

CHAPTER 136

STATE COLLEGES AND STATE JUNIOR COLLEGES

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**136.01 DESIGNATION.** The following educational institutions in this state have been designated as state colleges: Winona State College, Mankato State College, St. Cloud State College, Moorhead State College, Bemidji State College, and Southwest State College.

[1921 c 260 s 1; 1957 c 576 s 1; 1965 c 331 s 1] (3064)

**136.015 CHANGES IN DESIGNATION AND STATUS OF EDUCATIONAL INSTITUTIONS.** Educational institutions heretofore known and described as state normal schools and state teachers colleges as designated in Minnesota Statutes have been redesignated as state colleges. All property of the Duluth State College has been transferred and all obligations of the college have been assumed by the regents of the University of Minnesota in accordance with section 137.13, and this college is now part of the university. The Southwest State College has been established in accordance with the provisions of Section 136.016.

[1957 c 576 s 1; 1965 c 331 s 2]

**136.016 ESTABLISHMENT OF STATE COLLEGE IN SOUTHWESTERN MINNESOTA.** Subdivision 1. There is hereby established a technical and two year liberal arts college under the state college board subject to all provisions of Minnesota Statutes 1961, Chapter 136, and any other law applicable to state colleges.

Subd. 2. The technical and two year liberal arts college shall be located in the area of the state included within the counties of Brown, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, Martin, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift, Watonwan, and Yellow Medicine. The

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exact site of such technical and two year liberal arts college shall be selected as provided in subdivision 3.

Subd. 3. On or before January 1, 1964, the president of the university of Minnesota, the president of the state college board, the commissioner of education, the executive director of the state college board and the director of University High School, university of Minnesota, constituting a site selection committee, shall select the site of the technical and two year liberal arts college established by this section and shall notify the state college board and the commissioner of administration in writing thereof.

Subd. 4. The commissioner of administration shall forthwith, after consultation with the state college board, proceed to acquire the necessary lands therefor by gift, purchase, or condemnation proceedings. Such land acquisition by condemnation proceedings shall be pursuant to Minnesota Statutes, Chapter 117.

Subd. 5. The state college board shall establish a curriculum equal and comparable to the curriculum of the first two years course presently maintained by the now existing state colleges, and those courses in skilled and technical trades shall be formulated and determined by a committee of qualified personnel appointed by the state college board. Such program offering in the technical trades shall be consistent with the economic circumstances of this state and geographic area.

The state college board shall add a third and fourth year curriculum to the liberal arts courses of said college at such time as the state college board deems such additional curriculum feasible and necessary.

Subd. 6. There is appropriated to the state college board from the general revenue fund in the state treasury the sum of \$100,000 for the establishment of the technical and two year liberal arts college created in subdivision 1 to be expended in the manner provided by law for site selection expenses, site acquisition costs, planning, developing, constructing, and equipping the necessary grounds, buildings, and other facilities deemed necessary by the site selection committee and the state college board, and other facilities of said technical and two year liberal arts college.

[1963 c 689 s 1-4]

**136.02 STATE COLLEGE BOARD.** The board heretofore in charge of the state normal schools and referred to in the statutes as the normal school board and sometimes as the state normal school board shall hereafter be designated as the state college board, with the same powers and duties as heretofore, with the additions provided in section 136.09.

[1921 c 260 s 2; 1957 c 576 s 1, 2] (3065)

**136.03 MANAGEMENT OF STATE COLLEGES.** The state colleges shall be under the management, jurisdiction, and control of the state college board; and it shall have and possess all of the powers, jurisdiction, and authority, and shall perform all of the duties by them possessed and performed on and prior to April 1, 1901, except as hereinafter stated.

[1905 c 119 s 1; 1957 c 576 s 1, 2] (3140)

**136.035 [Obsolete]**

**136.036 IN-SERVICE EDUCATION.** Subdivision 1. **In-service defined.** As used in this section, the term "in-service education" means all types of education designed to improve the qualifications of teachers at the time that they are employed in teaching and during their summer vacations. The expression is used in contrast with "pre-service education" designed for the education of prospective teachers.

Subd. 2. **Provide for county superintendents and teachers.** The state college board is granted authority to provide in-service education, on or off-campus, for county superintendents and teachers in rural, village or city schools.

Subd. 3. **Credits recognized and evaluated.** Credits earned by the students in such in-service education may be recognized and evaluated in terms of the curriculum in which the student is enrolled.

Subd. 4. **Tuition.** The state college board may fix tuition for such instruction.

Subd. 5. [Repealed, 1951 c 41 s 1]

[1947 c 429 s 1-5; 1949 c 274 s 1-5; 1951 c 41 s 1; 1957 c 576 s 1, 2]

**136.045 GENERAL ADULT EDUCATION.** Any state college may establish and conduct a program of general adult education. The college shall fix the fees to be paid by the adults enrolled in the program. The fees collected shall be retained

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by each state college to be administered under the direction of the presidents of the respective colleges subject to audit of the public examiner. The money collected in fees is not subject to laws requiring budgeting, allotment, encumbrance, and deposit with the state treasurer as provided in Minnesota Statutes, Chapter 16.

[1957 c 600 s 1]

**136.06 EXPENSES, PAYMENT.** No member of the state college board and no person in its employ shall be paid for any expense incurred unless it shall appear that the expense was duly authorized by the executive committee or the president of the board and an itemized, verified account of the same, accompanied by sub-vouchers where sub-vouchers are practicable, is furnished by the claimant and filed with the state auditor for his written audit. Such verification shall state that the expense bill is just and correct and for money actually and necessarily paid or to be paid for the purposes therein stated. If the expense is to be incurred in visiting another state, then, before the visit is authorized or undertaken, the executive committee or president must certify in writing the purpose of the visit, the necessity existing for the same, and the maximum expense to be incurred therefor, which certificate must be presented to the governor for his approval. If he does not approve the same, the visit shall not be undertaken. If the above provisions are complied with, the state auditor shall pay such expense account in the same manner as monthly expenses and salaries are paid under the provisions of sections 136.03 to 136.08.

[1905 c 119 s 5; 1957 c 576 s 1, 2] (3144)

**136.07 EXCEEDING APPROPRIATIONS; PENALTY.** It shall be unlawful for the state college board to permit any expenditures for any purpose in excess of the amount appropriated or contemplated by law and any member or agent of the board violating this provision shall be deemed guilty of a gross misdemeanor; and, upon conviction thereof, fined not less than \$100, nor more than \$1,000, or be imprisoned in the county jail for not less than six months, or by both a fine and imprisonment.

[1905 c 119 s 6; 1957 c 576 s 1, 2] (3145)

**136.08** [Superseded by 1925 c 426; 1939 c 431]

**136.09 DEGREES AND CERTIFICATES.** Subdivision 1. The state college board may award appropriate degrees to persons who complete a prescribed four year bachelors curriculum of studies.

Subd. 2. The state college board may award appropriate degrees to persons who complete a prescribed five year masters curriculum of studies.

Subd. 3. After July 1, 1969, the state college board may institute a prescribed doctors curriculum of studies and award the appropriate doctoral degree to such persons who complete the prescribed curriculum of studies.

Subd. 4. The state college board may also award an appropriate certificate indicating the completion of a prescribed curriculum of studies not resulting in the conferring of a bachelors, masters or doctors degree to persons completing such prescribed certificated curriculum of studies.

[1921 c 260 s 3; 1953 c 428 s 1; 1957 c 576 s 1, 2; 1963 c 590 s 1; 1967 c 668 s 1] (3066)

**136.10 MODEL SCHOOLS.** The state college board may organize model schools in connection with each state college for illustrating methods of teaching and school government only.

[R L s 1437; 1957 c 576 s 1, 2] (3068)

**136.11 TUITION; FEES; ACTIVITIES FUNDS.** Subdivision 1. **Tuition.** There shall be a charge for tuition to students in state colleges. The board shall fix rates of tuition for the various instructional programs. The board may waive tuition for persons under the guardianship of the commissioner of public welfare that are qualified for admission to the state colleges, provided that those persons contribute toward their expenses by gainful employment if they are physically able to work.

Nonresident students shall pay an additional tuition fee to be determined by the board. Resident status shall be determined at the time of each registration according to the permanent residence of the student's parents or guardian for minor students and according to the permanent residence of the student if he is of legal voting age.

Any student who registers for a term of instruction later than the stipulated date for such registration may be charged a late registration fee according to the rules to be established by the board.

Subd. 2. **Fees chargeable.** In addition thereto student activity fees shall be

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charged at the state colleges not to exceed \$15 per quarter, and in the model schools, not to exceed \$5 per quarter.

**Subd. 3. College activity fund.** The state college board shall establish in each college a fund to be known as the college activity fund. The purpose of this fund shall be to provide for the administration of college activities designed for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings. The college activity fund shall encompass accounts for student activities, authorized college agencies, authorized auxiliary enterprises, and student loans, and in addition such other accounts as the board may prescribe.

**Subd. 4. Student activities.** Student activities as the term is used in Laws 1943, Chapter 611, means lecture courses, concerts, and other functions contributing to the mental, moral and cultural development of the student body and community in which they live, athletic activities, including intercollegiate contests, forensics, dramatics and such other activities of any nature as in the opinion of the state college board contribute to the educational, cultural, or physical well being of the student body.

