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HOUSE BILL NO. 2593

Offered January 13, 2025

Prefiled January 13, 2025

A BILL to amend and reenact §§ 23.1-700, 23.1-701, 23.1-704, and 23.1-706 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 2 of Title 23.1 an article numbered 5, consisting of sections numbered 23.1-235, 23.1-236, and 23.1-237, and by adding a section numbered 23.1-707.2, relating to Commonwealth Savers Plan; State Council of Higher Education for Virginia; Virginia College Access and Affordability Scholarship Fund established; work group; report.

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Referred to Committee on Education

Be it enacted by the General Assembly of Virginia:

1. That §§ 23.1-700, 23.1-701, 23.1-704, and 23.1-706 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 2 of Title 23.1 an article numbered 5, consisting of sections numbered 23.1-235, 23.1-236, and 23.1-237, and by adding a section numbered 23.1-707.2 as follows:

*Article 5.**Virginia College Access and Affordability Scholarship Fund.***§ 23.1-235. Definitions.**

As used in this article, unless the context requires a different meaning:

"Access Fund Graduate" means an individual who received a scholarship through the Virginia College Access and Affordability Scholarship Program pursuant to § 23.1-237 and subsequently graduated from the institution subsidized by the scholarship.

"Access Fund Scholar" means a person who is (i) domiciled in Virginia and (ii) a senior in high school, or received a high school diploma or GED, or completed approved homeschool education, who has been accepted or enrolled in an eligible education program and is a recipient of a scholarship through the Virginia College Access and Affordability Scholarship Program pursuant to § 23.1-237.

"Access programs" means college access resources or programs to assist low-income students, first generation college students, students from underrepresented communities, or other at-risk students with their introduction to the higher education system in Virginia, college applications, financial aid applications, and resources assisting with a successful transition from high school to college.

"DB529 Fund" means the same as that term is defined in § 23.1-700.

"Eligible education program" means (i) an undergraduate degree program at (a) Virginia public community colleges, including Richard Bland College; (b) public institutions of higher education in Virginia; or (c) accredited nonprofit independent or private institutions of higher education in Virginia that are eligible to participate in the Tuition Assistance Grant Program established pursuant to Article 5 (§ 23.1-628 et seq.) of Chapter 6 or (ii) a non-credit workforce training program at a Virginia community college that leads to a certificate in a high demand occupation identified by Virginia Office of Education Economics or a regional or local workforce board.

"Investment Board" means the Virginia College Access and Affordability Scholarship Fund Investment Board established pursuant to § 23.1-236 to make advisory recommendations to the General Assembly pursuant to subdivision C 2 of § 23.1-701.

"Plan" means the Commonwealth Savers Plan.

"Program" means the Virginia College Access and Affordability Scholarship Program established by the Council under the provisions of this article.

"Virginia College Access and Affordability Scholarship Fund" or "Access Fund" means the Virginia College Access and Affordability Scholarship Fund created pursuant to § 23.1-237 and administered by the Council.

§ 23.1-236. Virginia College Access and Affordability Scholarship Fund Investment Board; membership; terms; qualifications; duties.

A. That there is hereby established the Virginia College Access and Affordability Scholarship Fund Investment Board to assist the General Assembly in determining and recommending amounts to deposit into the Access Fund.

B. The Investment Board shall consist of seven members as follows: the investment director of the Plan, the State Treasurer, a staff member of the House Committee on Appropriations, a staff member of the Senate Committee on Finance and Appropriations, one nonlegislative citizen member who has investment or actuarial expertise to be appointed by the Speaker of the House of Delegates, one nonlegislative citizen

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member who has investment or actuarial expertise to be appointed by the Senate Committee on Rules, and one nonlegislative citizen member who has investment or actuarial expertise to be appointed by the Governor.

C. The nonlegislative citizen members of the Investment Board (i) shall serve a term of four years and shall not be eligible to serve more than two terms and (ii) shall be citizens of the Commonwealth but shall not be a member of the board of the Plan, a member of any advisory committee appointed by the board of the Plan pursuant to § 23.1-702, or employed as staff for the Plan. Any appointment to fill a vacancy shall be for the unexpired term. A person appointed to fill a vacancy may be appointed to serve two additional terms.

