

2024 SPECIAL SESSION I

INTRODUCED

24200315D

SENATE BILL NO. 6011

Offered July 1, 2024

A BILL to amend and reenact Item 4-5.01 of Chapter 2 of the Acts of Assembly of 2024, Special Session I, and to amend and reenact Chapter 2 of the Acts of Assembly of 2024, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2025, and June 30, 2026, by adding an item numbered 470.10 and by adding a seventh and an eighth enactment, relating to designation of additional surplus; repeal of modifications to waiver programs; academic progress requirement; Joint Legislative Audit and Review Commission review.

Patron—

Be it enacted by the General Assembly of Virginia:

1. That Item 4-5.01 of Chapter 2 of the Acts of Assembly of 2024, Special Session I, is amended and reenacted and that Chapter 2 of the Acts of Assembly of 2024, Special Session I, is amended and reenacted by adding an item numbered 470.10 and by adding a seventh and an eighth enactment as follows as follows:

Item 470.10

From such general fund revenues as are collected for fiscal year 2024 in excess of the official fiscal year 2024 revenue estimate included in the final 2022–2024 biennial appropriation act adopted in the 2024 Special Session I, (i) after the designations in paragraph K of Item 470 of this act are reserved and (ii) after any calculated Revenue Reserve Fund and Water Quality Improvement Fund Part A deposits are made in accordance with Item 470 of this act, \$45,000,000, or a portion thereof, shall be reserved by the Comptroller in the Committed Fund Balance for transfer for the purposes of paragraph J of Item 130, relating to offsetting the impact of programs under Title 23.1, Chapter 6, Code of Virginia. Notwithstanding Item 130 or any other provision of this act, the appropriation in paragraph J of Item 130 of this act shall be appropriated by the State Council of Higher Education for Virginia to offset the impact of programs under Title 23.1, Chapter 6, Code of Virginia.

§ 4-5.01 TRANSACTIONS WITH INDIVIDUALS

a. SETTLEMENT OF CLAIMS: Whenever a dispute, claim or controversy involving the interest of the Commonwealth is settled pursuant to § 2.2-514, Code of Virginia, payment may be made out of any appropriations, designated by the Governor, to the state agency(ies) which is (are) party to the settlement.

b. STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION:

1. General:

a) The appropriations made in this act to state institutions of higher education within the Items for student financial assistance may be expended for any one, all, or any combination of the following purposes: grants to undergraduate students enrolled at least one-half time in a degree, certificate, industry-based certification and related programs that do not qualify for other sources of student financial assistance or diploma program; grants to full-time graduate students; graduate assistantships: grants to students enrolled full-time in a dual or concurrent undergraduate and graduate program. The institutions may also use these appropriations for the purpose of supporting work study programs. The institution is required to transfer to educational and general appropriations all funds used for work study or to pay graduate assistantships. Institutions may also contribute to federal or private student grant aid programs requiring matching funds by the institution, except for programs requiring work. The State Council of Higher Education for Virginia shall annually review each institution's plan for the expenditures of its general fund appropriation for undergraduate student financial assistance prior to the start of the fall term to determine program compliance. The institution's plan shall include the institution's assumptions and calculations for determining the cost of attendance, student financial need, and student remaining need as well as an award schedule or description of how funds are awarded. For the purposes of the proposed plan, each community college shall be considered independently. No limitations shall be placed on the awarding of nongeneral fund appropriations made in this act to state institutions of higher education within the Items for student financial assistance other than those found previously in this paragraph and as follows: (i) funds derived from in-state student tuition will not subsidize out-of-state students, (ii) students receiving these funds must be making satisfactory academic progress, (iii) awards made to students should be based primarily on financial need, and (iv) institutions should make larger grant and scholarship awards to students taking the number of credit hours necessary to complete a degree in a timely manner.

b) All awards made to undergraduate students from such Items shall be for Virginia students only and such awards shall offset all, or portions of, the costs of tuition and required fees, and, in the case of students qualifying under subdivision b 2 c)1) hereof, the cost of books. All undergraduate financial aid award amounts funded by this appropriation shall be proportionate to the remaining need of individual students,

INTRODUCED

SB6011

59 with students with higher levels of remaining need receiving grants before other students. No criteria other
60 than the need of the student shall be used to determine the award amount. Because of the low cost of
61 attendance and recognizing that federal grants provide a much higher portion of cost than at other institutions,
62 a modified approach and minimum award amount for the neediest VGAP student should be implemented for
63 community college and Richard Bland College students based on remaining need and the combination of
64 federal and grant state aid. Student financial need shall be determined by a need-analysis system approved by
65 the Council.

