

Amend Floor Amendment No. 173 by Martinez Fischer to **CSSB 1** (page 247 of the prefiled amendment packet) by striking lines 3-16, and substituting the following:

____. Study on Cost of Education Adjustment. It is the intent of the legislature that the Legislative Budget Board, using funds appropriated by this Act, shall conduct a study on the cost of education index adjustment contained in Chapter 203, Title 19, Texas Administrative Code. The Legislative Budget Board shall issue recommendations arising from the study to the legislature, the governor, and the lieutenant governor not later than January 14, 2014. The study shall determine the effectiveness of the cost of education index adjustment in helping to fulfill the mission of the public education system under Section 4.001, Education Code, and the state policy under Section 42.001, Education Code. The study shall determine how closely and appropriately the cost of education index adjusts for the geographic variation in known resource costs and costs of education that are beyond the control of school districts. The study may not be artificially adjusted to meet predetermined outcomes or utilize arbitrary limits and must:

- (1) be based on the most recent information available;
- (2) reflect all uncontrollable costs that can reasonably be quantified;
- (3) control for the impact on school district costs of high wealth per student that is not equalized and additional state aid received by districts under hold-harmless provisions in school finance formulas;
- (4) consider the qualifications, experience, and turnover rate of school personnel and the impact of school personnel on student achievement, including consideration of the adequacy of salaries;
- (5) reflect the impact of high concentrations of poverty on the compensation that school districts must pay to attract and retain teachers of comparable or appropriate quality;
- (6) reflect the impact of factors having the greatest impact on certain types of school districts regardless of the general impact of those factors statewide, including extreme isolation;

(7) only include factors for which a rational economic argument can be made;

(8) be carefully constructed to ensure that a cost factor does not significantly impact more than one variable; and

(9) propose a formula for the calculation of each school district's cost of education index that may be used by the Texas Education Agency in determining each district's state aid for the 2014-2015 school year and subsequent school years.