

2024 SPECIAL SESSION I

INTRODUCED

24200322D

SENATE BILL NO. 6012

Offered May 6, 2024

A BILL to amend and reenact Items 130 and 4-5.01 of Chapter 2 of the Acts of Assembly of 2024, Special Session I, and to amend 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, relating to general appropriation act; designation of additional surplus; repeal of modifications to certain waiver programs.

Patrons—Lucas, Aird, Bagby, Boysko, Craig, DeSteph, Diggs, Durant, Favola, French, Hackworth, Hashmi, Head, Jordan, McDougle, McGuire, McPike, Obenshain, Peake, Perry, Pillion, Reeves, Roem, Rouse, Stuart, Sturtevant, Subramanyam, Suetterlein, Surovell and VanValkenburg

Referred to Committee on Finance and Appropriations

Be it enacted by the General Assembly of Virginia:

1. That Items 130 and 4-5.01 of Chapter 2 of the Acts of Assembly of 2024, Special Session I, are amended and reenacted and that Chapter 2 of the Acts of Assembly of 2024, Special Session I, is amended by adding an item numbered 470.10 as follows:

Item 130

	First Year-FY2025	Second Year-FY2026
Higher Education Student Financial Assistance (10800)	\$201,688,512	\$203,188,512
Scholarships (10810)	\$201,498,512	\$202,998,512
Regional Financial Assistance for Education (10813)	\$190,000	\$190,000
Fund Sources:		
General	\$196,428,512	\$197,928,512
Special	\$5,010,000	\$5,010,000
Dedicated Special Revenue	\$250,000	\$250,000

A. Those private institutions which participate in the programs provided by the appropriations in this Item shall, upon request by the State Council of Higher Education, submit financial and other information which the Council deems appropriate.

B. Out of the amounts for Scholarships the following sums shall be made available for:

1. Tuition Assistance Grant Program, \$102,325,881 the first year and \$102,325,881 the second year from the general fund is designated for full-time undergraduate and graduate students.

2. a. Virginia Space Grant Consortium Scholarships, \$795,000 the first year and \$795,000 the second year from the general fund.

b. Out of the amounts included in this item, \$100,000 the first year and \$100,000 the second year from the general fund shall be provided to the Virginia Space Grant Consortium (VSGC) to provide scholarships for select high school students to participate in immersive ground and flight training through the solo experience as a step in addressing the critical pilot shortage. The VSGC shall work with Averett University and Liberty University to provide two sessions of its New Horizons solo academy giving 30 high school students the opportunity to accomplish their first solo flight.

c. Out of the amounts included in this item, \$220,375 the first year and \$220,375 the second year from the general fund shall be provided to the Virginia Space Grant Consortium to provide scholarships for high school students to participate in the Virginia Earth System Science Scholars program.

3. Out of this appropriation, \$20,000 the first year and \$20,000 the second year from the general fund is designated to provide grants of up to \$5,000 per year for Virginia students who attend schools and colleges of optometry. Each student receiving a grant shall agree to set up practice in the Commonwealth for a period of not less than two years upon completion of instruction.

4. No amount, or part of an amount, listed for any program specified under paragraph B shall be expended for any other program in this appropriation.

C. Tuition Assistance Grant Program

1. Payments to students out of this appropriation shall not exceed \$5,125 the first year and \$5,250 the second year for qualified undergraduate students and \$5,000 the first year and \$5,000 the second year for qualified graduate and medical students attending not-for-profit, independent institutions in accordance with § 23.1-628 through § 23.1-635, Code of Virginia. However, for those undergraduate students pursuing a career in teaching, payments shall be increased by an additional \$500 in their senior year.

2. The private institutions which participate in this program shall, during the spring semester previous to the commencement of a new academic year or as soon as a student is admitted for that year, whichever is

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58 later, notify their enrolled and newly admitted Virginia students about the availability of tuition assistance
59 awards under the program. The information provided to students and their parents must include information
60 about the eligibility requirements, the application procedures, and the fact that the amount of the award is an
61 estimate and is not guaranteed. The number of students applying for participation and the funds appropriated
62 for the program determine the amount of the award. Conditions for reduction of award amount and award
63 eligibility are described in this Item and in the regulations issued by the State Council of Higher Education.
64 The institutions shall certify to the council that such notification has been completed and shall indicate the
65 method by which it was carried out. Upon consultation with and approval from SCHEV, private institutions
66 which participate in this program may develop and distribute the Tuition Assistance Grant application form
67 for electronic administration.

