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HOUSE BILL NO. 2222

Offered January 12, 2005

Prefiled January 11, 2005

A *BILL to amend the Code of Virginia by adding in Chapter 4 of Title 23 an article numbered 4.1, consisting of sections numbered 23-38.19:6, 23-38.19:7, and 23-38.19:8, relating to the Student Financial Security Fund.*

Patrons—Rust, Dillard, Shuler and Tata; Senators: Hawkins, Mims and Quayle

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 Chapter 4 of Title 23 an article numbered 4.1, consisting of sections numbered 23-38.19:6, 23-38.19:7, and 23-38.19:8, as follows:

*Article 4.1.**Student Financial Security Program and Fund.**§ 23-38.19:6. Student Financial Security Program.*

There is hereby created the Student Financial Security Program to provide supplemental funding for state-funded, need-based financial aid for eligible students attending two- and four-year public institutions of higher education in the Commonwealth. Such funding shall be designed to provide resources for state-funded student financial aid programs based in whole or in part on need to offset tuition increases at the various public institutions.

§ 23-38.19:7. Student Financial Security Fund created.

A. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be known as the Student Financial Security Fund (the Fund). The Fund shall be established on the books of the Comptroller, and any funds remaining in such Fund at the end of each fiscal year 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.

Funds may be paid to the public institutions of higher education to supplement existing funds for student need-based financial assistance programs, including loan, scholarship, and work-study programs, created pursuant to this title.

B. The Department of the Treasury shall administer and manage the Fund, subject to the authority of the State Council of Higher Education, to provide for its disbursement 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.

The Fund shall be disbursed in amounts necessary to offset any unmet financial need created by tuition increases at the public institutions for students receiving state-funded financial assistance based in whole or in part on need.

§ 23-38.19:8. Guidelines.

The State Council of Higher Education shall establish guidelines and procedures for, among other things, (i) determining the amount of Fund moneys necessary to ensure offsetting of financial need; and (ii) the disbursement of funds to the various public institutions of higher education.

INTRODUCED

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