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1 **HOUSE BILL NO. 1221**

2 Offered January 14, 2026

3 Prefiled January 14, 2026

4 A BILL to amend and reenact §§ 23.1-636 and 23.1-638 of the Code of Virginia, to amend the Code of
5 Virginia by adding in Article 6 of Chapter 6 of Title 23.1 a section numbered 23.1-638.1, and to repeal §
6 23.1-637 of the Code of Virginia, relating to public institutions of higher education; financial aid review
7 and consolidation; Virginia Guaranteed Assistance Program and Fund; Virginia Commonwealth Award
8 established; work group; report.
9

10 Patrons—Sewell, Anderson, Cole, N.T. and Franklin, L.V.

11 Referred to Committee on Appropriations

12 **Be it enacted by the General Assembly of Virginia:**13 1. That §§ 23.1-636 and 23.1-638 of the Code of Virginia are amended and reenacted and that the Code
14 of Virginia is amended by adding in Article 6 of Chapter 6 of Title 23.1 a section numbered 23.1-638.1
15 as follows:

16 Article 6.

17 **Virginia Guaranteed Assistance Program and Fund; Virginia Commonwealth Award.**18 **§ 23.1-636. Virginia Commonwealth Award; definitions; Council to adopt regulations.**

19 A. As used in this article:

20 "Census date" means the point at which a student's credit hour enrollment is locked for financial aid
21 purposes and financial aid for the term is adjusted to reflect the official number of attempted credit hours.22 "Eligible program" means a Title IV-eligible curriculum of courses in a certificate of undergraduate
23 study, diploma, or degree program offered at the undergraduate, graduate, or first professional level by a
24 public institution of higher education in the Commonwealth.25 "Financial need" means any positive difference between a student's cost of attendance and the student aid
26 index for such student.27 "Graduate student" means a student enrolled in an eligible master's, doctoral, or first professional degree
28 program.29 "Satisfactory academic progress" means acceptable progress, as defined by the institution, toward
30 completion of an eligible program for the purposes of eligibility for federal student financial aid pursuant to
31 applicable federal law and regulations.32 "Undergraduate student" means a student enrolled in an eligible program leading to a certificate of
33 undergraduate study, diploma, associate's degree, or bachelor's degree.34 B. The Virginia Guaranteed Assistance Program Commonwealth Award is created to provide financial
35 assistance in the form of grants to eligible students for the costs of attending a public institution of higher
36 education. Funds may be paid to any public institution of higher education on behalf of students who have
37 been awarded grants pursuant to §§ 23.1-638 and 23.1-638.1.

38 B. C. The Council shall adopt regulations for the implementation of the provisions of this article.

39 **§ 23.1-638. Undergraduate eligibility; renewals.**40 A. Only students who Any undergraduate student shall be eligible to receive a Commonwealth Award
41 pursuant to this article if such student (i) are accepted for full-time enrollment on or after the term's census
42 date, is enrolled at a public institution of higher education least half-time in an eligible program, (ii) are not
43 receiving a Virginia Commonwealth Award meets the requirements for establishing domicile pursuant to
44 §§ 23.1-502, 23.1-505, and 23.1-505.1, (iii) demonstrate demonstrates financial need as determined by the
45 Council, and (iv) are either complies with federal selective service registration requirements, unless both (a)
46 Virginia students who graduated from a high school in the Commonwealth with a cumulative grade point
47 average of at least 2.5 on a scale of 4.0 or its equivalent or the requirement to register has terminated or
48 become inapplicable to the student and (b) dependent children of active duty military personnel residing
49 outside the Commonwealth pursuant to military orders, claiming Virginia on their State of Legal Residence
50 Certificate, and satisfying the domicile requirements for such active duty military personnel pursuant to
51 §§ 23.1-502 and 23.1-504 and who graduated from a high school within or outside the Commonwealth with a
52 cumulative grade point average of at least 2.5 on a scale of 4.0 or its equivalent are eligible to receive such
53 grants the student demonstrates by a preponderance of the evidence that his failure to register was not a
54 knowing and willful failure to register.55 B. Each eligible undergraduate student who receives an award under this section shall receive such a
56 grant from the institution's appropriations for undergraduate student financial assistance before
57 Commonwealth Award grants are awarded to students with equivalent remaining need.

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59 C. Each eligible student shall receive a grant in an amount greater than Commonwealth Award grants
60 awarded to students with equivalent remaining need.

