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By: **Delegates King, Amedori, Barkley, Boschert, Bozman, Bronrott,  
G. Clagett, Cryor, Dumais, Feldman, Gilleland, Gutierrez, Heller,  
Jameson, Lee, Myers, and Simmons**

Introduced and read first time: January 29, 2004

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education - Student Financial Assistance Fund**

3 FOR the purpose of establishing the Student Financial Assistance Fund in the Office  
4 of Student Financial Assistance in the Maryland Higher Education Commission;  
5 establishing a funding source for the Fund; providing for the use of the Fund  
6 and expenditures from the Fund; and generally relating to the Student  
7 Financial Assistance Fund.

8 BY adding to  
9 Article - Education  
10 Section 18-114  
11 Annotated Code of Maryland  
12 (2001 Replacement Volume and 2003 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Education**

16 18-114.

17 (A) IN THIS SECTION, "FUND" MEANS THE STUDENT FINANCIAL ASSISTANCE  
18 FUND.

19 (B) (1) THERE IS A STUDENT FINANCIAL ASSISTANCE FUND IN THE OFFICE.

20 (2) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT  
21 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

22 (3) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER  
23 SHALL ACCOUNT FOR THE FUND.

24 (4) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME  
25 MANNER AS OTHER STATE FUNDS.

1           (5)     ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO  
2 THE FUND.

3     (C)     THE FUND CONSISTS OF REPAYMENT OBLIGATIONS INCURRED BY  
4 RECIPIENTS OF STUDENT FINANCIAL ASSISTANCE, SCHOLARSHIPS, OR GRANTS  
5 ADMINISTERED BY THE COMMISSION UNDER THIS TITLE AND PAID TO THE STATE.

6     (D)     EXPENDITURES FROM THE FUND SHALL BE MADE BY AN APPROPRIATION  
7 IN THE ANNUAL STATE BUDGET OR BY APPROVED BUDGET AMENDMENT AS  
8 PROVIDED UNDER § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

9     (E)     THE MONEY IN THE FUND SHALL BE USED FOR FINANCIAL ASSISTANCE,  
10 SCHOLARSHIPS, OR GRANTS ADMINISTERED BY THE COMMISSION UNDER THIS  
11 TITLE.

12    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 July 1, 2004.