

CHAPTER 136A

MINNESOTA HIGHER EDUCATION BOARDS AND AGENCIES

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COORDINATING BOARD

**136A.01 CREATION.** A coordinating board for higher education in the state of Minnesota, to be known as the Minnesota higher education coordinating board, is hereby created.

[ 1965 c 809 s 32 subd 1; 1967 c 615 s 1; 1975 c 271 s 6 ]

**136A.02 MEMBERSHIP; OFFICERS; ADVISORY COMMITTEES.** Subdivision 1. The higher education coordinating board shall consist of eight citizen members, one from each congressional district, to be appointed by the governor with the advice and consent of the senate, and three citizen members also to be appointed by the governor by and with the advice and consent of the senate to represent the state at large. All appointees to the board shall be selected for their knowledge of and interest in post

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secondary education and at least one shall be selected specifically for his knowledge of and interest in vocational education.

Subd. 1a. The membership terms, compensation, removal of members, and filling of vacancies on the board shall be as provided in section 15.0575.

Subd. 2. [ Repealed, 1977 c 347 s 21 ]

Subd. 3. The higher education coordinating board shall elect a president and a secretary and such other officers as it deems necessary. It shall fix its meeting dates and places. The commissioner of administration shall provide it with appropriate offices.

Subd. 4. [ Repealed, 1976 c 134 s 79 ]

Subd. 5. The board may appoint advisory task forces to assist it in the study of higher education within the state or in the administration of federal programs. The task forces shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Subd. 6. There is hereby created a higher education advisory council, the membership of which shall include the president of the University of Minnesota, the chancellor of the state university board, the chancellor of the state board for community colleges, the commissioner of education and the executive director of the Minnesota private college council. The advisory council shall (1) bring to the attention of the board any matters which the council deems as needing attention of the board, (2) make recommendations to the board as the council deems appropriate, (3) review and comment upon proposals and other matters before the board, and (4) provide any reasonable assistance to the board in its effort to fulfill responsibilities of the board. The board shall periodically inform the council of all matters under consideration by the board and shall refer all proposals to the council prior to transmitting such proposals as recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The higher education advisory council shall report to the board quarterly and at such other times as the council may deem desirable. The council shall determine its meeting times, but the council shall also meet within 30 days following a request for a council meeting by the executive director of the board.

[ 1965 c 809 s 32 subds 2-5; 1967 c 615 s 1; 1967 c 895 s 1,2; 1971 c 429 s 1-3; 1973 c 349 s 2; 1973 c 489 s 1; 1975 c 271 s 6; 1975 c 321 s 2; 1976 c 134 s 38,39; 1976 c 149 s 28 ]

**136A.03 EXECUTIVE OFFICERS; EMPLOYEES.** The higher education coordinating board may appoint an executive secretary or director as its principal executive officer, and such other officers and employees as it may deem necessary to carry out its duties. The executive secretary or director shall possess such powers and perform such duties as are delegated to him and shall serve in the unclassified service of the state civil service. He shall be a person qualified by training and ability in the field of higher education or in educational administration. The board may also appoint other officers and professional employees who shall serve in the unclassified service of the state civil service and fix the salaries thereof which shall be commensurate with salaries in the classified service, and shall also fix the salary of its principal executive officer. All other employees shall be in the classified civil service.

An officer or professional employee in the unclassified service as provided in this section is a person who has studied higher education or a related field at the graduate level or has similar experience and who is qualified for a career in some aspect of higher education and for activities in keeping with the planning and administrative responsibilities of the board and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

[ 1965 c 809 s 32 subd 6; 1967 c 615 s 1; 1967 c 895 s 3; 1975 c 271 s 6 ]

**136A.04 DUTIES.** The higher education coordinating board shall:

(a) Continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state in respect thereto;

(b) Continuously engage in long range planning of the needs of higher education and, if necessary, cooperatively engage in such planning with neighboring states and agencies of the federal government;

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(c) Act as successor to any committee or commission heretofore authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(d) Review, make recommendations and identify priorities with respect to all plans and proposals for new or additional programs of instruction or substantial changes in existing programs to be established in or offered by, the University of Minnesota, the state universities, the community colleges, and public area vocational-technical institutes, and private collegiate and non-collegiate institutions offering post-secondary education, and periodically review existing programs offered in or by the above institutions and recommend discontinuing or modifying any existing program, the continuation of which is judged by the board as being unnecessary or a needless duplication of existing programs;

(e) Develop in cooperation with the post-secondary systems, committee on appropriations of the house of representatives, committee on finance of the senate, and the departments of administration and finance a compatible budgetary reporting format designed to provide data of a nature to facilitate systematic review of the budget submissions of the University of Minnesota, the state university system, the state community college system and the public vocational-technical schools; and which includes the relating of dollars to program output;

(f) Review budget requests, including plans for construction or acquisition of facilities, of the University of Minnesota, the state colleges, the state community colleges, and public vocational-technical schools for the purpose of relating present resources and higher educational programs to the state's present and long range needs; and conduct a continuous analysis of the financing of post-secondary institutions and systems, including the assessments as to the extent to which the expenditures and accomplishments are consistent with legislative intent;

(g) Obtain from private post-secondary institutions receiving state funds a report on their use of those funds;

(h) Continuously monitor and study the transferability between Minnesota post-secondary and higher education institutions of credits earned for equal and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts.

[ 1965 c 809 s 32 subd 7; 1967 c 615 s 1; 1971 c 269 s 1; 1973 c 349 s 2; 1973 c 475 s 1; 1975 c 271 s 6; 1975 c 321 s 2; 1975 c 390 s 1; 1977 c 358 s 1 ]

### 136A.041 ANNUAL MEETING OF HIGHER EDUCATION BOARD MEMBERS.

The higher education coordinating board shall sponsor an annual meeting of member representatives of the higher education coordinating board, the higher education facilities authority, the state board for community colleges, the state university board, the state board of education and the board of regents of the university of Minnesota, to provide an opportunity for discussion of issues of mutual concern and to facilitate coordination and planning of activities deemed beneficial to higher education in this state. The higher education coordinating board, the higher education facilities authority, the state board for community colleges, the state university board, the state board of education, and the board of regents shall each designate one person and an alternate from among its membership to attend each meeting. Members of the higher education advisory council and any other person may attend an annual meeting at the invitation of the higher education coordinating board or the representatives designated under the provisions of this section. A summary of the discussion and any recommendations approved at the meeting shall be transmitted by the higher education coordinating board to the appropriate committees and subcommittees of the legislature.

[ 1976 c 217 s 1 ]

**136A.042 CREDIT TRANSFERABILITY.** The higher education coordinating board shall recommend to the various post-secondary and higher education systems and to the legislature measures which will increase transferability of credits between the institutions, which will improve student awareness of the credit transfer policies of each system or institution, and which will cause student transcripts to reflect credits earned at other post-secondary and higher education institutions. The higher education coordinating board is directed to encourage communications among faculty,

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staff and students at the various institutions in order to accomplish the purposes of this section.

[ 1977 c 358 s 2 ]

**136A.05 COOPERATION OF INSTITUTIONS OF HIGHER EDUCATION.** All institutions of higher education, public and private, and all state departments and agencies are requested to cooperate with and supply written information requested by the higher education coordinating board in order to enable it to carry out and perform its duties.

[ 1965 c 809 s 32 subd 8; 1967 c 615 s 1; 1975 c 271 s 6; 1975 c 390 s 2 ]

**136A.06 FEDERAL FUNDS.** The higher education coordinating board is designated the state agency to apply for, receive, accept, and disburse to both public and private institutions of higher education all federal funds which are allocated to the state of Minnesota to support higher education programs, construction, or other activities and which require administration by a state higher education agency under the Higher Education Facilities Act of 1963, and any amendments thereof, the Higher Education Act of 1965, and any amendments thereof, and any other law which provides funds for higher education and requires administration by a state higher education agency as enacted or may be enacted by the Congress of the United States; provided that no commitment shall be made that shall bind the legislature to make appropriations beyond current allocations of funds. The board may apply for, receive, accept, and disburse all administrative funds available to the board for administering federal funds to support higher education programs, construction or other activities. The board also may apply for, receive, accept, and disburse any research, planning, or program funds which are available for purposes consistent with the provisions of this chapter. In making application for and administering federal funds the board may comply with any and all requirements of federal law and federal rules and regulations to enable it to receive and accept such funds. The expenditure of any such funds received shall be governed by the laws of the state, except insofar as federal regulations may otherwise provide. The board may contract with both public and private institutions in administering federal funds, and such contracts shall not be subject to the provisions of Minnesota Statutes, Chapter 16. All such moneys received by the board shall be deposited in the state treasury and are hereby appropriated to it annually for the purpose for which such funds are received. None of such moneys shall cancel but shall be available until expended.

[ 1965 c 809 s 32 subd 9; 1967 c 615 s 1; 1967 c 895 s 4; 1975 c 271 s 6 ]

**136A.07 REPORTS.** The higher education coordinating board shall report to the governor concerning its activities from time to time and may report in connection therewith to the governing body of each institution of higher education in the state, both public and private. It shall file a formal report with the governor not later than October 15 of each even numbered year so that the information therein contained, including recommendations, may be embodied in the governor's budget message to the legislature. It shall also report to the legislature not later than November 15 of each even numbered year.

[ 1965 c 809 s 32 subd 10; 1967 c 615 s 1; 1974 c 406 s 64; 1975 c 271 s 6 ]

**136A.08 RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES.** Subdivision 1. The Minnesota higher education coordinating board herein referred to as the board, in addition to its general responsibility for cooperatively engaging in planning higher education needs with neighboring states pursuant to section 136A.04, may enter into agreements or understandings which include remission of nonresident tuition for designated categories of students at state institutions of higher education and public area vocational-technical institutes with appropriate state agencies and institutions of higher education in other states to facilitate utilization of public higher education institutions in this state and other states. Such agreements shall have as their purpose the mutual improvement of educational advantages for residents of this state and such other states or institutions of other states with whom agreements are made.

At the discretion of the board, a higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education

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reciprocity agreement. If provision for transfer of funds between the two states is included in a collegiate education reciprocity agreement, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing Wisconsin. Such formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the board in the general fund of the state treasury. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually.

Subd. 2. At the discretion of the board, a reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included in an agreement, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing North Dakota. In adopting a formula, the board shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the board in the general fund. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 3. The board may enter into an agreement, with a state with which it has negotiated a reciprocity agreement for tuition, to permit students from both states to receive student aid awards from the student's state of residence for attending an eligible institution in the other state.

Subd. 4. No agreement made by the board pursuant to this section shall be valid as to an area vocational-technical institute without the approval of the state board for vocational education, as to a state university without the approval of the state university board, as to a community college without the approval of the state board for community colleges, and as to the university of Minnesota without the approval of the board of regents of the university of Minnesota.