**Subd. 5. Administration of activity fund moneys.** All college activity fund moneys collected shall be retained by the president of each state college to be administered under the rules of the state college board by the presidents of the respective colleges subject to audit of the public examiner. Moneys collected for the college activity fund are not subject to laws requiring budgeting, allotment, encumbrance, and deposit with the state treasurer provided in Minnesota Statutes, Chapter 16.

**Subd. 6. Student union fees.** The state college board may charge students in any state college a fee of not to exceed five dollars per school quarter for the purpose of acquiring, constructing, completing, remodeling, or equipping a student union at the college where the fee is collected, and for the purpose of providing for principal and interest and reserve requirements of revenue bonds issued by said board, in the event that such union is financed in whole or in part from the proceeds of any such bonds. The foregoing limitation on the amount of such fee is not intended to affect the obligation of the board under section 136.34 to establish fees and charges for student activities and student facilities sufficient at all times to meet bond principal and interest and reserve requirements. All student union fees shall be deposited in a student union subaccount of the capital expenditures account in the college board of the state of Minnesota revenue fund created by Minnesota Statutes, Section 136.35, and shall be used, with any private or public funds which are otherwise made available, solely for the payment of capital costs of a student union at the college where the fee is collected; except that if any part of the funds required for said purpose is provided from the proceeds of bonds issued by the board, then, from and after the issuance of such bonds, said fees shall be deposited in the maintenance and operation account of said revenue fund and applied, with revenues derived from the operation of the union and other facilities financed by bonds, to the payment of the costs of operation and maintenance of such facilities and the principal and interest on said bonds, in accordance with the board's resolutions authorizing such bonds. The state college board may accept gifts or donations made to any student union subaccount, and is authorized to comply with any terms and conditions upon which such gifts or donations are made. All moneys deposited in a student union subaccount pursuant to this subdivision are hereby appropriated to the board for the purposes for which received.

[*R L s 1438; 1933 c 294 s 1; 1943 c 611 s 1; 1945 c 394 s 1-4; 1949 c 720 s 1; 1953 c 599 s 1; 1957 c 576 s 1, 2; 1959 c 416 s 1-3; 1961 c 460 s 1; 1963 c 846 s 1*] (3069)

NOTE: See also Laws 1967, Chapter 868, Section 3, Subdivision 7.

**136.111 STUDENTS; RECIPROCIITY WITH OTHER INSTITUTIONS.** Subdivision 1. In order to make the most provident utilization of state colleges, and private colleges in Minnesota, and public and private colleges and universities in contiguous states and to avoid duplication of facilities, it is desirable to provide means which will enable a student resident within the areas served by such institutions of higher education to obtain his desired courses in the most expedient manner and at the least possible cost.

**Subd. 2.** The state college board may therefore enter into contracts with private colleges or public colleges or universities, or the governing boards thereof, in contiguous states and private colleges within this state on a reciprocal basis in order to accomplish the following:

(a) To enable a student at any institution party to such a contract to take a

specialized course or courses at a different institution from that in which he is enrolled, with or without the payment of tuition charges at the other institution;

(b) To enable a student enrolled in any of the institutions party to the contract to attend another institution party to such contract without being required to pay nonresident tuition fees and in accordance with the terms of such contract;

(c) A contract entered into pursuant to this subdivision shall provide for approximately equal advantages between the contracting institutions.

Subd. 3. The state college board may prescribe the procedures for carrying out the authority conferred by subdivision 2.

Subd. 4. The program authorized by the terms and provisions of this section being experimental, the number of course credit hours to be taken by students under contracts made by the state college board pursuant to subdivision 2 for all the institutions under its jurisdiction shall be limited to an aggregate of 2,000 credit hours in any one academic year.

Subd. 5. The provisions of Minnesota Statutes 1961, Section 136.11, and any act amendatory thereof, are hereby modified to the extent necessary to give force and effect to this section.

[1965 c 242 s 1]

**136.12 EDUCATIONAL MANAGEMENT.** The educational management of the state colleges is vested in a board of eight directors who, with the commissioner of education shall constitute the state college board. Such directors shall be appointed by the governor, subject to confirmation by the senate, for a term of six years. The governor shall in like manner fill for the unexpired term all vacancies in the board. No two shall be residents of the same county.

All directors of the state college board on the effective date of this section shall serve until the expiration of the terms for which they were appointed. Thereafter the terms of the directors shall be as prescribed in this paragraph. Three of the directors to be appointed in 1965 shall be appointed for a term expiring January 1, 1969; the other director to be appointed in 1965 shall be appointed for a term expiring January 1, 1971; two of the directors to be appointed in 1967 shall be appointed for a term expiring January 1, 1971; and the other two directors to be appointed in 1967 shall be appointed to a term expiring January 1, 1973. Thereafter all directors shall be appointed for six year terms.

All directors shall serve until their successors are appointed and qualified.

[R L s 1439; 1957 c 576 s 1, 2; 1963 c 61 s 1; 1963 c 639 s 5]

**136.13 ANNUAL MEETING; OFFICERS.** The annual meeting of the state college board shall be held on the second Monday in May. At such meeting it shall choose by ballot a president, whose term of office shall be for two years and until his successor qualifies. In case of vacancy, the state college board shall appoint one of the directors president until the next annual meeting and until his successor qualifies. The commissioner of education shall be secretary of the board.

[R L s 1440; 1945 c 367 s 1; 1957 c 576 s 1, 2; 1963 c 61 s 2] (3071)

**136.14 DUTIES OF BOARD.** The state college board shall have the educational management, supervision, and control of the state colleges and of all property appertaining thereto. It shall appoint all presidents, teachers, and other necessary employees therein and fix their salaries. It shall prescribe courses of study, conditions of admission, prepare and confer diplomas, report graduates of the state college department, and adopt suitable rules and regulations for the colleges. It shall, as a whole or by committee, visit and thoroughly inspect the grounds, buildings, modes of instruction, discipline, and management of each college at least once in each year. It shall report to the governor, on or before December 1 in each even-numbered year, the condition, wants, and prospects of each college with recommendations for its improvement.

[R L s 1441; 1913 c 436 s 1; 1957 c 576 s 1, 2] (3072)

NOTE: Regulation of traffic and parking, see section 169.966.

**136.141 WORKSHOP COURSES.** The state college board is granted authority, in its discretion, to provide refresher and professional workshop courses for teachers in rural, village or city schools in areas contiguous to where such colleges are maintained for instruction of persons to whom the regular instruction now afforded by the colleges is unavailable. Courses of instruction may also be given in cooperation with agencies of the federal government in the interest of national defense.

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Credits earned by the students in such courses may be recognized and considered by the state college board.

Tuition shall be fixed by the state college board for such instruction, taking into account the expense to the state in the particular class of course.

[1943 c 519; 1957 c 576 s 1, 2]

**136.142 GIFTS, BEQUESTS, ETC.** Subdivision 1. The state college board may receive and accept on behalf of the state and for the benefit of any state college any gift, bequest, devise, or endowment in the form of cash which any person, firm, corporation, or association may make to the board by will, deed, gift, or otherwise for the purpose of providing moneys for any aspect of the college activity funds. The state college board may use any moneys heretofore given it or any of the colleges under its jurisdiction by any person, firm, corporation, or association by will, deed, gift, devise, or endowment for the purpose of providing moneys for any aspect of the college activity funds, provided that such use of such moneys is not inconsistent with the terms and conditions under which the money was received by the board or a college under its jurisdiction. Moneys heretofore or hereafter so received are hereby appropriated to the board for the purposes stated. All other moneys deposited in the college activity funds are hereby appropriated to the board for use in the respective colleges where collected.

Subd. 2. The state college board shall provide by rule and regulation, in accordance with provisions of Minnesota Statutes, Chapter 118, for the deposit of all moneys received or referred to under the terms of this section. Whenever the board shall by resolution determine that there are moneys in the college activity funds not currently needed, the board may in and by such resolution authorize and direct the president of the college to invest a specified amount thereof in such securities as are duly authorized as legal investments for savings banks and trust companies. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state.

[1959 c 416 s 4]

**136.143 COOPERATION WITH OTHERS IN PROMOTION OF COLLEGE.** The state college board may cooperate by contractual arrangement or otherwise with responsible persons, firms, corporations, associations, or governmental agencies to promote short courses, research, and such other programs and activities in the state colleges as in the judgment of the board contribute to the development of the state colleges and the welfare of their students.

[1959 c 416 s 5]

**136.144 PROMOTION OF COLLEGE; ACCEPTANCE OF GIFTS.** The board may receive and accept on behalf of the state and for the state colleges any gift, bequest, devise, endowment, or grant in the form of cash which any person, firm, corporation, association, or governmental agency may make to the board by will, deed, gift, or otherwise to carry out the purposes of section 136.143. Unless otherwise so expressed in the terms of the gift, bequest, devise, endowment, or grant, moneys so received are not subject to the laws requiring budgeting, allotment, and encumbrance as provided in Minnesota Statutes, Chapter 16, or otherwise. Such moneys shall be deposited in the state treasury and are hereby appropriated to the board for use in accordance with this section.

[1959 c 416 s 6]

**136.145 MODEL SCHOOL; INJURIES TO SCHOOL CHILDREN, HOSPITAL AND MEDICAL BENEFITS.** The state college board may enter into a contract providing for the payment of cash benefits or the rendering or payment of hospital and medical benefits, or both, to school children injured while participating in the athletic or supervised physical activities of the model school of any state college, such contract to make the payment of such benefits or the rendering thereof the direct and sole obligation of the association or company entering into such contract with the board.

