

Amend **CSHB 10** (House Committee Printing) as follows:

(1) On page 9, following line 27, insert the following new SECTION, appropriately numbered:

SECTION _____. TEXAS HIGHER EDUCATION COORDINATING BOARD: FORMULA FUNDING. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2005, the amount of \$600,000,000 is appropriated out of the general revenue fund to the Texas Higher Education Coordinating Board for the two-year period beginning on the effective date of this Act for the purpose of increasing the amount of formula funding distributed to institutions of higher education. The coordinating board shall allocate money appropriated by this section to institutions of higher education as determined appropriate by the board, consistent with the board's funding formulas, to supplement other money appropriated to those institutions.

(2) On page 14, between lines 1 and 2, insert the following new SECTION, appropriately numbered:

SECTION _____. LIMITATION ON EXPENDITURE OF APPROPRIATED TUITION AND FEES: INSTITUTIONS OF HIGHER EDUCATION. (a) An institution of higher education may not expend any revenue appropriated to the institution derived from tuition and compulsory fees charged to any student of the institution for any academic period of the 2005-2006 academic year to the extent that the amount of that revenue derived from that student exceeds 103 percent of the total amount of such tuition and compulsory fees that a similarly situated student would have paid for the corresponding academic period of the 2004-2005 academic year.

(b) For the two-year period beginning on the effective date of this Act, an institution of higher education may not expend any revenue appropriated to the institution derived from tuition and compulsory fees charged to any student of the institution for any academic period of the 2006-2007 academic year to the extent that the amount of that revenue derived from that student exceeds 106 percent of the total amount of such tuition and compulsory fees that a similarly situated student would have paid for the corresponding academic period of the 2004-2005 academic year.

(c) For purposes of this section, students are similarly

situated if they share the same residency status, degree program, course load, course level, tuition exemption status, and other circumstances affecting the tuition and compulsory fees charged to the student.

(d) This section applies only to increased revenue received on a per student basis. This section does not restrict the expenditure of increased revenue to the extent that the increase in revenue is due to an increase in the number of students.

(3) Renumber SECTIONS of the bill accordingly: