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SENATE BILL NO. 1234

Offered January 10, 2001

Prefiled January 10, 2001

A BILL to amend the Code of Virginia by adding in Title 23 a chapter numbered 3.3, consisting of sections numbered 23-30.59 and 23-30.60, and by adding a chapter numbered 3.4, consisting of sections numbered 23-30.61 through 23-30.64, relating to higher education affordability.

Patron—Lambert

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 23 a chapter numbered 3.3, consisting of sections numbered 23-30.59 and 23-30.60 and a chapter numbered 3.4, consisting of sections numbered 23-30.61 through 23-30.64, as follows:

CHAPTER 3.3.**THE COMMONWEALTH'S FINANCIAL AID POLICY.**

§ 23-30.59. The Commonwealth's financial aid policy established.

The Commonwealth's policy shall be to meet at least 100 percent of the true financial need of domiciled Virginia residents attending Virginia's public colleges and universities as undergraduate students.

§ 23-30.60. Responsibilities of the State Council of Higher Education for Virginia.

A. The State Council of Higher Education for Virginia shall determine the true financial need of domiciled Virginia residents attending Virginia's public colleges and universities as undergraduate students, according to criteria it shall establish. The Council shall take into consideration the special circumstances of the Virginia Community College System and Richard Bland College when determining such need. The Council shall report its calculation of true financial need for each institution to the Governor and the General Assembly by October 1 of each year.

B. The State Council of Higher Education for Virginia shall annually approve each public institution of higher education's proposed plan for expenditures of its appropriation for undergraduate student financial assistance. Each plan shall include the institution's assumptions and calculations for determining the cost of education and student financial need pursuant to a financial need analysis formula prescribed by the Council.

All undergraduate financial aid award amounts funded by this formula shall be proportionate to the financial need of individual students, with students with higher levels of need receiving grants before other students.

CHAPTER 3.4.**NEW CENTURY SCHOLARS PROGRAM.**

§23-30.61. New Century Scholars Fund created.

A. From such funds as are appropriated for this purpose and from such gifts, donations, grants, bequests, and other funds as may be received on its behalf, there is hereby created in the state Treasury a special nonreverting fund to be know as the New Century Scholars Fund, hereinafter referred to as "the Fund."

The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used to award scholarships pursuant to this chapter. Moneys in the Fund may be paid, on behalf of students who have been awarded a scholarship pursuant to this chapter, directly to any accredited, degree-granting public or private institution of higher education in Virginia or any career school, physically located in Virginia and accredited by an agency recognized by the United States Secretary of Education that is determined by the Attorney General to be eligible to participate in the New Century Scholars Program pursuant to Section 11 of Article VIII of the Constitution of Virginia, or, for the purpose of awarding scholarships pursuant to this chapter, moneys in the Fund may be used to open one or more Virginia Education Savings Trust Accounts pursuant to Chapter 4.9 (§ 23-38.75 et seq.) of Title 23.

B. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director of the State Council of Higher Education for Virginia.

C. The Board of the Virginia College Savings Plan is authorized to deduct its customary expenses

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59 *from the earnings on any savings trust accounts opened pursuant to this chapter.*

60 *§23-30.62. New Century Scholars Program defined; eligible students.*

61 *A. The New Century Scholars Program shall provide scholarships to students who are domiciled*
62 *residents of Virginia and who meet the eligibility criteria established herein.*

63 *B. Students who are domiciled residents of Virginia as determined in accordance with § 23-7.4 shall*
64 *be eligible to receive New Century Scholarships upon meeting one of the following sets of criteria:*

65 *1. The student shall: (a) have attained a grade point average ranking him within the top twenty*
66 *students in his high school graduating class at a public or accredited private high school in Virginia;*
67 *(b) not have been suspended or expelled from any public or private school; and (c) have enrolled as a*
68 *full-time student in an accredited, degree-granting public or private institution of higher education in*
69 *Virginia whose primary purpose is to provide collegiate or graduate education and not to provide*
70 *religious training or theological education, or in a career school, physically located in Virginia and*
71 *accredited by an agency recognized by the United States Secretary of Education that is determined by*
72 *the Attorney General to be eligible to participate in the New Century Scholars Program pursuant to*
73 *Section 11 of Article VIII of the Constitution of Virginia; or*