68 3. Institutions participating in this program must submit annually to the council copies of audited financial
69 statements.

70 4. To be eligible for a fall or full-year award out of this appropriation, a student's application must have
71 been received by a participating independent college or by the State Council of Higher Education by
72 September 15. Returning students who received the award in the previous year will be prioritized.
73 Applications for a fall or full-year award received after September 15 but no later than October 1 will be held
74 for consideration if funds are available and returning student awards have been made. Applications for spring
75 semester only awards must be received by December 1 and will be considered only if funds remain available.

76 5. No limitations shall be placed on the award of Tuition Assistance Grants other than those set forth
77 herein or in the Code of Virginia.

78 6. All eligible institutions not previously approved by the State Council of Higher Education to participate
79 in the Tuition Assistance Grant Program shall have received accreditation by a nationally recognized regional
80 accrediting agency, prior to participation in the program or by the Commission on Osteopathic College
81 Accreditation of the American Osteopathic Association in the case of freestanding institutions of higher
82 education that offer the Doctor of Osteopathic Medicine as the sole degree program.

83 7. Payments to undergraduate students shall be greater than payments to graduate and medical students
84 and shall be based on a differential established by the State Council of Higher Education for Virginia.

85 8. No awards shall be provided to graduate students except in health-related professional programs to
86 include allied health, nursing, pharmacy, medicine, and osteopathic medicine.

87 9. Notwithstanding any other provisions of law, Eastern Virginia Medical School is not eligible to
88 participate in the Tuition Assistance Grant Program.

89 10. Any general fund appropriation in the Tuition Assistance Grant Program which is unexpended at the
90 close of business June 30 of any fiscal year shall be reappropriated for use in the program in the following
91 year.

92 11. a. New incoming students enrolled exclusively in an online education or distance learning program are
93 eligible to receive awards up to \$2,560 the first year and \$2,625 the second year from the Tuition Assistance
94 Grant Program. However, existing students enrolled exclusively in online education or distance learning
95 programs as of the 2019-20 academic year shall remain eligible to receive awards of up to the 2019-2020
96 award amounts for as long as the student maintains enrollment in each successive fiscal year, unless granted
97 an exception for cause by SCHEV, until current degree completion or current degree program eligibility
98 limits have otherwise expired, whichever comes first.

99 b. It is the intent of the General Assembly that awards under this paragraph related to new incoming
100 students shall be calculated and granted at 50 percent of the undergraduate residential level.

101 12. All students eligible and receiving an award under this program enrolled into a TAG-eligible private
102 not-for-profit Virginia Historically Black College and University (HBCU) accredited by the Southern
103 Association of Colleges and Schools Commission on Colleges (SACSCOC) shall receive an additional award
104 of up to \$7,500 the first year and up to \$7,500 the second year.

105 D.1. Regional Grants and Contracts: Out of this appropriation, \$170,000 the first year and \$170,000 the
106 second year from the general fund is designated to support Virginia's participation in the Southern Regional
107 Education Board initiative to increase the number of minority doctoral graduates.

108 2. The amounts listed in paragraph D.1. shall be expended in accordance with the agreements between the
109 Commonwealth of Virginia and the Southern Regional Education Board.

110 E.1. Out of this appropriation, \$9,680,000 the first year and \$9,680,000 the second year from the general
111 fund is designated to support the Virginia Military Survivors and Dependents program, § 23.1-608, Code of
112 Virginia, to provide up to a \$2,200 annual stipend to offset the costs of room, board, books and supplies for
113 qualified survivors and dependents of military service members.

114 2. The amount of the stipend is an estimate depending on the number of students eligible under §
115 23.1-608, Code of Virginia. Changes that increase or decrease the grant amount shall be determined by the
116 State Council of Higher Education for Virginia.

117 3. The Director, State Council of Higher Education for Virginia, shall allocate these funds to public
118 institutions of higher education on behalf of students qualifying under this provision.

119 4. Each institution of higher education shall report the number of recipients for this program to the State

120 Council of Higher Education for Virginia by April 1 of each year. The State Council of Higher Education for
 121 Virginia shall report this information to the Chairs of the House Appropriations and Senate Finance and
 122 Appropriations Committees by May 15 of each year.

123 5. The Department of Veterans Services shall consult with the State Council of Higher Education for
 124 Virginia prior to the dissemination of any information related to the financial benefits provided under this
 125 program.

