BILL ANALYSIS

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current law requires school boards to report the terms of the superintendent severance payment to the commissioner of education (commissioner). The commissioner then reduces the district's Foundation School Program funds by the difference between the amount of the severance payment to the superintendent and the amount equal to one year's salary and benefits if the severance payment exceeds the one year's salary and benefits.

As proposed, S.B. 1777 encourages school trustees to be absolutely certain that they have a good cause to terminate superintendents early — or they will face a penalty. The bill requires school boards to also report the reason for the early termination of the contract to the commissioner. Additionally, it directs the commissioner to withhold the full amount of the severance payment if the commissioner determines that the contract was terminated early without good cause.

In the past three years, there has been turnover of nearly two-thirds of the superintendents in Senate District 29. At least half of those are due to early termination by the school board. Many of these early terminations are for valid reasons, but instances where a school board terminates a superintendent with undue cause must be curbed.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the commissioner of education is modified in SECTION 1 (Section 11.201, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.201, Education Code, by amending Subsection (c) and adding Subsection (c-1), as follows:

> (c) Requires the board of trustees that makes a severance payment to a superintendent to report the terms of the severance payment and the reason for the early termination of the contract to the commissioner of education (commissioner). Authorizes the commissioner to reduce the district's Foundation School Program by certain amounts.

> (c-1) Creates this subsection from existing text. Makes a conforming change.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2005.