

SREB

# Lottery Scholarship Programs in SREB States

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Anniversary

## Lottery Scholarship Programs

SREB states that use lottery proceeds primarily to fund postsecondary student financial aid programs:

Arkansas, Florida, Georgia, Kentucky,  
South Carolina, Tennessee

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# Lottery Scholarship Programs

Primary focus typically merit-based aid

Other uses:

- need-based aid,
- postsecondary career and technical education assistance,
- dual enrollment,
- early childhood

*Kentucky provides more need-based than merit-based scholarship aid, unique in the region*

# Kentucky Lottery

- Kentucky Educational Excellence Scholarship (KEES) – merit-based
- College Access Program (CAP) grant – need-based
- Kentucky Tuition Grant – need based, private institutions
- Work Ready Kentucky Scholarship – high-demand workforce
- Dual Credit Scholarship – general ed grades 11-12; dual credit Work Ready Kentucky Scholarship – CTE grades 9-12

## Arkansas Scholarship Lottery

- Arkansas Academic Challenge Scholarship – merit-based
- Arkansas Challenge Plus Scholarship – additional aid for Academic Challenge recipients with financial need – *new in 2023-24*
- Arkansas Workforce Challenge Scholarship – workforce training in high-demand fields
- Arkansas Concurrent Challenge Scholarship – dual enrollment courses, students grades 11-12

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## Florida Bright Futures Scholarship

- Florida Academic Scholars – merit-based
- Florida Medallion Scholars – merit-based
- Gold Seal Vocational Scholars – career education or certificate programs, GPA and standardized test entry requirements
- Gold Seal CAPE Scholars – career education or certificate programs, only requires career/professional industry certifications earned in HS

*All have minimum paid work hours or  
volunteer service hours requirements*

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## Georgia Lottery

- HOPE (Helping Outstanding Pupils Educationally) Scholarship & Zell Miller Scholarship – merit-based aid
  - Zell Miller always covers 100% tuition
  - HOPE subject to “factor rate” – percentage of tuition covered, set in appropriations act annually by legislators
  - Factor rate set at 100% for first time in 2023
- HOPE Grant & Zell Miller Grant – certificate and diploma students primarily at technical colleges
  - Includes HOPE Career Grant (formerly Strategic Industries Workforce Development Grant) for students in specific programs with high employer demand
  - HOPE Grant also subject to factor rate

## Georgia Lottery

- HOPE High School Equivalency Exam Grant Program
- Georgia’s Pre-K Program – voluntary statewide prekindergarten for children age 4

## South Carolina Education Lottery

- Palmetto Fellows and LIFE (Legislative Incentive for Future Excellence) scholarships – merit-based, LIFE awards approximately 2/3 of Palmetto Fellows for second-fourth years
- HOPE – for freshman undergraduates unable to qualify for other two merit-based scholarships, recipients who maintain eligibility through freshman year moved into LIFE program
- Need-based grants – as determined by FAFSA, half- or full-time students on one-, two- or four-year undergraduate programs

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## South Carolina Education Lottery

- Lottery tuition assistance – students at two-year institutions, awarded after federal/need-based aid, cannot be merit-aid recipients
- South Carolina Workforce Industry Needs Scholarship (SC-WINS) – technical college scholarships to address workforce needs, minimum 5% of funding for dual enrollment

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## Tennessee Education Lottery Scholarship (TELS) Program

- Tennessee HOPE Scholarship – merit-based, students at two- or four-year institutions
- General Assembly Merit Scholarship – merit-based supplemental award for entering freshmen
- Aspire Award – need-based supplemental award for entering freshmen with financial need
- HOPE Scholarships for non-traditional undergraduate students – need-based for students 25 and older; academic requirements for continuing eligibility same as traditional HOPE

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## Tennessee Education Lottery Scholarship (TELS) Program

- Wilder-Naifeh Technical Skills Grant – certificate and diploma students at Tennessee Colleges of Applied Technology
- Dual Enrollment Grant – general ed grades 11-12, Tennessee Colleges of Applied Technology courses grades 9-12

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## Research and Evaluation

- Agency reporting mostly surface-level statistics, not evaluation
- Merit-based programs serve small percentage of students with need, primarily middle- and upper-income who would have attended postsecondary education anyway
- Much of available research dates to late 90's / early 00's in the period after Georgia's HOPE program established and other states followed

## Research and Evaluation

- 1999 Council for School Performance: no evidence in GA HOPE program of grade inflation even though eligibility had increased; slightly higher minority enrollment in USG; met goal of retaining more residents for postsecondary education; fewer than 25% retained HOPE for 4 years, black students most likely to lose eligibility and drop out
- 1999 Southern Economic Journal: half of GA HOPE recipients lost eligibility after single academic year

## Research and Evaluation

- 2000 National Bureau of Economic Research: GA HOPE's main positive effect improving college-going rates concentrated on middle- and upper-income white students, no observed effect on black students
- 2020 Georgia Budget & Policy Institute: white, Asian students most likely to receive GA HOPE awards, black and Native American students least likely; likelihood of award correlated with family income; black students "severely underrepresented" in Zell Miller Scholarship program

## Research and Evaluation

- 2003/2004 Florida Office of Program Policy Analysis and Government Accountability:
  - Bright Futures made college more affordable for many families
  - Bright Futures improved postsecondary preparation and college-going rates among FL high school graduates; grades only slightly improved, entrance exam scores no improvement
  - Greatest increases in college preparation and persistence rates among minority students
  - Increasing requirements to control costs likely to have disproportionate negative effect on minority, at-risk students



## Research and Evaluation

- 2003/2004 Florida Office of Program Policy Analysis and Government Accountability:
  - Bright Futures recipients required less remediation and academically out-performed non-recipients
  - Highest renewal rates in merit-based scholarship programs; lowest among the career-technical education program, attributed to weaker postsecondary preparation of recipients
- 2021 Higher Education Politics & Economics: higher income Bright Futures recipients accumulated more debt than non-recipients, no observed effect among lower-income recipients

## Research and Evaluation

- 2014 Tennessee Student Assistance Corporation (TSAC) performance audit:
  - TELS award distribution may not be fair – TSAC not verifying that GPAs for eligibility done in compliance with State Board of Education Uniform Grading Policy
  - Policy left calculation to schools, did not require reporting of GPA calculation method
  - Policy updated in 2018

# Closing Thoughts

- Consider a deeper analysis of effectiveness in areas such as
  - Rates of lost eligibility
  - Persistence to graduation
  - Actually lower student debt
  - Affect on unmet student need
  - Time to degree
  - Career fields chosen
  - Course taking patterns
  - Career and workforce development programs have intended economic and workforce effects

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Thank You!

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