Since FY 2011, lawmakers have appropriated an average of $60 million more every year for HOPE Scholarships and Grants than students receive. Over time, the state treasury has amassed nearly $1.3 billion in lottery reserves built up from unspent surplus funds. Georgia is required by law to have 50 percent of the prior year’s net lottery proceeds saved in case of a shortfall, or $572 million. Lottery reserves exceed that benchmark by more than $700 million.

Georgia voters expect lottery revenue to support education, but many lottery dollars sit unused. Georgia has never had to use its shortfall reserves and has a healthy shortfall reserves requirement. In recent years, the General Assembly chose to use more lottery dollars for pre-K teacher raises. The state could also take advantage of unused lottery dollars to strengthen Georgia’s HOPE programs.

Important Numbers

- **Total Lottery Reserves**: $1.28 Billion
- **Required Shortfall Reserves**: $572 Million
- **Unrestricted Excess Reserves**: $706 Million
- **Average Annual Appropriated but Unspent Lottery Dollars since 2011**: $60 Million
- **Interest Earned on Reserves and Returned to Treasury in FY 2019**: $27 Million
Options for Using Lottery Reserves for Education:

- Spend down excess unrestricted reserves for education over time
- Dedicate interest income from reserves to education instead of putting it back into the state treasury

Ideas for Enhanced Lottery Spending:

- Expand HOPE Career Grants for high-demand careers up to the associate degree level
- Fund need-based HOPE Scholarships to address the high cost of college for struggling students

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1. GBPI analysis of surplus to lottery for education reserves reported in Governor’s Budget Reports, FY 2014 – FY 2021.