A bill for an act
relating to education; providing school district budget relief; amending Minnesota Statutes 2010, section 126C.44; repealing Minnesota Statutes 2010, sections 122A.61; 123B.05.

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

Section 1. Minnesota Statutes 2010, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

(a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to $30 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

(b) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed $10 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.

~~(c) A school district must set aside at least $3 per adjusted marginal cost pupil unit of the safe schools levy proceeds for the purposes authorized under paragraph (a), clause (6). The district must annually certify either that: (1) its total spending on services provided by the employees listed in paragraph (a), clause (6), is not less than the sum of its expenditures for these purposes, excluding amounts spent under this section, in the previous year plus the amount spent under this section; or (2) that the district's full-time equivalent number of employees listed in paragraph (a), clause (6), is not less than the number for the previous year.~~

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 2. **SALARY FREEZE.**

Subdivision 1. **Salary increases prohibited.** (a) From the effective date of this section through June 30, 2013, a school district or charter school must not increase the rate of salary or wages for any employee. This section prohibits any increase including, but not limited to, across-the-board increases; cost-of-living adjustments; increases based on longevity; increases as a result of step and lane changes; increases in the form of lump-sum payments; increases in employer contributions to deferred compensation plans; or any other pay grade adjustments of any kind. For purposes of this section, salary or wages does not include employer contributions toward the cost of medical or dental insurance premiums, provided that employee contributions to the costs of medical or dental insurance premiums are not decreased.

(b) This section does not prohibit an increase in the rate of salary and wages for an employee who is promoted or transferred to a position with greater job responsibilities. Additional educational credits or degrees or a lane change is not a promotion or a transfer to a position with greater job responsibilities. This section also does not prohibit a school district or charter school from implementing an alternative compensation program approved by the commissioner of the Department of Education. The commissioner may approve an alternative compensation program at the commissioner's sole discretion.

Subd. 2. **Contracts in effect.** (a) This section does not prohibit a school district or charter school from effectuating an increase in the rate of salary or wages for employees if required by a contract or collective bargaining agreement that is in effect before the effective date of this section. However, from the effective date of this section until June 30, 2013, a school district or charter school may not:

(1) enter into a new contract or collective bargaining agreement that increases salary or wages in a manner prohibited by this section; or

(2) increase the rate of salary or wages for employees through extension of an expired contract or collective bargaining agreement or any other arrangement or agreement.

(b) Notwithstanding any law to the contrary, if, as of the effective date of this section, a school district or charter school has agreed to or entered into a contract or collective bargaining agreement that is not scheduled to become effective until after the effective date of this section, any provision of the contract or collective bargaining agreement that violates subdivision 1, paragraph (a), is void. If this occurs, the exclusive representative may rescind the entire contract or collective bargaining agreement. To be effective, a request to rescind the contract must be made within 30 calendar days following the effective date of this section. Any subsequent contract or collective bargaining agreement must comply with the terms of this section.

(c) Notwithstanding any law to the contrary, upon expiration of a contract or collective bargaining agreement, each employee must remain at the rate of salary and wage in effect at the time the contract expired, except as authorized in subdivision 1, paragraph (b). Any language in a contract or collective bargaining agreement that attempts to extend the terms of the contract or collective bargaining agreement is invalid if it seeks to extend the application of the terms of a collective bargaining agreement past the durational limits set forth in Minnesota Statutes, section 179A.20, subdivision 3.

Subd. 3. **Future contracts.** A contract or collective bargaining agreement or compensation plan entered into after June 30, 2013, must not provide a retroactive salary or wage increase that applies to a period before June 30, 2013, if that increase would be prohibited by this section if granted before June 30, 2013.

Subd. 4. **Arbitration and strikes.** Notwithstanding any law to the contrary:

(1) employees of a school district or charter school may not legally strike due to a school district or charter school's refusal to grant a salary or wage increase if the refusal is required to comply with this section; and

(2) neither a school district or charter school nor an exclusive representative may request interest arbitration in relation to an increase in the rate of salary or wages that is prohibited by this section and an arbitrator may not issue an award that would increase salary or wages in a manner prohibited by this section.

Subd. 5. **Relation to other law.** This section supersedes Minnesota Statutes, chapter 179A, and any other law to the contrary. It is not an unfair labor practice under Minnesota Statutes, chapter 179A, for a school district or charter school to take any action required to comply with this section.

EFFECTIVE DATE. This section is effective the day following final enactment. Subdivisions 1, 2, 4, and 5 expire on June 30, 2013.

Sec. 3. **REPEALER.**

Minnesota Statutes 2010, sections 122A.61; and 123B.05, are repealed.

EFFECTIVE DATE. This section is effective July 1, 2011.

122A.61 RESERVED REVENUE FOR STAFF DEVELOPMENT.

Subdivision 1. **Staff development revenue.** A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for in-service education for programs under section 120B.22, subdivision 2, for staff development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes, preservice and in-service education for special education professionals and paraprofessionals, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs. With the exception of amounts reserved for staff development from revenues allocated directly to school sites, the board must initially allocate 50 percent of the reserved revenue to each school site in the district on a per teacher basis, which must be retained by the school site until used. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue must be used to make grants to school sites for best practices methods. A grant may be used for any purpose authorized under section 120B.22, subdivision 2, 122A.60, or for the costs of curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, substitute teachers for staff development purposes, and other staff development efforts, and determined by the site professional development team. The site professional development team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

Subd. 2. **Career teacher staff development.** Of a district's basic revenue under section 126C.10, subdivision 2, an amount equal to $5 times the number of resident pupil units must be reserved by a district operating a career teacher program according to sections 124D.25 to 124D.29. The revenue may be used only to provide staff development for the career teacher program.

Subd. 3. **Coursework and training.** A school district may use the revenue reserved under subdivision 1 for grants to the district's teachers to pay for coursework and training leading to certification as a college in the schools or concurrent enrollment teacher. In order to receive a grant, the teacher must be enrolled in a program that includes coursework and training focused on teaching a core subject.

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.