

Amend **CSHB 1** by adding the following rider:

___ . Receipt and Use of Grants, Federal Funds, and Royalties. The Commissioner of Education is authorized to apply for, receive and disburse funds in accordance with plans or applications acceptable to the responsible federal agency or other public or private entity that are made available to the State of Texas for the benefit of education and such funds are appropriated to the specific purpose for which they are granted. It is the intent of the Legislature that when entering into any contract or plan with the federal government or other entity, prime consideration shall be given to preserving maximum local control for school districts. Any current or future contract or plan entered into by the Texas Education Agency with any entity, excluding the federal government, shall be non-exclusive. For the 2006-07 biennium, the Texas Education Agency is appropriated any royalties and license fees from the sale or use of education products developed through federal and state funded contracts managed by the agency. The Texas Education Agency shall report on a quarterly basis to the Legislative Budget Board and to the Governor on grants or earnings received pursuant to the provisions of this rider, and on the planned use of those funds.

Any grant or royalty balances as of August 31, 2006 are appropriated for the 2007 fiscal year for the same purpose.