If the board deems it advisable, it may authorize employees to collect fees from the pupils enrolled in the model school who are to be or are covered by such contract, and to make payment of the premium or other charge for such contract or protection, providing payment of such premium or other charge shall not be made from funds received from the federal government or from the state nor from funds derived by the issuance of bonds.

The payment of any fees, premium, or other charge by such child shall not

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thereby make the board liable for any injuries incurred from such athletic or supervised physical model school activities.

[1959 c 416 s 7]

**136.15 REPORT TO COMMISSIONER OF EDUCATION.** The president of each state college shall make an annual written report to the commissioner of education on or before September 1, covering the term year of his school, and setting forth its general statistics, enrollment in each department and in each class of the college department, average attendance, the number graduating within the year, the number of teachers, the departments of each, and the general condition of its buildings, library, and apparatus, the number and names of all graduates then engaged in teaching, as far as known to him and the district or county in which each is teaching, and such other matters and suggestions as he may deem of interest to the public or conducive to the good of the college.

[R L s 1442; 1957 c 576 s 1, 2] (3077)

**136.16 COMPENSATION OF BOARD.** The directors shall be reimbursed for their actual expenses while engaged in duty for the state colleges out of the current funds belonging to such colleges.

[R. L. s. 1443] (3078)

**136.17 SUMMER SESSIONS AT COLLEGES.** There shall be held at each college in this state a summer session of 12 weeks under the direction of the state college board. These summer sessions shall be a part of and in all respects be the same as the session now provided for by law. The provisions for attendance at these summer sessions shall be the same as those now in force and the arrangements of the terms in the school year shall be such as to most fully serve the welfare of rural schools. The board may in its discretion and when the interests of the state may be best subserved thereby direct that a shorter session than 12 weeks be held at any state college.

[1907 c 164 s 1; 1909 c 112 s 1; 1957 c 576 s 1, 2] (3079)

**136.171 RECEIPTS FROM SUMMER SESSIONS AND OFF - CAMPUS COURSES.** All receipts belonging by the state as a result of or because of conducting of summer sessions and off-campus courses during such summer sessions at the state colleges are hereby reappropriated to the respective colleges receiving such moneys and shall be credited on the books of the state auditor to be available during the fiscal year beginning July 1 during such summer session.

[1949 c 518 s 1; 1957 c 576 s 1, 2]

**136.18 INSTRUCTION TO VETERANS.** Subdivision 1. **Compensation.** The state college board is authorized to contract with the government of the United States to furnish to veterans who have heretofore served or shall hereafter serve in the armed forces of the United States any instruction or service which is available at a state college to any other person who shall pay the tuition fees and other charges prescribed by law. The reasonable compensation to be paid by the United States to the state therefor shall be determined by the board, taking into consideration the service and things to be furnished by the state and that the designation of the persons to be so instructed and trained is to be determined by the United States government.

Subd. 2. **Qualification of applicant.** The board shall reserve the right to determine that a person designated by the United States to receive such training and instruction is unfit therefor, if such is the judgment of persons charged with such determination for the state, in which case the state college board may refuse to receive such person for instruction.

[1945 c 251; 1957 c 576 s 1, 2]

**136.19 EXAMINATIONS, TESTS, AND OCCUPATIONAL DIAGNOSES COVERING VETERANS.** Subdivision 1. **Service to federal authorities.** The state college board is hereby authorized to contract in the name of the state with the government of the United States whereby the services of the staffs of any or all of the state colleges and their equipment shall be made available to the end that the state through such colleges shall furnish to the government of the United States examinations, tests and occupational diagnoses and reports covering veterans who heretofore served or who hereafter shall serve in the armed forces of the United States.

Subd. 2. **Meals and lodging included.** It is intended by this section that such board may contract to and may furnish meals and lodgings to such persons who undergo such tests and examinations.

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Subd. 3. **Board to fix charges.** The state college board shall determine the sum which shall be paid to the state for such services which shall be not less than \$15 and not to exceed \$20 for each person to be examined and reported, and in addition thereto the board shall fix the charges for such meals and lodging to be furnished at a rate of not less than \$3.25 and not more than \$4 per day.

Subd. 4. **Medical care.** The board may contract further to furnish medical care and treatment for such veterans while undergoing such examination for which it shall charge the actual disbursements which it shall make on account thereof, plus a reasonable sum to cover accounting and such other overhead expense as it shall incur.

Subd. 5. **Fees reappropriated.** The state college board shall collect all sums due the state under contracts made by authority of this section and account therefor as for other moneys collected; but all proceeds of such contracts collected are hereby re-appropriated to the college board for use in carrying on the program herein authorized.

[1945 c 398 s 1-5; 1957 c 576 s 1, 2]

**136.20 BOOK STORE.** The state college board may permit a college to conduct a book store in a college building or may allocate space in a college building and permit a person or corporation to conduct a book store therein without rent during the pleasure of the board upon such conditions as may be imposed by the board. The state college board may provide at no cost to the state, insurance for the merchandise inventory of a book store conducted by a college in a college building.

[1949 c 517 s 1; 1957 c 576 s 1, 2; 1967 c 241 s 1]

**136.21 EXCHANGE TEACHERS.** Subdivision 1. The state college board shall have authority to assign a member of its professional staff to teach in another institution of education beyond the borders of the state of Minnesota; when so assigned, the staff member is an exchange teacher.

Subd. 2. The state college board is authorized to assign a teacher for service in another institution of education beyond the borders of the state of Minnesota in exchange for services of a teacher with qualifications acceptable to the state college board.

Subd. 3. The exchange teacher shall retain all rights under contract with the state college board as though teaching in a Minnesota state college.

[1953 c 597 s 1-3; 1957 c 576 s 1, 2]

**136.22 CLASSES ON HOLIDAYS.** The state college board is hereby authorized to conduct classes in the several state colleges on either or any of the following holidays: Lincoln's Birthday, Washington's Birthday, Columbus Day, and Veterans Day, provided that when classes are held on Washington's Birthday, Lincoln's Birthday, or Veterans Day, that at least one hour of the school day be devoted to a patriotic observance of that day.

[1953 c 598 s 1; 1957 c 576 s 1, 2]

**136.31 STATE COLLEGE BOARD, DUTIES.** Subdivision 1. All references in sections 136.31 to 136.38 to the state college board shall be deemed and construed to include any successor thereof created or established by law. The state college board is hereby authorized to do the following:

(a) acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings and any other similar revenue-producing buildings of such type and character as said board shall from time to time find necessary for the good and benefit of any of the state colleges under the jurisdiction of said board, and for that purpose may acquire property of any and every kind and description, whether real, personal or mixed, by gift, purchase or otherwise; provided that no contract for the construction of any building shall be entered into until financing therefor has been approved by the legislature;

(b) maintain and operate any such buildings or structures and charge for the use thereof, and carry on such activities, as are commonly conducted in connection with any such buildings or structures;

(c) enter into contracts touching in any manner or any matter within the objects and purposes of sections 136.31 to 136.38;

(d) acquire building sites and buildings or structures by gift, purchase or otherwise and pledge the revenues thereof for the payment of any bonds issued for such purpose as provided in sections 136.31 to 136.38;

(e) borrow money and issue and sell bonds in such amount or amounts as the



legislature shall authorize for the purpose of acquiring, constructing, completing, remodeling, or equipping any such buildings or structures, and acquiring sites therefor, and refund and refinance the same from time to time by the issuance and sale of refunding bonds as often as it shall in the board's judgment be advantageous to the public interest so to do. All such bonds shall be sold and issued by said board in the manner and upon the terms and conditions provided by chapter 475, except as otherwise provided in this section. Such bonds shall be payable solely from and secured by an irrevocable pledge of the revenues to be derived from the operation of any such buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of such bonds and in addition thereto from such other income and revenues described in section 136.33, clause (a) as said board by resolution shall specify, and notwithstanding this limitation all bonds issued hereunder shall have the qualities of negotiable instruments under the laws of this state.

Subd. 2. Such bonds may bear such date or dates and may mature serially at such time or times not exceeding 40 years from their date or dates, may be in such form, carry such registration privileges, may be payable at such place or places, may be subject to such terms of redemption prior to maturity with or without premium, may be delivered to the purchasers at such times and places, and may contain such terms and covenants, not inconsistent with Laws 1957, Chapter 603, all as may be provided by resolution of said board authorizing the issuance of such bonds.

Subd. 3. Such bonds shall be executed by such officers of said board as shall be designated by said board and countersigned by the treasurer of the board who shall be an officer duly elected by the board; provided that at least one of such officers shall sign each bond manually and the other signatures or countersignatures thereon and on the interest coupons may be printed, lithographed, stamped or engraved thereon. Any bonds bearing the signature of officers in office at the date of signing thereof shall be valid and binding for all purposes, notwithstanding that before delivery thereof any or all such persons whose signatures appear thereon shall have ceased to be such officers, or that any or all such persons did not hold such offices at the date of such bonds.