126 F.1. Out of the appropriation for this Item, \$3,085,256 the first year and \$3,285,256 the second year from
 127 the general fund is designated to support the Two-Year College Transfer Grant Program.

128 2. The State Council of Higher Education for Virginia shall disburse these funds for full-time students
 129 consistent with § 23.1-623 through § 23.1-627, Code of Virginia. Beginning with students who are entering a
 130 senior institution as a two-year transfer student for the first time in the fall 2013 academic year, and who
 131 otherwise meet the eligibility criteria of § 23.1-624, Code of Virginia, the maximum EFC is raised to \$12,000
 132 or its equivalent.

133 3. The actual amount of the award depends on the number of students eligible under § 23.1-623 through §
 134 23.1-627, Code of Virginia. Changes that decrease the grant amount shall be determined by the State Council
 135 of Higher Education for Virginia.

136 4. Out of this appropriation, up to \$600,000 the first year and \$600,000 the second year from the general
 137 fund is designated to support students eligible for the first time under § 23.1-623 through § 23.1-627, Code of
 138 Virginia. The State Council of Higher Education for Virginia shall transfer these funds to Norfolk State
 139 University, Old Dominion University, Radford University, University of Virginia's College at Wise, Virginia
 140 Commonwealth University and Virginia State University so that each institution can provide for grants of
 141 \$1,000 from these funds for these students.

142 a. Each institution shall award grants from these funds for one year and students shall not receive
 143 subsequent awards until they have satisfied the requirements to move to the next class level. Each recipient
 144 may receive a maximum of one year of support per class level for a maximum total of two years of support.

145 b. Any balances remaining from the appropriation identified in paragraph F.4. shall not revert to the
 146 general fund at the end of the fiscal year, but shall be brought forward and made available to the State
 147 Council of Higher Education for Virginia to support the purposes specified in paragraphs F.1. and F.4. in the
 148 subsequent fiscal year.

149 c. It is anticipated that the institutions shift by a total of 600 the number of students each enrolls from first
 150 time freshman to transfers eligible under § 23.1-623 through § 23.1-627, Code of Virginia. Institutional goals
 151 under this fund are estimated as follows:

Institution	Transfer Target
Norfolk State University	80
Old Dominion University	140
Radford University	140
University of Virginia's College at Wise	20
Virginia Commonwealth University	140
Virginia State University	80

152 d. The State Council of Higher Education for Virginia may allocate these funds among the institutions in
 153 Paragraph F.4.c. as necessary to meet the actual number of transfers each institution generates for students
 154 eligible for the first time under § 23.1-623 through § 23.1-627, Code of Virginia. Each institution shall report
 155 its progress toward the targets in Paragraph F.4.c. to the Chairs of the House Appropriations and Senate
 156 Finance and Appropriations Committees by May 1 each year.

157 e. The report shall include a detailed accounting of the use of the funds provided and a plan for achieving
 158 the goals identified in this item.

159 G. 1. Out of this appropriation, \$22,450,000 the first year and \$23,750,000 the second year from the
 160 general fund is designated for the New Economy Workforce Credential Grant Program.

161 2. The State Council of Higher Education for Virginia shall develop guidelines for the program, collect
 162 data, evaluate and approve grant funds for allocation to eligible institutions.

163 3. Local community colleges shall not start new workforce programs that would duplicate existing high
 164 school and adult Career and Technical Education (CTE) programs for high-demand occupations in order to
 165 receive funding under this Grant.

166 4. No more than 25 percent of Grant funds may be used in one occupational field.

167 H. Out of this appropriation, \$5,000,000 the first year and \$5,000,000 the second year from nongeneral
 168 funds is designated for scholarships for eligible students participating in the Gaining Early Awareness and
 169 Readiness for Undergraduate Program (GearUp).

170 I.1. Out of this appropriation \$37,500,000 the first year and \$37,500,000 the second year from the general
 171 fund is provided to enhance efforts to recruit and retain students eligible for Pell grant assistance at public
 172 institutions of higher education.

173 2. The State Council of Higher Education for Virginia shall work with institutions with below average
 174 enrollment of Pell-eligible students to develop individualized recruitment and retention plans targeting low-

182 income students.