D. The Investment Board shall make determinations and recommendations in accordance with subdivision C 2 of § 23.1-701 as to whether and in what amount deposits to the Access Fund shall be made. Any recommendation shall follow a review of any such planned transfers using independently updated actuarial and liquidity modeling prior to submission to the General Assembly.

E. The Investment Board may elect a chairman and vice-chairman from among its membership. A majority of the members shall constitute a quorum.

F. Members of the Investment Board shall receive no compensation but shall be reimbursed for actual expenses incurred in the performance of their duties.

G. The Investment Board, in coordination with the Council, may (i) utilize funds in the Access Fund, as needed, to reimburse the Plan for actual costs incurred in the management and investment of Access Fund assets pursuant to § 23.1-237 and (ii) hire independent personnel for purposes of conducting actuarial and liquidity modeling on which its recommendations to the General Assembly are based, and any other purposes authorized by this article and subdivision C 2 of § 23.1-701.

§ 23.1-237. Virginia College Access and Affordability Scholarship Fund and Program; report.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia College Access and Affordability Scholarship Fund. The Access Fund shall be established on the books of the Comptroller. All deposits from the DB529 Fund into the Access Fund shall be paid into the state treasury and credited to the Access Fund. Interest earned on moneys in the Access Fund shall remain in the Access Fund and be credited to it. Any moneys remaining in the Access Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Access Fund. Moneys in the Access Fund shall be used solely for the purposes of (i) the Virginia College Access and Affordability Scholarship Program pursuant to this section and (ii) any investments of dedicated Access Fund assets in support of future scholarship awards pursuant to this section. Expenditures and disbursements from the Access Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the executive director of the Council.

B. The Council shall establish the Virginia College Access and Affordability Scholarship Program to provide free access programs and scholarships to students in eligible education programs. The Council shall develop policies and guidelines necessary to implement and administer the Program, including policies and guidelines regarding free access program eligibility, student eligibility, application procedures, criteria for selecting applicants for scholarships, scholarship amounts, requirements to maintain scholarships, and any other requirements deemed necessary for the administration of the Program. Scholarships awarded by the Council may be for full or partial tuition and may also cover, in whole or in part, the costs of fees, room and board, housing, books, class equipment fees, other eligible education program fees, and child care for the Access Fund Scholar's dependents on terms and conditions determined by the Council. Each scholarship awarded to an Access Fund Scholar shall be available throughout the duration of his enrollment in the eligible education program, for no more than 12 academic terms, roughly six years, or an equivalent thereof, and may be awarded in installments so long as such Access Fund Scholar (i) meets satisfactory academic progress requirements, as determined by the institution in an eligible education program described in clause (i) of such term's definition, or (ii) achieves satisfactory progress toward a workforce credential, as determined by the program supervisor in a non-credit workforce training program described in clause (ii) of the definition of eligible education program.

C. The Program shall provide scholarships only to an Access Fund Scholar who enrolls, or plans to enroll, in an eligible educational program. An Access Fund Scholar who receives a scholarship pursuant to this section shall lose eligibility for such scholarship if he enrolls at an institution of higher education or workforce training program that that is not an eligible education program.

D. The Program shall be funded only by income from investments of deposits to the Access Fund. The Plan, in consultation with the Council and the Investment Board, shall manage the assets of the Access Fund and any investments of such deposits in a manner that maximizes returns and income available for the Program. The Council shall have sole authority over the administration of the Program and the disbursement of income in the form of free access programs and scholarships. Distributions from the Access Fund for the Program shall be allocated as follows:

1. Up to five percent shall be allocated to the Council for the administration of the Program and the Access Fund.

2. Up to five percent shall be allocated to provide free access programs.

121 3. Amounts, as needed, shall be allocated to the Council and Investment Board for purposes of subsection
122 G of § 23.1-236.

123 4. All other funds shall be allocated for awarding scholarships for Access Fund Scholars.

