§ 6405. State reimbursement to certain independent institutions of higher education which participate in the federal work study program. 1. For purposes of this section, the following terms shall be defined as follows:

a. "Institutional award year" shall mean the period from the first day of July until the thirtieth day of June of the following year, next preceding the state fiscal year in which state aid is to be paid.

b. "Eligible expenditures" shall mean the total expenditures made by an institution from federal college work study funds received by the institution for the employment of students by such institution.

2. The commissioner is hereby authorized to pay any independent, non-profit institution of higher education incorporated by the regents or the legislature, which maintains one or more earned degree programs, other than seminarian or theological programs, and which participates in the college work study program in accordance with the provisions of Part C of Title IV of the Higher Education Act of 1965 as amended, upon application by such institution, twenty-five percentum of the eligible expenditures of the institution for the purpose of reimbursing the institution for its expenditure of funds in such work study program. Such payments shall commence in the state fiscal year beginning April first, nineteen hundred eighty-one for expenditures made during the institutional award year commencing on July first, nineteen hundred eighty.

3. Payments shall be made in accordance with a schedule to be determined by the commissioner, and upon application by the institution in such form and at such times as are determined by the commissioner. The commissioner is authorized to promulgate such regulations as are needed to accomplish the purposes of this section.

4. Any institution receiving payment pursuant to this section shall not use such funds for any purpose other than a college work study program, and shall indicate separately the total of all funds expended for the college work study program and the amount of reimbursement

claimed by the institution, on such form as the commissioner shall designate.

5. Any institution receiving funds under this section shall match such payments dollar for dollar with additional financial aid to needy students who are determined to be in need according to standards approved by the commissioner and shall indicate the total of all financial aid provided for all students during academic year nineteen hundred eighty--nineteen hundred eighty-one and thereafter on such form as the commissioner shall designate.

6. Payments to institutions of higher education pursuant to subdivision two of this section shall not exceed:

a. For payments to be made during the state fiscal year commencing April first, nineteen hundred eighty-one, one-third of twenty-five percent of the eligible expenditures of an institution.

b. For payments to be made during the state fiscal year commencing April first, nineteen hundred eighty-two, two-thirds of twenty-five percent of the eligible expenditures of an institution.

c. For payments to be made during the state fiscal year commencing April first, nineteen hundred eighty-three, and in each state fiscal year thereafter, one hundred percent of twenty-five percent of the eligible expenditures of an institution.