

019564656

**HOUSE BILL NO. 2823**

House Amendments in [ ] — February 4, 2001

*A BILL to amend the Code of Virginia by adding in Article 1 of Chapter 13 of Title 22.1 a section numbered 22.1-212.2:4, relating to the Educators' Higher Education Opportunity Program and Fund.*

Patron Prior to Engrossment—Delegate Byron

Referred to Committee on Education

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Article 1 of Chapter 13 of Title 22.1 a section numbered 22.1-212.2:4 as follows:**

*§ 22.1-212.2:4. Educators' Higher Education Opportunity Program and Fund.*

*A. To assist in the recruitment and retention of the highest quality educational personnel, and from the voluntary contributions of public school educators, from such funds as may be appropriated for such purpose, and from such gifts, donations, grants, bequests, and other funds as may be received on its behalf, there is hereby established the Educators' Higher Education Opportunity Program (the Program), to be administered by the Board of Education, and a special nonreverting fund within the state treasury known as the Educators' Higher Education Opportunity Fund (the Fund). The Fund shall be established on the books of the Comptroller, and any moneys remaining in such Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it.*

*Subject to the authority of the Board of Education to provide for its disbursement, the Fund shall be disbursed to make contributions to savings trust accounts opened by eligible educators, as set forth in this section, pursuant to the Virginia College Savings Plan (§ 23-38.75 et seq.) and as provided in this section. The contributor for each savings trust account, as defined in § 23-38.75, shall be the eligible educator. The qualified beneficiary, as defined in § 23-38.75, shall be such eligible educator or his designee, as set forth in this section, on whose behalf such account was opened. Specific benefits of the savings trust account shall be as defined by the Virginia College Savings Plan.*

*B. Only educators employed on a full-time basis as licensed instructional or administrative personnel in good standing by a public school board in Virginia shall be eligible to open a savings trust account to which the Board may make contributions pursuant to subsection C, to be used for qualified higher education expenses at eligible institutions, both as defined in § 529 of the Internal Revenue Code of 1986, as amended, or other applicable federal law, as determined by the Board of the Virginia College Savings Plan.*

*C. From such funds as may be appropriated for such purpose, and from such gifts, donations, grants, bequests, and other funds as may be received on its behalf, and upon the vesting of such interest, the Board of Education shall make annual contributions to the Fund on behalf of eligible educators who have completed five years of full-time employment in a seven-year period.*

*D. Savings trust account funds shall not be disbursed prior to an eligible educator or designee being admitted and enrolled at an eligible institution. Any funds in a savings trust account that are not used by the educator or his designee before the expiration of the time period for the use of such funds, as determined by the Virginia College Savings Plan, shall be paid to the Board of Education promptly after the expiration of such period.*

*E. The Board, in consultation with the Board of the Virginia College Savings Plan, shall establish regulations addressing (i) minimum amounts of educator contributions to the Fund; (ii) amounts of annual Board contributions to the accounts of eligible educators meeting the employment requirement set forth in subsection C; (iii) changes in employing school boards; (iv) the voluntary participation of local school boards in making contributions to the Fund on behalf of employees; and (v) such other matters as it deems necessary for the implementation of the Program.*

*F. Participation in the Program set forth in this section shall not prohibit or restrict the independent participation of licensed instructional or administrative personnel in the Virginia College Savings Plan.*

**[ 2. That the provisions of this act shall expire on July 1, 2006. ]**

ENGROSSED

HB2823E