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**HOUSE BILL NO. 2296**

Offered January 12, 2011

Prefiled January 12, 2011

*A BILL to amend the Code of Virginia by adding in Title 23 a chapter numbered 4.03, consisting of sections numbered 23-38.10:14 and 23-38.10:15, relating to the establishment of a Commonwealth Scholars Program and Investment Fund.*

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 Patron—Englin
 

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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 4.03, consisting of sections numbered 23-38.10:14 and 23-38.10:15, as follows:**

**CHAPTER 4.03.****COMMONWEALTH SCHOLARS PROGRAM AND INVESTMENT FUND.**

*§ 23-38.10:14. Commonwealth Scholars Program and Investment Fund created; State Council of Higher Education for Virginia to promulgate regulations.*

*A. There is hereby created the Commonwealth Scholars Program whereby public and private organizations and individuals may make monetary contributions to provide scholarships for eligible students in order to expand access to higher education. Scholarship funds may be paid to any accredited, degree-granting public or private nonprofit institution of higher education in Virginia whose primary purpose is to provide collegiate, graduate, or professional education and not to provide religious training or theological education, on behalf of students who have been awarded such scholarships. The State Council of Higher Education for Virginia shall administer the Program and Fund and 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.*

*B. From such funds as may be appropriated and from such contributions received on its behalf, there is hereby created in the state treasury a special nonreverting fund to be known as the Commonwealth Scholars Investment Fund, hereafter 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. From moneys in the Fund, the Council shall award scholarships to eligible students, pursuant to § 23-38.10:15, for attendance at an eligible institution of higher education. 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 Council. The Council may establish provisions to return (i) a portion of any contribution, (ii) interest income, or (iii) other income, to the original donor, so long as such procedure has been approved by the Department of Taxation as to its tax implications.*

*C. The full amount of each scholarship awarded to each recipient shall be used only for payment of charges for tuition and shall not be applied to fees, room, board, or other educational expenses.*

*D. The Council shall annually determine the amount of such scholarships, based upon funds available including whether to offer larger scholarships for certain degree fields.*

*§ 23-38.10:15. Eligibility; terms and conditions.*

*A. Only students who are domiciled residents of Virginia as defined by § 23-7.4 and who are admitted and enrolled as full-time students in a public or nonprofit private institution of higher education shall be eligible to receive awards granted pursuant to this chapter. The Council may establish additional criteria in its regulations.*

*B. Before any scholarship is awarded in accordance with the provisions of this chapter, the scholarship recipient shall sign a promissory note under which he agrees to annually pay back into the Fund a percentage of his annual income, not to exceed five percent, beginning five years after the end of the scholarship funded program, and for a period not to exceed 25 years. The ultimate terms of the promissory note shall be determined by the Council.*

INTRODUCED

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