Subd. 4. Each such bond shall state upon its face that it is payable solely from and secured by an irrevocable pledge of the revenues derived from the operation of any such buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of the sale of said bonds and from such other income and revenues described in section 136.33 clause (a) as specified in the resolution providing for its issue, and that it does not constitute a debt or obligation of the State of Minnesota within the meaning or application of any constitutional or statutory limitation or provision. Such bonds will be registered by the state auditor in a bond register to be kept for that purpose wherein shall be entered the amount and purpose of issue, the maturity and rate of interest, and the name of the original purchaser.

Subd. 5. Whenever the board shall by resolution determine that there are moneys in the possession of its treasurer not currently needed, or which are set aside in any reserve, the board may in and by such resolution authorize and direct the treasurer to invest a specified amount thereof in treasury bonds or bills, certificates of indebtedness, bonds or notes of the United States of America. Securities so purchased shall be deposited with and held for the board by the board treasurer. Whenever funds so invested are needed by the board it shall direct its treasurer to sell the same or a designated amount thereof. All moneys collected thereon by the board treasurer, as principal, interest, or proceeds of sales, shall be credited to and constitute a part of the fund and account for which the investment was made.

Subd. 6. In any case where the board determines to issue and sell refunding revenue bonds six months or more before the earliest date on which all bonds of the series to be refunded thereby will have matured or will have been redeemed upon call as hereinafter provided, the proceeds of the refunding revenue bonds shall be deposited, together with any revenues available and designated by the board for the purpose, in escrow with a suitable banking institution within or without the state, whose deposits are insured by the Federal Deposit Insurance Corporation and whose combined capital and surplus is not less than one million dollars, and shall be invested, simultaneously with the delivery of the bonds, in securities maturing or callable at the option of the holder on such

dates and bearing interest at such rates as shall be required to provide funds sufficient, with any cash retained in the escrow account, to pay when due the interest to accrue on each bond of the series refunded to its maturity or, if prepayable, to an earlier designated date on which it may be called for redemption, and to pay the principal amount of each such bond at maturity or, if prepayable, at its designated earlier redemption date, and to pay any premium required for redemption on such date; and before the refunding revenue bonds are delivered, the board shall by resolution irrevocably appropriate for these purposes, and for the payment of the reasonable charges of banks designated as escrow and paying agents, the escrow account and all payments of principal and interest on the securities held therein, and shall provide for the call of all prepayable bonds of such series, in accordance with their terms, on the redemption date or dates designated. The board may place in escrow pursuant to this subdivision any funds previously pledged and appropriated for the payment of principal and interest on bonds to be refunded; and it may, when deemed necessary in the public interest, issue refunding revenue bonds in the amount necessary to place in escrow the funds required to pay any premium for redemption of refunded bonds before their stated maturities. Investments of the escrow account shall be limited to general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association. No refunding revenue bonds shall be issued more than ten years before the last date on which all revenue bonds of the series to be refunded thereby will mature or are directed to be prepaid in accordance with their terms.

[1955 c 715 s 1; 1957 c 576 s 1, 2; 1957 c 603 s 1; 1965 c 331 s 3-5; 1967 c 140 s 1]

NOTE: Regulation of traffic and parking, see section 169.966.

**136.32 BONDS, INVESTMENTS.** The state, including the state board of investment, and all counties, cities, villages, incorporated towns and other municipal corporations, political subdivisions and political bodies, and public officers of any thereof, all banks, bankers, trust companies, savings banks, and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued pursuant to sections 136.31 to 136.38, it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm or corporation from any duty of exercising due care in selecting securities for purchase or investment. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes, section 50.14, notwithstanding the restrictions in part (c) of subdivision 4 thereof. All bonds issued under sections 136.31 to 136.38 shall be exempt from all taxation. Interest paid on such bonds shall not be included in gross income for the purpose of computing any tax imposed by or under any provisions of Minnesota Statutes, chapter 290, or any act amendatory thereof or supplemental thereto.

[1955 c 715 s 2; 1957 c 603 s 2]

**136.33 RESOLUTION OF BOARD.** Upon the determination by said college board or its successor to acquire, construct, complete, remodel, or equip any student residence halls, dormitories, dining halls, student union buildings, or other similar revenue-producing building or buildings, said board or its successor shall adopt a resolution describing generally the contemplated project, the estimated cost thereof, including legal, engineering and financial expenses and interest on the bonds during the period of constructing the project and for six months thereafter, fixing the amount of bonds, the maturity or maturities, the interest rate, and all details in respect thereof. Such resolution shall contain such covenants as may be determined by said board or its successor as to:

(a) the pledging of all or any portion of the proceeds of any fees imposed upon students for student activities, student facilities, or for other purposes, and the net

revenues from other buildings or facilities heretofore or hereafter constructed or acquired at any college under the jurisdiction of said board as additional security for the payment of said bonds;

(b) the regulation as to the use of such buildings or structures to assure the maximum use or occupancy thereof;

(c) the amount and kind of insurance to be carried, including use and occupancy insurance, the cost of which shall be payable only from the revenues to be derived from such buildings or structures;

(d) the operation, maintenance, management, accounting and auditing, and the keeping of records, reports and audits of such buildings or structures;

(e) the obligation of said board or its successor to maintain such buildings or structures in good condition and to operate the same in an economical and efficient manner;

(f) the amendment or modification of the resolution authorizing the issuance of any bonds hereunder, and the manner, terms and conditions, and the amount or percentage of assenting bonds necessary to effectuate such amendment or modification;

(g) such other covenants as may be deemed necessary or desirable to assure the prompt and punctual payment of all bonds issued under sections 136.31 to 136.38.

[1955 c 715 s 3; 1957 c 576 s 1, 2]

**136.34 STUDENT ACTIVITIES, FEES CHARGED.** Whenever bonds are issued as provided in sections 136.31 to 136.38, it shall be the duty of said board to establish charges or fees, including without limitation fees for student activities and fees for student facilities, for the use of any buildings or structures sufficient at all times to pay the principal of and interest on such bonds and to create and maintain suitable reserves therefor and the necessary expenses of the operation and maintenance thereof; and all revenues derived from the operation thereof shall be set aside in a separate fund and accounts as hereinafter provided and shall be irrevocably pledged for and used only in paying the principal of and interest upon the bonds issued for the purpose or purposes set forth and described in the resolution authorizing the issuance of said bonds, and the necessary expenses of the operation and maintenance thereof; and such charges and fees shall be sufficient at all times for such purposes.

[1955 c 715 s 4; 1957 c 603 s 3]

**136.35 SPECIAL REVENUE FUND.** The gross total income derived from the sale of bonds, and receipts and income derived from charges or fees, rentals, and all other revenue established for the use and service of any such buildings or structures shall, within three days after receipt thereof, be paid to the treasurer of the board and held by him as a special fund known as, "The College Board of the State of Minnesota, Revenue Fund." The treasurer shall be custodian of such special fund, which fund shall be held and disbursed for the purposes provided in sections 136.31 to 136.38. The said special fund shall be protected by a corporate surety bond executed by the treasurer of the board with a surety authorized to do business under the laws of the State of Minnesota. The amount of such bond shall be fixed by resolution of said college board or its successor and may be increased or diminished at any time. The premiums of such bonds shall be payable from "The College Board of the State of Minnesota Revenue Fund" and charged as an item of maintenance expense.

A certified copy of each resolution providing for the issuance of bonds under sections 136.31 to 136.38 shall be filed with the treasurer of the board, and it shall be the duty of said treasurer to keep and maintain separate accounts in said special fund for each bond issue in accordance with the covenants and the directions set out in the resolution providing for the issuance of said bonds and to disburse funds from the proper account for the payment of the principal of and interest on the bonds in accordance with the directions and covenants of said resolution authorizing the issue thereof. All disbursements for maintenance and operation costs shall be made from the proper maintenance and operation account upon order of said board or its successor in accordance with the covenants set out in the resolution authorizing the issuance of bonds. All disbursements for construction costs shall be made from a separate account in said special fund upon order of said board or

its successor in accordance with the covenants set out in the resolution authorizing said bonds.

[1955 c 715 s 5; 1957 c 576 s 1, 2]

**136.36 ALLOCATION OF RECEIPTS.** All moneys now or hereafter in the College Board of The State of Minnesota Revenue Fund and all income from the operation of such dormitories, cafeterias and student facilities are hereby appropriated first to the payment of expenses of the operation of dormitories, cafeterias and other student facilities from which the revenues so appropriated are derived and second to the payment of the obligations herein authorized.

[1955 c 715 s 6; 1957 c 576 s 1, 2; 1957 c 603 s 4]

**136.37 ADMINISTRATION.** The administration of sections 136.31 to 136.38 shall be under the state college board independent of other authority and notwithstanding Minnesota Statutes, Chapter 16.

[1955 c 715 s 7; 1957 c 576 s 1, 2]

**136.38 CONTRACTS OF BOARD, PERFORMANCE COMPELLED.** The provisions of sections 136.31 to 136.38 and of any resolution or other proceedings authorizing the issuance of bonds shall constitute a contract with the holders of such bonds and the provisions thereof shall be enforceable either in law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction to enforce or compel the performance of any duties required by sections 136.31 to 136.38 and any resolution authorizing the issuance of bonds adopted responsive hereto, including the establishment of sufficient charges or fees for use of any such buildings or structures and the application of the income and revenue thereof; and it shall be the duty of said college board or its successor upon the issuance of any bonds under the provisions of sections 136.31 to 136.38 to establish by resolution from time to time the fees or charges to be made for the use of any such buildings or structures, which fees or charges shall be adjusted from time to time in order to always provide sufficient income for payment of the principal of and interest on such bonds issued as provided for in sections 136.31 to 136.38, and for the necessary expenses of operation and maintenance.

