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## HOUSE BILL NO. 2694

House Amendments in [ ] — February 7, 1999

*A BILL to amend the Code of Virginia by adding in Title 23 a chapter numbered 4.4:4, consisting of sections numbered 23-38.53:12 through 23-38.53:15, and by adding in Article 3 a section numbered 58.1-339.6, in Article 7 a section numbered 58.1-372, in Article 9 a section numbered 58.1-395, and in Article 13 a section numbered 58.1-439.11, all in Chapter 3 of Title 58.1, relating to the creation of the Advantage Virginia Incentive Program.*

Patrons—Scott, Albo, Almand, Hull, Keating, McClure, Moran, Plum, Rust and Watts; Senators: Howell, Saslaw and Woods

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 Title 23 a chapter numbered 4.4:4, consisting of sections numbered 23-38.53:12 through 23-38.53:15, and by adding in Article 3 a section numbered 58.1-339.6, in Article 7 a section numbered 58.1-372, in Article 9 a section numbered 58.1-395, and in Article 13 a section numbered 58.1-439.11, all in Chapter 3 of Title 58.1, as follows:

## CHAPTER 4.4:4.

## ADVANTAGE VIRGINIA INCENTIVE PROGRAM.

§ 23-38.53:12. Program created; purpose; [ ~~State Council of Higher Education~~ Statewide Workforce Advisory Council ] to administer; designation of occupational areas of high demand.

A. There is hereby created the Advantage Virginia Incentive Program (AVIP) to provide scholarships to students attending public institutions of higher education in Virginia who become employed in occupational areas of high demand in the Commonwealth. Pursuant to § 23-38.53:15, funds may be paid to any public institution of higher education in Virginia on behalf of students who have been awarded AVIP scholarships. The [ ~~State Council of Higher Education~~ Statewide Workforce Advisory Council created in § 9-329.1 ] (the "Council") shall promulgate regulations to implement the provisions of this chapter.

B. By September 1, 1999, and every September 1 thereafter, the Council shall designate (i) occupational areas of high demand in the Commonwealth; (ii) professions and skill areas directly related to such occupational areas of high demand; and (iii) two-year or four-year degree programs or certifications directly leading to employment in such occupational areas of high demand. In making such designations, the Council shall (i) consult with the [ ~~Statewide Workforce Advisory Council~~ State Council of Higher Education ] created in § 9-329.1, the Secretaries of Commerce and Trade, Education, and Technology, and any interested representatives from private sector businesses, labor organizations, trade associations, and individuals, public agencies, or private companies with expertise related to labor markets or geographic and demographic analysis, and (ii) seek to ensure that the diverse needs of the Commonwealth are considered and that such designations reflect Virginia's broad, long-term economic, educational, and public policy interests in both the public and private sectors.

§ 23-38.53:13. Advantage Virginia Incentive Fund created.

A. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be known as the Advantage Virginia Incentive Fund (the "Fund"). The Fund shall be established on the books of the Comptroller, and any funds remaining in the 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. Pursuant to § 23-38.53:15, funds may be paid to any public institution of higher education in Virginia on behalf of students who have been awarded AVIP scholarships.

B. The Department of the Treasury shall administer and manage the Fund, subject to the authority of the Council 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.

§ 23-38.53:14. Eligibility for AVIP; criteria for maintaining scholarships.

A. Only students who (i) are domiciled in Virginia as defined by § 23-7.4, (ii) are graduates of a high school in the Commonwealth with a cumulative secondary school grade point average of at least 2.5 on a scale of 4.0 or its equivalent, (iii) are accepted for enrollment in any two-year or four-year public institution of higher education in Virginia, and (iv) demonstrate financial need as defined by the Council shall be eligible to receive AVIP scholarships.

B. All scholarships shall be awarded for one year, but may be renewed annually if the recipient

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60 maintains at least a 2.0 grade point average on a scale of 4.0 or its equivalent and demonstrates  
61 continued financial need.

62 § 23-38.53:15. Amount of scholarships; contract terms and conditions; repayment of scholarship  
63 through employment in an occupational area of high demand.

64 A. An eligible student may participate in AVIP for up to ten semesters, or their equivalent, whether  
65 or not consecutive, and may be awarded a scholarship of up to \$2500 per academic year by the  
66 Council, not to exceed a maximum of \$10,000, to be used for tuition, books, or fees. No student shall  
67 participate in AVIP more than seven years after beginning such participation.

