

1.1 A bill for an act

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

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

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

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