74 *2. The student shall: (a) have scored at the advanced level on end-of-course Standards of Learning*
75 *tests, as defined by the Board of Education; (b) have maintained at least a B average, i.e., 3.0 on a 4.0*
76 *scale, or its equivalent in high school; (c) not have been suspended or expelled from any public or*
77 *private school; and (d) have enrolled as a full-time student in an accredited, degree-granting public or*
78 *private institution of higher education in Virginia whose primary purpose is to provide collegiate or*
79 *graduate education and not to provide religious training or theological education, or in a career school,*
80 *physically located in Virginia and accredited by an agency recognized by the United States Secretary of*
81 *Education that is determined by the Attorney General to be eligible to participate in the New Century*
82 *Scholars Program pursuant to Section 11 of Article VIII of the Constitution of Virginia.*

83 *§ 23-30.63. Scholarships to be awarded; State Council to promulgate regulations; amount of*
84 *scholarships.*

85 *A. Beginning in the 2004-2005 academic year, New Century Scholarships shall be awarded to*
86 *students meeting one of the sets of criteria established in subsection B of § 23-30.62.*

87 *B. The State Council of Higher Education for Virginia, in consultation with the Board of Education*
88 *and the Virginia College Savings Plan, shall administer the New Century Scholarship Program,*
89 *including, but not limited to, identification of potentially eligible students, eligibility determinations in*
90 *accordance with the criteria established in subsection B of § 23-30.62 and a qualification review*
91 *process for awarding of New Century Scholarships pursuant to this chapter.*

92 *C. The State Council shall annually determine the total amount of funds available to be awarded as*
93 *New Century Scholarships. If any funds are invested in a Virginia Education Savings Trust account, the*
94 *Council shall consult with the Board of the Virginia College Savings Plan in making this determination.*

95 *D. Each scholarship shall be awarded for one year; however, for a maximum of four years of*
96 *undergraduate education, any unused amounts may be carried forward to be credited toward the tuition*
97 *and required fees of the student or to be used for such other education-related expenses of the student*
98 *as may be approved by the State Council.*

99 *The maximum amount awarded to any student shall not exceed \$3,000 and shall only be awarded if*
100 *sufficient funds are available. Such amounts shall be calculated, based on available funds, as follows:*
101 *(i) for any student meeting the criteria established in subdivision 1. of subsection B of § 23-30.62, the*
102 *maximum amount shall be \$3,000, or (ii) for any student meeting the criteria established in subdivision*
103 *2. of subsection B of § 23-30.62, \$500 may be awarded for each advanced score on an end-of-course*
104 *Standards of Learning test, up to six awards total and not to exceed \$3,000 in the aggregate. If*
105 *available funds are not sufficient to award the maximum amounts to each recipient, then awards shall*
106 *be prorated among the recipients.*

107 *§ 23-30.64. Procedures for administering the New Century Scholarship Program.*

108 *A. In accordance with the provisions of this chapter and the regulations required by subsection B of*
109 *§ 23-30.63, the State Council of Higher Education shall administer the New Century Scholarship*
110 *Program.*

111 *B. Pursuant to the duties vested by this chapter, the State Council shall be responsible for identifying*
112 *students who qualify for scholarships under this chapter. The Department of Education and the local*
113 *school divisions shall provide the State Council with the information necessary to identify eligible*
114 *students. The Council shall notify each student of potential eligibility for a New Century Scholarship no*
115 *later than August 1 of each year.*

116 *C. Upon confirming a student's eligibility for a New Century Scholarship and the amount of such*
117 *scholarship, the State Council shall cause the funds to be transferred to the institution in which the*
118 *student is enrolled.*

119 *D. The State Council shall develop a methodology for determining the circumstances for requiring or*
120 *deferring refunds of New Century Scholarships or a portion thereof when a student leaves school prior*

121 *to completion of the scholarship term or becomes ill or is deceased. In addition, the State Council shall*
122 *develop a procedure for accounting for and carrying forward of balances in the event a student does*
123 *not exhaust his scholarship funds during an award year.*

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