61 D. Beginning with first-time students enrolled in the fall semester in 2018, each eligible student shall
62 receive a grant in an amount greater than the grant of each eligible student with equivalent remaining need in
63 the next lowest class level.

64 E. The amount of each grant shall vary according to each student's remaining need and the total of tuition,
65 fees, and other necessary charges, including books. The actual amount of each grant shall be determined by
66 the proportionate award schedule adopted by each institution.

67 F. All grants shall be awarded for one award year and may be renewed annually for no more than three
68 subsequent award years, and students shall not receive subsequent grants until they have satisfied the
69 requirements to move to the next class level. Each recipient may receive a maximum of one year of support
70 per class level for a maximum total of four years of support at a baccalaureate public institution of higher
71 education and a maximum total of two years of support at an associate-degree-granting public institution of
72 higher education, provided that in no case shall a recipient receive more than a combined total of four years
73 of support be eligible for renewal of his award, if the recipient student:

74 1. Maintains a cumulative grade point average of at least 2.0 on a scale of 4.0 or its equivalent satisfactory
75 academic progress; and

76 2. Demonstrates continued financial need;

77 3. Makes satisfactory academic progress toward a degree; and

78 4. Maintains continuous full-time enrollment for not less than two semesters or three quarters in each
79 successive award year unless the Council grants the recipient an exception for cause *Continues to meet all*
80 *eligibility requirements set forth in subsection A.*

81 **§ 23.1-638.1. Graduate eligibility; renewals.**

82 A. Any graduate student shall be eligible to receive a Commonwealth Award pursuant to this article if
83 such student (i) on or after the term's census date, is enrolled on a full-time basis in an eligible program and
84 (ii) satisfies one or a combination of the following: (a) demonstrates financial need or (b) meets such other
85 criteria determined by the institution making the award.

86 B. The amount of the award shall be determined by the institution making the award; however, the
87 institution shall annually notify the Council of the maximum value of a graduate award that is paid from
88 funds appropriated for such purpose.

89 C. Each eligible graduate student who receives an award under this section shall be eligible for renewal
90 of his award if such graduate student:

91 1. Maintains satisfactory academic progress; and

92 2. Continues to be enrolled on a full-time basis in an eligible program.

93 2. That § 23.1-637 of the Code of Virginia is repealed.

94 3. That the State Council of Higher Education for Virginia (the Council) shall adopt emergency
95 regulations for the administration of financial aid in accordance with the provisions of the first
96 enactment of this act by April 1, 2027. The Council's adoption of such emergency regulations shall be
97 exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), except that the
98 Council shall provide an opportunity for public comment on the regulations prior to adoption.

99 4. That the Secretary of Education shall establish a work group, consisting of the Director of the State
100 Council of Higher Education for Virginia or his designee, representatives from public and private
101 baccalaureate institutions of higher education in the Commonwealth, representatives from associate-
102 degree-granting public institutions of higher education in the Commonwealth, one representative from
103 the Strada Education Network, and other relevant stakeholders, for the purpose of conducting a
104 comprehensive review of higher education financial aid systems and processes in the Commonwealth.
105 In conducting its review, the work group shall (i) examine and evaluate the Commonwealth's current
106 higher education financial aid model and processes; (ii) identify best practices for student financial aid
107 administration utilized by other states; and (iii) develop recommendations on strategies for maximizing
108 the efficacy and impact of state financial aid appropriations on accessibility and affordability of higher
109 education in the Commonwealth and on student outcomes in higher education in the Commonwealth.
110 The Secretary of Education shall submit to the chairmen of the Senate Committees on Education and
111 Health and Finance and Appropriations and the House Committees on Education and Appropriations
112 by July 1, 2027, a report on the work group's findings and recommendations.

113 5. That beginning with first-time students enrolled in the fall semester of 2027, no first-time student
114 shall be offered a grant under the Virginia Guaranteed Assistant Program (the Program) pursuant to
115 Article 6 (§ 23.1-636 et seq.) of Chapter 6 of Title 23.1 of the Code of Virginia, as it was in effect prior
116 to the effective date of this act, provided, however, that any public institution of higher education may
117 provide for the annual renewal of grant awards under the Program for no more than three subsequent
118 award years, or up to a total of four award years counting the initial award year, to any student who (i)
119 receives a grant under the Program during the 2026–2027 school year and (ii) continues to meet the
120 requirements for grant renewal set forth in § 23.1-638 of the Code of Virginia, as it was in effect prior

121 to the effective date of this act.

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