



2025-2026 General Assembly

HOUSE BILL 696: Medicaid & Health and Human Services Adjustments/Other Critical Needs, Sec. 2.5: Expand and Revise Existing Flexibility for the Children of Wartime Veterans Scholarship Funds Program to Include the 2026-2027 and 2027-2028 Academic Years

Analysis of:	S.L. 2026-1, Sec. 2.5	Date:	August 21, 2026
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Section 2.5 of S.L. 2026-1 (House Bill 696) and Section 8A.6 of S.L. 2026-41 (Senate Bill 257) extend the flexibility provided for the administration of funds for the Children of Wartime Veterans Scholarship Program (Program) to include the 2026-2027 and 2027-2028 academic years. This flexibility was previously granted to the State Education Assistance Authority (SEAA) and Secretary of the Department of Military and Veterans Affairs (Secretary) for the 2024-2025 and 2025-2026 academic years.

For the 2026-2027 academic year, all of the following apply to the administration of funds for the Program:

- The Secretary, after consulting with SEAA, must determine whether to prioritize applicants who meet the following criteria:
 - Apply as an undergraduate.
 - Qualify as a resident for tuition purposes.
 - Meet all other program requirements.
- The Secretary, after consultation with SEAA, can determine whether to establish a standardized payment schedule or formula for the efficient and effective administration of available scholarship funds.
- SEAA must place any unexpended and unencumbered appropriated funds in an institutional trust fund.

For the 2027-2028 school year, all the following apply to the administration of funds for the Program:

- SEAA, after consultation with the Secretary, must do the following:
 - Establish a formula and standardized payment schedule for maximum scholarship awards for students that reflects the cost of attendance for eligible students receiving scholarship funds who are enrolled at approved public and private institutions of higher education, including mandatory fees, room, and board, as applicable. If the Secretary determines that funds are insufficient to provide scholarships to all eligible students in accordance with the standardized payment schedule, SEAA can take necessary steps to adjust scholarship amounts, subject to the standardized payment schedule. If SEAA modifies scholarship amounts, the Secretary must notify eligible students of the adjustment.
 - Post the standardized payment schedule on its website.
 - Report the standardized payment schedule to the Joint Legislative Education Oversight Committee (JLEOC), Joint Legislative Oversight Committee on General Government (JLOCGG), and Fiscal Research Division by April 1, 2027.

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- The Secretary must open applications for the Program to new applicants no later than April 1, 2027. The priority period for submission of applications must close by May 1, 2027. The Secretary can adjust or close the application period for new applicants depending on the number of new eligible applicants and the availability of funds for the 2027-2028 academic year.
- New applicants must (i) be enrolling as undergraduates and (ii) qualify as residents for tuition purposes to qualify for a scholarship in the 2027-2028 school year.
- SEAA, after consultation with the Secretary, must determine whether the funds available for the Program in the 2027-2028 academic year are sufficient to provide scholarships to all eligible students in accordance with the standardized payment schedule by July 1, 2027.
- The Department of Military and Veterans Affairs must submit a report to JLEOC and JLOCGG by March 15, 2028, on at least all of the following:
 - The number of applications from eligible students.
 - The funds needed to provide full scholarships to all applicants who are eligible students.
 - Projected applications from eligible students for subsequent academic years based on trends in prior years and population growth in the State.
 - Any adjustments made to the scholarship amounts under the standardized payment schedule for the 2027-2028 academic year.
 - Any other measures taken to provide meaningful scholarship awards.
 - Recommendations for legislative changes needed to ensure the efficient and effective administration of scholarships for all eligible students in future academic years, in recognition of the sacrifices made by veterans and their families for the State.
- SEAA must place any unexpended and unencumbered appropriated funds in an institutional trust fund.

These sections became effective June 30, 2025, and apply to awards granted for the 2026-2027 and 2027-2028 academic years.