

Amend **CSHB 2** in Section 1B.05 of the bill as follows:

(1) Between amended Subsections (a) and (b), Section 42.102, Education Code (committee printing, page 5, between lines 50 and 51), insert the following:

(a-1) Notwithstanding any other provision of this section, the initial amount of the cost of education index adjustment is a percent determined by the Legislative Budget Board that would result in a total amount of funds delivered under this section that does not exceed the total amount of funds delivered using the application of the cost of education index as it existed on January 1, 2005.

(a-2) The Legislative Budget Board shall annually increase the initial adjustment percentage determined under Subsection (a) so that the percentage:

(1) increases at the same rate of growth as the implementation of the small and mid-sized district adjustments described by Sections 42.103(c-1) and (d-1); and

(2) does not exceed 71 percent.

(2) Between proposed Subsections (c) and (d), Section 42.102, Education Code (committee printing, page 6, between lines 21 and 22), insert the following:

(c-1) The application of the cost of education index under this section may not result in a greater difference between the highest adjustment and the lowest adjustment than the difference that existed between the highest and lowest adjustments under Chapter 203, Title 19, Texas Administrative Code, as that chapter existed on January 1, 2005. The Legislative Budget Board shall increase the amount of the lowest adjustment to satisfy this subsection.

(3) Between proposed Subsections (d) and (e), Section 42.102, Education Code (committee printing, page 6, between lines 29 and 30), insert the following:

(d-1) All information relating to the computation and adoption of the cost of education index under this section, including underlying data, assumptions, and computations used in the development of the index, is public information.

(4) Strike proposed Subsection (e), Section 42.102,

Education Code (committee printing, page 6, lines 30 and 31), and substitute the following:

(e) A school district may appeal a determination of the Legislative Budget Board under Subsection (d) and request a contested case hearing before an administrative law judge of the State Office of Administrative Hearings. A district must pay the cost of an appeal under this section. An appeal must be limited to the computation and application of data under this section and may not include an appeal of the methodology used to compute the teacher fixed effects index.

(5) In proposed Subsection (f), Section 42.102, Education Code (committee printing, page 6, line 33), strike "Subsection (b-1)" and substitute "Subsections (a-1), (a-2), (b-1),".