Amend **HB 860** as follows:

(1) On page 7, line 19 strike the word "The" and insert in lieu thereof "Except as provided in subsection (f),"

(2) Add a new subsection (f) on page 8, after line 25 to read as follows:

(f) This subsection applies only to a university system, as defined by Section 61.003(10), education code. The appropriation for expenditure in any year of an amount greater than nine percent of the fair market value of an endowment fund with an aggregate value of $450 million or more, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately preceding the year in which the appropriation for expenditure was made, creates a rebuttable presumption of imprudence. For an endowment fund in existence for fewer than three years, the fair market value of the endowment fund must be calculated for the period the endowment fund has been in existence. This subsection does not:

(1) apply to an appropriation for expenditure permitted under law other than this chapter or by the gift instrument; or

(2) create a presumption of prudence for an appropriation for expenditure of an amount less than or equal to nine percent of the fair market value of the endowment fund.

(3) Renumber subsequent subsections accordingly.