

A bill for an act
relating to education; providing for a qualified economic offer in teacher
contracts; amending Minnesota Statutes 2010, sections 122A.40, by adding a
subdivision; 122A.41, by adding a subdivision.

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

Section 1. Minnesota Statutes 2010, section 122A.40, is amended by adding a
subdivision to read:

Subd. 3a. **Qualified economic offer.** (a) Notwithstanding any law to the contrary,
if a school board offers teachers a biennial contract that includes a percentage increase
in total compensation at least equal to the percentage increase in the general education
formula allowance for the first year of that contract, the teachers may not strike for
any issue relating to the total compensation for the years covered by that contract or
submit any issue relating to the total compensation to interest arbitration under section
179A.16. However, the teachers may strike for noncompensation issues as provided in
section 179A.18, subdivision 2, or submit noncompensation issues to interest arbitration
under section 179A.16.

(b) If a school board and teachers do not agree on the allocation of the total
compensation offered by the board under paragraph (a) on or before January 15 of an
even-numbered calendar year as required for collective bargaining agreements under
section 123B.05, subdivision 2, the allocation of total compensation among the teachers
shall be as follows:

(1) existing employee benefits must continue at the same percentage of the total
compensation and in the same manner as provided in the teachers' immediately preceding
employment contract; and

(2) based on the percentage increase in the general education formula allowance for the first year of the contract, any remaining percentage of the total compensation, after subtracting the value of clause (1), is for increases in teacher salary based on first, alternative teacher pay plans under section 122A.414, second, the number of years of service, and third, promotion and advanced education.

(c) For purposes of this subdivision, the following terms have the meanings given them.

"Teachers" means classroom teachers, principals, and supervisors licensed under section 122A.18.

"Total compensation" means the sum of the following 11 cost components: (i) a school district's total salary schedule costs excluding alternative teacher compensation under sections 122A.413 to 122A.415; (ii) a school district's total salary costs of an alternative teacher professional pay system under sections 122A.413 to 122A.415; (iii) total health insurance costs paid by the school district for its teachers, excluding any district contributions to health reimbursement arrangements (HRA) or health savings accounts (HSA) for teachers; (iv) total life insurance costs paid by the school district for its teachers; (v) total long-term disability costs paid by the school district for its teachers; (vi) total dental insurance costs paid by the school district for its teachers; (vii) total extracurricular costs paid to the school district's teachers; (viii) total costs of lane changes on the teachers' salary schedule; (ix) total Teachers Retirement Association costs paid by the school district for its teachers; (x) total Social Security and Medicare (FICA) contribution costs paid by the school district for its teachers; and (xi) other miscellaneous costs identified by the school district as payment for teachers' services or benefits such as special school events, extra service duty, summer school instruction, drivers' education outside the regular school day and school year, and other direct salary payments to teachers or fringe benefit costs paid by the school district for its teachers and not otherwise provided for in items (i) to (x).

EFFECTIVE DATE. This section is effective for contracts ratified beginning July 1, 2011.

Sec. 2. Minnesota Statutes 2010, section 122A.41, is amended by adding a subdivision to read:

Subd. 2a. **Qualified economic offer.** (a) Notwithstanding any law to the contrary, if a school board offers teachers a biennial contract that includes a percentage increase in total compensation at least equal to the percentage increase in the general education formula allowance for the first year of that contract, the teachers may not strike for

any issue relating to the total compensation for the years covered by that contract or submit any issue relating to the total compensation to interest arbitration under section 179A.16. However, the teachers may strike for noncompensation issues as provided in section 179A.18, subdivision 2, or submit noncompensation issues to interest arbitration under section 179A.16.

(b) If a school board and teachers do not agree on the allocation of the total compensation offered by the board under paragraph (a) on or before January 15 of an even-numbered calendar year as required for collective bargaining agreements under section 123B.05, subdivision 2, the allocation of total compensation among the teachers shall be as follows:

(1) existing employee benefits must continue at the same percentage of the total compensation and in the same manner as provided in the teachers' immediately preceding employment contract; and

(2) based on the percentage increase in the general education formula allowance for the first year of the contract, any remaining percentage of the total compensation, after subtracting the value of clause (1), is for increases in teacher salary based on first, alternative teacher pay plans under section 122A.414, second, the number of years of service, and third, promotion and advanced education.

(c) For the purposes of this subdivision, the following terms have the meanings given them.

"Teachers" means classroom teachers, principals, and supervisors licensed under section 122A.18.

"Total compensation" means the sum of the following 11 cost components: (i) a school district's total salary schedule costs excluding alternative teacher compensation under sections 122A.413 to 122A.415; (ii) a school district's total salary costs of an alternative teacher professional pay system under sections 122A.413 to 122A.415; (iii) total health insurance costs paid by the school district for its teachers, excluding any district contributions to health reimbursement arrangements (HRA) or health savings accounts (HSA) for teachers; (iv) total life insurance costs paid by the school district for its teachers; (v) total long-term disability costs paid by the school district for its teachers; (vi) total dental insurance costs paid by the school district for its teachers; (vii) total extracurricular costs paid to the school district's teachers; (viii) total costs of lane changes on the teachers' salary schedule; (ix) total Teachers Retirement Association costs paid by the school district for its teachers; (x) total Social Security and Medicare (FICA) contribution costs paid by the school district for its teachers; and (xi) other miscellaneous costs identified by the school district as payment for teachers' services or benefits such as

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4.1 special school events, extra service duty, summer school instruction, drivers' education
4.2 outside the regular school day and school year, and other direct salary payments to
4.3 teachers or fringe benefit costs paid by the school district for its teachers and not otherwise
4.4 provided for in items (i) to (x).

4.5 **EFFECTIVE DATE.** This section is effective for contracts ratified beginning
4.6 July 1, 2011.