

Amend **CSHB 1** as follows:

(1) Increase the Article III appropriations to the Texas Education Agency for Strategy A.1.1, FSP - Equalized Operations (page III-1), by \$227,600,000 for the state fiscal year ending August 31, 2004, and by \$215,000,000 for the state fiscal year ending August 31, 2005.

(2) In Article III, add the following appropriately numbered rider after the appropriations to the Texas Education Agency:

____. CONTINGENCY APPROPRIATION FOR SCHOOL DISTRICT EMPLOYEE PASS-THROUGH. The amount of \$442,600,000 appropriated in Strategy A.1.1, FSP - Equalized Operations, is contingent on the passage of legislation providing for the funding through the Chapter 42 Formula Funding provided by Rider 2 above of a \$1,000 health coverage or compensation supplement under Article 3.50-8, Insurance Code, for each employee as defined by Section 2(4), Texas School Employees Uniform Group Health Coverage Act (Article 3.50-7, Insurance Code).

(3) In Article III, strike the appropriation to the Teacher Retirement System for Strategy A.3.1, Active Health (page III-31).

(4) In Article III, strike Rider 9 following the appropriation to the Teacher Retirement System (pages III-33 and III-34).

(5) Adjust totals and methods of financing appropriately.