124 E. The Council shall develop and establish an online application portal for the Program. Once developed,
125 the existence of such application and the Program shall be disseminated across the Commonwealth in a
126 manner reasonably expected to inform the public of the Program and its availability. The Council shall also
127 consult with representatives for each eligible education program on their particular needs in the
128 administration of the Program and Access Fund.

129 F. The Council, in consultation with the Investment Board, shall report annually to the General Assembly
130 on its administration of this article no later than December 31.

131 **§ 23.1-700. Definitions.**

132 As used in this chapter, unless the context requires a different meaning:

133 "ABLE savings trust account" means an account established pursuant to this chapter to assist individuals
134 and families to save private funds to support individuals with disabilities to maintain health, independence,
135 and quality of life, with such account used to apply distributions for qualified disability expenses for an
136 eligible individual, as both such terms are defined in § 529A of the Internal Revenue Code of 1986, as
137 amended, or other applicable federal law.

138 "Access Fund" means the Virginia College Access and Affordability Scholarship Fund created pursuant
139 to § 23.1-237 and administered by the Council.

140 "Access Fund Program" means the Virginia College Access and Affordability Scholarship Program
141 established by the Council pursuant to § 23.1-237.

142 "Board" means the governing board of the Plan.

143 "College savings trust account" means an account established pursuant to this chapter to assist individuals
144 and families to enhance the accessibility and affordability of higher education, with such account used to
145 apply distributions from the account toward qualified higher education expenses, as that term is defined in §
146 529 of the Internal Revenue Code of 1986, as amended, or other applicable federal law.

147 "Contributor" means a person who contributes money to a savings trust account established pursuant to
148 this chapter on behalf of a qualified beneficiary and who is listed as the owner of the savings trust account.

149 "DB529 Fund" means the subfund of the fund established in subsection C of § 23.1-701 that holds the
150 assets of the prepaid tuition contracts pursuant to § 23.1-707, referred to as the Defined Benefit 529 Program
151 , in trust to meet contractual obligations or for any deposits or distributions required for the surplus rebate
152 program and the Access Fund created pursuant to § 23.1-237.

153 "Investment Board" means the Virginia College Access and Affordability Scholarship Fund Investment
154 Board established pursuant to § 23.1-236 to make advisory recommendations to the General Assembly
155 pursuant to subdivision C 2 of § 23.1-701.

156 "Non-Virginia public and accredited nonprofit independent or private institutions of higher education"
157 means public and accredited nonprofit independent or private institutions of higher education that are located
158 outside the Commonwealth.

159 "Plan" means the Commonwealth Savers Plan.

160 "Prepaid tuition contract" means the contract or account entered into by the board and a purchaser
161 pursuant to this chapter for the advance payment of tuition at a fixed, guaranteed level for a qualified
162 beneficiary to attend any public institution of higher education to which the qualified beneficiary is admitted.

163 "Public institution of higher education" has the same meaning as provided in § 23.1-100.

164 "Purchaser" means a person who makes or is obligated to make advance payments in accordance with a
165 prepaid tuition contract and who is listed as the owner of the prepaid tuition contract.

166 "Qualified beneficiary" or "beneficiary" means (i) a resident of the Commonwealth, as determined by the
167 board, who is the beneficiary of a prepaid tuition contract and who may apply advance tuition payments to
168 tuition as set forth in this chapter; (ii) a beneficiary of a prepaid tuition contract purchased by a resident of the
169 Commonwealth, as determined by the board, who may apply advance tuition payments to tuition as set forth
170 in this chapter; or (iii) a beneficiary of a savings trust account established pursuant to this chapter.

171 "Savings trust account" means an ABLE savings trust account or a college savings trust account.

172 "Savings trust agreement" means the agreement entered into by the board and a contributor that
173 establishes a savings trust account.

174 "Surplus rebate program" means the rebate program established under § 23.1-707.2 to return surplus
175 funds from the DB529 Fund to owners of prepaid tuition contracts pursuant to this chapter.

