

BILL ANALYSIS

Senate Research Center

H.B. 610
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Education K-16
5/21/2025
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

When a school board decides to end a superintendent's contract, there are no limits on the severance pay awarded. Numerous cases have arisen in which districts seeking to terminate a superintendent find themselves entangled in protracted severance negotiations, leading to costs of millions of dollars for taxpayers. Since 1995, over \$54 million has been paid in severance to superintendents, with the highest payment exceeding \$950,000. Historically, some terminated superintendents have received severance packages that surpass twice their annual salary.

H.B. 610 addresses this issue by prohibiting independent school district boards of trustees from offering severance payments to superintendents that exceed six months' salary and benefits as outlined in the terminated superintendent's contract.

H.B. 610 amends current law relating to a severance payment to a superintendent of a school district.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the commissioner of education is modified in SECTION 1 (Section 11.201, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.201(c), Education Code, as follows:

(c) Redefines "severance payment." Prohibits the board of trustees of an independent school district or board of managers appointed under Chapter 39A (Accountability Interventions and Sanctions), as applicable, from making a severance payment to a superintendent in an amount greater than six months' salary and benefits under the superintendent's terminated contract. Requires a board of trustees or board of managers, as applicable, that makes a severance payment to a superintendent to report the terms of the severance payment to the commissioner of education (commissioner). Requires 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 six months', rather than one year's, salary and benefits under the superintendent's terminated contract.

SECTION 2. Makes application of Section 11.201(c), Education Code, as amended by this Act, prospective.

SECTION 3. Effective date: September 1, 2025.