66 c)1) All need-based awards made to graduate students shall be determined by the use of a need-analysis
67 system approved by the Council.

68 2) As part of the six-year financial plans required in the provisions of Chapters 933 and 945 of the 2005
69 Acts of Assembly, each institution of higher education shall report the extent to which tuition and fee
70 revenues are used to support graduate student aid and graduate compensation and how the use of these funds
71 impacts planned increases in student tuition and fees.

72 d) A student who receives a grant under such Items and who, during a semester, withdraws from the
73 institution which made the award must surrender the unearned portion. The institution shall calculate the
74 unearned portion of the award based on the percentage used for federal Return to Title IV program purposes.

75 e) An award made under such Items to assist a student in attending an institution's summer session shall
76 be prorated according to the size of comparable awards made in that institution's regular session.

77 f) The provisions of this act under the heading "Student Financial Assistance for Higher Education" shall
78 not apply to (1) the soil scientist scholarships authorized under § 23.1-615, Code of Virginia and (2) need-
79 based financial aid programs for industry-based certification and related programs that do not qualify for
80 other sources of student financial assistance, which will be subject to guidelines developed by the State
81 Council of Higher Education for Virginia.

82 g) Unless noted elsewhere in this act, general fund awards shall be named "Commonwealth" grants.

83 h) Unless otherwise provided by statute, undergraduate awards shall not be made to students seeking a
84 second or additional baccalaureate degree until the financial aid needs of first-degree seeking students are
85 fully met.

86 i) In determining financial need for student financial assistance, the institution shall recognize the federal
87 Student Aid Index at no less than zero.

88 j) Students receiving student financial assistance in 2023-2024 may be considered for Virginia Student
89 Financial Assistance Program awards based on the Expected Family Contribution demonstrated in 2023-
90 2024, or appropriately adjusted need as determined by the institution, for as long as the student maintains
91 continuous enrollment, unless granted an exception for cause by the State Council of Higher Education for
92 Virginia, until current degree completion or current degree program eligibility limits have otherwise expired,
93 whichever comes first.

94 k) Notwithstanding any other provision of law to the contrary, the Student Aid Index as calculated
95 according to federal Title IV financial aid methodology shall be deemed an approved replacement of any
96 mention or use of the precedent federal Expected Family Contribution for purposes of administrating state
97 higher education financial aid programs.

98 l) Notwithstanding any other provision of law to the contrary, private institutions admitted on or after
99 January 1, 2024 in any state program of higher education financial assistance shall (i) be a nonprofit private
100 institution of higher education whose primary purpose is to provide collegiate, graduate, or professional
101 education and not to provide religious training or theological education; (ii) be formed, chartered, established,
102 or incorporated within the Commonwealth; (iii) have their principal place of business within the
103 Commonwealth; (iv) conduct their primary educational activity within the Commonwealth; and (v) be
104 accredited by a nationally recognized regional institutional accrediting agency.

105 2. Grants To Undergraduate Students:

106 a) Each institution which makes undergraduate grants paid from its appropriation for student financial
107 assistance shall expend such sums as approved for that purpose by the Council.

108 b) A student receiving an award must be duly admitted and enrolled in a degree, certificate or diploma
109 program at the institution making the award, and shall be making satisfactory academic progress as defined
110 by the institution for the purposes of eligibility under Title IV of the federal Higher Education Act, as
111 amended.

112 c)1) It is the intent of the General Assembly that students eligible under the Virginia Guaranteed
113 Assistance Program (VGAP) authorized in Title 23.1, Chapter 4.4:2, Code of Virginia, shall receive grants
114 before all other students at the same institution with equivalent remaining need from the appropriations for
115 undergraduate student financial assistance found in Part 1 of this act (service area 1081000 - Scholarships). In
116 each instance, VGAP eligible students shall receive awards greater than other students with equivalent
117 remaining need.

