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**HOUSE BILL NO. 1681****AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Joint Conference Committee  
on February 24, 2007)

(Patron Prior to Substitute—Delegate Callahan)

A *BILL* to amend the Code of Virginia by adding in Title 23 a chapter numbered 4.02, consisting of sections numbered 23-38.10:8 through 23-38.10:13, relating to the establishment of a Two-Year College Transfer Grant Program.

**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 4.02, consisting of sections numbered 23-38.10:8 through 23-38.10:13, as follows:**

*CHAPTER 4.02.**TWO-YEAR COLLEGE TRANSFER  
GRANT PROGRAM.*

*§ 23-38.10:8. Definitions.*

*As used in this chapter:*

*"Accredited institution" means any institution approved to confer degrees pursuant to Chapter 21.1 (§ 23-276.1 et seq.) of this title.*

*"Council" means the State Council of Higher Education for Virginia.*

*"Grant" means the amount of financial assistance awarded under this chapter whether disbursed by warrant directly to an institution of higher education or directly to a student.*

*"Institution of higher education" means a four-year public or private nonprofit educational institution within the Commonwealth whose primary purpose is to provide undergraduate collegiate education and not to provide religious training or theological education.*

*"Student" means an undergraduate student who is entitled to in-state tuition charges pursuant to the provisions of § 23-7.4.*

*§ 23-38.10:9. Two-Year College Transfer Grant Program created; State Council of Higher Education for Virginia to promulgate regulations.*

*There is hereby created the Two-Year College Transfer Grant Program to provide financial assistance to eligible students, beginning with the first-time entering freshman class of the fall 2007 academic year, for the costs of attending a public or private institution of higher education in Virginia. Funds may be paid to any institutions of higher education on behalf of students who have been awarded financial assistance pursuant to § 23-38.10:10. The Council shall promulgate regulations for the implementation of the provisions of this chapter and the disbursement of funds consistent therewith and appropriate to the administration of the program.*

*§ 23-38.10:10. Eligibility criteria.*

*A. Under this program, grants shall be made to or on behalf of eligible Virginia domiciles who (i) have received an associate degree at a Virginia two-year public institution of higher education, (ii) have enrolled in a Virginia four-year public or private institution of higher education by the fall following the award of the associate degree, (iii) have applied for financial aid, and (iv) have financial need, defined by an Expected Family Contribution (EFC) of no more than 8,000 as calculated by the federal government using the family's financial information reported on the Free Application for Federal Student Aid (FAFSA) form. Only students who maintained a cumulative grade point average of at least 3.0 on a scale of 4.0 or its equivalent while enrolled in an associate degree program at a Virginia two-year public institution of higher education shall be eligible to receive a grant under this chapter.*

*B. Eligibility for a higher education grant under this program shall be limited to three academic years or 70 credit hours and shall be used only for undergraduate collegiate work in educational programs other than those providing religious training or theological education. To remain eligible for a grant under this program, a student must continue to demonstrate financial need, as defined in this section, maintain a 3.0 on a scale of 4.0 or its equivalent, and make satisfactory academic progress towards a degree. —*

*C. Individuals who have failed to meet the federal requirement to register for the Selective Service shall not be eligible to receive grants pursuant to this chapter. However, a person who has failed to register for the Selective Service shall not be denied a right, privilege, or benefit under this section if (i) the requirement to so register has terminated or become inapplicable to the person and (ii) the person shows by a preponderance of the evidence that the failure to register was not a knowing and willful failure to register.*

*§ 23-38.10:11. Amount of award.*

*The amount of the grant for an eligible student shall be provided in accordance with the*

60 *appropriation act and shall be fixed at \$1,000 per year. An additional \$1,000 per year shall be*  
61 *provided to those students pursuing undergraduate collegiate work in engineering, mathematics, nursing,*  
62 *teaching, or science.*

63 *§ 23-38.10:12. Determination of domicile.*

64 *For the purposes of determining the eligibility of a student for a two-year college transfer grant,*  
65 *domicile shall be determined by the enrolling institution, as provided in § 23-7.4, and the State Council*  
66 *of Higher Education's guidelines for domiciliary status determinations.*

67 *§ 23-38.10:13. State financial aid eligibility.*

68 *The Council shall reduce state financial aid eligibility by the amount of the grant awarded pursuant*  
69 *to this chapter. Tuition assistance received by a student under this program shall not be reduced by the*  
70 *receipt of other financial aid from any source by such student. However, a student shall not receive a*  
71 *grant pursuant to this chapter that, when added to other financial aid received by that student, would*  
72 *enable the student to receive total assistance in excess of the estimated cost to the student of attending*  
73 *the institution in which he is enrolled.*