183 3. Any Virginia public institution of higher education may apply for funding through a competitive grant
184 process. Applications must demonstrate efforts to restructure outreach, recruitment, admission, and retention
185 procedures. Funds are intended to support initiatives that attract, enroll, and retain low-income students.
186 Institutions that request funds for need-based financial aid must specify that aid may be used to support
187 internship opportunities. Priority shall be given to institutions with below-average Pell enrollment. Any
188 unexpended balance in this item at the close of business on June 30 each year shall not revert to the general
189 fund, but shall be carried forward and reappropriated. Out of the amount in paragraph I.1. of this item, the
190 Council may use up to one percent of the funds for the administration and evaluation of the activities
191 described in this item.

192 4. Any institutional grant under this initiative shall be subject to performance outcomes established in
193 paragraph I.5. Funds shall be ongoing to ensure successful enrollment and completion for students. Initiatives
194 demonstrating successful outcomes may be prioritized in future base funding requests.

195 5. The Council shall establish eligibility criteria, evaluate proposals, determine award sizes, establish
196 performance outcomes and monitor performance in consultation with staff from the House Appropriations
197 and the Senate Finance and Appropriations Committees, the Office of the Secretary of Education, and the
198 Department of Planning and Budget. The Council shall notify the Chairs of the House Appropriations
199 Committee and Senate Finance and Appropriations Committee 30 days prior to releasing funds to institutions.

200 6. The Council shall report periodically on activities related to this initiative and make recommendations
201 for any potential future support to institutions that successfully meet their defined outcomes. Additionally, by
202 October 1 of each year within the performance period of any awarded institutional grant, the Council shall
203 report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the
204 Secretary of Education on the outcomes and effectiveness of the awarded funds. Such report shall include, at
205 minimum, data on recruitment, retention, and graduation of Pell-eligible students at institutions receiving
206 funding and performance against the outcomes established in paragraph I.5.

207 J. 1. As a condition of this appropriation, \$20,000,000 each year from the general fund is designated to
208 offset the impact of programs under § Title 23.1, Chapter 6 as governed under § 4-5.01 b.7. of this act, *Code*
209 *of Virginia*.

210 2. The State Council of Education for Virginia shall work with public higher education institutions to
211 determine the appropriate allocation of these funds ~~consistent with § 4-5.01 b.7. of this act~~.

212 3. Any unexpended balance in this item at the close of business on June 30 each year shall not revert to
213 the general fund, but shall be carried forward and reappropriated to support the purposes specified in
214 paragraphs J.1. and J.4. in the subsequent fiscal year.

215 4. By November 1 of each year, the Council shall report on the status of programs under § Title 23.1,
216 Chapter 6 as governed under § 4-5.01 b.7. of this act, *Code of Virginia*.

217 *Item 470.10*

218 *From such general fund revenues as are collected for fiscal year 2024 in excess of the official fiscal year*
219 *2024 revenue estimate included in the final 2022-2024 biennial appropriation act adopted in the 2024*
220 *Special Session I, (i) after the designations in paragraph K of Item 470 of this act are reserved and (ii) after*
221 *any calculated Revenue Reserve Fund and Water Quality Improvement Fund Part A deposits are made in*
222 *accordance with Item 470 of this act, \$90,000,000, or a portion thereof, shall be reserved by the Comptroller*
223 *in the Committed Fund Balance for transfer for the purposes of paragraph J of Item 130, relating to*
224 *offsetting the impact of programs under Title 23.1, Chapter 6, Code of Virginia. Of such \$90,000,000*
225 *reserved by the Comptroller, no more than \$45,000,000 shall be transferred for such purposes in any fiscal*
226 *year.*

227 § 4-5.01 TRANSACTIONS WITH INDIVIDUALS

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

231 b. STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION:

232 1. General:

233 a) The appropriations made in this act to state institutions of higher education within the Items for student
234 financial assistance may be expended for any one, all, or any combination of the following purposes: grants
235 to undergraduate students enrolled at least one-half time in a degree, certificate, industry-based certification
236 and related programs that do not qualify for other sources of student financial assistance or diploma program;
237 grants to full-time graduate students; graduate assistantships; grants to students enrolled full-time in a dual or
238 concurrent undergraduate and graduate program. The institutions may also use these appropriations for the
239 purpose of supporting work study programs. The institution is required to transfer to educational and general
240 appropriations all funds used for work study or to pay graduate assistantships. Institutions may also
241 contribute to federal or private student grant aid programs requiring matching funds by the institution, except
242 for programs requiring work. The State Council of Higher Education for Virginia shall annually review each
243 institution's plan for the expenditures of its general fund appropriation for undergraduate student financial

