPRIATIONS | \$38,337,766 |
| Georgia Student Finance Commission | |
| 1. Reduce funding for the Leveraging Educational Assistance Program (LEAP) by 1.1% to preserve the match for federal funds. | (\$16,543) |
| 2. Reduce award base for Guaranteed Educational Loans by reducing the amount of the awards rather than the number of loans. | (281,958) |
| 3. Decrease the award amount for the Governor's Scholarship program rather than reduce the number of awards. | (205,147) |
| 4. Modify the eligibility requirements for the Governor's Scholarship beginning FY 2006 (Fall Semester 2005) and award up to 2 scholarships per high school (1 for the valedictorian and 1 for the STAR student). | Yes |
| 5. Provide additional funds to pay for recipients of the North Georgia College and State University Military Scholarships who are returning to school from active military duty. | 196,000 |
| 6. Fund 5 fewer recipients of the North Georgia College and State University Military Scholarships. | (40,060) |
| 7. Reduce the North Georgia College ROTC Grant by an average of \$78 per student (\$1,048 to \$970) to accommodate the same number of recipients. | (35,066) |
| 8. Modify the eligibility requirements for the North Georgia College ROTC Grant program to require that only students who have signed a contract with the U.S. Military committing to serve in the U.S. Armed Forces be eligible for this grant. | Yes |
| 9. Decrease funding for the Law Enforcement Personnel Dependents Grant by \$138 per student to accommodate the expected number of recipients. | (4,974) |
| 10. Reduce funding for Tuition Equalization Grants and lower the award amount by \$9 per student. | (288,135) |
| Subtotal | (\$675,883) |
| <u>Attached Agencies:</u> | |
| Nonpublic Postsecondary Education Commission | |
| 1. Eliminate the agency permit program and transfer the remaining responsibilities to the regulatory program, as requested by the agency. Elimination of this program results in the reduction of 1 position. | (\$38,283) |
| 2. Realign object classes. | Yes |
| Subtotal | (\$38,283) |
| TOTAL NET STATE GENERAL FUNDS ADJUSTMENTS | (\$714,166) |
| TOTAL STATE GENERAL FUNDS RECOMMENDED | \$37,623,600 |

GEORGIA STUDENT FINANCE COMMISSION
Unit A - Georgia Student Finance Commission

PROGRAM BUDGET SUMMARY - FISCAL YEAR 2005

| Program Budgets | FY 2004 Appropriations | | FY 2005 Governor's Recommendations | |
|---|------------------------|---------------------|---------------------------------------|---------------------|
| | Total | State | Total | State |
| 1. Scholarships | \$2,735,297 | \$2,735,297 | \$2,530,150 | \$2,530,150 |
| 2. Grants | 31,146,370 | 30,625,717 | 30,801,652 | 30,280,999 |
| 3. Loans | 4,287,446 | 4,287,446 | 4,161,428 | 4,161,428 |
| Subtotal | <u>\$38,169,113</u> | <u>\$37,648,460</u> | <u>\$37,493,230</u> | <u>\$36,972,577</u> |
| <u>Attached Agencies:</u> | | | | |
| 1. Nonpublic Postsecondary Education Commission | \$689,306 | \$689,306 | \$651,023 | \$651,023 |
| Subtotal | <u>\$689,306</u> | <u>\$689,306</u> | <u>\$651,023</u> | <u>\$651,023</u> |
| TOTAL APPROPRIATIONS | \$38,858,419 | \$38,337,766 | \$38,144,253 | \$37,623,600 |

GEORGIA STUDENT FINANCE COMMISSION
Unit B - Lottery For Education

DEPARTMENT BUDGET FINANCIAL SUMMARY - FISCAL YEAR 2005

| Budget Classes / Fund Sources | FY 2002 Expenditures | FY 2003 Expenditures | FY 2004 Current Budget | FY 2005 Agency Request Total | FY 2005 Governor's Recommended Total |
|---|-------------------------|-------------------------|---------------------------|------------------------------------|--|
| HOPE Financial Aid - Tuition | \$210,020,844 | \$217,561,023 | \$261,267,431 | \$313,467,060 | \$310,489,060 |
| HOPE Financial Aid - Books | 45,586,466 | 47,904,637 | 55,896,225 | 55,494,655 | |
| HOPE Financial Aid - Fees | 51,564,196 | 54,363,991 | 60,501,057 | 70,139,571 | |
| HOPE - Private Colleges | 39,866,710 | 40,385,254 | 45,086,180 | 45,388,740 | 45,388,740 |
| Georgia Military College Scholarship | 595,221 | 589,950 | 770,477 | 770,477 | 770,477 |
| Public Safety Memorial Grant | 187,188 | 145,819 | 255,850 | 255,850 | 255,850 |
| Teacher Scholarships | 3,861,678 | 4,554,195 | 5,332,698 | 5,332,698 | 5,332,698 |
| PROMISE Scholarship | 4,265,202 | 5,049,771 | 5,855,278 | 5,855,278 | 5,855,278 |
| PROMISE II Scholarship | 1,115,955 | 531,440 | 559,090 | 374,590 | 374,590 |
| Engineer Scholarships | 555,260 | 674,500 | 760,000 | 760,000 | 760,000 |
| Personal Services - HOPE Administration | | 2,048,351 | 1,992,161 | 1,992,161 | 2,093,984 |
| Operating Expenses - HOPE Administration | | 1,504,637 | 3,029,196 | 3,029,196 | 2,769,873 |
| Subtotal | <u>\$357,618,721</u> | <u>\$375,313,568</u> | <u>\$441,305,643</u> | <u>\$502,860,276</u> | <u>\$374,090,550</u> |
| <u>Less:</u> | | | | | |
| Other Funds | | \$1,587,158 | | | |
| Subtotal | | <u>\$1,587,158</u> | | | |
| TOTAL LOTTERY FUNDS | \$357,618,721 | \$373,726,410 | \$441,305,643 | \$502,860,276 | \$374,090,550 |
| Positions | | 42 | 42 | 44 | 44 |

