

(I) ARE FOR RETIREMENT CONTRIBUTIONS MADE AFTER JUNE 30, 2000 1999 BUT BEFORE JULY 1, 2002; AND

(II) ARE SOUGHT BY THE AGENCY 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

2. FEDERAL FUNDS, WHETHER THE FUNDS ARE PAID DIRECTLY TO A LOCAL SCHOOL SYSTEM OR ARE PASSED THROUGH FROM A UNIT OF STATE GOVERNMENT.

(3) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION § 5-203(D) OF THIS SUBTITLE, ALL REIMBURSEMENTS DESCRIBED IN PARAGRAPH (2) OF THIS SUBSECTION SHALL BE CREDITED TO THE FUND.

(4) (I) THE STATE TREASURER SHALL HOLD THE FUND AND SHALL INVEST THE MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(II) ALL INTEREST ON THE FUND SHALL ACCRUE TO THE GENERAL FUND.

(III) THE STATE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(5) THE FUND SHALL BE USED TO IMPLEMENT THE GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM ESTABLISHED UNDER THIS SECTION.

(6) (6) AN EXPENDITURE EXPENDITURES FROM THE FUND MAY BE MADE ONLY PURSUANT TO AN APPROPRIATION APPROVED BY THE GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY APPROVED BUDGET AMENDMENT.

(6) (4) THE FUND SHALL BE USED ONLY TO MAKE GRANTS TO COUNTY BOARDS AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH.

(II) FOR EACH OF FISCAL YEARS 2001 AND 2002, A GRANT SHALL BE MADE TO EACH COUNTY BOARD IN AN AMOUNT EQUAL TO THE AMOUNT OF THE REIMBURSEMENTS DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION THAT ARE MADE BY THE COUNTY BOARD FOR THE FISCAL YEAR.

(III) THE GRANTS TO THE COUNTY BOARDS UNDER THIS SUBSECTION MAY BE USED FOR ANY EDUCATIONAL PURPOSES.

(7) EXCEPT AS PROVIDED IN PARAGRAPH (8) OF THIS SUBSECTION, ANY FUND BALANCE AT THE END OF EACH FISCAL YEAR SHALL REMAIN IN THE FUND AND MAY NOT REVERT TO THE GENERAL FUND.

(8) THE FUND SHALL TERMINATE AT THE END OF ~~DECEMBER 31~~ JUNE 30, 2002 AND ANY FUND BALANCE THAT REMAINS AT THE END OF ~~DECEMBER 31~~ JUNE 30, 2002 SHALL REVERT TO THE GENERAL FUND.