A bill for an act

relating to education; changing the deadline and penalty for reaching teacher collective bargaining agreements; amending Minnesota Statutes 2010, section 123B.05, subdivisions 2, 5.

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

Section 1. Minnesota Statutes 2010, section 123B.05, subdivision 2, is amended to read:

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~~ October 15 of an ~~even-numbered~~ odd-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 and reallocated, as the commissioner sees fit, to those public employers under this section that have a signed agreement by that date. 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~~ September 30 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before ~~January~~ October 15 of an ~~even-numbered~~ odd-numbered year; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

EFFECTIVE DATE. This section is effective July 1, 2011, and applies to all collective bargaining agreements ratified or modified after that date.

Sec. 2. Minnesota Statutes 2010, section 123B.05, subdivision 5, is amended to read:

Subd. 5. **State aid reductions returned to ~~general fund~~ department and reallocated.** Reductions from aid to districts and public employers other than districts must be ~~returned to the general fund~~ reallocated as the commissioner sees fit, consistent with subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2011, and applies to all collective bargaining agreements ratified or modified after that date.