[ 1967 c 615 s 1; 1967 c 866 s 1; 1971 c 161 s 1; 1974 c 532 s 1; 1975 c 271 s 6; 1975 c 321 s 2; 1975 c 390 s 3; 1977 c 403 s 4,5 ]

**136A.09 STUDENT SCHOLARSHIPS, PURPOSE.** The legislature has found and hereby declares that the identification of the talented young men and women of the state and the encouragement of their maximum educational development is in the best interest of the state. The state scholarship program provided for herein is designed to encourage such able and worthy students to continue their education in the eligible institutions of their own choosing and to provide financial assistance for those who would not otherwise be able to do so.

[ 1967 c 871 s 1 ]

**136A.095 MS 1969** [ Repealed, 1971 c 862 s 6 ]

**136A.095 GRANTS-IN-AID; PURPOSE.** The legislature has found and hereby declares that the identification of young men and women of the state who are economically disadvantaged and the encouragement of their educational development in eligible institutions of their choosing are in the best interests of the state and of the students.

[ 1971 c 226 s 1; 1971 c 862 s 1 ]

**136A.10** [ Repealed, 1971 c 862 s 6 ]

**136A.101 DEFINITIONS.** Subdivision 1. For purposes of sections 136A.09 to 136A.131, the terms defined in this section have the meanings ascribed to them:

Subd. 2. "Board" means the Minnesota higher education coordinating board.

Subd. 3. "Director" means the executive director of the Minnesota higher education coordinating board.

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Subd. 4. "Eligible institution" means an institution of higher education located in this state or in a state with which the board has entered into a higher education reciprocity agreement on state student aid programs which provides an organized course of instruction of at least two years duration in the sciences or liberal arts, including performing and visual arts, or a combination of these, at the collegiate level which either (1) is operated by this state, or (2) is operated publicly or privately and as determined by the board, maintains academic standards substantially equivalent to those of comparable institutions operated in this state or an area vocational-technical school or other vocational school approved by the board.

Subd. 5. "Financial need" means the demonstrated need of the applicant for financial assistance to meet the actual costs of attending the eligible institution of his choice as determined from financial information on the applicant by a college scholarship service or equivalent service under criteria established by the board.

Subd. 6. "Qualified applicant" means those students in the upper quarter at the end of the junior year in high school according to academic standards prescribed by the board for purposes of the state scholarship program and means all eligible students regardless of academic rank for purposes of the state grant-in-aid program.

Subd. 7. "Student" means a student who meets the requirements for full time student status as defined by the eligible institution he attends.

[ 1971 c 862 s 2; 1975 c 271 s 6; 1975 c 390 s 4 ]

**136A.11** [ Repealed, 1971 c 862 s 6 ]

**136A.111 POWERS AND DUTIES OF BOARD.** Subdivision 1. The Minnesota higher education coordinating board is hereby designated as the administrative agency for carrying out the purposes and terms of sections 136A.09 to 136A.131.

Subd. 2. The board shall adopt policies and prescribe appropriate rules and regulations to carry out the purposes of sections 136A.09 to 136A.131.

Subd. 3. The board shall be empowered to employ such professional and clerical staff as the director deems necessary for the proper administration of the scholarship program established and defined by sections 136A.09 to 136A.131.

Subd. 4. Subject to its directives and review, the board may delegate to the director the responsibility for issuance of public information concerning provisions of sections 136A.09 to 136A.131, for design of the scholarship and grant-in-aid application forms, for prescribing procedures for submission of applications for scholarships and grants-in-aid, and for selection of qualified recipients of scholarships and grant-in-aid benefits provided for by section 136A.09 to 136A.131.

Subd. 5. The board shall periodically review and evaluate its programs and activities and shall report to the governor on or before the beginning of each session of the state legislature its recommendations and suggestions for legislation or changes in legislation to achieve the objectives encompassed by sections 136A.09 to 136A.131.

[ 1971 c 862 s 3; 1975 c 271 s 6 ]

**136A.12** [ Repealed, 1971 c 862 s 6 ]

**136A.121 SCHOLARSHIPS AND GRANTS-IN-AID.** Subdivision 1. **Eligibility.** An applicant shall be eligible to compete for a scholarship under the provisions of sections 136A.09 to 136A.131 if the board finds that applicant:

- (1) is a resident of the state of Minnesota;
- (2) has met all the requirements for admission as a full time student to an eligible institution of his choice as defined in sections 136A.09 to 136A.131;
- (3) has demonstrated capacity for superior achievement at the institutional level as measured by standards prescribed by the board;
- (4) is a qualified applicant as defined herein.

Subd. 2. **Eligibility for grants-in-aid.** An applicant shall be eligible to compete for a grant-in-aid, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under the provisions of sections 136A.09 to 136A.131 if the board finds that applicant:

- (1) is a resident of the state of Minnesota;
- (2) is a graduate of a secondary school or its equivalent and has met all requirements for admission as a full time student to an eligible college or vocational school of

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his choice as defined in sections 136A.09 to 136A.131 or has completed at least one academic year of study at a two year institution and seeks transfer to a four year eligible institution;

(3) has met such criteria pertaining to financial need as the board shall make by regulation.

Subd. 3. **Allocation and amount.** Scholarships and grants-in-aid shall be awarded annually on a funds available basis to those applicants for initial awards and applicants for renewal awards who meet the board's requirements.

Subd. 4. A financial stipend shall accompany scholarship awards if the scholarship winner demonstrates financial need and will attend an eligible institution. Financial stipends shall range from a maximum of \$1,100 to a minimum of \$100 but in no event shall exceed one-half of the applicant's financial need or an amount which if combined with the amount of a federal basic educational opportunity grant for which the applicant is eligible equals 75 percent of the applicants need, whichever is the lesser. Scholarship winners who do not demonstrate financial need under criteria prescribed by the board shall be awarded honorary scholarships.

Subd. 5. A financial stipend based on financial need shall accompany grants-in-aid. Financial stipends shall range from a maximum of \$1,100 to a minimum of \$100, but in no event shall exceed one-half of the applicant's financial need, or an amount which if combined with the amount of a federal basic educational opportunity grant for which the applicant is eligible equals 75 percent of the applicants need, whichever is the lesser.

Subd. 6. In dispensing available funds in a given year, priority shall be given on the following basis:

Renewal scholarships and grants-in-aid.

Thereafter, until the funds are exhausted, to applicants for initial awards, on the basis of their rank in the case of scholarships, and on the basis of need with all applicants treated as a single pool of applicants in the case of grants-in-aid, as determined by standards prescribed by the board.

Subd. 7. Only first year students shall be eligible to apply for and receive initial scholarship awards. Only first year and transfer students who meet the board's requirements shall be eligible to apply for and receive initial grants-in-aid for the 1977-1978 school year. First year students, transfer students who meet the board's requirements and second year students who did not receive a grant-in-aid award upon entrance to post-secondary education shall be eligible to apply for and receive initial grants-in-aid for the 1978-1979 school year and subsequent school years.

Subd. 8. Each scholarship or grant-in-aid shall be awarded for one academic year but shall be renewable until a total of eight semesters or twelve quarters or their equivalent have been covered, or a baccalaureate degree obtained, whichever occurs first.

Subd. 9. Each scholarship or grant-in-aid shall be renewable, contingent on continued residency in Minnesota, satisfactory academic standing and recommendation of the college or vocational school and, in the case of financial assistance, evidence of continued need.

Subd. 10. The student must apply for renewal of his scholarship or grant-in-aid each year.

Subd. 11. The deadline for the board to accept applications for state scholarships and grants-in-aid shall be not earlier than February 15.

Subd. 12. The student must continue to attend an eligible institution.

Subd. 13. All scholarship winners shall be notified of their award by the board and shall be given appropriate evidence of the award.

Subd. 14. All grant-in-aid recipients shall be duly notified thereof by the board.

Subd. 15. Financial scholarships and grants-in-aid awarded under the terms of sections 136A.09 to 136A.131 shall be applied to educational costs in the following order: tuition, fees, books, supplies and other expenses. Unpaid portions of such awards shall revert to the board scholarship or grant-in-aid account.

[ 1971 c 862 s 4; 1975 c 271 s 6; 1975 c 390 s 5; 1977 c 384 s 2; 1977 c 449 s 16 ]

**136A.13** [ Repealed, 1971 c 862 s 6 ]

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**136A.131 ACCOUNTING AND RECORDS.** Subdivision 1. **Accounts.** The board shall establish and maintain appropriate scholarship and grant-in-aid accounts and related records of each recipient of a scholarship or grant-in-aid awarded.

Subd. 2. **Rules, payment and accounting.** The board shall provide by rule the method of payment of the scholarships and grants-in-aid awarded hereunder and prescribe a system of accounting to be kept by the institution selected by a recipient.

Subd. 3. **Certification to commissioner of finance.** Upon proper verification for payment of a scholarship or grant-in-aid as defined herein, the board shall certify to the commissioner of finance the amount of the current payment to be made to the scholarship winner or grant-in-aid recipient in conformance with the rule of the board governing the method of payment.

[ 1971 c 862 s 5; 1973 c 492 s 14; 1975 c 271 s 6 ]

**136A.132 PART-TIME STUDENT GRANT-IN-AID PROGRAM.** Subdivision 1. There is hereby created a part-time student grant-in-aid program under the supervision of the higher education coordinating board.

Subd. 2. Institutions eligible for attendance by recipients of part-time student grants-in-aid shall be those institutions approved by the higher education coordinating board as eligible institutions for the state grant-in-aid program in accordance with section 136A.101.

Subd. 3. Any student attending an eligible institution less than full-time and pursuing a program or course of study leading to a degree, diploma or certificate shall be eligible for a part-time student grant-in-aid.

Subd. 4. A recipient of a part-time grant-in-aid shall be selected by the post-secondary education institution of attendance in accordance with guidelines, criteria, policies and procedures established by the higher education coordinating board.

Subd. 5. The amount of any part-time student grant-in-aid award shall be based on the need of the applicant determined by the institution in accordance with policies established by the higher education coordinating board but the amount of an award shall not exceed the cost of tuition and required fees paid or to be paid by the student or the cost of tuition and fees for a comparable program at the university of Minnesota, whichever is the lesser.

Subd. 6. Part-time student grants-in-aid shall be awarded for a single term as defined by the institution in accordance with guidelines and policies of the higher education coordinating board. Awards shall not be renewable but the recipient of an award may apply for additional awards for subsequent terms.

Subd. 7. Funds appropriated for part-time student grants-in-aid shall be allocated among eligible institutions by the higher education coordinating board according to a formula which takes into account the number of part-time students enrolled in each institution and other relevant factors determined by the board.

