

SECTION 7.6. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law:

(a) By September 1, 1995, at least \$12,000,000 shall be transferred by budget amendment to the reserve account for unfunded liabilities established under § 7-310 of the State Finance and Procurement Article from State agencies or entities participating in the State Employee Health Insurance Program whose health insurance costs are supported by funds other than general funds. The amount of the transfer applicable to each agency shall be determined by the Department of Budget and Fiscal Planning as a reasonable pro rata share of health insurance costs attributable to each agency or entity.

(b) At least ~~\$12,000,000~~ \$8,000,000 shall be included as a separate item in the proposed appropriation by the Governor in the State budget bill for each of Fiscal Years 1996, 1997, and 1998 that represents an amount above the level needed to recover the projected cost of the State Employee Health Insurance Program in each of those fiscal years. The amount of the approved appropriation for each fiscal year shall be transferred by December 30 of the applicable fiscal year to the reserve account for unfunded liabilities established under § 7-310 of the State Finance and Procurement Article.

(c) The amounts specified in this section are intended to help reduce any unfunded State employee health insurance liability.

SECTION 7. AND BE IT FURTHER ENACTED, That for Fiscal Year 1995, notwithstanding any other provision of law, the Governor may transfer \$4,839,124 from the Peabody Institute Fund established under § 7-317 of the State Finance and Procurement Article to the Maryland Higher Education Commission to be used only for "Aid to Non-Public Institutions of Higher Education" (budget program 36.09.00.03) for distribution in accordance with the provisions of Title 17, Subtitle 1. "Aid to Nonpublic Institutions" of the Education Article.

SECTION 8. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, any State grant provided as an equity adjustment to community colleges for Fiscal Year 1995 shall be considered a "direct grant" under § 16-403 of the Education Article for purposes of calculating the State share of aid to community colleges for Fiscal Year 1996.

SECTION 9. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – State Personnel and Pensions**

8-104.

(A) Each year the Governor shall include money in the State budget to pay the State share of the costs of the Program.

(B) (1) BEGINNING WITH FISCAL YEAR 1995, THERE IS A STATE EMPLOYEE AND RETIREE HEALTH INSURANCE PROGRAM TRUST FUND.

(2) THE FUND IS ESTABLISHED TO RETAIN ALL COLLECTIONS PERTAINING TO HEALTH INSURANCE FROM ANY ENROLLEE IN THE PROGRAM OR ANY UNIT OF STATE GOVERNMENT OR ORGANIZATION OR ENTITY THAT PARTICIPATES IN THE PROGRAM.