If the existing college board of the State of Minnesota is abolished, all contracts made by said board and all things done or actions taken by said board under sections 136.31 to 136.38 shall be deemed to be contracts of, actions taken and things done by its successor and such successor shall be bound by all such contracts, actions taken and things done by said board and such successor shall be subject to all the obligations and duties of said board under sections 136.31 to 136.38.

[1955 c 715 s 8; 1957 c 576 s 1, 2]

**136.41 REVENUE BONDS, ISSUANCE.** Subdivision 1. The state college board of the state of Minnesota or any successor thereof created or established by law, is hereby authorized to issue revenue bonds under and pursuant to and in accordance with sections 136.31 to 136.38, and acts amendatory thereof and supplemental thereto, and payable solely from the revenue appropriated thereto by said law, in an aggregate principal amount not exceeding \$9,800,000 and to use the proceeds of their sale (a) to redeem and refund all outstanding revenue bonds theretofore issued by said board under said sections and (b) for acquiring, constructing, completing, remodeling or equipping structures to be used for dormitory, residence hall, or food service purposes at the Mankato, St. Cloud, Winona, Moorhead, and Bemidji colleges, including acquisition of any sites needed therefor.

Subd. 2. Such board or successor is authorized to issue additional revenue bonds under the law mentioned in subdivision 1, and payable solely from the revenue appropriated thereto by said law, in an aggregate principal amount not exceeding \$6,000,000, and to use the proceeds of their sale for acquiring, constructing, completing, remodeling, or equipping structures to be used for dormitory, residence hall, or food service purposes at any of the state colleges, including acquisition of any sites needed therefor.

Subd. 3. The state college board or any successor thereof is authorized to issue additional revenue bonds under sections 136.31 to 136.38, subject to the provisions of the resolutions authorizing its outstanding revenue bonds, and payable solely from the revenue appropriated thereto by section 136.11, subdivision 6, and sections 136.31 to 136.38, in an aggregate principal amount not exceeding 13 million dollars, over and above the amounts of bonds authorized elsewhere in this section, and to use the proceeds of their sale, together with other public or private money which may otherwise become available, for

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acquiring, constructing, completing, remodeling, and equipping structures to be used for dormitory, residence hall, student union, and food service purposes at each of the state colleges; and the buildings and facilities to be financed in this manner and the method of retirement of such bonds herein described are hereby approved.

Subd. 4. The state college board or any successor thereof is authorized to issue additional revenue bonds under sections 136.31 to 136.38, in an aggregate principal amount not exceeding \$9,400,000, and to use the proceeds of their sale, together with any revenues available in accordance with law and said resolutions, to redeem and refund the outstanding College Buildings Revenue Bonds, Series A and Series B, heretofore issued pursuant to subdivision 1, at their par value plus accrued interest, plus the premium required for such redemption. Said refunding revenue bonds shall bear interest at a rate or rates to be determined by the board, which may be higher or lower than the rate of interest payable on any or all the bonds refunded.

The bonds authorized to be issued by the state college board under the provision of this subdivision shall be sold at public sale as provided by Minnesota Statutes 1961, Section 475.60.

Subd. 5. The state college board or any successor thereof is authorized to issue additional revenue bonds under sections 136.31 to 136.38, subject to the provisions of the resolutions authorizing its outstanding revenue bonds, and payable solely from the revenue appropriated thereto by section 136.11, subdivision 6, and sections 136.31 to 136.38, in an aggregate principal amount not exceeding 11 million dollars, over and above the amounts of bonds authorized elsewhere in this section, and to use the proceeds of their sale, together with other public or private money which may otherwise become available, for acquiring, constructing, completing, remodeling, and equipping structures to be used for dormitory, residence hall, student union, and food service purposes at the state colleges, in accordance with the recommendations of the legislative buildings commission to the 1965 session of the legislature; and the buildings and facilities to be financed in this manner are hereby approved.

The bonds authorized to be issued by the state college board under the provision of this subdivision shall be sold at public sale as provided by Minnesota Statutes 1961, Section 475.60.

Subd. 6. The state college board or any successor thereof is authorized to issue additional revenue bonds under sections 136.31 to 136.38, subject to the provisions of the resolutions authorizing its outstanding revenue bonds, and payable solely from the revenue appropriated thereto by section 136.11, subdivision 6 and sections 136.31 to 136.38, in an aggregate principal amount not exceeding 13 million dollars, over and above the amounts of bonds authorized elsewhere in this section, and to use the proceeds of their sale, together with other public or private money which may otherwise become available, for acquiring, constructing, completing, remodeling, and equipping structures to be used for dormitory, residence hall, student union, and food service purposes at the state colleges, in accordance with the recommendations of the legislative buildings commission to the 1967 session of the legislature; and the buildings and facilities to be financed in this manner are hereby approved.

[1957 c 576 s 1, 2; 1957 c 604 s 1; 1959 c 413 s 1; 1963 c 479 s 1; 1965 c 317 s 1, 2; 1965 c 332 s 1, 2; 1967 c 140 s 2]

**136.42 MAY APPLY TO FEDERAL HOUSING AND HOME FINANCE COMPANY FOR LOAN.** The state college board of the State of Minnesota, or any successor thereof created or established by law, is hereby authorized to apply to the federal housing and home finance agency for a loan or loans aggregating not to exceed \$3,000,000 in principal amount for the purpose of acquiring, constructing, completing, remodeling or equipping revenue-producing buildings, structures or facilities, or sites therefor, to be used for dining halls, food service, student unions, or related revenue-producing facilities at the Mankato, St. Cloud, Winona, Moorhead, and Bemidji Colleges, or any of them, such bonds, when and if issued, to be issued under and in accordance with sections 136.31 to 136.38 and acts amendatory thereof and supplemental thereto, and to be payable solely from the income and revenues appropriated thereto by said law and as specified in the resolutions authorizing such bonds. Bonds authorized by this section are in addition to the \$9,800,000 authorized by section 136.41, but no bonds shall be issued for the purposes specified

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in this section until further approval and authorization thereof shall have been obtained from the legislature.

[1957 c 576 s 1, 2; 1957 c 604 s 2]

**136.43 NATIONAL DEFENSE EDUCATION ACT OF 1958; AGREEMENT WITH FEDERAL COMMISSIONER OF EDUCATION.** The state college board is hereby authorized to enter into agreements with the United States commissioner of education pursuant to Title II of Public Law 85-864, 85th Congress, entitled the national defense education act of 1958, in order to provide the benefits of Title II of Public Law 85-864 at Bemidji state college, Mankato state college, Moorhead state college, St. Cloud state college, and Winona state college. Provisions of these agreements shall

(1) Provide for establishment of a special student loan account by each such institution;

(2) Provide for deposit in each such account of (A) the federal capital contributions, (B) an amount, equal to not less than one-ninth of such federal capital contributions, contributed under section 136.46, (C) collections of principal and interest on student loans made from each such account, and (D) any other earnings of each such account;

(3) Provide that each such student loan account shall be used only for loans to students in accordance with such agreement, for capital distributions as provided in Title II of Public Law 85-864, and for costs of litigation arising in connection with the collection of any loan from each such account or interest on such loan;

(4) Provide that in the selection of students to receive loans from each such student loan account special consideration shall be given to (A) students with a superior academic background who express a desire to teach in elementary or secondary schools, and (B) students whose academic background indicates a superior capacity or preparation in science, mathematics, engineering, or modern foreign language; and

(5) Includes such other provisions as may be necessary to protect the financial interests of the United States and of the state of Minnesota and promote the purposes of Title II of Public Law 85-864 and as may be agreed to by the United States commissioner of education and the state college board acting in behalf of Bemidji state college, Mankato state college, Moorhead state college, St. Cloud state college, and Winona state college.

[1959 c 22 s 1]

**136.44 ACCEPTANCE OF FEDERAL GRANT; USE OF GRANT.** The treasurer of the state college board is authorized to accept any federal grant which will become available under provisions of Title II of Public Law 85-864 for use in the special student loan account in any of the Minnesota state colleges for which the grant is made. Any such federal grant is hereby appropriated to the state college board for use in the intended state college under terms of Title II of Public Law 85-864. The moneys of any such federal grant are not subject to any law requiring budget, allotment, encumbrance, and deposit with the state treasurer as provided in Minnesota Statutes, Chapter 16, or otherwise.

[1959 c 22 s 2]

**136.45 RULES AND REGULATIONS.** The state college board is hereby authorized and directed to establish rules and regulations for the conduct of the program contemplated by Title II of Public Law 85-864 which shall not be inconsistent with the provisions of Public Law 85-864.

