Amend **CSHB 1** as follows:

(1) Strike SECTIONS 1.01 and 1.02 of the bill (page 1, line 15, through page 2, line 1) and substitute the following:

SECTION 1.01. Section 41.002, Education Code, is amended by amending Subsection (a) and adding Subsections (a-1) and (a-2) to read as follows:

(a) A school district may not have a wealth per student that exceeds:

(1) the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student available to a district at the 88th percentile in wealth per student, for the district's maintenance and operations tax effort equal to or less than the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year;

(2) the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student available to the Austin Independent School District, as determined by the commissioner in cooperation with the Legislative Budget Board, for the first six cents by which the district's maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year, subject to Section 41.093(b-1); or

(3) $319,500, for the district's maintenance and operations tax effort that exceeds the first six cents by which the district's maintenance and operations tax effort exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year [$305,000].

(a-1) Subsection (a) applies beginning with the 2008-2009 school year. For the 2006-2007 and 2007-2008 school years, a school district may not have a wealth per student that exceeds the wealth per student specified by Subsection (a), except that:

1

(1) Subsection (a)(2) applies only to the first four cents by which the district's maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year, subject to Section 41.093(b-1); and

(2) Subsection (a)(3) applies to the district's maintenance and operations tax effort that exceeds the first four cents by which the district's maintenance and operations tax effort exceeds the rate described by Subdivision (1).

(a-2) Subsection (a-1) and this subsection expire September 1, 2008.

SECTION 1.02. Section 41.093, Education Code, is amended by amending Subsection (a) and adding Subsections (b-1) and (b-2) to read as follows:

(a) Subject to Subsection (b-1), the [The] cost of each credit is an amount equal to the greater of:

(1) the amount of the district's maintenance and operations tax revenue per student in weighted average daily attendance for the school year for which the contract is executed; or

(2) the amount of the statewide district average of maintenance and operations tax revenue per student in weighted average daily attendance for the school year preceding the school year for which the contract is executed.

(b-1) If the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302(a-1)(2) for which state funds are appropriated for a school year is an amount at least equal to the amount of revenue per weighted student per cent of tax effort available to the Austin Independent School District, as determined by the commissioner in cooperation with the Legislative Budget Board, the commissioner, in computing the amounts described by Subsections (a)(1) and (2) and determining the cost of an attendance credit, shall exclude maintenance and operations tax revenue resulting from the first six cents by which a district's maintenance and operations tax rate exceeds the rate equal to the product of the state compression

2

percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year.

(b-2) Subsection (b-1) applies beginning with the 2008-2009 school year. For the 2006-2007 and 2007-2008 school years, the commissioner shall compute the amounts described by Subsections (a)(1) and (2) and determine the cost of an attendance credit as specified by Subsection (b-1), except the commissioner shall exclude maintenance and operations tax revenue resulting from the first four cents by which a district's maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year. This subsection expires September 1, 2008.

(2) In SECTION 1.04 of the bill, in added Section 42.2516(b)(3), Education Code (page 3, line 4), strike "$207" and substitute "$275".

(3) In the introductory language to SECTION 1.08 of the bill (page 5, line 53), strike "Subsections (a-1) and (f)" and substitute "Subsections (a-1), (a-2), (a-3), (a-4), and (f)".

(4) In SECTION 1.08 of the bill, strike added Section 42.302(a-1), Education Code (page 6, lines 18-40), and substitute the following:

(a-1) In this section, "wealth per student" has the meaning assigned by Section 41.001. For purposes of Subsection (a), the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort ("GL") for a school district is:

(1) the amount of district tax revenue per weighted student per cent of tax effort available to a district at the 88th percentile in wealth per student, as determined by the commissioner in cooperation with the Legislative Budget Board, for the district's maintenance and operations tax effort equal to or less than the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the

2005 tax year;

(2) the amount of district tax revenue per weighted student per cent of tax effort available to the Austin Independent School District, as determined by the commissioner in cooperation with the Legislative Budget Board, for the first six cents by which the district's maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516 and notwithstanding the limitation on district enrichment tax rate ("DTR") under Section 42.303, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year; and

(3) $31.95, for the district's maintenance and operations tax effort that exceeds the amount of tax effort described by Subdivision (2).

(a-2) The limitation on district enrichment tax rate ("DTR") under Section 42.303 does not apply to the district's maintenance and operations tax effort described by Subsection (a-1)(2).

(a-3) Subsection (a-1) applies beginning with the 2008-2009 school year. For the 2006-2007 and 2007-2008 school years, the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort ("GL") for a school district is the level specified by Subsection (a-1), except that:

(1) Subsection (a-1)(2) applies only to the first four cents by which the district's maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year;

(2) Subsection (a-1)(3) applies to the district's maintenance and operations tax effort that exceeds the rate described by Subdivision (1); and

(3) the limitation on district enrichment tax rate ("DTR") under Section 42.303 does not apply to the district's maintenance and operations tax effort described by Subdivision (1).

(a-4) Subsection (a-3) and this subsection expire September 1, 2009.

SHAPIRO	HINOJOSA
ARMBRISTER	MADLA
AVERITT	SELIGER
DUNCAN	STAPLES
ELTIFE	VAN DE PUTTE
ESTES	WEST
FRASER	