176 "Tuition" means the quarter, semester, or term charges imposed for undergraduate tuition by any public
177 institution of higher education and all mandatory fees required as a condition of enrollment of all students. At
178 the discretion of the board, a beneficiary may apply benefits under a prepaid tuition contract and distributions
179 from a college savings trust account (i) toward graduate-level tuition and (ii) toward qualified higher
180 education expenses, as that term is defined in 26 U.S.C. § 529 or any other applicable section of the Internal
181 Revenue Code of 1986, as amended.

182 **§ 23.1-701. Plan established; moneys; governing board.**

183 A. To enhance the accessibility and affordability of higher education for all citizens of the
184 Commonwealth, and assist families and individuals to save for qualified disability expenses, the
185 Commonwealth Savers Plan is established as a body politic and corporate and an independent agency of the
186 Commonwealth.

187 B. Moneys of the Plan that are contributions to savings trust accounts made pursuant to this chapter,
188 except as otherwise authorized or provided in this chapter, shall be deposited as soon as practicable in a
189 separate account or separate accounts in banks or trust companies organized under the laws of the
190 Commonwealth, national banking associations, federal home loan banks, or, to the extent permitted by law,
191 savings institutions organized under the laws of the Commonwealth or the United States. The savings
192 program moneys in such accounts shall be paid out on checks, drafts payable on demand, electronic wire
193 transfers, or other means authorized by officers or employees of the Plan.

194 C. 1. All other moneys of the Plan, including payments received pursuant to prepaid tuition contracts,
195 bequests, endowments, grants from the United States government or its agencies or instrumentalities, and any
196 other available public or private sources of funds shall be first deposited in the state treasury in a special
197 nonreverting fund (the Fund). Such moneys shall then be deposited as soon as practicable in a separate
198 account or separate accounts in banks or trust companies organized under the laws of the Commonwealth,
199 national banking associations, federal home loan banks, or, to the extent permitted by law, savings
200 institutions organized under the laws of the Commonwealth or the United States. Benefits relating to prepaid
201 tuition contracts and Plan operating expenses shall be paid from the Fund. ~~Any~~ Except as provided in
202 subdivision 2, moneys remaining in the Fund at the end of a biennium shall not revert to the general fund but
203 shall remain in the Fund. Interest and income earned from the investment of such funds shall remain in the
204 Fund and be credited to it. *The Fund shall also consist of the DB529 Fund established as a subfund of the*
205 *Fund.*

206 2. a. *As soon as practicable after July 1, 2025, the board of the Plan shall, in coordination with the*
207 *Directors of the Department of Planning and Budget and the Department of Accounts, deposit an amount*
208 *equal to \$500 million from the DB529 Fund into the Access Fund that shall serve as the principal upon which*
209 *accrued interest is utilized to support the Access Fund Program. The Council, in coordination with the*
210 *Investment Board, is hereby authorized to utilize accrued interest from such deposit for costs incurred for the*
211 *development and implementation of the Access Fund Program and any related responsibilities pursuant to*
212 *Article 5 (§ 23.1-235 et seq.) of Chapter 2. In the event that insufficient interest is available to support such*
213 *costs, the Council, in coordination with the Investment Board, may utilize principal amounts as needed, but*
214 *any principal amounts so utilized and any interest accrued thereon shall be repaid as soon as possible to the*
215 *Access Fund.*

216 b. *The board of the Plan shall (i) administer the surplus rebate program pursuant to § 23.1-707.2 and (ii)*
217 *beginning in the fiscal year immediately following the deposit required under subdivision a, deposit*
218 *additional amounts from the DB529 Fund into the Access Fund pursuant to § 23.1-237 (a) in annual*
219 *increments over a period of not less than three fiscal years and (b) in amounts that would maintain or exceed*
220 *an annual funded status of current and future actuarial surplus of 125 percent. Within 45 days after the*
221 *actuarial valuation performed in accordance with §§ 23.1-706 and 23.1-710 for each fiscal year is finalized,*
222 *but by no later than December 31 of the subsequent fiscal year, the Investment Board shall submit to the*
223 *Chairmen of the House Committees on Appropriations and Education and the Senate Committees on Finance*
224 *and Appropriations and Education and Health a report on the current funded status of the DB529 Fund and*
225 *the recommendation of the Investment Board on amounts for deposit from the DB529 Fund into the Access*
226 *Fund for each fiscal year.*