118 2) The amount of each VGAP grant shall vary according to each student's remaining need and the total of
119 tuition, all required fees and the cost of books at the institution the student will attend upon acceptance for

120 admission. The actual amount of the VGAP award will be determined by the proportionate award schedule
 121 adopted by each institution; however, those students with the greatest financial need shall be guaranteed an
 122 award at least equal to tuition.

123 3) It is the intent of the General Assembly that the Virginia Guaranteed Assistance Program serve as an
 124 incentive to financially needy students now attending elementary and secondary school in Virginia to raise
 125 their expectations and their academic performance and to consider higher education an achievable objective
 126 in their futures.

127 4) Students may not receive a VGAP and a Commonwealth grant in the same semester.

128 d) Of the amount allocated for undergraduate need-based financial aid, up to one percent may be used for
 129 emergency assistance programs for students facing a financial emergency that puts them at risk of dropping
 130 out. The Council shall establish reporting guidelines and approve criteria for making student awards.

131 3. Grants To Graduate Students:

132 a) An individual award may be based on financial need but may, in addition to or instead of, be based on
 133 other criteria determined by the institution making the award. The amount of an award shall be determined by
 134 the institution making the award; however, the Council shall annually be notified as to the maximum size of a
 135 graduate award that is paid from funds in the appropriation.

136 b) A student receiving a graduate award paid from the appropriation must be duly admitted into a graduate
 137 degree program at the institution making the award.

138 c) Not more than 50 percent of the funds designated by an institution as graduate grants from the
 139 appropriation, and approved as such by the Council, shall be awarded to persons not eligible to be classified
 140 as Virginia domiciliary resident students except in cases where the persons meet the criteria outlined in § 4-
 141 2.01b.6.

142 4. Matching Funds: Any institution of higher education may, with the approval of the Council, use funds
 143 from its appropriation for fellowships and scholarships to provide the institutional contribution to any student
 144 financial aid program established by the federal government or private sources which requires the matching
 145 of the contribution by institutional funds, except for programs requiring work.

146 5. Discontinued Loan Program:

147 a) If any federal student loan program for which the institutional contribution was appropriated by the
 148 General Assembly is discontinued, the institutional share of the discontinued loan program shall be repaid to
 149 the fund from which the institutional share was derived unless other arrangements for the use of the funds are
 150 recommended by the Council and approved by the Department of Planning and Budget. Should the institution
 151 be permitted to retain the federal contributions to the program, the funds shall be used according to
 152 arrangements authorized by the Council and approved by the Department of Planning and Budget.

153 b) An institution of higher education may discontinue its student loan fund established pursuant to Title
 154 23.1, Chapter 4.01, Code of Virginia. The full amount of cash in such discontinued loan fund shall be paid
 155 into the state treasury into a nonrevertible nongeneral fund account. Prior to such payment, the State
 156 Comptroller shall verify its accuracy, including the fact that the cash held by the institution in the loan fund
 157 will be fully depleted by such payment. The loan fund shall not be reestablished thereafter for that institution.

158 2) The cash so paid into the state treasury shall be used only for grants to undergraduate and graduate
 159 students in the Higher Education Student Financial Assistance program according to arrangements authorized
 160 by the Council and approved by the Department of Planning and Budget.

161 3) Payments on principal and interest of any promissory notes held by the discontinued loan fund shall
 162 continue to be received by the institution, which shall deposit such payments in the state treasury to the
 163 nonrevertible nongeneral fund account specified in subdivision (1) preceding, to be used for grants as
 164 specified in subdivision (2) preceding.

165 6. Reporting: The Council shall collect student-specific information for undergraduate students as is
 166 necessary for the operation of the Student Financial Assistance Program. The Council shall maintain
 167 regulations governing the operation of the Student Financial Assistance Program based on the provisions
 168 outlined in this section, the Code of Virginia, and State Council policy.

169 7. Waivers and Related Stipends

170 a) Notwithstanding any other provision of law, individuals eligible for any financial aid waivers and
 171 related stipends contained in § 23.1, Chapter 6 shall:

172 1) Establish domicile as provided in § 23.1-502 and the State Council of Higher Education for Virginia
 173 (SCHEV) domicile guidelines.

174 2) Complete the Free Application for Federal Student Aid (FAFSA) or equivalent state financial aid
 175 application.

176 3) Make satisfactory academic progress as defined by the institution for the purposes of eligibility under
 177 Title IV of the federal Higher Education Act, as amended.

