

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 215

Introduced by Assembly Member Alejo

February 2, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

AB 215, 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 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,~~ *for contracts of employment negotiated on or after January 1, 2016,* 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 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 ~~3~~.

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 contact, with the following exceptions:
 10 (1) If the unexpired term of the contract is greater than 18
 11 months, the maximum cash settlement shall be an amount equal
 12 to the monthly salary of the employee multiplied by ~~3~~. 18.
 13 (2) In the case of a district superintendent of schools, regardless
 14 ~~of the number of months left on the unexpired term of the contract,~~
 15 *schools, for contracts of employment negotiated on or after January*
 16 *1, 2016,* the maximum cash settlement shall be an amount equal
 17 to the monthly salary of the employee multiplied by ~~3~~ 6.
 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 ~~3~~ if the local agency employer believes,

1 and subsequently confirms, pursuant to an independent audit, that
2 the superintendent has engaged in fraud, misappropriation of funds,
3 or other illegal fiscal practices. The amount of the cash settlement
4 described in this paragraph shall be determined by an
5 administrative law judge after a hearing.

6 (2) This subdivision applies only to a contract for employment
7 negotiated on or after January 1, 2016.

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