

(2) (i) Subject to subparagraph (ii) of this paragraph and paragraph (3) of this subsection, a county board that provides a negotiated and funded cost of living adjustment for teachers of at least 4% or a negotiated and funded adjustment to the teacher salary schedules that has an aggregate cost that is at least equivalent to the cost of providing a 4% cost of living adjustment for teachers shall qualify for the percentage component and the wealth adjusted component of the Governor's Teacher Salary Challenge Program.

(ii) The funds provided by a county board for the purpose of meeting the local match requirement established under subparagraph (i) of this paragraph shall be:

1. In addition to any previously negotiated and funded step increases and stipends; and

2. Obtained from sources other than the percentage component of the Governor's Teacher Salary Challenge Program.

(3) If a county board meets the local match requirement established under paragraph (2) of this subsection in fiscal year 2001 and does not meet the local match requirement in fiscal year 2002, the county board shall receive:

(i) A percentage component in fiscal year 2002 as provided under subsection (d)(2)(ii)3 of this section; and

(ii) A wealth adjusted component in fiscal year 2002 as provided under subsection (d)(3) of this section.

(4) In fiscal years 2001 and 2002, the percentage component of the Governor's Teacher Salary Challenge Grant shall be used to provide an additional 1% cost of living adjustment for teachers.

(g) The Governor shall include funds in the State budget to accomplish the purposes of this section.

(h) The Department of Budget and Management and the State Superintendent may establish guidelines or regulations to implement the Governor's Teacher Salary Challenge Program.

(i) (1) There is a Transitional Education Fund.

(2) The Fund consists of \$16,500,000 of reimbursements for fiscal year 2000 and all reimbursements for fiscal years ~~2001, 2002, and 2003~~ ~~2001 AND 2002~~ received by the State from the county boards that:

(i) Are for retirement contributions made after June 30, 1999 but before ~~July 1, 2003~~ ~~JULY 1, 2002~~; and

(ii) Are sought by the State on the basis that the salary of an eligible member of the Teachers' Retirement System or Teachers' Pension System is paid in part or in whole from:

1. State aid, whether general or categorical in nature; or