178 b) Waivers and related stipends under this section are limited to a certificate or associate degree at a
 179 public two-year institution and certificate or first bachelor's degree at a public four-year institution of higher
 180 education. Eligibility is restricted to a combined total of no more than four years or its equivalent.

181 e) 1) Waivers granted under this section shall cover the last-dollar cost of the in-state undergraduate

182 tuition, mandatory Education & General Program (E & G) fees and mandatory non-E & G fees after
183 applying, in the following order: (i) all federal aid under 38 USC Part III dollar-for-dollar; (ii) all state grants
184 and scholarships dollar-for-dollar; and (iii) a proportion of all federal gift aid (Pell) and expected family
185 contribution (EFC) or its equivalent under FAFSA Simplification as determined by SCHEV.

186 2) The proportion in e)1) (iii) shall be determined by SCHEV based on undergraduate tuition, mandatory
187 Education & General Program (E & G) fees and mandatory non-E & G fees as a percentage of the total cost
188 of attendance.

189 3) Mandatory non-E & G fees in e) 1) are fees charged to all students regardless of degree program or as
190 defined by SCHEV. Mandatory non-E & G fees do not include room and board.

191 4) Students enrolled in the Program in 2023-2024 or who formally committed to the institution to enroll in
192 Summer or Fall 2024 courses by May 15, 2024 shall not be subject to the provisions of a) 1), b), e) 1) and e)
193 2) of this section.

194 c. PAYMENTS TO CITIZEN MEMBERS OF NONLEGISLATIVE BODIES:

195 Notwithstanding any other provision of law, executive branch agencies shall not pay compensation to
196 citizen members of boards, commissions, authorities, councils, or other bodies from any fund for the
197 performance of such members' duties in the work of the board, commission, authority, council, or other body.

198 d. VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

199 Notwithstanding any other provision of law, the Virginia Birth-Related Neurological Injury Compensation
200 Program is authorized to require each admitted claimant's parent or legal guardian to purchase private health
201 insurance (the "primary payer") to provide coverage for the actual medically necessary and reasonable
202 expenses as described in Virginia Code § 38.2-5009(A)(1) that were, or are, incurred as a result of the
203 admitted claimant's birth-related neurological injury and for the admitted claimant's benefit. Provided,
204 however, that the Program shall reimburse, upon receipt of proof of payment, solely the portion of the
205 premiums that is attributable to the admitted claimant's post-admission coverage from the effective date of
206 this provision forward and paid for by the admitted claimant's parent or legal guardian.

207 7. That notwithstanding any other provision of law, guidelines, or regulations to the contrary,
208 beginning on and after July 1, 2025, individuals who are otherwise eligible for financial aid waivers
209 described in § 23.1-608 of the Code of Virginia, shall be required to make satisfactory academic
210 progress as defined by the institution for the purposes of eligibility under Title IV of the federal Higher
211 Education Act, as amended, in order to be eligible for such financial aid waivers, unless an act passed
212 during the 2025 Regular Session of the General Assembly establishes contrary academic progress
213 requirement guidelines for the Virginia Military Survivors and Dependents Education Program as
214 informed by the recommendations of the Executive Directive 7 (2024) Task Force on the Virginia
215 Military Survivors and Dependents Education Program, the Senate Select Workgroup on the Virginia
216 Military Survivors and Dependents Education Program, or the Joint Legislative Audit and Review
217 Commission review of the Virginia Military Survivors and Dependents Education Program and such
218 act conforms with the provisions of Item 4-13.00 of this act.

219 8. That the Joint Legislative Audit and Review Commission (JLARC) shall conduct a review of the
220 Virginia Military Survivors and Dependents Education Program, established pursuant to § 23.1-608 of
221 the Code of Virginia, to assess the long-term sustainability of the program. The review shall at a
222 minimum include the following: (i) analysis of participant data, (ii) assessment of waiver costs reported
223 by institutions, (iii) identification of practices to support education and other benefits for veterans and
224 their families compared to other states, and (iv) methods to estimate enrollment and costs. JLARC
225 shall report its findings and make recommendations to the Senate Committee on Finance and
226 Appropriations and the House Committee on Appropriations by September 1, 2024.

227 2. That this act shall become effective on its passage as provided in § 1-214 of the Code of Virginia, but
228 that the provisions of this act shall be applicable for fiscal years beginning on and after July 1, 2024.