

By: Leo-Wilson

H.B. No. 2801

A BILL TO BE ENTITLED

AN ACT

relating to a severance payment to a superintendent of a school district.

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

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

(c) For purposes of this subsection, "severance payment" means any amount paid by the board of trustees of an independent school district to or in behalf of a superintendent 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, including any amount that exceeds the amount of earned standard salary and benefits that is paid as a condition of early termination of the contract. The board of trustees may not make a severance payment to a superintendent in an amount greater than six months' salary and benefits under the superintendent's terminated contract. The board of trustees that makes a severance payment to a superintendent shall report the terms of the severance payment to the commissioner. The commissioner shall 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 six months' [~~one year's~~] salary and benefits under the superintendent's terminated contract. The commissioner may adopt rules as necessary 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 September 1, 2023.