

By: Van Arsdale

H.B. No. 186

A BILL TO BE ENTITLED

1 AN ACT

2 relating to severance payments to superintendents of independent  
3 school districts.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 11.201(c), Education Code, is amended to  
6 read as follows:

7 (c) For purposes of this subsection, "severance payment"  
8 means any amount paid by the board of trustees of an independent  
9 school district to or in behalf of a superintendent on early  
10 termination of the superintendent's contract that exceeds the  
11 amount earned by the superintendent under the contract as of the  
12 date of termination, including any amount that exceeds the amount  
13 of earned standard salary and benefits that is paid as a condition  
14 of early termination of the contract. The board of trustees may not  
15 make a severance payment to a superintendent unless the payment is  
16 approved by the Teacher Retirement System of Texas. A [The] board  
17 of trustees that makes a severance payment to a superintendent  
18 shall report the terms of the severance payment to the  
19 commissioner. The commissioner shall reduce the district's  
20 Foundation School Program funds by any amount that the amount of the  
21 severance payment to the superintendent exceeds an amount equal to  
22 one year's salary and benefits under the superintendent's  
23 terminated contract. The commissioner may adopt rules as necessary  
24 to administer this subsection.

1           SECTION 2. Section 11.201(c), Education Code, as amended by  
2 this Act, applies only to a severance payment made by the board of  
3 trustees of an independent school district to a superintendent  
4 under an agreement entered into on or after the effective date of  
5 this Act. A severance payment made by the board of trustees of an  
6 independent school district to a superintendent under an agreement  
7 entered into before the effective date of this Act is governed by  
8 the law in effect at the time the agreement was made, and that law is  
9 continued in effect for that purpose.

10           SECTION 3. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2005.