[1959 c 22 s 3]

**136.46 ACCEPTANCE OF MONEY FROM PRIVATE SOURCES; USE.** The state college board may receive and accept on behalf of the state and for the benefit of the Bemidji state college, Mankato state college, Moorhead state college, St. Cloud state college, and Winona state college any gift, bequest, devise, or endowment which any person, firm, or corporation may make to the board by will, deed, gift, or otherwise for the purpose of providing moneys to meet the requirements of the federal act described in section 136.43 and any agreement made by the state college board with the United States commissioner of education pursuant thereto. The state college board may use any moneys heretofore given it or any of the colleges under its jurisdiction by any person, firm or corporation by will, deed, gift, devise, or endowment for the purpose of making student loans and meeting the requirements of the federal act described in section 136.43 and any agreement made pursuant thereto provided that such use of such moneys is not inconsistent with the

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terms and conditions under which the money was received by the board or a college under its jurisdiction. Moneys referred to in this section are not subject to the laws requiring budget, allotment, encumbrance, and deposit with the state treasurer as provided in Minnesota Statutes, Chapter 16, or otherwise. The moneys referred to in this section are appropriated to the board for the purposes stated.

[1959 c 22 s 4]

**136.47 DEPOSITS; INVESTMENTS.** The state college board shall deposit according to the provisions of Minnesota Statutes, Chapter 118, all moneys received or referred to under the terms of sections 136.43 to 136.50. Whenever the board shall by resolution determine that there are moneys in such student loan accounts not currently needed, the board may in and by such resolution authorize and direct the treasurer of the board to invest a specified amount thereof in such securities as are authorized for investment in Minnesota Statutes, Section 136.31, Subdivision 5. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state.

[1959 c 22 s 5]

**136.48 AVAILABLE MONEY.** The only moneys other than federal moneys available to the state college board for the purposes of meeting the requirements of the federal act described in section 136.43 in any agreement made pursuant thereto are those moneys described in section 136.46.

[1959 c 22 s 6]

**136.49 APPLICATION FOR FEDERAL LOANS ON BEHALF OF STATE.** The state college board on behalf of the state and the state colleges under its jurisdiction, may apply for loans from the United States office of education for the purpose of providing, on a temporary basis, the share of the state colleges of the loan fund in accordance with the provisions of the federal act described in section 136.43. In applying for any loan, the state college board shall in no way whatsoever pledge the credit of the state of Minnesota for the repayment of such loans. It is intended by this section to the extent permissible under federal laws to borrow, if necessary, from the federal government the state share of funds necessary to enable the state college board and the colleges under its jurisdiction to participate in the student loan program established by the federal act described in section 136.43.

[1959 c 22 s 7]

**136.50 ELIGIBILITY FOR STUDENT LOANS.** Any person regardless of age eligible for admission to an institute of higher learning in the state of Minnesota and eligible to receive a loan pursuant to the terms of sections 136.43 to 136.50 and the federal act described in section 136.43 may execute a note or any other instrument of indebtedness agreeing to the repayment of the student loan. Any such note or instrument of indebtedness so executed is a valid legal obligation of the signer thereof notwithstanding the provisions of any other law indicating the contrary.

[1959 c 22 s 8]

**136.501 EMPLOYMENT OF STUDENTS; FEDERAL AID.** The purpose of sections 136.501 to 136.508 is to stimulate and promote the part time employment of students in state colleges who are from low income families and are in need of the earnings from such employment to pursue courses of study at such state colleges.

[1965 c 679 s 1]

**136.502 ACCEPTANCE OF FEDERAL ACT.** The provisions of part C of title I of the act of congress entitled "an act to mobilize the human and financial resources of the nation to combat poverty in the United States," public law 88-452, known as the economic opportunity act of 1964, hereinafter referred to as "the federal act" and acts amendatory thereof, be and the same are hereby accepted, and the benefits of all funds appropriated under the provisions of such acts are hereby accepted as provided in such acts.

[1965 c 679 s 2]

**136.503 AUTHORITY OF BOARD.** Subdivision 1. **Board designated state agency.** The state college board, hereinafter referred to as the board, is hereby designated as a state agency to apply for, receive, and disburse moneys from the United States of America under said federal act. The board shall deposit all moneys so received in the state treasury and such moneys are appropriated to the board for the purposes of sections 136.501 to 136.508. The board has the power to enter into agreements with the director of the office of economic opportunity, hereinafter referred to as the director, authorized by sections 123

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and 124 of the federal act, subject to applicable provisions of the laws of this state, hereinafter referred to as state laws. The board has the power, subject to applicable state laws, to do all things necessary to comply with the requirements of said federal act and any rules or regulations promulgated thereunder.

Subd. 2. **Work-study programs.** The board may establish work-study programs in the several state colleges for graduate and undergraduate students at state colleges who are eligible under said federal act, and may contract with the director of the United States office of economic opportunity for part time employment for undergraduate or graduate students on the college level from low income families who are eligible under the federal act.

[1965 c 679 s 3]

**136.504 MUNICIPALITIES MAY CONTRACT.** Cities, villages, boroughs, towns, counties, and school districts, and state departments and agencies may contract with the board for the employment on a part time basis of students who are attending a state college, and may pay to the board such share of the cost of the program as is required of collaborating governmental subdivisions of a state, and may do all things necessary, subject to applicable state laws, to participate in such program under the provisions of said federal act.

[1965 c 679 s 4]

**136.505 COOPERATION WITH FEDERAL AGENCY.** The board has the duty of cooperating with the director or other federal agency in the administration of the federal act and, subject to applicable state laws, is given all power necessary to effect such cooperation. The board is authorized to make such expenditures as it may deem necessary to carry out the provisions hereof from money available for these purposes.

[1965 c 679 s 5]

**136.506 FUNDS, TREASURER'S DUTIES.** The state treasurer is appointed custodian of all funds received from the federal government under sections 136.501 to 136.508 and is charged with the duty and responsibility of receiving and providing for the proper custody and proper disbursement of money paid to the state and the appropriations made for such purpose.

[1965 c 679 s 6]

**136.507 FEDERAL AID, REPORTS TO THE LEGISLATURE.** The board shall make to the legislature at each biennial session a report of its administration of federal and state acts relating to the work-study program and the expenditure of money allotted to the state under the provisions of such acts.

[1965 c 679 s 7]

**136.508 APPROPRIATION ACCOUNT.** There shall be appropriated biennially a sum of not less than the amount to which the state college board as an agent of the state of Minnesota is entitled under the federal act and from the general revenue fund in the state treasury such sums of money as are necessary to carry out the provisions of sections 136.501 to 136.508.

[1965 c 679 s 8]

**136.55 ANNUITIES, PURCHASE BY BOARD.** Subdivision 1. At the request of an employee the state college board may negotiate and purchase an individual annuity contract from a company licensed to do business in Minnesota for an employee for retirement or other purposes and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire premium due or to become due under such contract. The allocation shall be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current federal internal revenue code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and his rights thereunder shall be nonforfeitable except for failure to pay premiums.

Subd. 2. All amounts so allocated shall be deposited in an annuity account which is hereby established in the state treasury. There is annually appropriated from the annuity account in the state treasury to the state college board all moneys deposited therein for the payment of annuity premiums when due or for other application in accordance with the salary agreement entered into between the employee and the state college board. The moneys in the annuity account in the state treasury are not subject to the budget, allotment, and incumbrance system provided for in Minnesota Statutes, Chapter 16, and any act amendatory thereof.

[1963 c 481 s 1]



## STATE JUNIOR COLLEGES

**136.60 ESTABLISHMENT OF JUNIOR COLLEGES, LOCATION.** Subdivision 1. Not to exceed 15 state junior colleges are hereby established under the management, jurisdiction, and control of a state junior college board which is hereby created.

Subd. 2. Three of said state junior colleges shall be situated within the counties of Ramsey, Anoka, Dakota, Washington, and Hennepin. The board shall determine the areas of the state for the location of the other state junior colleges and shall give consideration to the needs for a state junior college in northwestern Minnesota.

[1963 c 837 s 29 subd 1]

**136.601 ADDITIONAL JUNIOR COLLEGES; LOCATION OF COLLEGES.** Subdivision 1. In addition to the 15 state junior colleges established by sections 136.60, 136.61, 136.62, 136.63, and 136.64, two additional state junior colleges are hereby established under the management, jurisdiction, and control of the state junior college board.

Subd. 2. Notwithstanding the provisions of sections 136.60, 136.61, 136.62, 136.63, and 136.64, 12 of the state junior colleges shall be located at Rochester, Austin, Worthington, Willmar, Brainerd, Fergus Falls, Thief River Falls, International Falls, Ely, Virginia-Eveleth, Hibbing, and Itasca county; five of said state junior colleges shall be situated in the northwest Hennepin county area, northwest metropolitan Anoka-Ramsey county area, southwest metropolitan area, and two in the Ramsey-Dakota-Washington county area; and the state junior college board shall determine the sites for the location of such five state junior colleges.

[1965 c 809 s 31 subd 1, 2]

**136.61 JUNIOR COLLEGE BOARD; SELECTION AND ADMINISTRATION.** Subdivision 1. The state junior college board shall consist of five members appointed by the governor with the advice and consent of the senate. They shall be selected for their knowledge of, and interest in junior colleges of Minnesota. Except as otherwise provided in subdivision 2 each member shall be appointed for a seven year term commencing on July 1 in the year in which the term begins. The governor shall in a like manner fill for the unexpired term all vacancies on the board.

Subd. 2. The first state junior college board appointed by the governor with the advice and consent of the senate shall consist of one member appointed for a seven year term, two members appointed for a five year term, and two members appointed for a three year term. The term of each such appointee shall commence on July 1, 1963.

Subd. 3. The state junior college board shall elect a president, a secretary and such other officers as it may desire. It shall fix its meeting dates and places. The commissioner of administration shall provide it with appropriate offices.