[ 1977 c 384 s 17 ]

**136A.133 GRANTS TO NURSING STUDENTS.** Subdivision 1. The program of grants for nursing students authorized by section 148.286 shall be discontinued when commitments to nursing students made on or before June 30, 1977 have been fulfilled by the state board of nursing. The board of nursing shall continue to administer grants under commitments made on or before June 30, 1977, but the board of nursing shall not make any additional awards or commitments to students after June 30, 1977.

Subd. 2. Beginning on July 1, 1977, the higher education coordinating board shall administer a program of grants to nursing students.

Subd. 3. Grants to nursing students under the program authorized by subdivision 2 shall be administered according to the terms and conditions of the state grant-in-aid program under sections 136A.095 to 136A.131. Criteria for student eligibility and selection and terms of grants to nursing students, including the amount of grants and renewal of grants, shall be the same as for the state grant-in-aid program except that (1) in order to be eligible for a nursing grant, an applicant must be enrolled as a full time student in a nursing education program of an eligible college or vocational school for the purpose of meeting educational requirements prerequisite to licensure as a registered nurse or a licensed practical nurse as defined in sections 148.171 to 148.299, and (2) a nursing student shall be eligible to apply for a nursing grant for any year of the student's nursing program.



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Subd. 4. A student who receives a nursing grant under subdivisions 2 and 3 shall not be eligible to receive a state scholarship or state grant-in-aid award for the same year.

[ 1977 c 384 s 19 ]

**136A.14 STUDENT LOANS, PURPOSE.** The legislature has found and hereby declares that the encouragement of the maximum educational development of the young men and women of Minnesota is in the best interest of the state. The state loan program would encourage students to continue their education and provide financial assistance for those who would not otherwise be able to do so. The state loan program provided for herein is designated to be compatible with the provisions of the Higher Education Act of 1965.

[ 1967 c 894 s 1; 1973 c 605 s 2 ]

**136A.141 STUDENT LOAN PROGRAM.** The higher education coordinating board is authorized and directed to establish and supervise a student loan program in accordance with the provisions of Minnesota Statutes 1971, Sections 136A.14 to 136A.17.

[ 1973 c 605 s 1; 1975 c 271 s 6 ]

**136A.142 ADMINISTRATOR.** The administrator of sections 136A.14 to 136A.179 shall be under the board independent of other authority and notwithstanding chapter 16.

[ 1973 c 605 s 21; 1975 c 271 s 6; 1978 c 706 s 51 ]

**136A.143 FOREIGN STUDENTS; RESIDENT TUITION.** Institutions of higher education in Minnesota shall be authorized to grant resident status for the purpose of paying tuition fees in each institution to bona fide foreign students after their first year in Minnesota, provided that the total number of these residencies shall not exceed one-half of one percent of total full-time equivalent fall term enrollment of these institutions, provided further that these residencies shall be granted on the basis of demonstrated financial need as determined by the higher education coordinating board.

[ 1974 c 492 s 1; 1975 c 271 s 6 ]

**136A.144 EMERGENCY SCHOLARSHIP FUND; FOREIGN STUDENTS; AWARD.** The state of Minnesota shall establish an emergency scholarship fund to be awarded to public and private institutions of higher education in Minnesota which are eligible for the state grant-in-aid program as defined in this chapter, and which have foreign students enrolled, for the purpose of enabling them to achieve and maintain a desirable cultural mix in their student populations, and of assisting their bona fide foreign students to meet unexpected financial needs. The formula for apportioning available emergency scholarship funds to the institutions shall be established by the higher education coordinating board, which shall take into consideration full-time equivalent fall term enrollments and the total cost of education of foreign students at each participating institution. Each institution wishing to receive funds to assist foreign students shall submit to the board in accordance with policies and procedures established by the board an estimate of the amount of funds needed by the institution and the amount allocated to any institution shall not exceed the estimate of need submitted by the institution. Any funds which would be allocated to an institution according to the formula but which exceed the estimate of need by the institution or the actual need of the institution may be re-allocated by the board to other institutions for which the estimate of need exceeds the amount of allocation under the formula. The amounts awarded to individual students with emergency financial needs shall be determined by the participating institution based on guidelines reflecting the total cost of education at each institution and resources available to each potential recipient.

[ 1974 c 492 s 2; 1975 c 271 s 6; 1977 c 384 s 3 ]

**136A.145 FOREIGN STUDENTS RECEIVING SCHOLARSHIPS; RESIDENT STATUS.** Institutions of higher education in Minnesota shall be authorized to grant resident status to foreign students who are recipients of scholarship funds contributed by Minnesota individuals, organizations or corporations in sufficient amounts to cover such resident tuition fees in the institutions concerned.

[ 1974 c 492 s 3 ]

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**136A.146 RESIDENT STATUS GRANTS CONSIDERED LOANS; CONVERSION TO SCHOLARSHIPS; REPAYMENT.** Institutions of higher education in Minnesota shall be authorized to establish procedures which would require recipients of grants under sections 136A.143, 136A.144, and 136A.145 to return to their countries upon conclusion of their education and training. Initially these grants shall be made as loans which will be converted to scholarships upon evidence that the students returned home within one year of completing their education and have not returned to the United States for five years as permanent residents. Should the students not return, these loans will be repaid in full to these institutions in accordance with established procedures for loan and interest collection.

[ 1974 c 492 s 4 ]

**136A.15 DEFINITIONS.** Subdivision 1. For purposes of sections 136A.14 to 136A.17, the terms defined in this section have the meanings ascribed to them:

Subd. 2. "Academic year or its equivalent" shall be as defined in the federal regulations which govern the administration of the National Vocational Student Loan Insurance Act of 1965 and Title IV of the Higher Education Act of 1965.

Subd. 3. "Board" means the Minnesota higher education coordinating board.

Subd. 4. "Director" means the executive director of the Minnesota higher education coordinating board.

Subd. 5. "Eligible institution" means any public educational institution and any private educational institution, in any state which is approved by the U.S. commissioner of education in accordance with requirements set forth in the Higher Education Act of 1965, as amended.

Subd. 6. "Eligible lender" means an eligible institution, an agency or instrumentality of a state, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the state of Minnesota or of the United States.

Subd. 7. "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state.

[ 1967 c 615 s 1; 1967 c 894 s 2; 1973 c 605 s 3,4; 1975 c 271 s 6 ]

**136A.16 POWERS AND DUTIES OF BOARD.** Subdivision 1. The Minnesota higher education coordinating board is hereby designated as the administrative agency for carrying out the purposes and terms of sections 136A.14 to 136A.17.

Subd. 2. The board shall adopt policies and prescribe appropriate rules and regulations to carry out the purposes of sections 136A.14 to 136A.17. Such policies, rules, and regulations shall be compatible with the provisions of the National Vocational Student Loan Insurance Act of 1965 and the provisions of Title IV of the Higher Education Act of 1965, and any amendments thereof.

Subd. 3. The board shall be authorized to make loans in amounts not to exceed the maximum amount provided in the higher education act of 1965 and any amendments thereof and the board shall be authorized to establish procedures determining the loan amounts for which students are eligible.

Subd. 4. The board shall have the right to contract with or to enter into agreements with eligible lenders for purposes of making loans to residents in accordance with the policies, rules, and regulations of the board.

Subd. 5. The board shall have the right to contract with guarantee agencies and/or collection agencies to carry out the purposes of sections 136A.14 to 136A.17.

Subd. 6. The board shall be empowered to charge for insurance on each loan a premium, payable each year in advance, in an amount not to exceed the premium in the federal regulations which govern the vocational and higher education loan program. Premium fees shall be available to the board without fiscal year limitation for the purposes of making loans and meeting expenses incurred in administering the program.

Subd. 7. The board may apply for, receive, accept, and disburse federal funds, as well as funds from other public and private sources, made available to the state for loans or as administrative moneys to operate student loan programs. In making appli-

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cation for federal funds, it may comply with all requirements of such federal law and such rules and regulations to enable it to receive, accept, and administer such funds.

Subd. 8. Moneys made available to the board which are not immediately needed for the purposes of sections 136A.14 to 136A.17 may be invested by the board. Such moneys shall be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. Such moneys may also be invested in such prime quality commercial paper as is eligible for investment in the state employees retirement fund. All interest and profits from such investments shall inure to the benefit of the board.

Subd. 9. The board shall be empowered to employ such professional and clerical staff as the director deems necessary for the proper administration of the loan program established and defined by sections 136A.14 to 136A.17.

Subd. 10. Subject to its directives and review, the board may delegate to the director the responsibility for issuance of public information concerning provisions of sections 136A.14 to 136A.17, for design of loan application forms, and for prescribing procedures for submission of applications for loans.

Subd. 11. The board shall periodically review and evaluate its programs and activities and shall report to the governor on or before the beginning of each session of the state legislature.

Subd. 12. The board shall establish and maintain appropriate accounting and related records.

[ 1967 c 615 s 1; 1967 c 894 s 3; 1969 c 6 s 23; 1973 c 605 s 5,6; 1975 c 271 s 6; 1977 c 384 s 4-7 ]

**136A.161 SUPPLEMENTAL LOANS.** Subdivision 1. The higher education coordinating board is hereby authorized to make supplemental loans to certain borrowers who have incurred repayment obligations under the provisions of sections 136A.14 to 136A.17.

Subd. 2. The purpose of the supplemental loans shall be to assist certain borrowers to meet the financial obligations they have incurred under the provisions of sections 136A.14 to 136A.17.

Subd. 3. Any student who was a Minnesota resident at the time of securing a loan under sections 136A.14 to 136A.17 for attending an institution located in Minnesota shall be eligible to receive a supplemental loan if his or her annual repayment would exceed seven percent of his or her annual income including the income of his or her spouse in any one year when the aggregate amount of student loans is not more than \$3,000 or eight percent of such income when the aggregate amount of student loans is more than \$3,000, but not more than \$4,000, or nine percent of such income when the aggregate amount of student loans is more than \$4,000, but not more than \$5,000, or ten percent of such income when the aggregate amount of student loans is more than \$5,000.

Subd. 4. In the event that the amount of repayment due in any year from a borrower who is eligible for a supplemental loan should exceed the proportion of annual income specified in subdivision 3, the board shall be authorized to make a supplemental loan to the student in the amount of the portion of the payment due which exceeds the specified income proportion for the student from reserves maintained for the student loan program and shall issue a supplemental note to be repaid by the borrower following repayment of the aggregate amount of principal and interest due on the borrower's student loans made under sections 136A.14 to 136A.17.

