

A bill for an act

relating to education finance; relieving certain districts of a contract penalty;
amending Minnesota Statutes 2008, section 123B.05, by adding a subdivision.

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

Section 1. Minnesota Statutes 2008, section 123B.05, is amended by adding a
subdivision to read:

Subd. 2a. **Penalty reduction for financial hardship.** If a school district receives a
penalty under subdivision 2, the commissioner may reduce the penalty by up to 50 percent
of the amount per adjusted pupil unit defined in subdivision 4 if the school district and
the exclusive representative of the teachers both sign a collective bargaining agreement
on or before April 15 and the district and the exclusive representative of the teachers file
an appeal with the commissioner declaring a financial hardship. The commissioner must
make a determination within 60 days of the appeal.