

1.1 A bill for an act  
1.2 relating to education; eliminating the teacher contract deadline and penalty;  
1.3 repealing Minnesota Statutes 2008, section 123B.05.  
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **REPEALER.**  
Minnesota Statutes 2008, section 123B.05, is repealed.

**123B.05 CONTRACT DEADLINE AND PENALTY.**

Subdivision 1. **Definitions.** The following definitions apply to this section.

(1) "Public employer" means:

(i) a district; and

(ii) a public employer, as defined by section 179A.03, subdivision 15, other than a district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120A to 129C, or 136D, or 268A.

(2) "Teacher" means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the Board of Teaching, commissioner of education, the former Board of Technical Colleges, or the Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 2. **Contract deadline date; state aid penalty.** Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers must both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year must be reduced. However, state aid must not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before December 31 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before January 15 of an even-numbered year; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

Subd. 3. **State aid penalty exemptions.** (a) For a district that reorganizes according to section 123A.46, 123A.48, or sections 123A.35 to 123A.43 effective July 1 of an odd-numbered year, state aid must not be reduced according to this section if the board and the exclusive representative of the teachers both sign a collective bargaining agreement on or before the March 15 following the effective date of reorganization.

(b) For a district that jointly negotiates a contract before the effective date of reorganization under section 123A.46, 123A.48, or sections 123A.35 to 123A.43 that, for the first time, includes teachers in all districts to be reorganized, state aid must not be reduced according to this section if the board and the exclusive representative of the teachers sign a collective bargaining agreement on or before the March 15 following the expiration of the teacher contracts in each district involved in the joint negotiation.

(c) Only one extension of the contract deadline is available to a district under this subdivision.

Subd. 4. **Calculation of state aid reduction.** (a) The reduction must equal \$25 times the number of adjusted pupil units:

(1) for a district, that are in the district during that fiscal year; or

(2) for a public employer other than a district, that are in programs provided by the employer during the preceding fiscal year.

(b) The department must determine the number of full-time equivalent resident pupil units in the programs. The department must reduce general education aid; if general education aid is insufficient or not paid, the department must reduce other state aids.

Subd. 5. **State aid reductions returned to general fund.** Reductions from aid to districts and public employers other than districts must be returned to the general fund.