Subd. 5. Each supplemental note issued in accordance with subdivision 3 shall bear simple interest at a rate determined by the board and shall have a due date not later than five years following the due date of loans obtained under sections 136A.14 to 136A.17 in accordance with the following conditions:

(a) Interest due on supplemental loans shall be payable to the board annually from the date of issue;

(b) The annual repayment requirements of supplemental loans shall be governed by provisions of subdivision 3;

(c) Any amount due and payable after the tenth such year of obligation under a supplemental note shall cancel, and shall be paid by the board from reserves held by the board;

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(d) The board is hereby authorized to establish repayment schedules for the supplemental loans that satisfy the provisions of subdivision 3.

[ 1973 c 605 s 11; 1975 c 271 s 6 ]

**136A.162 CLASSIFICATION OF DATA.** All data on applicants for financial assistance collected and used by the higher education coordinating board for the purposes of the scholarship, grant-in-aid and loan programs administered by that board shall be classified as private data on individuals pursuant to section 15.162, subdivision 5a. Exceptions to this classification are the names and addresses of scholarship, grant-in-aid and loan program recipients.

[ 1977 c 384 s 8 ]

**136A.17 PROGRAM REQUIREMENTS.** Subdivision 1. Eligibility of student borrowers: An applicant shall be eligible to apply for a loan under the provisions of sections 136A.14 to 136A.17 if the board finds that he is an eligible student as defined in those sections and is eligible for a loan under federal regulations governing the federally insured student loan program.

Subd. 2. The student loan program shall be administered in compliance with Title VI of the Civil Rights Act of 1964.

Subd. 3. The board may loan money upon such terms and conditions as the board may prescribe.

Subd. 4. No loan shall be made in excess of the maximum provided by pertinent federal laws and regulations and the aggregate unpaid principal amount of loans to any individual student shall not exceed the maximum provided in pertinent federal laws and regulations.

Subd. 5. The board may make loans for vocational study to an individual student for a maximum of three academic years or their equivalent and loans for higher education to an individual student for a maximum of eight academic years of study or their equivalent.

Subd. 6. No loans made by the board shall be made at an annual rate of interest in excess of the maximum prescribed in the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965, and any amendments thereof.

Subd. 7. The benefits of the loan program will not be denied any student because of his family income or lack of need if his adjusted annual family income at the time the note is executed is less than the maximum prescribed in the applicable federal regulations.

Subd. 8. The repayment procedures applicable for loans made by the board shall be consistent with federal regulations governing interest payments under the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965.

Subd. 9. The board may take, hold, and administer, on behalf of the board and for any of its purposes, real property, personal property and moneys, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the board. The board may acquire property or moneys for such purposes by purchase or lease and by the acceptance of gifts, grants, bequests, devises or loans; and may enter into contracts with other nonprofit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the board.

Subd. 10. The board is authorized to establish variable repayment schedules consistent with the need and anticipated income streams of student borrowers provided that such repayment schedules shall not violate the federal laws and regulations governing federally insured students loan programs.

Subd. 11. No moneys originating from state sources in the state treasury shall be made available for student loans and all student loans shall be made from moneys originating from non-state sources.

[ 1967 c 894 s 4; 1973 c 605 s 7-10; 1975 c 271 s 6; 1977 c 384 s 9-14; 1978 c 706 s 52 ]

**136A.171 REVENUE BONDS; ISSUANCE; PROCEEDS.** The higher education coordinating board is hereby authorized to issue revenue bonds for the purpose of obtaining funds for loans made in accordance with the provisions of this chapter. The aggregate amount of revenue bonds, issued directly by the board, outstanding at any one time, not including refunding bonds, shall not exceed \$125,000,000. Proceeds from

the issuance of bonds may be held and invested by the board pending disbursement in the form of loans. All interest and profits from such investments shall inure to the benefit of the board and shall be available to the board for the same purposes as the proceeds from the sale of revenue bonds including but not limited to costs incurred in administering loans under this chapter and loan reserve funds.

[ 1973 c 605 s 12; 1975 c 271 s 6; 1975 c 390 s 6; 1977 c 384 s 15 ]

**136A.172 NEGOTIABLE NOTES; ISSUANCE; CONDITIONS.** The board may from time to time issue negotiable notes for the purpose of sections 136A.14 to 136A.179 and may from time to time renew any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The board may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the board or any issue thereof may contain any provisions which the board is authorized to include in any resolution or resolutions authorizing revenue bonds of the board or any issue thereof, and the board may include in any notes any terms, covenants or conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenue of the board, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

[ 1973 c 605 s 13; 1975 c 271 s 6; 1978 c 706 s 53 ]

**136A.173 NEGOTIABILITY; BOND ANTICIPATION NOTES; PAYMENT; CONDITIONS.** Subdivision 1. The board may from time to time issue revenue bonds for purposes of sections 136A.14 to 136A.179 and all such revenue bonds, notes, bond anticipation notes or other obligations of the board issued pursuant to sections 136A.14 to 136A.179 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of such revenue bonds, the board may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of the original note. Such notes shall be paid from any revenues of the board available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the board in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution or the board may contain.

Subd. 2. The revenue bonds and notes of every issue shall be payable solely out of revenues of the board, subject only to any agreements with the holders of particular revenue bonds or notes pledging any particular revenues. Notwithstanding that revenue bonds and notes may be payable from a special fund, they shall be and be deemed to be, for all purposes, negotiable instruments, subject only to the provisions of the revenue bonds.

Subd. 3. The revenue bonds may be issued as serial bonds or as term bonds, or the board, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the members of the board and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, payable at such time or times, be in denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The revenue bonds or notes may be sold at public or private sale for such price or prices as the board shall determine. Pending preparation of the definitive bonds, the board may issue interim receipts or certificates which shall be exchanged for such definite bonds.

Subd. 4. Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions which shall be part of the contract with the holders of the revenue bonds to be authorized as to:

(a) The setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(b) Limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

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(c) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(d) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(e) Defining the acts or omissions to act which shall constitute a default in the duties of the board to holders of its obligations and providing the rights and remedies of such holders in the event of a default.

Subd. 5. Neither the members of the board nor any person executing the revenue bonds or notes shall be liable personally on the revenue bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

Subd. 6. The board shall have power out of any funds available therefor to purchase its bonds or notes. The board may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

[ 1973 c 605 s 14; 1975 c 271 s 6; 1978 c 706 s 54 ]

**136A.174 SECURITY FOR BONDS.** In the discretion of the board any revenue bonds issued under the provisions of sections 136A.14 to 136A.179 may be secured by a trust agreement by and between the board and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the board authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledges such securities as may be required by the board. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the board may deem reasonable and proper for the security of the bondholders.

[ 1973 c 605 s 15; 1975 c 271 s 6; 1978 c 706 s 55 ]

**136A.175 REFUNDING REVENUE BONDS; PROCEEDS; INVESTMENTS.** Subdivision 1. The board is hereby authorized to provide for the issuance of revenue bonds of the board for the purpose of refunding any revenue bonds of the board then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of such revenue bonds.

Subd. 2. The proceeds of any such revenue bonds issued for the purpose of refunding outstanding revenue bonds may, in the discretion of the board, be applied to the purchase or retirement at maturity or redemption of such outstanding revenue bonds either on their earliest or any subsequent redemption date or upon the purchase or at the maturity thereof and may, pending such application be placed in escrow to such purchase or retirement at maturity or redemption on such date as may be determined by the board.

Subd. 3. Any such escrowed proceeds, pending such use, may be invested and re-invested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the board for use by it in any lawful manner.

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Subd. 4. All such revenue bonds shall be subject to the provisions of sections 136A.14 to 136A.179 in the same manner and to the same extent as other revenue bonds issued pursuant to sections 136A.14 to 136A.179.

[ 1973 c 605 s 16; 1975 c 271 s 6; 1978 c 706 s 56 ]

**136A.176 BONDS NOT STATE OBLIGATIONS.** Bonds issued under authority of sections 136A.14 to 136A.179 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings.

[ 1973 c 605 s 17; 1978 c 706 s 57 ]

**136A.177 RIGHTS OF BONDHOLDERS.** Any holder of revenue bonds issued under the provisions of sections 136A.14 to 136A.179 or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by sections 136A.14 to 136A.179 or by such resolution or trust agreement to be performed by the board or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

[ 1973 c 605 s 18; 1975 c 271 s 6; 1978 c 706 s 58 ]

**136A.178 LEGAL INVESTMENTS; AUTHORIZED SECURITIES.** Bonds issued by authority under the provisions of sections 136A.14 to 136A.179 are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; 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; and provided further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, board or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.14 to 136A.179. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

[ 1973 c 605 s 19; 1978 c 706 s 59 ]

**136A.179 PUBLIC PURPOSE; TAX FREE STATUS.** The exercise of the powers granted by sections 136A.14 to 136A.179 will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as providing loans by the board or its agent will constitute the performance of an essential public function, and any bonds issued under the provisions of sections 136A.14 to 136A.179, their transfer and the income therefrom including any profit made on the sale thereof, shall at all times be free from taxation of every kind by the state and by the municipalities and other political subdivisions in the state.

[ 1973 c 605 s 20; 1975 c 271 s 6; 1978 c 706 s 60 ]

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### CONTRACTUAL ARRANGEMENTS WITH

#### PRIVATE COLLEGES

**136A.18 CONTRACTUAL ARRANGEMENTS WITH PRIVATE COLLEGES; PURPOSE.** The legislature has found and hereby declares that private colleges in Minnesota have the potential capacity for educating larger numbers of Minnesota residents and that providing for the education of additional Minnesota residents in private colleges, rather than in state institutions of higher education, would result in a savings of tax moneys. The contractual arrangements with Minnesota private colleges authorized herein are designed to encourage and facilitate the education of larger numbers of Minnesota residents in private colleges located in Minnesota.

[ 1971 c 850 s 1 ]

**136A.19 DEFINITIONS.** Subdivision 1. As used in sections 136A.18 to 136A.22 the terms defined in this section have the meanings given them.

Subd. 2. "Board" means the Minnesota higher education coordinating board.

Subd. 3. "Director" means the executive director of the Minnesota higher education coordinating board.

Subd. 4. "Eligible institution" means a private institution of higher education located in Minnesota which is operated not for profit; which is not an institution, or department or branch of an institution whose program is specifically for education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects; which, though it may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any other field of study, does not require its student to take courses which are based on a particular set of religious beliefs, to receive instruction intended to propagate or promote any religious beliefs, to participate in religious activities, to maintain affiliation with a particular church or religious organization, or to attest to any particular religious beliefs; which grants an associate degree and/or higher degree; and, which (1) is fully accredited by the North Central Association of Secondary Schools and Colleges, (2) is making satisfactory progress toward full accreditation by the North Central Association of Secondary Schools and Colleges, or (3) is determined by the board to maintain programs and standards substantially equivalent to those institutions in Minnesota which are fully accredited.