68 B. Before an AVIP scholarship is awarded, a student shall sign a written contract under the terms of  
69 which he agrees to be employed in an occupational area of high demand within the Commonwealth, as  
70 designated by the Council pursuant to § 23-38.53:12. Such employment shall begin within one calendar  
71 year after the student's graduation from a public institution of higher education in Virginia and continue  
72 thereafter until he has been continuously employed in an occupational area of high demand in the  
73 Commonwealth for a period of years equal in number to the years that he has been or shall be a  
74 beneficiary of an AVIP scholarship. The employment qualifying as repayment of an AVIP scholarship  
75 shall be approved by the Council on a yearly basis, with each year of approved employment qualifying  
76 the student for repayment of one year's AVIP scholarship.

77 C. The contract shall provide that if the student fails to comply with the provisions thereof, he shall  
78 repay to the Fund all amounts received by him as a beneficiary of an AVIP scholarship with interest,  
79 such repayment to be upon such terms and conditions as may be determined by the Council. Such  
80 contract shall contain such other provisions as may be necessary, convenient, or desirable in the  
81 opinion of the Council to accomplish the purposes of this chapter.

82 D. As further evidence of the student's promise to make repayment through employment in an  
83 occupational area of high demand, he shall, as to each AVIP scholarship awarded to him and at the  
84 time such scholarship is awarded, be required to execute and deliver to the Council a note in a  
85 principal sum equal to the amount of such scholarship with interest and penalties, if any, to be  
86 determined by the Council. The note shall be accepted by the Council upon the condition that such note,  
87 and any other similar notes so given, shall be cancelled by the Council upon the basis of one note for  
88 each year in which the student shall be continuously employed in an occupational area of high demand  
89 in the Commonwealth. No student shall be permitted to plead the statute of limitations or interpose a  
90 plea of infancy in the event of an action being brought against him on any such note.

91 E. As part of its regulations to implement the provisions of this chapter, the Council shall specify  
92 repayment procedures in the event a student fails or refuses to maintain eligibility for AVIP during the  
93 scholarship year or to fulfill the terms and conditions of his contract with the Council. All money repaid  
94 by the student shall be placed in the Fund created in § 23-38.53:13 of this chapter.

95 F. Nothing in this section shall be construed to require the Council to enter into contracts with  
96 students who otherwise qualify for AVIP when funds are not available for such purpose or as a promise  
97 or guarantee by the Council that a person will be (i) admitted to a public institution of higher education  
98 in Virginia or a particular public institution of higher education in Virginia, (ii) allowed to continue to  
99 attend a public institution of higher education in Virginia after having been admitted, or (iii) graduated  
100 from a public institution of higher education in Virginia.

101 § 58.1-339.6. For taxable years beginning on or after January 1, 1999, a taxpayer shall be allowed  
102 a credit against the tax imposed pursuant to Article 2 (§ 58.1-320 et seq.) of Chapter 3 of this title in  
103 an amount not to exceed \$100,000 per taxpayer for contributions to the Advantage Virginia Incentive  
104 Fund established in § 23-38.53:13.

105 § 58.1-372. For taxable years beginning on or after January 1, 1999, a taxpayer shall be allowed a  
106 credit against the tax imposed pursuant to Article 6 (§ 58.1-360 et seq.) and Article 10 (§ 58.1-400 et  
107 seq.) of Chapter 3 of this title in an amount not to exceed \$100,000 per taxpayer for contributions to  
108 the Advantage Virginia Incentive Fund established in § 23-38.53:13.

109 § 58.1-395. For taxable years beginning on or after January 1, 1999, a taxpayer shall be allowed a  
110 credit against the tax imposed pursuant to Article 9 (§ 58.1-390 et seq.) of Chapter 3 of this title in an  
111 amount not to exceed \$100,000 per taxpayer for contributions to the Advantage Virginia Incentive Fund  
112 established in § 23-38.53:13.

113 § 58.1-439.11. For taxable years beginning on or after January 1, 1999, a taxpayer shall be allowed  
114 a credit against the tax imposed pursuant to Article 10 (§ 58.1-400 et seq.) of Chapter 3 of this title in  
115 an amount not to exceed \$100,000 per taxpayer for contributions to the Advantage Virginia Incentive  
116 Fund established in § 23-38.53:13.