

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2694

03/05/2012 Authored by Runbeck

The bill was read for the first time and referred to the Committee on Government Operations and Elections

1.1 A bill for an act
1.2 relating to public sector labor relations; specifying factors that must be
1.3 considered in interest arbitration; amending Minnesota Statutes 2010, section
1.4 179A.16, subdivision 7; proposing coding for new law in Minnesota Statutes,
1.5 chapter 572B.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2010, section 179A.16, subdivision 7, is amended to
1.8 read:

1.9 Subd. 7. **Decision by the arbitrator or panel.** (a) The decision must be issued
1.10 by the arbitrator or a majority vote of the panel. The decision must resolve the issues
1.11 in dispute between the parties as submitted by the commissioner. For principals and
1.12 assistant principals, the arbitrator or panel is restricted to selecting between the final
1.13 offers of the parties on each impasse item. For other essential employees, other than state
1.14 and University of Minnesota employees, the arbitrator or panel is restricted to selecting
1.15 between the final offer total packages of the parties as submitted to the commissioner at
1.16 impasse. For other employees, if the parties agree in writing, the arbitrator or panel is
1.17 restricted to selecting between the final offers of the parties on each impasse item, or the
1.18 final offer of one or the other parties in its entirety. In considering a dispute and issuing its
1.19 decision, the arbitrator or panel shall consider the statutory rights and obligations of public
1.20 employers to efficiently manage and conduct their operations within the legal limitations
1.21 surrounding the financing of these operations.

1.22 (b) An arbitrator must give substantial weight to the following issues and evidence
1.23 presented by a public employer in determining an interest arbitration award:

1.24 (1) decreases in local government aid under sections 477A.011 to 477A.014, market
1.25 value homestead credit reimbursement under section 273.1384, or other significant

2.1 declines in revenue experienced by the public employer in the year immediately prior to or
2.2 during the contract year being considered;

2.3 (2) the general economic condition of the public employer, including its ability to
2.4 raise revenues, and property tax burdens on property owners; and

2.5 (3) general increases or external market adjustments voluntarily negotiated by
2.6 another exclusive representative within the same public employer for the same contract
2.7 period.

2.8 (c) When establishing "ability to pay" by a public employer, an arbitrator must
2.9 not consider budgetary reserves.

2.10 The decision is final and binding on all parties.

2.11 The arbitrator or panel shall render its decision within 30 days from the date that
2.12 all arbitration proceedings have concluded. The arbitrator or panel may not request that
2.13 the parties waive their right to have the decision rendered within 30 days, unless the
2.14 commissioner grants an extension of the deadline. The commissioner shall remove from
2.15 the roster for six months the name of any arbitrator who does not render the decision
2.16 within 30 days or within the extension granted by the commissioner. The commissioner
2.17 shall adopt rules establishing criteria to be followed in determining whether an extension
2.18 should be granted. The decision must be for the period stated in the decision, except that
2.19 decisions determining contracts for teacher units are effective to the end of the contract
2.20 period determined by section 179A.20.

2.21 The arbitrator or panel shall send its decision to the commissioner, the appropriate
2.22 representative of the public employer, and the employees. If any issues submitted to
2.23 arbitration are settled voluntarily before the arbitrator or panel issues a decision, the
2.24 arbitrator or panel shall report the settlement to the commissioner.

2.25 The parties may, at any time before or after issuance of a decision of the arbitrator
2.26 or panel, agree upon terms and conditions of employment regardless of the terms and
2.27 conditions of employment determined by the decision. The parties shall, if so agreeing,
2.28 execute a written contract or memorandum of contract.

2.29 **EFFECTIVE DATE.** This section is effective the day following final enactment,
2.30 and applies to matters that the commissioner of mediation services certifies for arbitration
2.31 on and after that date.

2.32 Sec. 2. **[572B.32] EXCEPTION.**

2.33 This chapter does not apply to arbitration under chapter 179A.

2.34 **EFFECTIVE DATE.** This section is effective July 1, 2012.