Subd. 5. "Approved program" means a program of studies which is recognized by the board as acceptable for the purposes of sections 136A.18 to 136A.22. The fact that an institution offers a program which is not an approved program shall not be a basis for disqualifying an institution which also offers other programs which qualify for approval.

[ 1971 c 850 s 2; 1975 c 271 s 6 ]

**136A.20 AUTHORIZATION FOR CONTRACTS.** The higher education coordinating board is authorized to enter into contractual arrangements with eligible private colleges in Minnesota. Such contracts may provide for payments to such private colleges for educating Minnesota residents in programs approved by the board. Such contractual arrangements shall provide for payment from the state treasury to each private college providing the service prescribed by the contract of an amount not to exceed \$150 per student in each institution which grants a bachelor's degree and \$120 per student in each institution which grants an associate degree, but not a bachelor's degree, for each Minnesota resident who is not a recipient of a state grant-in-aid enrolled as a full time student and, in addition, \$500 for institutions granting a bachelor's degree and \$400 for institutions granting an associate degree, for every student who receives a state grant under the Minnesota state grant-in-aid program and is enrolled in each private college as a full time student.

[ 1971 c 850 s 3; 1975 c 271 s 6; 1975 c 390 s 7 ]

**136A.21 ADMINISTRATION OF PROGRAM.** Subdivision 1. The board is hereby designated as the administrative agency for carrying out the purposes of sections 136A.18 to 136A.22.

Subd. 2. The board shall adopt policies and prescribe appropriate rules and regulations to carry out the purposes of sections 136A.18 to 136A.22.



Subd. 3. The board shall be empowered to employ such professional and clerical staff as the director deems necessary for the proper administration of activities authorized by sections 136A.18 to 136A.22.

Subd. 4. Subject to its directives and review, the board may delegate to the director the responsibility for execution and administration of contracts authorized by sections 136A.18 to 136A.22.

Subd. 5. The board shall determine and prescribe the method of payment of funds obligated by contracts authorized by sections 136A.18 to 136A.22.

Subd. 6. Upon proper verification for payment, the board shall certify to the commissioner of finance the amount of the current payment to be made to each college with which a contract has been executed in conformance with the board policy on method of payment.

[ 1971 c 850 s 4; 1973 c 492 s 14; 1975 c 271 s 6 ]

**136A.22 REPORTS AND RECORDS.** Subdivision 1. The board shall establish and maintain appropriate accounts and related records of each contract with a private college and payments made pursuant to such contracts.

Subd. 2. The board may require such records to be maintained and such reports to be submitted by any college with which a contract is executed as the board deems necessary.

Subd. 3. The contracts executed, the number of Minnesota residents accommodated in private colleges pursuant to such contracts, and other appropriate information shall be reported by the board as part of its biennial report to the governor and the legislature.

[ 1971 c 850 s 5; 1975 c 271 s 6 ]

#### CONTRACTUAL ARRANGEMENTS

##### IN OUT-OF-STATE SCHOOLS OF

##### OSTEOPATHY AND OPTOMETRY

**136A.225 POLICY; CONTRACTS; CONTENTS.** Subdivision 1. The legislature finds that it is in the public interest that opportunity be provided for Minnesota students to become osteopaths and optometrists.

Subd. 2. The higher education coordinating board shall seek to contract with schools of optometry and osteopathy located in other states for placement for Minnesota residents. The number of placements in colleges of osteopathy shall not exceed ten and in colleges of optometry shall not exceed 13.

Subd. 3. Selection of students for spaces obtained through contract between the higher education coordinating board and the out of state schools shall be the responsibility of the individual school, provided that any student for whom space is contracted shall be required to enter into an agreement with the higher education coordinating board to practice osteopathy or optometry in the state of Minnesota for a period of not less than three years.

Subd. 4. The agreement with the student shall provide that practice in Minnesota by the student shall begin within 18 months following completion of the academic program unless the board approves a later time for beginning practice. The board may approve a delay in the time for the student to begin practice in Minnesota for a period of not to exceed seven years in the case of osteopaths and not to exceed four years in the case of optometrists. The delay may be approved to allow for additional education or clinical experience or for extenuating circumstances which in the judgment of the board constitute sufficient justification for delay.

Subd. 5. A student who fails to fulfill the obligation to practice in accordance with subdivision 4 or who for any reason except death or disability discontinues full time study under the agreement shall pay a penalty in an amount equal to the amount paid to the school by the higher education coordinating board for the space which the student occupied. The penalty shall be payable on demand in accordance with terms and conditions prescribed by the board.

Subd. 6. The higher education coordinating board is authorized to establish terms and conditions of contracts with schools of osteopathy and optometry including

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the amount of payment to be made to each school.

[ 1977 c 318 s 1 ]

**136A.23 TRUSTEES OF INCORPORATED COLLEGES MAY PRESCRIBE COURSE OF STUDY; ANNUAL REPORT.** The trustees of any incorporated college or seminary, in addition to their other powers, may prescribe its course of study and discipline, grant such literary honors and degrees as are usually granted by similar institutions, and give suitable diplomas in evidence thereof. They may make all rules, ordinances, and bylaws necessary and proper to carry into effect its powers. They may require the treasurer and other officers and agents to give bonds. Every such college shall be subject to visitation and examination by the board, and shall annually report such information as the board deems necessary.

[ 1975 c 90 s 1; 1975 c 271 s 6 ]

**136A.231 EDUCATION; POST-SECONDARY STUDENTS; WORK-STUDY PROGRAMS.** The legislature has found and hereby declares that a state work-study program is in the best interests of the state in that such a program can (1) assist in meeting the financial needs of students (2) provide the opportunity for students to obtain valuable learning service experiences and (3) assist governmental and nonprofit service agencies by providing student assistance at low cost.

[ 1973 c 682 s 1; 1975 c 430 s 1 ]

**136A.232 ADMINISTRATION; AGREEMENTS WITH EDUCATIONAL FACILITIES.** The higher education coordinating board shall develop and administer a work-study program. The board shall enter into agreements with institutions of post-secondary education.

[ 1973 c 682 s 2; 1975 c 271 s 6; 1975 c 430 s 2 ]

**136A.233 WORK-STUDY GRANTS.** Subdivision 1. Notwithstanding the provisions of sections 136A.09 to 136A.131, the higher education coordinating board may offer work-study grants to eligible post-secondary institutions according to the full time equivalent enrollment of all eligible post-secondary institutions that apply to participate in the program. Each institution wishing to receive a work-study grant shall submit to the board in accordance with policies and procedures established by the board an estimate of the amount of funds needed by the institution and the amount allocated to any institution shall not exceed the estimate of need submitted by the institution. Any funds which would be allocated to an institution according to full time equivalent enrollment but which exceed the estimate of need by the institution or the actual need of the institution may be reallocated by the board to other institutions for which the estimate of need exceeds the amount of allocation according to enrollment.

Subd. 2. For purposes of sections 136A.231 to 136A.235, the following words have the meanings ascribed to them:

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll full time in a Minnesota post-secondary institution.

(b) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education coordinating board.

(c) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency located in the state of Minnesota and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(d) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state scholarship and grant program as specified in section 136A.101, subdivision 4.

Subd. 3. Work-study payments shall be made to eligible students by post-secondary institutions as follows:

(a) Students shall be selected for participation in the program by the post-secondary institution on the basis of student financial need.

(b) No eligible student shall be employed under the state work-study program during the period when he or she is not a full time student; provided, with the approval of the institution, a full time student who becomes a part-time student during an academic year may continue to be employed under the state work-study program for the remainder of the academic year.

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(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) Not less than 20 percent of the compensation paid to the student under the state work-study program shall be paid by the eligible employer.

(f) Each post-secondary institution receiving funds for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

[ 1973 c 682 s 3; 1975 c 271 s 6; 1975 c 430 s 3; 1976 c 239 s 50; 1977 c 384 s 16 ]

**136A.234 RULES AND REGULATIONS.** The higher education coordinating board shall adopt rules and regulations concerning agencies eligible to participate in the work-study program, the amount of awards to be made under the work-study program, the amount and nature of service which the student is required to perform under the program, the method of payment of awards and accounting for funds, the nature and amount of supervision required by the college and employing agency and any other matters relating to the program as necessary.

[ 1973 c 682 s 4; 1975 c 271 s 6 ]

**136A.235 INCOME TAX EXEMPTION.** The total amount of all payments to the student under the work-study program shall be exempt from state income tax.

[ 1973 c 682 s 5 ]

**136A.236 TUITION SUBSIDIES FOR POST-SECONDARY VOCATIONAL-TECHNICAL SCHOOL STUDENTS.** Subdivision 1. The higher education coordinating board shall supervise a program of tuition subsidies for certain students attending public post-secondary vocational-technical schools established pursuant to section 121.21.

Subd. 2. Effective July 1, 1978, any Minnesota resident who is under 21 years of age, who attends a public post-secondary vocational-technical school, and who is not receiving a state scholarship or grant-in-aid for the current year of attendance, shall be eligible to apply for a tuition subsidy pursuant to this section.

Subd. 3. Recipients of these tuition subsidies shall be selected by the public post-secondary vocational-technical school of attendance, in accordance with rules and procedures adopted by the higher education coordinating board.

Subd. 4. A student attending a public post-secondary vocational-technical school may delay tuition payments for the period of enrollment during which his application for a tuition subsidy pursuant to this section is being processed. If his application for a subsidy is denied and he therefore promptly withdraws from the school, his tuition for that period shall be forgiven.

Subd. 5. The amount of any tuition subsidy award shall be based on the need of the applicant determined by the school in accordance with rules adopted by the higher education coordinating board, but the amount of an award shall not exceed 75 percent of the cost of tuition for the student's program pursuant to section 124.565.

Subd. 6. Tuition subsidies pursuant to this section shall be awarded for the lesser of one year or the period approved by the state board of education for completion of the program, in accordance with rules and procedures of the higher education coordinating board. Awards shall not be renewable but the recipient of an award may apply for additional awards for subsequent periods or years.

Subd. 7. Funds appropriated for tuition subsidies pursuant to this section shall be distributed to the public post-secondary vocational-technical schools by the higher education coordinating board according to rules and procedures adopted by the board.

[ 1977 c 447 art 5 s 11 ]

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## FACILITIES AUTHORITY

**136A.25 CREATION.** A state agency known as the Minnesota higher education facilities authority is hereby created.

[ 1971 c 868 s 1 ]

**136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.** Subdivision 1. The Minnesota higher education facilities authority shall consist of six members appointed by the governor with the advice and consent of the senate, and the executive director of the Minnesota higher education coordinating board.

All members to be appointed by the governor shall be residents of the state. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; and at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education.

Subd. 2. The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the executive director of the higher education coordinating board shall be as provided in section 15.0575.

