

AMENDED IN ASSEMBLY APRIL 11, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 280**

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**Introduced by Assembly Member Alejo**

February 11, 2013

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An act to amend Section 53260 of, *and to add Section 53260.3 to*, the Government Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 280, as amended, Alejo. Local agency employment contracts: maximum cash settlement.

Existing law requires all employment contracts between an employee and a local agency employer to contain a provision that provides for the amount of cash settlement that may be paid out if the contract is terminated, as specified. Existing law provides that the maximum settlement that an employee can receive is an amount equal to the monthly salary of the employee multiplied by the number of months left on the unexpired term of the contract, or, if the unexpired terms of the contract is greater than 18 months, an amount equal to the monthly salary of the employee multiplied by 18.

This bill would provide that in the case of *the voluntary termination of the employment contract of a district superintendent, deputy superintendent, assistant superintendent, or associate superintendent of schools*, regardless of the number of months left on the unexpired term of the contract, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 3. *The bill would provide that in the case of the involuntary termination of the employment contract of a district superintendent, deputy superintendent, assistant superintendent, or associate superintendent of schools,*

*regardless of the number of months left on the unexpired term of the contract, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 6.*

Existing law limits the amount of a cash or noncash settlement that a local agency employer may provide its district superintendent of schools to an amount no greater than the superintendent’s monthly salary multiplied by zero to 6 if it terminates the superintendent’s contract of employment and it is confirmed pursuant to an independent audit that the superintendent engaged in fraud, misappropriation of funds, or other illegal fiscal practices. In this case, existing law requires an administrative law judge, after a hearing, to determine the amount of the cash settlement.

This bill would change the maximum cash or noncash settlement amount that may be paid by a local agency employer to its district superintendent, *deputy superintendent, assistant superintendent, or associate superintendent* of schools under these provisions to an amount no greater than the superintendent’s monthly salary multiplied by zero to ~~3~~ *one*.

*The bill would also require that an unspecified calculation be used to determine the maximum sum that may be paid to a district superintendent, deputy superintendent, assistant superintendent, or associate superintendent who is placed on paid leave of absence. This bill additionally would require that the employee exhaust all accrued sick leave and vacation time before the paid leave of absence takes effect.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 53260 of the Government Code is
- 2 amended to read:
- 3 53260. (a) All contracts of employment between an employee
- 4 and a local agency employer shall include a provision that provides
- 5 that regardless of the term of the contract, if the contract is
- 6 terminated, the maximum cash settlement that an employee may
- 7 receive shall be an amount equal to the monthly salary of the
- 8 employee multiplied by the number of months left on the unexpired
- 9 term of the contract, with the following exceptions:

1 (1) If the unexpired term of the contract is greater than 18  
2 months, the maximum cash settlement shall be an amount equal  
3 to the monthly salary of the employee multiplied by 18.

4 (2) In the case of *the voluntary termination of the employment*  
5 *contract of a district superintendent, deputy superintendent,*  
6 *assistant superintendent, or associate superintendent of schools,*  
7 regardless of the number of months left on the unexpired term of  
8 the contract, the maximum cash settlement shall be an amount  
9 equal to the monthly salary of the employee multiplied by three.

10 (3) *In the case of the involuntary termination of the employment*  
11 *contract of a district superintendent, deputy superintendent,*  
12 *assistant superintendent, or associate superintendent of schools,*  
13 *regardless of the number of months left on the unexpired term of*  
14 *the contract, the maximum cash settlement shall be an amount*  
15 *equal to the monthly salary of the employee multiplied by six.*

16 (b) (1) Notwithstanding subdivision (a), if a local agency  
17 employer, including an administrator appointed by the  
18 Superintendent, terminates its contract of employment with its  
19 district superintendent, *deputy superintendent, assistant*  
20 *superintendent, or associate superintendent of schools,* that local  
21 agency employer may not provide a cash or noncash settlement to  
22 ~~its superintendent~~ *that employee* in an amount greater than the  
23 superintendent's, *deputy superintendent's, assistant*  
24 *superintendent's, or associate superintendent's* monthly salary  
25 multiplied by zero to ~~three~~ *one* if the local agency employer  
26 believes, and subsequently confirms, pursuant to an independent  
27 audit, that the ~~superintendent~~ *employee* has engaged in fraud,  
28 misappropriation of funds, or other illegal fiscal practices. The  
29 amount of the cash settlement described in this paragraph shall be  
30 determined by an administrative law judge after a hearing.

31 (2) This subdivision ~~applies~~ *shall apply* only to a contract for  
32 employment negotiated on or after January 1, 2014.

33 (c) The cash settlement formula described in subdivisions (a)  
34 and (b) are maximum ceiling on the amounts that may be paid by  
35 a local agency employer to an employee and is not a target or  
36 example of the amount of the cash settlement to be paid by a local  
37 agency employer to an employee in all contract termination cases.

38 *SEC. 2. Section 53260.3 is added to the Government Code, to*  
39 *read:*

1 53260.3. (a) (1) If a local agency employer, including an  
2 administrator appointed by the Superintendent, places a district  
3 superintendent, deputy superintendent, assistant superintendent,  
4 or associate superintendent of schools on paid leave of absence,  
5 regardless of the length of that leave of absence, the local agency  
6 employer may not pay the employee an amount greater than the  
7 superintendent's, deputy superintendent's, assistant  
8 superintendent's, or associate superintendent's monthly salary  
9 multiplied by \_\_\_\_\_ for the duration of his or her leave of absence.

10 (2) The pay formula described in paragraph (1) is a maximum  
11 ceiling on the amount that may be paid by a local agency employer  
12 to a district superintendent, deputy superintendent, assistant  
13 superintendent, or associate superintendent of schools and is not  
14 a target or example of the amount to be paid by a local agency  
15 employer to an employee who is placed on a paid leave of absence  
16 in all cases.

17 (b) Before a paid leave of absence for an employee subject to  
18 subdivision (a) takes effect, the local agency employer shall require  
19 the employee to exhaust all of his or her accrued sick leave and  
20 vacation time.

21 (c) This section shall apply only to a contract for employment  
22 negotiated on or after January 1, 2014.