

**ASSEMBLY BILL**

**No. 215**

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**Introduced by Assembly Member Alejo**

February 2, 2015

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An act to amend Section 53260 of the Government Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 215, as introduced, 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 a 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 a district 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 \_\_\_\_.

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 confirms 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, with regard to a contract for employment negotiated on or after January 1, 2016, change the maximum cash or noncash settlement amount that may be paid by a local agency employer to its district superintendent of schools under these provisions to an amount no greater than the superintendent’s monthly salary multiplied by zero to \_\_\_\_.

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 ~~which~~ *that*  
 5 provides that regardless of the term of the contract, if the contract  
 6 is 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~~. ~~However, if~~ *contact, with the following*  
 10 *exceptions:*

11 (1) *If* the unexpired term of the contract is greater than 18  
 12 months, the maximum cash settlement shall be an amount equal  
 13 to the monthly salary of the employee multiplied by ~~18~~ \_\_\_\_.

14 (2) *In the case of a district superintendent of schools, regardless*  
 15 *of the number of months left on the unexpired term of the contract,*  
 16 *the maximum cash settlement shall be an amount equal to the*  
 17 *monthly salary of the employee multiplied by \_\_\_\_.*

18 (b) (1) Notwithstanding subdivision (a), if a local agency  
 19 employer, including an administrator appointed by the  
 20 Superintendent, terminates its contract of employment with its  
 21 district superintendent of schools, that local agency employer may  
 22 not provide a cash or noncash settlement to its superintendent in  
 23 an amount greater than the superintendent’s monthly salary  
 24 multiplied by zero to ~~six~~ \_\_\_\_ if the local agency employer believes,  
 25 and subsequently confirms, pursuant to an independent audit, that  
 26 the superintendent has engaged in fraud, misappropriation of funds,

1 or other illegal fiscal practices. The amount of the cash settlement  
2 described in this paragraph shall be determined by an  
3 administrative law judge after a hearing.

4 (2) This subdivision applies only to a contract for employment  
5 negotiated on or after ~~the effective date of the act that added this~~  
6 ~~subdivision.~~ *January 1, 2016.*

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