[ 1971 c 868 s 2; 1973 c 758 s 1; 1975 c 271 s 6; 1976 c 134 s 40 ]

**136A.27 POLICY.** It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; that it is essential that institutions of higher education within the state be provided with appropriate additional means to assist such youth in achieving the required levels of learning and development of their intellectual and mental capacities and be enabled to refinance outstanding indebtedness incurred to provide existing facilities used for such purposes in order to preserve and enhance the utilization of facilities for purposes of higher education, to extend or adjust maturities in relation to the resources available for their payment, and to save interest costs and thereby reduce tuition, fees and charges; and that it is the purpose of sections 136A.25 to 136A.42 to provide a measure of assistance and an alternative method to enable institutions of higher education in the state to provide the facilities and structures which are sorely needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit and good, to the extent and manner provided herein.

[ 1971 c 868 s 3; 1973 c 758 s 2 ]

**136A.28 DEFINITIONS.** Subdivision 1. In sections 136A.25 to 136A.42, the following words and terms shall, unless the context otherwise requires, have the meanings ascribed to them.

Subd. 2. "Authority" means the higher education facilities authority created by sections 136A.25 to 136A.42.

Subd. 3. "Project" means a structure or structures available for use as a dormitory or other student housing facility, a dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, and maintenance, storage, or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution of higher education, whether proposed, under construction, or completed, including parking and other facilities or structures essential or convenient for the orderly conduct of such institution for higher education, and shall also include landscaping, site preparation, furniture, equipment and machinery and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended but shall not include such items as books, fuel, supplies or other items the costs of which are customarily deemed to result in a current operating charge, and shall not include any facility used or to be used for sectarian instruction or as a place of religious worship nor any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

Subd. 4. "Cost", as applied to a project or any portion thereof financed under the provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction, acquisition, alteration, enlargement, reconstruction and remodeling of a project including all lands, structures, real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for or in connection with a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of such construction and acquisition, provisions for reserves for principal and interest and for extensions, enlargements, additions and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project and such other expenses as may be necessary or incident to the construction and acquisition of the project, the financing of such construction and acquisition and the placing of the project in operation.

Subd. 5. "Bonds", or "revenue bonds" means revenue bonds of the authority issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution for higher education or any other lawfully pledged security of a participating institution for higher education.

Subd. 6. "Institution of higher education" means a nonprofit educational institution within the state authorized to provide a program of education beyond the high school level.

Subd. 7. "Participating institution of higher education" means an institution of higher education which, pursuant to the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42.

[ 1971 c 868 s 4; 1978 c 706 s 61 ]

**136A.29 POWERS; DUTIES.** Subdivision 1. The purpose of the authority shall be to assist institutions of higher education in the construction, financing, and refinancing of projects. The exercise by the authority of the powers conferred by sections 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the powers and duties set forth in subdivisions 2 to 23 of this section.

Subd. 2. The authority shall annually elect one of its members as chairman, and one as vice-chairman, as well as to elect additional officers deemed necessary by the authority. The executive director of the higher education coordinating board shall be secretary of the authority.

Subd. 3. The authority is authorized and empowered to appoint and employ employees as it may deem necessary to carry out its duties, determine the title of the employees so employed, and fix the salary of said employees. Employees of the authority shall participate in retirement and other benefits in the same manner that employees in the unclassified service of the higher education coordinating board participate.

Subd. 4. By mutual agreement between the authority and the higher education coordinating board, authority staff employees may also be members of the board staff. By mutual agreement, authority employees may be provided office space in the office of the higher education coordinating board, and said employees may make use of equipment, supplies, and office space, provided that the authority fully reimburses the higher education coordinating board for salaries and for space, equipment, supplies, and materials used. In the absence of such mutual agreement between the authority and the higher education coordinating board, the authority may maintain an office at such place or places as it may designate.

Subd. 5. The authority is authorized and empowered to adopt rules and regulations for the conduct of its business.

Subd. 6. The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of such purposes, to enter into contracts for the management

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and operation of a project, and to designate a participating institution of higher education as its agent to determine the location and character of a project undertaken by such participating institution of higher education under the provisions of sections 136A.25 to 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project. Contracts of the authority or of a participating institution of higher education to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair projects shall not be subject to the provisions of sections 16.07 or 574.26, or any other public contract or competitive bid law.

Subd. 7. The authority is authorized and empowered to acquire by gift or purchase and hold and mortgage real estate and interests therein and personal property to be used as a project or a part thereof.

Subd. 8. The authority is authorized and empowered to purchase, construct, reconstruct, enlarge, improve, furnish and equip and lease, sell, exchange, and otherwise dispose of projects or parts thereof.

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed \$100,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Subd. 10. The authority is authorized and empowered to issue revenue bonds to acquire projects from or to make loans to participating institutions of higher education and thereby refinance outstanding indebtedness incurred by participating institutions of higher education to provide funds for the acquisition, construction or improvement of a facility before or after the enactment of sections 136A.25 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the authority finds that such refinancing will enhance or preserve such participating institutions and such facilities or utilization thereof for educational purposes or extend or adjust maturities to correspond to the resources available for their payment, or reduce the tuition, charges or fees imposed on students for the use of the facilities of such participating institutions of higher education or costs met by federal or state public funds, or enhance or preserve educational programs and research or the acquisition or improvement of other facilities eligible to be a project or part thereof by the participating institution of higher education. The amount of revenue bonds to be issued to refinance outstanding indebtedness of a participating institution of higher education shall not exceed the lesser of (a) the fair value of the project to be acquired by the authority from the institution or mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness including any premium thereon and any interest accrued or to accrue to the date of redemption and any legal, fiscal and related costs in connection with such refinancing and reasonable reserves, as determined by the authority. The provisions of this subdivision do not prohibit the authority from issuing revenue bonds within and charged against the limitations provided in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of the project refinanced.

Subd. 11. The authority is authorized and empowered to enter into contracts and execute all instruments necessary or appropriate to carry out the purposes of sections 136A.25 to 136A.42.

Subd. 12. The authority is authorized and empowered generally, to fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project or any portion thereof and to contract with any person, partnership, association or corporation or other body public or private in respect thereof.

Subd. 13. The authority is authorized and empowered to pledge, assign, hypothecate, or otherwise encumber as security for the bonds, the rentals, revenues, and other income, charges, and moneys realized from the use, lease, sale, or other disposition of one or more projects or parts thereof as may be designated in the bond proceedings and enter into trust agreements or indentures of mortgage for the benefit of bondholders.

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Subd. 14. The authority is authorized and empowered to establish rules and regulations for the use of a project or any portion thereof and to designate a participating institution of higher education as its agent to establish rules and regulations for the use of a project undertaken for such participating institution of higher education.

Subd. 15. The authority is authorized and empowered to employ consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation.

Subd. 16. The authority is authorized and empowered to receive and accept from any public agency loans or grants for or in aid of the acquisition, construction, or refinancing of a project or any portion thereof, and to receive and accept loans, grants, aid or contributions from any source of either money, property, labor or other things of value to be held, used and applied only for the purposes for which such loans, grants, aid and contributions are made.

Subd. 17. The authority is authorized and empowered to enter into appropriate arrangements with any federal or state department or agency, county, township, municipal corporation, or other political subdivision, taxing district, or public body or agency for the planning and installation of streets, roads, alleys, water supply and distribution facilities, storm and sanitary sewage collection and disposal facilities, and other necessary appurtenances to a project.

Subd. 18. The authority is authorized and empowered to purchase fire and extended coverage and liability insurance for a project, and any other insurance the authority may agree to provide under the bond proceedings. The authority is not a municipality subject to the provisions of sections 466.01 to 466.15.

Subd. 19. Before the issuance of any revenue bonds under the provisions of sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall be covered under a surety or fidelity bond in an amount to be determined by the authority. Each such bond shall be conditioned upon the faithful performance of the duties of the office of the member or officer, shall be executed by a surety company authorized to transact business in the state of Minnesota as surety, and shall be procured under supervision of the public examiner and commissioner of administration under section 574.02 and shall be approved by the attorney general and filed in the office of the secretary of state as provided in section 574.02. The cost of each such bond shall be paid by the authority.

Subd. 20. The authority is authorized and empowered to sell, lease, release or otherwise dispose of real and personal property or interests therein, or a combination thereof, acquired by the authority under authority of sections 136A.25 to 136A.42 and no longer needed for the purposes of such chapter or of the authority, and grant such easements and other rights in, over, under, or across a project as will not interfere with its use of such property. Such sale, lease, release, disposition, or grant may be made without competitive bidding and in such manner for such consideration as the authority in its judgment deems appropriate.

Subd. 21. The authority is authorized and empowered to make loans to any participating institution of higher education for the cost of a project in accordance with an agreement between the authority and the participating institution of higher education; provided that no such loan shall exceed the total cost of the project as determined by the participating institution of higher education and approved by the authority.

Subd. 22. The authority is authorized and empowered to charge to and apportion among participating institutions of higher education its administrative costs and expenses incurred in the exercise of the powers and duties conferred by sections 136A.25 to 136A.42.

Subd. 23. The authority is authorized and empowered to do all things necessary or convenient to carry out the purposes of sections 136A.25 to 136A.42.

[ 1971 c 868 s 5; 1973 c 758 s 3; 1975 c 271 s 6; 1978 c 793 s 63 ]

**136A.30 SOURCE OF PAYMENT OF EXPENSES.** All expenses incurred in carrying out the provisions of sections 136A.25 to 136A.42, shall be payable solely from funds provided under the authority of sections 136A.25 to 136A.42, and no liability shall be incurred by the authority hereunder beyond the extent to which moneys shall

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have been provided under the provisions of sections 136A.25 to 136A.42.

[ 1971 c 868 s 6 ]

**136A.31 NOTES OF THE AUTHORITY.** The authority may from time to time issue negotiable notes for the purpose of sections 136A.25 to 136A.42, and may from time to time renew any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The authority may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the authority or any issue thereof may contain any provisions which the authority is authorized to include in any resolution or resolutions authorizing revenue bonds of the authority or any issue thereof, and the authority may include in any notes any terms, covenants or conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenue of the authority, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

[ 1971 c 868 s 7 ]

**136A.32 BONDS OF THE AUTHORITY.** Subdivision 1. The authority may from time to time issue revenue bonds for purposes of sections 136A.25 to 136A.42, and all such revenue bonds, notes, bond anticipation notes or other obligations of the authority issued pursuant to sections 136A.25 to 136A.42 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of such revenue bonds, the authority may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of the original note. Such notes shall be paid from any revenues of the authority available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution or the authority may contain.

