

## **BILL ANALYSIS**

Senate Research Center  
87R794 MEW-D

H.B. 189  
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Education  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Charter schools in Texas were given freedom to bring innovation and choice to Texas education. Some charter schools, though, have abused this freedom and taxpayer support by spending on frivolous and self-enriching expenses such as private jets and luxury sports boxes. When confronted with their malfeasance, some disgraced charter school administrators have exploited a loophole to exit with severance packages that are sometimes worth more to them than if they had continued regular employment. Texas law limits the amount that can be paid to an exiting superintendent of a public school, but this law does not apply to open-enrollment charter schools, allowing offending administrators to escape with golden parachutes approaching a million dollars.

H.B. 189 remedies this abuse by enforcing the same limits on the severances of charter school administrators that apply to public school superintendents. With this bill, any open-enrollment charter school that pays an exiting administrator more than a year's salary plus benefits as severance will have a corresponding amount deducted from their funding the next year. H.B. 189 will ensure that when charter school administrators mismanage taxpayer-supported schools, they will not be rewarded with a payout more valuable than the job itself.

H.B. 189 amends current law relating to a severance payment to a superintendent or administrator serving as educational leader and chief executive officer of an open-enrollment charter school.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 12.104, Education Code, by adding Subsection (b-4), as follows:

(b-4) Provides that Section 11.201(c) (relating to provisions applicable to a severance payment made to a superintendent by the board of trustees of a school district) applies to an open-enrollment charter school as though the governing body of the school were the board of trustees of a school district and to the superintendent or, as applicable, the administrator serving as educational leader and chief executive officer of the school as though that person were the superintendent of a school district.

SECTION 2. Makes application of Section 12.104(b-4)d, Education Code, as added by this Act, prospective.

SECTION 3. Effective date: upon passage or September 1, 2021.