

Amend CSHB 21 (house committee printing) as follows:

(1) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 7.062(c), Education Code, is amended to read as follows:

(c) Except as otherwise provided by this subsection, if the commissioner certifies that the amount appropriated for a state fiscal year for purposes of Subchapters A and B, Chapter 46, exceeds the amount to which school districts are entitled under those subchapters for that year, the commissioner shall use the excess funds, in an amount not to exceed \$20 million in any state fiscal year, for the purpose of making grants under this section. The use of excess funds under this subsection has priority over any provision of Chapter 42 that permits or directs the use of excess foundation school program funds, including Sections ~~[42.2517,]~~ 42.2521, 42.2522, and 42.2531. The commissioner is required to use excess funds as provided by this subsection only if the commissioner is not required to reduce the total amount of state funds allocated to school districts under Section 42.253(h).

SECTION \_\_\_\_\_. Section 42.102, Education Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The basic allotment for each school district is adjusted to reflect the ~~[geographic variation in known resource costs and]~~ costs of education for ~~[due to factors beyond the control of]~~ the school district using the updated cost of education index provided under Subsection (c).

(c) Based on a statistical analysis conducted by the Legislative Budget Board to determine for each school district the current geographic variation in known resource costs and costs of education due to factors beyond the control of the district, the commissioner shall update the cost of education index used for purposes of this section during the 2016-2017 school year. The updated index shall be used for purposes of this section beginning with the 2017-2018 school year. Subsequently, the commissioner periodically may request more current statistical analysis from the Legislative Budget Board and further update as needed the cost of

education index used for purposes of this section.

(2) On page 20, between lines 19 and 20, add the following appropriately numbered subdivision and renumber the subsequent subdivisions accordingly:

(\_\_\_\_) Section 42.102(b);

(3) On page 20, line 22, strike "and".

(4) On page 20, line 23, strike the period and substitute "; and".

(5) On page 20, between lines 23 and 24, add the following appropriately numbered subdivision:

(\_\_\_\_) Section 42.2517.