Subd. 2. The revenue bonds and notes of every issue shall be payable solely out of revenues of the authority, subject only to any agreements with the holders of particular revenue bonds or notes pledging any particular revenues. Notwithstanding that revenue bonds and notes may be payable from a special fund, they shall be and be deemed to be, for all purposes, negotiable instruments, subject only to the provisions of the revenue bonds.

Subd. 3. The revenue bonds may be issued as serial bonds or as term bonds, or the authority, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the members of the authority and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, payable at such time or times, be in denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The revenue bonds or notes may be sold at public or private sale for such price or prices as the authority shall determine. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for such definite bonds. Bonds or notes may be executed by the manual or facsimile signatures of two officers of the authority, and the facsimile of any seal adopted by the authority may be imprinted thereon, so long as the signature of either one such officer is a manual signature or as the bonds are authenticated by the manual signature of an authorized officer of a corporate trustee appointed to authenticate the bonds under a trust agreement with the authority.

Subd. 4. Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

(a) Pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with any individual partnership, corporation or association or other body, public or private, to secure the pay-



ment of the revenue bonds or of any particular issue of revenue bonds, subject to such agreements with bondholders as may then exist;

(b) The rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(c) The setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(d) Limitations on the right of the authority or its agent to restrict and regulate the use of the project;

(e) Limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

(f) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(g) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(h) Limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority;

(i) Defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default;

(j) The mortgaging of a project and the site thereof for the purpose of securing the bondholders.

Subd. 5. Neither the members of the authority nor any person executing the revenue bonds or notes shall be liable personally on the revenue bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

Subd. 6. The authority shall have power out of any funds available therefor to purchase its bonds or notes. The authority may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

Subd. 7. The authority may invest any bond proceeds, sinking funds or reserves in any general obligation of the United States, the state of Minnesota or any of its municipalities and in securities issued by the following agencies of the United States: Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Government National Mortgage Association, and Banks for Cooperatives. In addition, such bond proceeds, sinking funds and reserves may be deposited in time deposits of any state or national bank subject to the limitations and requirements of chapter 118. Power to make any such investment or deposit is subject to the provisions of any applicable covenant or restriction in a resolution or trust agreement of the authority.

[ 1971 c 868 s 8; 1973 c 758 s 4,5 ]

**136A.33 TRUST AGREEMENT.** In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledges such securities as may be required by the authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable

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and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as a part of the cost of the operation of a project.

[ 1971 c 868 s 9 ]

**136A.34 REVENUE REFUNDING BONDS.** Subdivision 1. The authority is hereby authorized to provide for the issuance of revenue bonds of the authority for the purpose of refunding any revenue bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of such revenue bonds, and, if deemed advisable by the authority, for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project or any portion thereof.

Subd. 2. The proceeds of any such revenue bonds issued for the purpose of refunding outstanding revenue bonds may, in the discretion of the authority, be applied to the purchase or retirement at maturity or redemption of such outstanding revenue bonds either on their earliest or any subsequent redemption date or upon the purchase or at the maturity thereof and may, pending such application be placed in escrow to such purchase or retirement at maturity or redemption on such date as may be determined by the authority.

Subd. 3. Any such escrowed proceeds, pending such use, may be invested and re-invested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner.

Subd. 4. The portion of the proceeds of any such revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project may be invested or deposited in time deposits as provided in section 136A.32, subdivision 7.

Subd. 5. All such revenue bonds shall be subject to the provisions of sections 136A.25 to 136A.42, in the same manner and to the same extent as other revenue bonds issued pursuant to sections 136A.25 to 136A.42.

[ 1971 c 868 s 10; 1973 c 758 s 6 ]

**136A.35 BONDS ARE NOT STATE OBLIGATION.** Bonds issued under authority of sections 136A.25 to 136A.42 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings.

[ 1971 c 868 s 11 ]

**136A.36 REVENUES.** The authority may fix, revise, charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by each project and to contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. Such rates, rents, fees and charges shall be fixed and adjusted in respect of the aggregate of rates, rents, fees and charges from such project so as to provide funds sufficient with other revenues, if any:

(a) To pay the cost of maintaining, repairing and operating the project and each and every portion thereof, to the extent that the payment of such cost has not otherwise been adequately provided for;

(b) To pay the principal of and the interest on outstanding revenue bonds of the authority issued in respect of such project as the same shall become due and payable.

(c) To create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, such revenue bonds of the authority. Such rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this state other than the authority. A sufficient amount of the revenues derived in respect of a project, except such part of such revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in such resolution or trust agreement in a sinking or other similar fund which is hereby pledged to, and charged with, the payment of the principal of and the interest on such revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such sinking or other similar fund shall be a fund for all such revenue bonds issued to finance a project or projects at one or more participating institutions of higher education without distinction or priority of one over another; provided the authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project at an institution of higher education and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of such subordinate lien bonds.

[ 1971 c 868 s 12 ]

**136A.37 REMEDIES OF BONDHOLDERS AND TRUSTEES.** Any holder of revenue bonds issued under the provisions of sections 136A.25 to 136A.42, or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by sections 136A.25 to 136A.42, or by such resolution or trust agreement to be performed by the authority or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

[ 1971 c 868 s 13 ]

**136A.38 BONDS ELIGIBLE FOR INVESTMENT.** Bonds issued by authority under the provisions of sections 136A.25 to 136A.42, are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; 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; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately ad-

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ministered, be invested in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes 1969, Section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

[ 1971 c 868 s 14 ]

**136A.39 EXEMPTION FROM TAXES AND OTHER RESTRICTIONS.** The exercise of the powers granted by sections 136A.25 to 136A.42, will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a project by the authority or its agent will constitute the performance of an essential public function, neither the authority nor its agent shall be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the authority or its agent under the provisions of sections 136A.25 to 136A.42, or upon the income therefrom, and any bonds issued under the provisions of sections 136A.25 to 136A.42, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation of every kind by the state and by the municipalities and other political subdivisions in the state.

[ 1971 c 868 s 15 ]

**136A.40 ADMINISTRATION.** The administration of sections 136A.25 to 136A.42, shall be under the authority independent of other departments and agencies and notwithstanding chapter 16. The authority shall not be subject to the provisions of sections 15.0411 to 15.0422 in connection with the adoption of any rules, regulations, rents, fees or charges or with the exercise of any other powers or duties.

[ 1971 c 868 s 16; 1973 c 758 s 7 ]

**136A.41 CONFLICT OF INTEREST.** Notwithstanding any other law to the contrary it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of any participating institution of higher education, financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architecture firm, insurance company, construction company, or any other firm, person or corporation to serve as a member of the authority, provided such trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority in each instance where the business affiliation of any such trustee, director, officer or employee is involved.

[ 1971 c 868 s 17; 1973 c 758 s 8 ]

**136A.42 ANNUAL REPORT.** The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures and shall annually make a report thereof to the higher education coordinating board. The authority's report shall be included in the higher education coordinating board's biennial report to the governor and the legislature.

[ 1971 c 868 s 18; 1975 c 271 s 6 ]

**136A.51 PROFESSIONAL PROGRAMS.** For the purposes of sections 136A.51 to 136A.53, the professional programs shall include but not be limited to: architecture, certified public accountant, chiropractic, dentistry, education, educational administration, engineering, health care administration, law, licensed practical nurse, medicine (including psychiatry), pharmacy, public health administration, registered nurse, veterinary medicine.

[ 1974 c 547 s 1 ]

**136A.52 BIENNIUM REPORT REQUIRED.** Subdivision 1. Notwithstanding the provisions of section 363.03, subdivision 5, clause (3), or any law to the contrary, beginning November 15, 1974, and every two years thereafter, every institution of higher learning in the state of Minnesota, which offers a professional program as defined in section 136A.51 and receives state funds of any type for such program shall submit to the senate education committee, senate finance committee, house higher education committee, house appropriations committee and legislative audit commission or their

successors a report containing the following information:

- (a) Total student enrollment of each professional program;
- (b) Number of men, women, and racial minorities as a percentage of the total student enrollment of each professional program by year, and a comparison of those figures to the figures for the most recent federal census for the adult population of the state of Minnesota;
- (c) Total number of applicants broken down into men, women and racial minorities for each class year;
- (d) Total number of applicants accepted for admission in the above categories as a percentage of the number of applications received in each category;
- (e) Total number of graduates in each category; and
- (f) To the best of their ability, the number of graduates in each category who are placed in positions.

Subd. 2. It shall be submitted in a form prescribed by the higher education coordinating board.

[ 1974 c 547 s 2; 1975 c 271 s 6 ]

**136A.53 ADMISSION STANDARDS; RECRUITMENT.** Nothing in sections 136A.51 to 136A.53 shall be construed to require an institution to lower admission standards or to require institutions to increase the recruitment of nonresident students.

[ 1974 c 547 s 3 ]

**136A.55 POST-SECONDARY EDUCATION CONSORTIUM; CREATION.** Subdivision 1. There is hereby created a post-secondary education consortium for southwestern and west central Minnesota which shall have its principal office at southwest state university at Marshall. The purpose of the consortium shall be to improve the efficiency and effectiveness of post-secondary education, through increased interinstitutional cooperation and planning, in the area served by southwest state university and the university of Minnesota at Morris.

Subd. 2. The consortium shall be coordinated by a southwestern and west central Minnesota post-secondary education consortium board consisting of: the provost of the university of Minnesota, or his designee; the chancellor of the state university system, or his designee; the chancellor of the community college system, or his designee; the assistant commissioner for vocational-technical education within the state department of education, or his designee; the executive director of the higher education coordinating board, or his designee; and three persons representing the public at large who shall be appointed by the governor.

Subd. 3. The board shall appoint an advisory committee consisting of: the provost at the university of Minnesota at Morris; the presidents of southwest state university and the community colleges at Willmar and Worthington; the directors of the vocational-technical institutes located in the area served; and seven citizen members who shall be residents of the area served by southwest state university. The citizen members shall be appointed for terms of two years, except that three of the initial appointments shall be for terms of one year. No more than one citizen member shall be appointed from a county.

Subd. 4. The board is authorized to hire staff and incur other expenses as necessary for the purposes of this section. Staff members are in the unclassified service and subject to the provisions of chapters 43 and 352. All expenditures are subject to the requirements of chapter 16A.

[ 1977 c 449 s 22; 1978 c 706 s 62; 1978 c 793 s 64 ]

REGISTRATION AND APPROVAL OF  
PRIVATE AND PUBLIC  
POST-SECONDARY INSTITUTIONS

**136A.61 POLICY.** The legislature has found and hereby declares that the availability of legitimate courses and programs leading to academic degrees offered by responsible private institutions of post-secondary education and the existence of legiti-

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mate private colleges and universities are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing private institutions and programs, by establishing policies and procedures to assure the authenticity and legitimacy of private post-secondary education institutions and programs. The legislature has also found and declares that this same policy applies to any public post-secondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion.