Subd. 4. Members of the state junior college board shall serve without compensation but they shall be reimbursed for travel, subsistence and other reasonable expenses incurred in the performance of their duties and in the same manner as other state officers are reimbursed therefor.

[1963 c 837 s 29 subd 2]

**136.62 POWERS OF BOARD.** Subdivision 1. The state junior college board shall possess all powers necessary and incident to the management, jurisdiction, and control of the state junior colleges established in section 136.60 and all property pertaining thereto. Such powers shall include, but are not limited to, the enumeration contained in this section.

Subd. 2. The board may determine the exact location and site for each junior college and shall report to the 1965 regular session of the legislature in regard thereto. Such report shall be filed not later than January 15, 1965.

Subd. 3. The board may locate a junior college at the place of an existing junior college. It may contract with the school district owning and operating such existing junior college by lease, or otherwise, upon such terms as may be mutually agreed upon for the operation thereof by the state junior college board notwithstanding any provision or limitations of any other laws inconsistent with the provisions of this section. The state junior college board, however, shall not locate or take over the operation of an existing junior college prior to July 1, 1964, nor shall it locate and take over the operation of any junior

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college which was not in existence upon the date of the final enactment of Laws 1963, Chapter 837, Section 29.

Subd. 4. Subject to the other provisions of sections 136.60, 136.61, 136.62, 136.63, and 136.64, the board shall appoint the heads of each junior college, the necessary teachers and supervisors, and all other necessary employees. All such appointed persons shall be subject to the provisions of Minnesota Statutes 1961, Chapter 43 in the same manner as such state civil service act is applicable to similar persons in the employ of the state college board. Persons in non-academic employee status at the time the state assumes jurisdiction shall be blanketed into the classified service of the state and shall be placed in the proper classifications by the director of civil service with such compensation as such classifications carry. The seniority rights of such employees which exist at the time of transfer shall be retained. Upon assuming state employment, each such employee shall be credited with whatever sick leave he has to his credit as an employee of the local school district not to exceed 100 days. The board shall fix the compensation of its employees in the unclassified service unless otherwise prescribed by law. Personnel of an existing junior college taken over by the state junior college board pursuant to the provisions of sections 136.60, 136.61, 136.62, 136.63, and 136.64, shall continue as members of such retirement systems to which such personnel were eligible immediately prior to becoming employees of the state junior college board, and until such time as the legislature otherwise provides. The state junior college board is authorized to make the appropriate deductions and contributions to such retirement systems.

[1963 c 837 s 29 subd 3; 1965 c 770 s 1]

NOTE: Laws 1967, Chapter 868, Section 19, Subdivision 1, reads, in part:

"The state junior college board is authorized to establish activity funds, except for dormitory purposes, and imprest cash funds, to waive tuition charges and to act as agent and accept the benefits of public law 88-452, known as the economic opportunity act of 1964, as amended, and public law 85-864, known as the national defense education act of 1958, as amended, to the same extent and subject to the same conditions as such authority is vested in the state college board."

**136.621 MANAGEMENT; STUDY OF NEW SITES.** Subdivision 1. The state junior college board may combine the management of any two or more of the state junior colleges enumerated in section 136.601 if it believes its programs would be more effective by so doing.

Subd. 2. Notwithstanding the provisions of sections 136.60, 136.61, 136.62, 136.63, and 136.64, the state junior college board, after consulting with the legislative building commission and obtaining its recommendations, which shall be advisory only, shall consider the advisability of more than one facility at each of the state junior college areas designated in subdivision 2 of section 136.601. If it is determined by the board that a more effective program would be possible by erecting additional separated college buildings at more than one location within such five designated junior college areas, such separated facilities shall be operated under one state junior college administration.

Subd. 3. (1) The state junior college board shall study and recommend to the legislature the most feasible locations for additional state junior colleges; the study to include but not be limited to the following areas of the state: the Fairmont area; the Redwood Falls-Sleepy Eye-Springfield area; the Pine City-Mora area; the Hastings-Wabasha area; the Owatonna-Albert Lea area; and the Wadena-Park Rapids-Detroit Lakes area.

(2) The site study of the recommended areas shall be presented to the legislative building commission for their consideration and recommendations, after November 15, 1966.

[1965 c 809 s 31 subd 3-5]

**136.63 LOCAL ADVISORY COMMITTEES.** Subdivision 1. The board shall appoint a local advisory committee for each junior college composed of qualified persons with a knowledge of and interest in junior colleges residing in the area served by such junior college. The board from time to time shall consult with each local advisory committee on matters of courses of study to be offered at the junior college. The number of members and their terms of each advisory committee shall be fixed by the board. Advisory committee members shall serve without compensation and without reimbursement for expenses.

Subd. 2. The board shall prescribe the courses of study, including undergraduate academic programs, training in semi-professional and technical fields, and adult education, conditions of admission, fees and tuition to be paid by students, but not less than the fees and tuition required to be paid by students

in state colleges, requirements for graduation, and such suitable rules and regulations necessary for the operation of such junior colleges. Rules and regulations so prescribed shall not be subject to the requirements of the administrative procedure act or any other law requiring notice, hearing or the approval of the attorney general prior to adoption.

NOTE: Laws 1967, Chapter 868, Section 19, Subdivision 1, reads, in part:

"The appropriations to the state junior college board are conditioned upon compliance with the same student tuition rates as otherwise enumerated for the state college board in this act."

Subd. 3. A junior college under the management, jurisdiction, and control of the state junior college board as a state junior college is ineligible for junior college aids under the provisions of any law heretofore or hereafter enacted unless such law specifically provides therefor.

[1963 c 837 s 29 subd 4]

**136.64 APPROVAL OF ESTABLISHMENT OF COLLEGE.** Notwithstanding the provisions of Minnesota Statutes 1961, Chapter 130, or any other law to the contrary no junior college shall be established after the final enactment of Laws 1963, Chapter 837, Section 29 until the requirements of such chapter are met and the establishment thereof is also approved by the state junior college board.

[1963 c 837 s 29 subd 5]

**136.65 STATE JUNIOR COLLEGE SITES, ACQUISITION.** Subdivision 1. A city, village, borough, county, school district, or unorganized territory, or other body corporate and politic may, either jointly or severally, acquire by gift, purchase, or condemnation a site for a state junior college if the site has been designated by the state junior college board as the site of a state junior college, and may convey any such site to the state of Minnesota for state junior college purposes. Any of the governmental instrumentalities named in this section may convey to the state junior college board for state junior college purposes any of its lands not needed for its purposes, if such lands are included in a site designated by the state junior college board as the site of a state junior college.

Subd. 2. The state junior college board may accept as a gift a state junior college site, in behalf of the state of Minnesota, tendered to it pursuant to subdivision 1, or otherwise, and may also accept a transfer of custodial control of any lands owned by the state and tendered to it by a department or agency thereof for state junior college purposes.

[1965 c 728 s 1]

**136.66 ACCEPTANCE OF FEDERAL FUNDS.** Any additional federal grants outside those now accepted by the authorized state agency or its successor made available to the state of Minnesota for the purpose of junior college construction during the interim period shall be used in compliance with the plans promulgated by the legislative building commission. The state junior college board is authorized to receive and designate the use of such funds if the utilization thereof should become necessary in the interim to prevent their cancellation, but before receiving and designating the use of such funds the board shall first consult the legislative building commission and obtain its recommendation in regard thereto, which recommendation shall be advisory only.

[1965 c 809 s 31 subd 6]

**136.70 ANNUITIES, PURCHASE BY BOARD.** Subdivision 1. At the request of an employee the state junior college board may negotiate and purchase an individual annuity contract from a company licensed to do business in Minnesota for an employee for retirement or other purposes and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire premium due or to become due under such contract. The allocation shall be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current federal internal revenue code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and his rights thereunder shall be nonforfeitable except for failure to pay premiums.

Subd. 2. All amounts so allocated shall be deposited in an annuity account which is hereby established in the state treasury. There is annually appropriated from the annuity account in the state treasury to the state junior college board all moneys deposited therein for the payment of annuity premiums when due or for other application in accordance with the salary agree-

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ment entered into between the employee and the state junior college board. The moneys in the annuity account in the state treasury are not subject to the budget, allotment, and incumbrance system provided for in Minnesota Statutes, Chapter 16, and any act amendatory thereof.

[1965 c 110 s 1]

## GENERAL PROVISIONS

**136.80 SUPPLEMENTAL RETIREMENT.** Subdivision 1. A supplemental retirement plan for personnel employed by the state college board and the state junior college board who are in the unclassified service of the state and who have tenure on July 1, 1965 and all other persons upon acquiring tenure but not later than the period commencing with service under their third contract or who shall be employed as an administrative officer, college president or dean is hereby established effective July 1, 1965, in accordance with the terms and conditions of sections 136.81 to 136.86.

