

Amend the Casteel amendment to **CSHB 2** (amendment packet, page 171) by striking the text from page 1, line 2 of the amendment through page 2, line 23 of the amendment and substituting the following:

(1) On page 36, between lines 22 and 23, insert the following:

Sec. 42.3131. USE OF CERTAIN REVENUE FOR ENHANCED COMPENSATION. (a) Beginning with the 2005–2006 school year, a school district must use at least 50 percent of all state and local maintenance and operations revenue in excess of the level expended in the 2004–2005 school year for the purpose of providing enhanced compensation to classroom teachers.

(b) The commissioner shall adopt rules necessary to implement this section. The rules must ensure that classroom teacher average salaries are increased by the lesser of:

(1) The \$3,000 per year; or

(2) the amount that can be provided using 44 percent of the increase in the district's maintenance and operations revenue from the 2004–2005 school year.

(c) A school district that paid employees an additional amount during each of the 2003–2004 and 2004–2005 school years to compensate for reductions made in the health coverage or compensation supplementation provided by former Article 3.50–8, Insurance Code, may apply to the commissioner for authority to provide a lesser amount of enhanced compensation than the amount otherwise required by this section, to the extent equitable considering the additional compensation provided by the district during the 2003–2004 and 2004–2005 school years.