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 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) the remaining percentage of the total compensation 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.

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

(2) "Total compensation" means salaries and employee benefits including paid time off, group insurance benefits, retirement plans, and other direct and indirect items of compensation.

EFFECTIVE DATE. This section is effective for contracts entered into on or after 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 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) the remaining percentage of the total compensation 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.

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

(2) "Total compensation" means salaries and employee benefits including paid time off, group insurance benefits, retirement plans, and other direct and indirect items of compensation.

EFFECTIVE DATE. This section is effective for contracts entered into on or after July 1, 2011.