244 assistance prior to the start of the fall term to determine program compliance. The institution's plan shall
 245 include the institution's assumptions and calculations for determining the cost of attendance, student financial
 246 need, and student remaining need as well as an award schedule or description of how funds are awarded. For
 247 the purposes of the proposed plan, each community college shall be considered independently. No limitations
 248 shall be placed on the awarding of nongeneral fund appropriations made in this act to state institutions of
 249 higher education within the Items for student financial assistance other than those found previously in this
 250 paragraph and as follows: (i) funds derived from in-state student tuition will not subsidize out-of-state
 251 students, (ii) students receiving these funds must be making satisfactory academic progress, (iii) awards made
 252 to students should be based primarily on financial need, and (iv) institutions should make larger grant and
 253 scholarship awards to students taking the number of credit hours necessary to complete a degree in a timely
 254 manner.

255 b) All awards made to undergraduate students from such Items shall be for Virginia students only and
 256 such awards shall offset all, or portions of, the costs of tuition and required fees, and, in the case of students
 257 qualifying under subdivision b 2 c1) hereof, the cost of books. All undergraduate financial aid award
 258 amounts funded by this appropriation shall be proportionate to the remaining need of individual students,
 259 with students with higher levels of remaining need receiving grants before other students. No criteria other
 260 than the need of the student shall be used to determine the award amount. Because of the low cost of
 261 attendance and recognizing that federal grants provide a much higher portion of cost than at other institutions,
 262 a modified approach and minimum award amount for the neediest VGAP student should be implemented for
 263 community college and Richard Bland College students based on remaining need and the combination of
 264 federal and grant state aid. Student financial need shall be determined by a need-analysis system approved by
 265 the Council.

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

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

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

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

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

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

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

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

288 j) Students receiving student financial assistance in 2023-2024 may be considered for Virginia Student
 289 Financial Assistance Program awards based on the Expected Family Contribution demonstrated in 2023-
 290 2024, or appropriately adjusted need as determined by the institution, for as long as the student maintains
 291 continuous enrollment, unless granted an exception for cause by the State Council of Higher Education for
 292 Virginia, until current degree completion or current degree program eligibility limits have otherwise expired,
 293 whichever comes first.

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

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

305 2. Grants To Undergraduate Students:

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

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

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

318 2) The amount of each VGAP grant shall vary according to each student's remaining need and the total of
319 tuition, all required fees and the cost of books at the institution the student will attend upon acceptance for
320 admission. The actual amount of the VGAP award will be determined by the proportionate award schedule
321 adopted by each institution; however, those students with the greatest financial need shall be guaranteed an
322 award at least equal to tuition.

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

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

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

331 3. Grants To Graduate Students:

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

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

338 c) Not more than 50 percent of the funds designated by an institution as graduate grants from the
339 appropriation, and approved as such by the Council, shall be awarded to persons not eligible to be classified
340 as Virginia domiciliary resident students except in cases where the persons meet the criteria outlined in § 4-
341 2.01b.6.

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

346 5. Discontinued Loan Program:

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

353 b) An institution of higher education may discontinue its student loan fund established pursuant to Title
354 23.1, Chapter 4.01, Code of Virginia. The full amount of cash in such discontinued loan fund shall be paid
355 into the state treasury into a nonrevertible nongeneral fund account. Prior to such payment, the State
356 Comptroller shall verify its accuracy, including the fact that the cash held by the institution in the loan fund
357 will be fully depleted by such payment. The loan fund shall not be reestablished thereafter for that institution.

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

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

365 6. Reporting: The Council shall collect student-specific information for undergraduate students as is
366 necessary for the operation of the Student Financial Assistance Program. The Council shall maintain

367 regulations governing the operation of the Student Financial Assistance Program based on the provisions
 368 outlined in this section, the Code of Virginia, and State Council policy.

369 **7. Waivers and Related Stipends**

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

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

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

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

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

381 c) 1) Waivers granted under this section shall cover the last-dollar cost of the in-state undergraduate
 382 tuition, mandatory Education & General Program (E & G) fees and mandatory non-E & G fees after
 383 applying, in the following order: (i) all federal aid under 38 USC Part III dollar-for-dollar; (ii) all state grants
 384 and scholarships dollar-for-dollar; and (iii) a proportion of all federal gift aid (Pell) and expected family
 385 contribution (EFC) or its equivalent under FAFSA Simplification as determined by SCHEV.

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

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

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

394 c. PAYMENTS TO CITIZEN MEMBERS OF NONLEGISLATIVE BODIES:

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

398 d. VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

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

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