GEORGIA STUDENT FINANCE COMMISSION
Unit B - Lottery For Education

BUDGET SUMMARY - FISCAL YEAR 2005

| Governor's Recommended Adjustments to the Current Budget | Amounts |
|--|-----------------------|
| FY 2004 LOTTERY FUND APPROPRIATIONS | \$441,305,643 |
| 1. Reduce one-time funds for consulting services. | (\$157,500) |
| 2. Transfer \$101,823 from operating expense to personal services to fund 2 compliance officers. | Yes |
| 3. Provide additional funds for HOPE tuition costs related to projected growth of 12,496 scholarship recipients and 11,839 grant recipients. | 52,080,129 |
| 4. Increase funds for the HOPE GED Grant program for a projected growth of 259 recipients. | 129,500 |
| 5. Provide additional funds for the HOPE Scholarship for private schools related to projected growth of 1,600 students. | 302,560 |
| 6. Increase the minimum grade point average requirement for the Georgia Military College Scholarship from a 2.5 GPA to a 3.0 GPA. | Yes |
| 7. Decrease funding for the Promise II Scholarship as part of the planned phase out. | (184,500) |
| 8. Eliminate HOPE Scholarship and Grant eligibility for students who already possess a bachelor's degree. | (788,000) |
| 9. Limit the HOPE Grant to 90 quarter hours or 63 semester hours and set the total number of eligible hours at 127 semester credit hours for the HOPE Scholarship. | (2,200,000) |
| 10. Eliminate HOPE payment for all fees. | (55,896,225) |
| 11. Eliminate HOPE payment for books. | (60,501,057) |
| TOTAL NET LOTTERY FUNDS ADJUSTMENTS | (\$67,215,093) |
| TOTAL LOTTERY FUNDS RECOMMENDED | \$374,090,550 |

GEORGIA STUDENT FINANCE COMMISSION
Unit B - Lottery for Education

PROGRAM BUDGET SUMMARY - FISCAL YEAR 2005

| Program Budgets | FY 2004 Appropriations | | FY 2005 Governor's Recommendations | |
|----------------------------|------------------------|----------------------|---------------------------------------|----------------------|
| | Total | State | Total | State |
| 1. Scholarships | \$312,573,361 | \$312,573,361 | \$282,651,009 | \$276,711,811 |
| 2. Grants | 114,508,713 | 114,508,713 | 77,400,472 | 83,339,670 |
| 3. Loans | 14,223,569 | 14,223,569 | 14,039,069 | 14,039,069 |
| TOTAL LOTTERY FUNDS | \$441,305,643 | \$441,305,643 | \$374,090,550 | \$374,090,550 |

GEORGIA STUDENT FINANCE COMMISSION

PERFORMANCE MEASURES - FISCAL YEAR 2005

| Results and Performance Measures by Program | FY 2003 | FY 2004 | FY 2005 |
|--|-----------------------|---------|---------|
| <u>Scholarships¹</u> | | | |
| 1. HOPE Scholarship - Public Schools | | | |
| Freshman retention of HOPE Scholarship. | 63% retaining* | N/A | N/A |
| <i>*Class of 2001 used as data base</i> | 4,303 of 6,879* | N/A | N/A |
| Number of recipients and average award. | | | |
| University System of Georgia, Regents | 85,230 / \$2,578 | N/A | N/A |
| Department of Technical and Adult Education | 6,653 / \$845 | N/A | N/A |
| Private Institutions | 15,422 / \$2,613 | N/A | N/A |
| 2. Governor's Scholarship: Number of recipients per year and average award. | 2,823 / \$1,310 | N/A | N/A |
| <u>Grants¹</u> | | | |
| 1. HOPE Grant | | | |
| Number of recipients and average award. | | | |
| University System of Georgia, Regents | 7,241 / \$1,108 | N/A | N/A |
| Department of Technical and Adult Education | 105,716 / \$822 | N/A | N/A |
| 2. Tuition Equalization Grant | | | |
| Number of recipients and total funding | | | |
| Private nonprofit | 26,852 / \$23,529,902 | N/A | N/A |
| Private for-profit | 7,470 / \$5,755,641 | N/A | N/A |
| <u>Loans¹</u> | | | |
| 1. Guaranteed Educational Loans: Percent of recipients who repay loan through service. | 91% of \$3,759,435 | N/A | N/A |
| <u>Student Finance Commission Operations</u> | | | |
| 1. Average administrative cost per award: | | | |
| HOPE Scholarship Public Schools | N/A | \$18 | \$17 |
| Tuition Equalization Grant | N/A | \$33 | \$32 |
| Guaranteed Educational Loans ² | N/A | \$330 | \$322 |
| <u>Nonpublic Postsecondary Education Commission</u> | | | |
| 1. Total revenue from operations | Revenue: \$721,497 | N/A | N/A |
| | Expend: \$735,761 | N/A | N/A |
| 2. Number of new and closed schools. | New: 29 | N/A | N/A |
| | Closed: 10 | N/A | N/A |

NOTES:

1. The Georgia Student Finance Commission (GSFC) is responsible for disbursement of awards.
2. Average cost per award is calculated by dividing total cost of program by number of students currently active in the program.