1996 Session

Budget Bill - HB30 (Introduced)

Item 4-5.01

§ 4-5.01 TRANSACTIONS WITH INDIVIDUALS

a. SETTLEMENT OF CLAIMS: Whenever a dispute, claim or controversy involving the interest of the Commonwealth is settled pursuant to § 2.1-127, Code of Virginia, payment may be made out of any appropriations, designated by the Governor, to the state agency(ies) which is (are) party to the settlement.

b. STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION:

1. General:

a) The appropriations made in this act to state institutions of higher education within the items for student financial assistance, may be expended for any one, all, or any combination of the following purposes: grants to undergraduate students enrolled at least one-half time in a degree, certificate or diploma program; grants to full-time graduate students; institutional contributions to federal or private student aid programs requiring matching funds by the institution, except for programs requiring work. Not more than 50 percent of an institution's general fund appropriation under such items shall be used to provide grants to graduate students. The State Council of Higher Education for Virginia shall annually approve each institution's proposed plan for the expenditures of its appropriation for student financial assistance.

b) All awards made to undergraduate students from such items shall be for Virginia students only and shall be solely on the basis of student financial need and shall be determined by the use of a need-analysis system approved by the Council. It is the intent of the General Assembly that all undergraduate financial aid awards funded by this appropriation shall be proportionate to the financial need of individual students.

c) All awards made to graduate students from such items solely on the basis of student financial need shall be determined by the use of a need-analysis system approved by the Council.

d) A student who receives a grant under such items and who, during a semester, withdraws from the institution which made the award must surrender the balance of the unused portion. The tuition refund policy in effect at the particular institution will determine the amount of the unused portion of the award and thereby the amount of the award that must be reclaimed by the institution.

e) An award made under such items to assist a student in attending an institution's summer session shall be prorated according to the size of comparable awards made in that institution's regular session.

f) The provisions of this act under the heading "Student Financial Assistance for Higher Education" shall not apply to medical and dental scholarships authorized under § 23-35.1, Code of Virginia, or to the soil scientist scholarships authorized under § 23-38.3, Code of Virginia.

2. Grants To Undergraduate Students:

a) Each institution which makes undergraduate grants paid from its appropriation for student financial assistance shall expend such sums as approved for that purpose by the Council.

c) A student receiving an award must be duly admitted and enrolled in a degree, certificate or diploma program at the institution making the award.

d) 1) It is the intent of the General Assembly, students eligible under the Guaranteed Assistance Program (GAP) authorized in § 23-38:53, Code of Virginia, shall receive grants before all other students at the same institution with equivalent financial need from the appropriations for undergraduate student financial assistance found in Part 1 of this act (subprogram 1081000 - Scholarships). In each instance, GAP eligible students shall receive awards greater than other students with equivalent financial need.

2) The amount of each GAP grant shall vary according to each student's relative need and the total of tuition, all required fees and the cost of books of the institution the student will attend upon acceptance for admission. The actual amount of the GAP award will be determined by the proportionate award schedule adopted by each institution; however, those students with the greatest financial need shall be guaranteed an award at least equal to tuition.

3) It is the intent of the General Assembly that the Guaranteed Assistance Program serve as an incentive to financially needy students now attending elementary and secondary school in Virginia to raise their expectations and their academic performance and to consider higher education an achievable objective in their futures.

3. Grants To Graduate Students:

a) Each institution which makes graduate grants paid from its appropriation for student financial assistance shall expend such sums as approved for that purpose by the Council. An individual award may be based on financial need but may, in addition to or instead of, be based on other criteria determined by the institution making the award. The amount of an award shall be determined by the institution making the award; however, the Council shall annually be notified as to the maximum size of a graduate award that is paid from funds in the appropriation.

b) An institution may use up to 50 percent of its funds approved for the purpose of this section to make available graduate awards requiring specified service to the institution. The institution is required to transfer to educational and general appropriations all funds used to pay graduate assistantships or for duties which require work.

c) A student receiving a graduate award paid from the appropriation must be duly admitted into a graduate degree program at the institution making the award.

d) Not more than 50 percent of the funds designated by an institution as graduate grants from the appropriation, and approved as such by the Council, shall be awarded to persons not eligible to be classified as Virginia domiciliary resident students.

4. Matching Funds: Any institution of higher education may, with the approval of the Council, use funds from its appropriation for fellowships and scholarships to provide the institutional contribution to any student financial aid program established by the federal government or private sources which requires the matching of the contribution by institutional funds, except for programs requiring work.

5. Discontinued Loan Program:

a) If any federal student loan program for which the institutional contribution was appropriated by the General Assembly is discontinued, the institutional share of the discontinued loan program shall be repaid to the fund from which the institutional share was derived unless other arrangements for the use of the funds are recommended by the Council and approved by the Department of Planning and Budget. Should the institution be permitted to retain

the federal contributions to the program, the funds shall be used according to arrangements authorized by the Council and approved by the Department of Planning and Budget.

b) 1) An institution of higher education may discontinue its student loan fund established pursuant to Title 23, Chapter 4.01, Code of Virginia. The full amount of cash in such discontinued loan fund shall be paid into the state treasury into a nonrevertible nongeneral fund account. Prior to such payment, the State Comptroller shall verify its accuracy, including the fact that the cash held by the institution in the loan fund will be fully depleted by such payment. The loan fund shall not be reestablished thereafter for that institution.

2) The cash so paid into the state treasury shall be used only for grants to undergraduate and graduate students in the Higher Education Student Financial Assistance program according to arrangements authorized by the Council and approved by the Department of Planning and Budget.

3) Payments on principal and interest of any promissory notes held by the discontinued loan fund shall continue to be received by the institution, which shall deposit such payments in the state treasury to the nonrevertible nongeneral fund account specified in subdivision 1) preceding, to be used for grants as specified in 2) preceding.

c) Reporting: The Council shall collect student-specific information for both graduate and undergraduate students as is necessary for the operation of this program. The Council shall develop regulations governing the operation of this program based on the provisions outlined in this section and State Council policy.