

BILL ANALYSIS

H.B. 189
By: Canales
Public Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current state law provides for the reduction of school district funding if the amount of severance payments to a superintendent exceeds one year of the superintendent's salary plus benefits. However, this mandatory reduction does not apply to open-enrollment charter schools. It has been suggested that state funds should not be used to finance exorbitant severance packages at charter schools. H.B. 189 seeks to address this issue by applying the same standards for severance pay to open-enrollment charter schools that currently apply to public school districts.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 189 amends the Education Code to make applicable to an open-enrollment charter school the statutory provisions regarding severance payments payable to a public school district superintendent that, as follows:

- require the board of trustees of a school district to report to the commissioner of education the terms of a severance payment on early termination of the superintendent's contract that exceeds the amount earned by the superintendent under the contract as of the date of termination; and
- require the commissioner to reduce the district's foundation school program funds by any amount that the amount of the severance payment to the superintendent exceeds an amount equal to one year's salary and benefits under the superintendent's terminated contract.

These provisions apply to an open-enrollment charter school as though the governing body of the charter 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.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.