

HOUSE RESEARCH

Bill Summary

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Overview

Under Minnesota Statutes, section 123B.05, a school board and the exclusive representative of the teachers must sign a collective bargaining agreement by January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, and unless the statutory exception related to arbitration applies, state aid paid to the school district for that fiscal year is reduced.

The Bird Island-Olivia-Lake Lillian school district had both its superintendent and business manager resign the June before the contract deadline. At the time, the district was in statutory operating debt although the amount of the debt was uncertain. In November the board hired an accountant to organize the district's books and in January the board hired a new superintendent. Four new board members were elected to serve on the seven-member school board beginning in January. The board and the superintendent needed about 45 days, beginning January 3, to determine the debt load and fund balance for the district before entering into contract negotiations. The superintendent and the board required about 10 days to settle the contract once the superintendent determined the school district's financial condition. As a result of these circumstances, the board settled the contract after the January 15 deadline.

Section

- 1 **Contract deadline penalty grant; Bird Island-Olivia-Lake Lillian.** Appropriates \$30,000 in fiscal year 2002 from the general fund to the commissioner of children, families, and learning for a grant to the Bird Island-Olivia-Lake Lillian school district for state aid the district lost as a result of missing the January 15 deadline by which teachers' employment contracts must be settled. This section is immediately effective.