227 c. *In making such recommendations, the Investment Board shall determine whether (i) the funded status of*
228 *the DB529 Fund meets or exceeds 125 percent, (ii) any recommended transfers would violate the standard of*
229 *care specified in § 23.1-706, (iii) any recommended transfers would result in insufficient funding to ensure*
230 *the actuarial soundness of the Plan, or (iv) any recommended transfers would jeopardize the Plan's ability to*
231 *meet any obligation incurred under the provisions of this chapter. Any recommendation shall only follow a*
232 *review of any planned transfers using updated actuarial and liquidity modeling. The Investment Board shall*
233 *have the sole authority to make such advisory recommendations to the General Assembly pursuant to this*
234 *subdivision 2.*

235 D. The Plan may maintain an independent disbursement system for the disbursement of prepaid tuition
236 contract benefits and, in connection with such system, open and maintain a separate account or separate
237 accounts in banks or trust companies organized under the laws of the Commonwealth, national banking
238 associations, federal home loan banks, or, to the extent permitted by law, savings institutions organized under
239 the laws of the Commonwealth or the United States. Such independent disbursement system and any related
240 procedures shall be subject to review and approval by the State Comptroller. Nothing in this subsection shall
241 be construed to relieve the Plan of its duty to provide prepaid tuition contract benefit transactions to the
242 Commonwealth's system of general accounting maintained by the State Comptroller pursuant to § 2.2-802. A
243 member of the board of the Plan shall be indemnified from any liability arising from any action for the

administration of deposits or rebates required pursuant to subdivision C 2.

E. The Plan shall be administered by an 11-member board that consists of (i) the director of the Council or his designee, the Chancellor of the Virginia Community College System or his designee, the State Treasurer or his designee, and the State Comptroller or his designee, all of whom shall serve ex officio with voting privileges, and (ii) seven nonlegislative citizen members, four of whom shall be appointed by the Governor, one of whom shall be appointed by the Senate Committee on Rules, two of whom shall be appointed by the Speaker of the House of Delegates, and all of whom shall have significant experience in finance, accounting, law, investment management, higher education, or disability advocacy. In addition, at least one of the nonlegislative citizen members shall have expertise in the management and administration of private defined contribution retirement plans.

F. Members appointed to the board shall serve terms of four years. Vacancies occurring other than by expiration of a term shall be filled for the unexpired term. No member appointed to the board shall serve more than two consecutive four-year terms; however, a member appointed to serve an unexpired term is eligible to serve two consecutive four-year terms immediately succeeding such unexpired term.

G. Ex officio members of the board shall serve terms coincident with their terms of office.

H. Members of the board shall receive no compensation but shall be reimbursed for actual expenses incurred in the performance of their duties.

I. The board shall elect from its membership a chairman and a vice-chairman annually.

J. A majority of the members of the board shall constitute a quorum.

§ 23.1-704. Powers and duties of the board.

The board shall:

1. Administer the Plan established by this chapter;

2. Develop and implement programs for (i) the prepayment of undergraduate tuition, as defined in § 23.1-700, at a fixed, guaranteed level for application at a public institution of higher education; (ii) contributions to college savings trust accounts established pursuant to this chapter on behalf of a qualified beneficiary in order to apply distributions from the account toward qualified higher education expenses, as that term is defined in § 529 of the Internal Revenue Code of 1986, as amended, or other applicable federal law; and (iii) contributions to ABLE savings trust accounts established pursuant to this chapter on behalf of a qualified beneficiary in order to apply distributions from the account toward qualified disability expenses for an eligible individual, as both such terms are defined in § 529A of the Internal Revenue Code of 1986, as amended, or other applicable federal law;

3. Invest moneys in the Plan in any instruments, obligations, securities, or property deemed appropriate by the board;

4. Develop requirements, procedures, and guidelines regarding prepaid tuition contracts and savings trust accounts, including residency and other eligibility requirements; the number of participants in the Plan; the termination, withdrawal, or transfer of payments under a prepaid tuition contract or savings trust account; time limitations for the use of tuition benefits or savings trust account distributions; and payment schedules;

