

Amend **CSHB 1** as follows:

(1) On the appropriate page under Article IX add the following rider:

Sec. _____. Medicaid Appropriations Adjustment.

(a) The Comptroller of Public Accounts is hereby directed to reduce appropriations to the Health and Human Services Commission and the Texas Department of Health by \$524 million in General Revenue for the 2004-05 biennium related to Medicaid cost containment. The reductions shall be made to Medicaid appropriations of the respective agencies.

The Health and Human Services Commission shall identify the specific strategies from which the reductions will be made in annual reports to the Legislative Budget board and the Governor. The reports shall be submitted by October 31 of each year of the 2004-05 biennium. All reductions shall be documented in the agency's Legislative Appropriations Request, Operating Budget and adjustments included in reported expenditures for the 2004-05 biennium to the Seventy-ninth Legislature.

(b) The Comptroller is directed to increase by a total of \$524 million the appropriations made from the General Revenue Fund under this Act to the following:

(1) Texas Education Agency for the purchase of Texas History and Economics textbooks: \$33,000,000;

(2) Texas Education Agency for disciplinary alternative education programs: \$36,000,000;

(3) Texas Education Agency for the Optional Extended Year Program: \$33,000,000;

(4) Texas Education Agency for the Basic Skills Programs for High School Students Program: \$50,000,000;

(5) Texas Education Agency for the Instructional Facilities Allotment and the Existing Debt Allotment: \$115,000,000;

(6) Texas Education Agency for Regional Education Service Centers core services, \$10,000,000;

(7) Teacher Retirement System for TRS-Care:

\$220,000,000; and

(8) Teacher Retirement System for minimum effort transition assistance component of TRS Active-Care: \$27,000,000.

(2) On page III-19 of the Texas Education Agency's bill pattern, amend Rider 65 as follows:

65. Technical Assistance for Certain School Districts. Out of the funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, the Commissioner shall distribute an amount not to exceed \$10 million in 2004 and \$10 million in 2005 to small and/or rural school districts to assist them in securing professional development and other technical assistance services from either a Regional Education Service Center or other service provider. The formula for distribution shall be determined by the Commissioner and approved by the Legislative Budget Board and the Governor. In addition, out of the funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, the Commissioner shall allocate to Regional Education Service Centers serving small and rural school districts \$5 million in each year of the 2004-05 biennium for core services in accordance with Texas Education Code § 8.121.