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SENATE BILL NO. 402

AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the Senate Committee on Education and Health
 on January 28, 2016)

(Patron Prior to Substitute—Senator Garrett)

A *BILL* to amend the Code of Virginia by adding a section numbered 23-7.1:03 and by adding in Title 23 a chapter numbered 4.11, consisting of sections numbered 23-38.122 through 23-38.125, relating to public institutions of higher education; proportion of in-state students and the Virginia Higher Education Scholarship Act.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 23-7.1:03 and by adding in Title 23 a chapter numbered 4.11, consisting of sections numbered 23-38.122 through 23-38.125, as follows:

§ 23-7.1:03. Ratios of in-state and out-of-state enrollments.

Beginning with the incoming freshman class of 2017, the board of visitors of a four-year public institution of higher education shall maintain a ratio of the in-state and out-of-state student population in each incoming freshman class that is not less than 55 percent in-state students. The provisions of this section shall not apply to Norfolk State University, Virginia Military Institute, and Virginia State University.

CHAPTER 4.11.**VIRGINIA HIGHER EDUCATION SCHOLARSHIP ACT.**

§ 23-38.122. Virginia Higher Education Scholarship Act Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Higher Education Scholarship Act Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All funds as may be appropriated by the General Assembly and any gifts, grants, or donations from public or private sources shall be paid into the state treasury and credited to the Fund. 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 solely for the purposes of awarding scholarships to the top one percent of Virginia's public high school graduates. 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 Council.

§ 23-38.123. Virginia Higher Education Scholarship Program.

A. As used in this chapter, unless the context requires a different meaning:

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

"Eligible institution" means the public institutions of higher education to which an eligible student may apply his scholarship pursuant to § 23-38.125.

"Eligible student" means a student who is eligible pursuant to § 23-38.124.

"Fund" means the Virginia Higher Education Scholarship Act Fund established in § 23-38.122.

B. Beginning with the 2016-2017 school year, an eligible student may apply for a scholarship from the Fund. Such scholarship shall be in an amount equal to the cost of tuition, mandatory fees, room, and board for eight semesters at the student's selected eligible institution. A scholarship shall expire five calendar years after it is awarded.

C. An eligible student shall apply to the Council for a scholarship. Scholarships shall be issued in the order that each completed eligible application is received. In the event that the amount of eligible scholarships requested in a fiscal year exceeds the funds available in the Fund, scholarships shall be paid in the next fiscal year in which funds are available.

D. The Council shall develop guidelines setting forth the general requirements of qualifying for a scholarship to include a scholarship application form. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

§ 23-38.124. Eligible students.

A. A student is eligible for a scholarship if he (i) graduated from public high school in Virginia; (ii) graduated in the top one percent of his graduating class or, if the graduating class was less than 100, was the top student in the class; (iii) is eligible for in-state tuition pursuant to § 23-7.4; and (iv) is accepted for admission at an eligible institution.

B. The number of eligible students at any public high school shall not exceed one percent of the school's graduating class unless the graduating class was less than 100. In the event of a tie between students that would result in the number of eligible students exceeding one percent, the high school principal shall make the tiebreaking decision.

60 C. The scholarship of any eligible student who is dismissed from an eligible institution shall be
61 revoked.

62 **§ 23-38.125. Eligible institutions.**

63 An eligible student may apply his scholarship at the following eligible institutions:

64 1. Norfolk State University.

65 2. Virginia Military Institute.

66 3. Virginia State University.

67 4. Christopher Newport University, if the eligible student graduated from a public high school
68 located in Greenville, Isle of Wight, James City, Southampton, Surry, Sussex, or York County or the
69 City of Emporia, Franklin, Hampton, Newport News, Poquoson, or Williamsburg.

70 5. George Mason University, if the eligible student graduated from a public high school located in
71 Arlington, Fairfax, Fauquier, Loudoun, or Prince William County or the City of Alexandria, Fairfax,
72 Falls Church, Manassas, or Manassas Park.

73 6. James Madison University, if the eligible student graduated from a public high school located in
74 Albemarle, Alleghany, Amherst, Augusta, Bath, Bedford, Botetourt, Clarke, Culpeper, Frederick, Greene,
75 Highland, Madison, Nelson, Orange, Page, Rappahannock, Rockbridge, Rockingham, Shenandoah, or
76 Warren County or the City of Buena Vista, Charlottesville, Covington, Harrisonburg, Lexington,
77 Lynchburg, Staunton, Waynesboro, or Winchester.

78 7. Longwood University, if the eligible student graduated from a public high school located in
79 Amelia, Appomattox, Brunswick, Buckingham, Campbell, Charlotte, Cumberland, Fluvanna, Halifax,
80 Lunenburg, Mecklenburg, Nottoway, Pittsylvania, or Prince Edward County or the City of Danville.

81 8. University of Mary Washington, if the eligible student graduated from a public high school
82 located in Caroline, Essex, Gloucester, King and Queen, King George, King William, Lancaster,
83 Mathews, Middlesex, Northumberland, Richmond, Spotsylvania, Stafford, or Westmoreland County or the
84 City of Fredericksburg.

85 9. Old Dominion University, if the eligible student graduated from a public high school located in
86 Accomack or Northampton County or the City of Chesapeake, Norfolk, Portsmouth, Suffolk, or Virginia
87 Beach.

88 10. Radford University, if the eligible student graduated from a public high school located in Bland,
89 Carroll, Craig, Floyd, Franklin, Giles, Henry, Montgomery, Patrick, Pulaski, Roanoke, or Wythe County
90 or the City of Martinsville, Radford, Roanoke, or Salem.

91 11. University of Virginia's College at Wise, if the eligible student graduated from a public high
92 school located in Buchanan, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, or
93 Wise County or the City of Bristol, Galax, or Norton.

94 12. Virginia Commonwealth University, if the eligible student graduated from a public high school
95 located in Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, Louisa, New Kent,
96 Powhatan, or Prince George County or the City of Colonial Heights, Hopewell, Petersburg, or
97 Richmond.