5. Enter into contractual agreements, including contracts for legal, actuarial, financial, and consulting services and contracts with other states to provide savings trust accounts for residents of contracting states;

6. Procure insurance as determined appropriate by the board (i) against any loss in connection with the Plan's property, assets, or activities and (ii) indemnifying board members from personal loss or accountability from liability arising from any action or inaction as a board member;

7. Make arrangements with public institutions of higher education to fulfill obligations under prepaid tuition contracts and apply college savings trust account distributions, including (i) payment from the Plan of the appropriate amount of tuition on behalf of a qualified beneficiary of a prepaid tuition contract to the institution to which the beneficiary is admitted and at which the beneficiary is enrolled and (ii) application of such benefits toward graduate-level tuition and toward qualified higher education expenses, as that term is defined in 26 U.S.C. § 529 or any other applicable section of the Internal Revenue Code of 1986, as amended, as determined by the board in its sole discretion;

8. ~~Develop~~ Before July 1, 2025, develop and implement scholarship or matching grant programs, or both, as the board may deem appropriate, to further its goal of making higher education more affordable and accessible to all citizens of the Commonwealth. On and after July 1, 2025, the board shall not develop, implement, or offer any such scholarship or matching grant programs or any other programs similar to access programs, as defined in § 23.1-235;

9. Apply for, accept, and expend gifts, grants, or donations from public or private sources to enable it to carry out its objectives;

10. Adopt regulations and procedures and perform any act or function consistent with the purposes of this chapter; and

11. Reimburse, at its option, all or part of the cost of employing legal counsel and such other costs as are demonstrated to have been reasonably necessary for the defense of any board member, officer, or employee of the Plan upon the acquittal, dismissal of charges, nolle prosequi, or any other final disposition concluding

the innocence of such member, officer, or employee who is brought before any regulatory body, summoned before any grand jury, investigated by any law-enforcement agency, arrested, indicted, or otherwise prosecuted on any criminal charge arising out of any act committed in the discharge of his official duties that alleges a violation of state or federal securities laws. The board shall provide for the payment of such legal fees and expenses out of funds appropriated or otherwise available to the board.

§ 23.1-706. Standard of care; investment and administration of the Plan.

A. In acquiring, investing, reinvesting, exchanging, retaining, selling, and managing property for the benefit of the Plan, the board, and any person, investment manager, or committee to whom the board delegates any of its investment authority, shall act as trustee and shall exercise the judgment of care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but to the permanent disposition of funds, considering the probable income and the probable safety of their capital.

If the annual accounting and audit required by § 23.1-710 reveal that there are insufficient funds to ensure the actuarial soundness of the Plan, the board may adjust the terms of subsequent prepaid tuition contracts, arrange refunds for current purchasers to ensure actuarial soundness, or take such other action the board deems appropriate.

B. ~~The~~ Except as provided in subdivision C 2 of § 23.1-701, assets of the Plan shall be preserved, invested, and expended solely pursuant to and for the purposes of this chapter and shall not be loaned or otherwise transferred or used by the Commonwealth for any other purpose. Within the standard of care set forth in subsection A, the board and any person, investment manager, or committee to whom the board delegates any of its investment authority, may acquire and retain any kind of property and any kind of investment, including (i) debentures and other corporate obligations of foreign or domestic corporations; (ii) common or preferred stocks traded on foreign or domestic stock exchanges; (iii) not less than all of the stock or 100 percent ownership of a corporation or other entity organized by the board under the laws of the Commonwealth for the purposes of acquiring and retaining real property that the board may acquire and retain under this chapter; and (iv) securities of any open-end or closed-end management type investment company or investment trust registered under the federal Investment Company Act of 1940, as amended, including investment companies or investment trusts that, in turn, invest in the securities of such investment companies or investment trusts that persons of prudence, discretion, and intelligence acquire or retain for their own account. The board may retain property properly acquired without time limitation and without regard to its suitability for original purchase.

All provisions of this subsection shall also apply to the portion of the Plan assets attributable to savings trust account contributions and the earnings on such contributions.

