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Exempt Action: Final Regulation Agency Background Document

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| Agency name | State Council of Higher Education for Virginia (SCHEV) |
| Virginia Administrative Code (VAC) Chapter citation(s) | 8 VAC 40-71 |
| VAC Chapter title(s) | Virginia Tuition Assistance Grant Regulations |
| Action title | Amending Tuition Assistance Grant Regulations |
| Final agency action date | October 26, 2021 |
| Date this document prepared | January 6, 2022 |

Although a regulatory action may be exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the *Code of Virginia*, the agency is still encouraged to provide information to the public on the Regulatory Town Hall using this form. However, the agency may still be required to comply with the Virginia Register Act, Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1VAC7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

Since 1973, the Virginia Tuition Assistance Grant Program (TAG) has provided state grants, projected to be \$4,000 for undergraduate students in FY 2022, to eligible Virginians enrolled at one of 28 participating private Virginia nonprofit colleges and universities. SCHEV is responsible for program oversight including the development and adoption of TAG regulations when program changes are authorized by state legislation.

During the 2020 session of the General Assembly, TAG for online education or distance learning programs was scheduled to be phased out beginning in FY 2021. Phasing out TAG for online degree students primarily impacted Bluefield College, Liberty University, Mary Baldwin University and Regent University but had a marginal to no impact on the remaining institutions. The TAG online exclusion was amended in the 2021 session with TAG restored for online

education or distance learning programs at a reduced rate (projected to be half of the standard award).

In developing the new regulatory language, SCHEV created definitions for terms used uniquely within the legislation, such as “enrolled exclusively,” and expanded definitions for terms such as “online education or distance learning.” The proposed regulation amendments also include instructions on how to determine which online The State Council of Higher Education for Virginia 32 education or distance learning students remain eligible for TAG at the FY2020 award amounts and which online education or distance learning students are eligible for a reduced award. The proposed regulation amendments include an updated definition of “domiciliary resident” in accordance with recent changes to the statute. Finally, the proposed amendments include the new institutional program eligibility requirement that participating institutions be in compliance with the SCHEV Financial Aid Award Letters Policies and Guidance.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, or board decision). “Mandate” is defined as “a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part.”

Under the 2020 and 2021 Acts of Assembly, legislators first eliminated and then reinstated - at a reduced amount - the availability of the Virginia Tuition Assistance Grant Program (TAG) to students enrolled in an online education or distance learning program. These proposed amendments to program regulations formally provide the administrative guidance necessary to ensure institutional compliance with state law.

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

On October 26, 2021, Council approved the following Resolution:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the proposed amendments to the Virginia Tuition Assistance Grant Program regulations and further authorizes staff to make non-substantive changes as directed during the remainder of the promulgation process.