

By: Lucio

S.B. No. 1777

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, Education Code, is amended by  
6 amending Subsection (c) and adding Subsection (c-1) to read as  
7 follows:

8 (c) For purposes of this subsection, "severance payment"  
9 means any amount paid by the board of trustees of an independent  
10 school district to or in behalf of a superintendent on early  
11 termination of the superintendent's contract that exceeds the  
12 amount earned by the superintendent under the contract as of the  
13 date of termination, including any amount that exceeds the amount  
14 of earned standard salary and benefits that is paid as a condition  
15 of early termination of the contract. The board of trustees that  
16 makes a severance payment to a superintendent shall report the  
17 terms of the severance payment and the reason for the early  
18 termination of the contract to the commissioner. The commissioner  
19 shall reduce the district's Foundation School Program funds by:

20 (1) [any amount that] the full amount of the severance  
21 payment, if the commissioner determines that the contract was  
22 terminated early without good cause; or

23 (2) the portion of the severance payment, if any, that  
24 [to the superintendent] exceeds an amount equal to one year's

1 salary and benefits under the superintendent's terminated  
2 contract, if the commissioner determines that the contract was  
3 terminated early with good cause.

4 (c-1) The commissioner may adopt rules as necessary to  
5 administer Subsection (c) [~~this subsection~~].

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

15 SECTION 3. This Act takes effect September 1, 2005.