C. The selection of services relating to the operation and administration of the Plan, including contracts or agreements for the management, purchase, or sale of authorized investments or actuarial, recordkeeping, or consulting services, are governed by the standard of care set forth in subsection A and are not subject to the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq.).

D. No board member or person, investment manager, or committee to whom the board delegates any of its investment authority who acts in accordance with the standard of care set forth in subsection A shall be held personally liable for losses suffered by the Plan on investments made pursuant to this chapter.

E. To the extent necessary to lawfully administer the Plan and in order to comply with federal, state, and local tax reporting requirements, the Plan may obtain all necessary social security account or tax identification numbers and such other data as the Plan deems necessary for such purposes, whether from a contributor, a purchaser, or another state agency.

F. This section shall not be construed to prohibit the Plan's investment, by purchase or otherwise, in bonds, notes, or other obligations of the Commonwealth or its agencies and instrumentalities.

§ 23.1-707.2. Surplus rebate program.

A. The board shall establish a surplus rebate program to return actuarial surplus funds from the DB529 Fund to owners of a prepaid tuition contract pursuant to this section.

B. 1. The board shall provide a one-time rebate check equal to \$2,500 to any owners of a prepaid tuition contract who entered into such contract before July 1, 2019, and claim such rebate before July 1, 2026.

2. The aggregate amount of rebates allowable under this section shall not exceed \$350 million. In the event that the aggregate amount of rebates claimed under this section is less than \$350 million, any unclaimed remainder shall be deposited by the board from the DB529 Fund into the Access Fund no later than January 1, 2027.

C. 1. Any rebate issued under subsection B shall include in its documentation a notice of any federal, state, or local tax liabilities or delinquencies. Notwithstanding the provisions of § 58.1-3, the board shall coordinate with the Department of Taxation and commissioners of revenue as needed to include such notice with any rebate check.

2. On any application to claim a rebate issued under subsection B, the board shall ensure that such application allows an owner of a prepaid tuition contract account to request that such rebate amount be

366 *instead applied to (i) a new prepaid tuition contract account pursuant to this chapter or (ii) a Roth individual*
367 *retirement account pursuant to federal law and board guidelines.*

368 **2. That the State Council of Higher Education for Virginia shall convene a work group to make**
369 **recommendations on the allocations of funds available through the Virginia College Access and**
370 **Affordability Scholarship Fund, pursuant to § 23.1-237 of the Code of Virginia, as created by this act.**
371 **The work group shall consist of individuals with higher education experience and include a**
372 **representative of the Virginia Community College System, a financial aid director or equivalent**
373 **position from a Virginia public institution of higher education or an accredited nonprofit independent**
374 **or private institution of higher education in Virginia that is eligible to participate in the Tuition**
375 **Assistance Grant Program established pursuant to Article 5 (§ 23.1-628 et seq.) of Chapter 6 of Title**
376 **23.1 of the Code of Virginia, an enrollment management director or equivalent position from a**
377 **Virginia public or private institution of higher education, a representative of Virginia's historically**
378 **black colleges and universities, a representative of the Virginia Department of Education,**
379 **representatives of the public primary and secondary education system, of whom one shall be a high**
380 **school college counselor, and at least one representative of a community organization that provides**
381 **access programs, as that term is defined in § 23.1-235 of the Code of Virginia, as created by this act. In**
382 **its recommendations, the work group shall consider factors that will be relevant to determining total**
383 **scholarship awards for each student, such as expected family contribution and regional cost of living.**
384 **The recommendations shall be submitted to the Chairmen of the House Committees on Education and**
385 **Appropriations and the Senate Committees on Education and Health and Finance and Appropriations**
386 **by November 1, 2025.**

387 **3. That notwithstanding any other provision of law, the Commonwealth Savers Plan established**
388 **pursuant to § 23.1-701 of the Code of Virginia shall not implement or take part in any initiatives**
389 **relating to access programs, as such term is defined in § 23.1-235 of the Code of Virginia, as created by**
390 **this act, on or after July 1, 2025, except for existing access programs related to a prepaid tuition**
391 **contract entered into on or before June 30, 2025.**