Subd. 2. [Repealed, 1967 c 808 s 9]

Subd. 3. [Repealed, 1967 c 808 s 9]

Subd. 4. [Repealed, 1967 c 808 s 9]

Subd. 5. [Repealed, 1967 c 808 s 9]

Subd. 6. [Repealed, 1967 c 808 s 9]

[1965 c 809 s 36; 1967 c 808 s 1]

**136.81 SALARY DEDUCTIONS, MATCHING FUNDS.** Subdivision 1. Beginning July 1, 1967, there shall be deducted from the salary of each person described in Minnesota Statutes, Section 136.80, Subdivision 1, a sum equal to five percent of the portion of such person's annual salary between \$6,000 and \$15,000. Such deduction is to be made in the same manner as other retirement deductions are made from the salary of such a person only after the first \$6,000 has been paid in a fiscal year. The moneys so deducted, together with an equal sum contributed by the state, shall be deposited to the credit of the supplemental retirement account of the teachers retirement fund, which account is hereby established as an account separate and distinct from other funds, accounts, or assets of the teachers retirement fund. The moneys required from time to time to match the person's salary deductions as provided in this subdivision are appropriated to the board of trustees of the teachers retirement fund from the general revenue fund.

Subd. 2. With the moneys deposited to the credit of the supplemental retirement account of the teachers retirement fund pursuant to subdivision 1, the board of trustees of the teachers retirement fund shall on the first business day of each month purchase shares in the accounts of the Minnesota supplemental retirement fund to the extent of funds available. The moneys to be invested from time to time pursuant to this subdivision are appropriated to the board of trustees of the teachers retirement fund for the purchase of such shares.

Subd. 3. Prior to July 1 of each year, each person described in section 136.80, subdivision 1, may indicate in writing on forms provided by the board of trustees of the teachers retirement fund the account of the Minnesota supplemental retirement fund in which he wishes his salary deductions and state matching funds attributable to his salary deductions invested for the year beginning July 1. For that year and thereafter until a different written indication is made by such person, the board of trustees of the teachers retirement fund shall purchase with the salary deductions and state matching funds attributable to the salary deductions shares in the account of the Minnesota supplemental retirement fund chosen by the person. If a person fails to indicate his choice as provided herein, the board of trustees of the teachers retirement fund shall purchase shares in the income account of the Minnesota supplemental retirement fund for the coming year. The shares so purchased shall stand in the name of the board of trustees of the teachers retirement fund, but a record shall be kept indicating the number of shares in each account of the Minnesota supplemental retirement fund purchased with the salary deductions and state matching funds attributable to the salary deductions of each person. Such record shall be known as the "employee's share account record". The employee's share account record shall show, in addition to the number of shares therein, any cash balance of salary deductions or state matching funds attributable to those deductions which stands uninvested in shares.

[1967 c 808 s 2]

**136.82 REDEMPTION.** Subdivision 1. The board of trustees of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental

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retirement fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and regulations governing the Minnesota supplemental retirement fund:

(1) When requested to do so in writing on forms provided by the board of trustees of the teachers retirement fund by a person having shares to the credit of his employee's share account record, if the person is 65 years of age or older and is no longer employed by the state college board or state junior college board. In such case the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of his shares in his employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state college board in the case of a person employed by the state college board, and the state junior college board in the case of a person employed by the state junior college board, may, upon application, in their sole discretion, permit greater withdrawals in any one year.

(2) When requested to do so in writing on forms provided by the board of trustees of the teachers retirement fund by a person having shares to the credit of his employee's share account record, if the person has left his employment by the state college board or state junior college board because of his total and permanent disability as defined in section 354.05, subdivision 14, and if the board of trustees of the teachers retirement fund finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment. In such case the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of his shares in his employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state college board in the case of a person employed by the state college board, and the state junior college board in the case of a person employed by the state junior college board, may, upon application, in their sole discretion, permit greater withdrawals in any one year. Should the person return to good health he shall owe no restitution to the state or any fund created by its laws for a redemption directed pursuant to this paragraph.

(3) In the event of the death of a person having shares to the credit of his employee's share account record and leaving a surviving spouse, then when requested to do so in writing on forms provided by the board of trustees of the teachers retirement fund by such surviving spouse. Such surviving spouse shall receive the cash realized on the redemption of the shares. Such surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state college board in the case of a person employed by the state college board, and the state junior college board in the case of a person employed by the state junior college board, may, upon application, in their sole discretion, permit greater withdrawals in any one year. In such case the surviving spouse shall receive the cash realized from the redemption of the shares. Upon the death of such surviving spouse any shares remaining in the employee's share account record shall be redeemed by the board of trustees of the teachers retirement fund and the cash realized therefrom distributed to the estate of such surviving spouse.

(4) In the event of the death of a person having shares to the credit of his employee's share account record and leaving no surviving spouse, then the board of trustees of the teachers retirement fund shall redeem all shares to the credit of the employee's share account record and pay the cash realized therefrom to the estate of the deceased person.

(5) When requested to do so in writing on forms provided by the teachers retirement fund by a person having shares to the credit of his employee's share account record, if the person is no longer employed by the state college board or state junior college board, but does not qualify under the provisions of paragraphs (1) through (4) of this subdivision. In such case one half of the cash realized on the redemption of shares shall be received by the person and one half shall become the property of the supplemental retirement account of the teachers retirement fund. Annually on July 1 the cancellations of the previous 12 months shall be prorated among the employees share accounts in the proportions of the value of each such account to the total of all such share accounts.

Subd. 2. A person having shares to the credit of his employee's share account

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record, who is authorized to request redemption of such shares pursuant to paragraphs (1) or (2) of subdivision 1 of this section, or a surviving spouse of such person who is authorized to request redemption of such shares pursuant to paragraph (3) of subdivision 1 of this section, may, if he requests redemption within one year before or after the date on which the person or spouse is entitled to request such redemption, redeem all or part of such shares, and for the purpose of purchasing an annuity as herein provided (and such election to purchase an annuity may be made only once by any individual) deposit the cash realized on such redemption with the board of trustees of the teachers retirement fund and receive in exchange therefor an annuity for life or an optional annuity as hereinafter provided. In the event such election is made prior to the date on which he is entitled to such redemption, the redemption shall not be made prior to date upon which he would be entitled thereto. The annuity purchase rates shall be based on the 1937 standard annuity table of mortality set back two years, with interest at the rate of three percent, and shall be calculated separately as to sex. The amount of the annuity for life is an amount equal to the annuity which could be purchased with the cash realized on the redemption of the shares. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares will be paid to the designated beneficiary. Such optional forms of annuity shall be actuarially equivalent to the normal annuity for life. In establishing these optional forms the board of trustees shall obtain the written recommendation of an approved actuary and these recommendations shall be a part of the permanent records of the board of trustees.

Subd. 3. The cash realized from the redemption of shares from time to time as provided in subdivisions 1 and 2 of this section is hereby appropriated to the board of trustees of the teachers retirement fund for payment as provided in subdivisions 1 and 2.

Subd. 4. A person who is authorized to request a redemption of a portion of his shares may, in writing on forms provided by the board of trustees, authorize one or more shares to be redeemed per month on a continuing basis so that such requests need not be submitted each month, and such person may change such continuing order for any subsequent month by similar written request.

[1967 c.808 s 3]

**136.83 PROSPECTUS.** The board of trustees of the teachers retirement fund shall distribute to each person having shares to the credit of his employee's share account record a prospectus of the Minnesota supplemental retirement fund when received from the latter fund.

[1967 c 808 s 4]

**136.84 TITLE TO ASSETS, PERSONAL RIGHTS.** The right of a person who has shares to the credit of his employee's share account record to redeem his shares or any portion thereof is a personal right only and shall not be assignable. Legal title to the assets of the supplemental retirement fund shall be in the state of Minnesota or the state board of investment or the nominee of either, subject to the rights of the teachers retirement fund. Any assignment or attempted assignment of shares to the credit of an employee's share account record by any person is null and void. Such shares are exempt from garnishment or levy under attachment or execution and from all taxation by the state of Minnesota.

[1967 c 808 s 5]

**136.85 BUDGET.** Each biennium the board of trustees of the teachers retirement fund shall submit to the department of administration a proposed budget for the administration of this supplementary benefit for the coming biennium, and such budget, with such recommendation in connection with it as the governor may make, shall be submitted to the legislature.

[1967 c 808 s 6]

**136.86 TRANSFER OF FUNDS.** All moneys which on July 1, 1967, are in the supplementary retirement account of the state treasury created by section 136.80, subdivision 2, and all assets held by the state board of investment pursuant to the provisions of section 136.80, subdivision 2, are hereby transferred and appropriated to the teachers retirement fund supplemental retirement account and shall be used to purchase shares as provided in Laws 1967, Chapter 808, for the credit of the

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employee's share account records of persons having contributed to the fund created by section 136.80.

[1967 c 808 s 7]

**136.87 TAX SHELTER PROVISIONS.** Subdivision 1. For the purpose of, and to permit the participation in the tax shelter provisions of section 501(c) and section 403(b) and related provisions of the internal revenue code the state college board and junior college board are authorized to enter into agreements to reduce or adjust salaries downward for persons defined in section 136.80, subdivision 1, and to pay as employer an amount equivalent to such reduction in the same manner as deductions would have been paid by such person under Laws 1967, Chapter 808.

Subd. 2. The board of trustees is authorized to establish such rules and regulations and procedures consistent with Laws 1967, Chapter 808, that will permit, if possible, the participation in the aforesaid tax shelter provisions.

Subd. 3. The board of trustees, the state college board and the junior college board shall study the tax shelter provisions and the general subject of tax shelter annuities and report to the 1969 legislature in order that consideration might be given to any necessary changes in the law for providing, if possible, of tax sheltered annuities or similar tax shelter arrangements.

[1967 c 808 s 10]