

(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 ~~\$18,000,000~~ \$16,500,000 OF REIMBURSEMENTS FOR FISCAL YEAR 2000 AND ALL REIMBURSEMENTS FOR FISCAL YEARS 2001 AND 2002 RECEIVED BY THE STATE FROM THE COUNTY BOARDS THAT:

(I) ARE FOR RETIREMENT CONTRIBUTIONS MADE AFTER JUNE 30, ~~2000~~ 1999 BUT BEFORE 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

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 § 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 INVEST THE MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

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

(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 JUNE 30, 2002 AND ANY FUND BALANCE THAT REMAINS AT THE END OF JUNE 30, 2002 SHALL REVERT TO THE GENERAL FUND.