[ 1975 c 201 s 1; 1978 c 603 s 1 ]

**136A.62 DEFINITIONS.** Subdivision 1. **Words, terms, and phrases.** The following words, terms, and phrases shall have the meanings ascribed to them in this section for the purposes of sections 136A.61 to 136A.71.

Subd. 2. **Board.** "Board" means the Minnesota higher education coordinating board.

Subd. 3. **School.** "School" means any individual, partnership, company, firm, society, trust, association, corporation, or any combination thereof, which (a) is, owns, or operates a private, nonprofit post-secondary education institution; (b) provides a post-secondary instructional program or course leading to a degree whether or not for profit; (c) is, owns, or operates a private, post-secondary education institution which uses the term "college", "academy", "institute" or "university" in its name; or (d) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. "School" shall also mean any public post-secondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion.

Subd. 4. **Degree.** "Degree" means any award given by a school for completion of a program or course which is designated by the term degree, associate, bachelor, baccalaureate, masters, or doctorate, or any other award which the board shall include by regulation.

Subd. 5. **Records.** "Records" means those school documents and files containing student data relating to academic credits, grades, degrees awarded, periods of attendance, and such other matters as the board shall determine by regulation.

[ 1975 c 201 s 2; 1975 c 271 s 6; 1978 c 603 s 2 ]

**136A.63 REGISTRATION.** All schools located within Minnesota and all schools located outside Minnesota which offer programs or courses within Minnesota shall register annually with the board.

[ 1975 c 201 s 3; 1975 c 271 s 6; 1978 c 603 s 3 ]

**136A.64 INFORMATION.** Subdivision 1. As a basis for registration, schools shall provide the board with such information as the board needs to determine the nature and activities of the school, including but not limited to, requirements for admission, enrollments, tuition charge, refund policies, curriculum, degrees granted, and faculty employed. The board shall have the authority to verify the accuracy of the information submitted to it by inspection or any other means it deems necessary.

Subd. 2. The board shall not disclose financial records provided to it by a school pursuant to this section except for the purpose of defending, at hearings pursuant to chapter 15, or other appeal proceedings, its decision to approve or not to approve the granting of degrees or the use of a name by the school. Section 15.17, subdivision 4, shall not apply to such records.

[ 1975 c 201 s 4; 1975 c 271 s 6; 1978 c 603 s 4 ]

**136A.65 APPROVAL OF DEGREES AND NAME.** Subdivision 1. No school subject to registration shall grant a degree unless such degree is approved by the board, nor shall any school subject to registration use the name "college", "academy", "institute" or "university" in its name without approval by the board.

Subd. 2. The board shall establish procedures for approval, including notice and an opportunity for a hearing pursuant to chapter 15 if such approval is not granted. If a hearing is requested, no disapproval shall take effect until after such hearing.

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Subd. 3. A school subject to registration shall be granted approval to use the term "college", "academy", "institute" or "university" in its name whether or not it offers a program leading to a degree, if it was organized, operating and using such term in its name on or before August 1, 1975, and if it meets the other policies and standards for approval established by the board.

[ 1975 c 201 s 5; 1975 c 271 s 6; 1978 c 603 s 5 ]

**136A.653 EXEMPTIONS.** Subdivision 1. A school which does not grant a degree and which is subject to licensing by the state board of education pursuant to chapter 141, is exempt from the provisions of sections 136A.61 to 136A.71. The determination of the commissioner of education as to whether a particular school is subject to regulation under chapter 141 is final for the purposes of this exemption.

Subd. 2. Educational programs which are sponsored by a bona fide and nonprofit trade, labor, business, professional or fraternal organization, which programs are conducted solely for that organization's membership or for the members of the particular industries or professions served by that organization, and which are not available to the public on a fee basis, are exempted from the provisions of sections 136A.61 to 136A.71.

Subd. 3. Educational programs which are sponsored by a business firm for the training of its employees or the employees of other business firms with which it has contracted to provide educational services at no cost to the employees are exempted from the provisions of sections 136A.61 to 136A.71.

Subd. 4. Any school or program exempted from the provisions of sections 136A.61 to 136A.71 by the provisions of this section may voluntarily submit to the provisions of those sections.

[ 1978 c 603 s 6 ]

**136A.657 EXEMPTION; RELIGIOUS SCHOOLS.** Subdivision 1. Any school or any department or branch of a school (a) which is substantially owned, operated or supported by a bona fide church or religious organization; (b) whose programs are primarily designed for, aimed at and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and (c) whose programs are primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with, the particular faith of that church or religious organization, is exempt from the provisions of sections 136A.61 to 136A.71.

Subd. 2. This exemption shall not extend to any school or to any department or branch of a school which through advertisements or solicitations represents to any students or prospective students that the school, its aims, goals, missions or purposes or its programs are different from those described in subdivision 1. This exemption shall not extend to any school which represents to any student or prospective student that the major purpose of its programs is to prepare the student for a vocation not closely related to that particular religious faith, or to provide the student with a general educational program recognized by other schools or the broader educational, business or social community as being substantially equivalent to the educational programs offered by schools or departments or branches of schools which are not exempt from sections 136A.61 to 136A.71, and rules adopted pursuant thereto.

Subd. 3. Nothing in sections 136A.61 to 136A.71, or the rules adopted pursuant thereto, shall be interpreted as permitting the board to determine the truth or falsity of any particular set of religious beliefs.

[ 1978 c 603 s 7 ]

**136A.66 LIST.** The board shall maintain a list of schools authorized to grant degrees and schools authorized to use the name "college", "academy", "institute" or "university", and shall make such list available to the public.

[ 1975 c 201 s 6; 1975 c 271 s 6 ]

**136A.67 UNAUTHORIZED REPRESENTATIONS.** No school and none of its officials or employees shall advertise or represent in any manner that such school is approved or accredited by the board or state of Minnesota except that any school which is duly registered with the board, or any of its officials or employees, may represent that the school is registered with the board.

[ 1975 c 201 s 7; 1975 c 271 s 6 ]

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**136A.68 RECORDS.** After August 1, 1975, all schools located in this state must maintain permanent records of all students enrolled therein at any time. The board may require schools to provide a plan acceptable to the board for preserving all such records for at least ten years. The board may require that such plan include the filing of a continuous surety bond or a deposit of funds in trust in an amount not to exceed \$20,000 for the purpose of preserving records after such school ceases to exist.

[ 1975 c 201 s 8; 1975 c 271 s 6 ]

**136A.69 FEES.** The board may collect reasonable registration fees not to exceed \$200 for an initial registration of each school and \$150 for each annual renewal of such existing registration.

[ 1975 c 201 s 9; 1975 c 271 s 6 ]

**136A.70 RULES AND REGULATIONS.** The board shall adopt policies and prescribe appropriate rules and regulations to carry out the purposes of sections 136A.61 to 136A.71. Such rules and regulations may include delegation of authority for implementation of sections 136A.61 to 136A.71 to the board's executive director.

[ 1975 c 201 s 10; 1975 c 271 s 6 ]

**136A.71 INJUNCTION.** Upon application of the attorney general the district courts shall have jurisdiction to enjoin any violations of sections 136A.61 to 136A.71.

[ 1975 c 201 s 11 ]

### SENIOR CITIZENS HIGHER

#### EDUCATION PROGRAM

**136A.80 DEFINITIONS.** Subdivision 1. For the purposes of sections 136A.80 and 136A.81, the following words have the meanings ascribed to them.

Subd. 2. "Senior citizen" means a person who has reached 62 years of age before the beginning of any term, semester or quarter, in which a course of study is pursued.

Subd. 3. "Course" means any course of study offered by a state supported institution of higher education in the regular curriculum of a department, school or subdivision of the institution, or a special course given for any purpose, including, but not limited to, adult education.

Subd. 4. "Legal resident" means a person who fulfills the residency criteria now or hereafter applicable to students of a state supported institution of higher education.

Subd. 5. "Institution of higher education" means a state university, community college, area vocational technical institute, or the University of Minnesota.

[ 1975 c 219 s 1; 1975 c 321 s 2 ]

**136A.81 PROGRAM AND QUALIFICATIONS.** Subdivision 1. **Fees and tuition.** Except for an administration fee of \$2 per credit hour, to be collected only when a course is taken for credit, a senior citizen who is a legal resident of Minnesota is entitled without payment of tuition or activity fees to attend courses offered for credit or audit any courses offered for credit, or enroll in noncredit courses, in any state supported institution of higher education in Minnesota when space is available after all tuition-paying students have been accommodated. Senior citizens enrolled under the provisions of sections 136A.80 and 136A.81 shall not be included by such institutions in their computation of full time equivalent students when requesting staff or appropriations. The enrollee shall be responsible for laboratory and material fees.

Subd. 2. **Term; income of senior citizens.** There shall be no limit to the number of terms, quarters or semesters a senior citizen may attend courses, nor income limitation imposed in determining eligibility.

Subd. 3. **Catalogue statement.** Each state supported institution of higher education shall prominently include in its catalogue a statement of benefits provided for senior citizens.

Subd. 4. **Determination of qualifications.** The institution shall determine whether a person qualifies for, and require execution of appropriate forms to request, the senior citizen benefits.



Subd. 5. **Placement.** The institution shall refer interested senior citizens to social service, community, and educational agencies for employment or volunteer work.  
 [ 1975 c 219 s 2-6 ]

CAREER GUIDANCE PROGRAM

**136A.85 CAREER GUIDANCE PROGRAM; ESTABLISHMENT.** The Minnesota higher education coordinating board shall establish for all eleventh grade students in the state who desire to participate, a statewide guidance, testing and information program designed to:

- (a) Assist students to make career plans and decisions regarding post-secondary education, training and goals;
- (b) Assist high school, college and vocational institute counselors in their work with students;
- (c) Assist Minnesota colleges and vocational institutes to identify students for whose talents, interests and needs they have appropriate programs;
- (d) Assist colleges and scholarship agencies to select from applicants those who show the most promise of benefiting from particular programs;
- (e) Provide educators, state planners and policy makers in the state a continuous inventory of the talents, plans, needs and other characteristics of students in individual educational institutions, in educational systems, and in the state as a whole; and
- (f) Assist educators, state planners and policy makers to develop improved educational measures and counseling tools.  
 [ 1978 c 782 s 1 ]

**136A.86 DUTIES OF THE BOARD.** Subdivision 1. The board shall establish an advisory task force to define the objectives of the program and make recommendations to the board on program goals, policies and selection of tests. Membership on the advisory task force shall include, but not be limited to, representatives of: the state university system, the university of Minnesota, the state community college system, the Minnesota private college council, the Minnesota school boards association, the Minnesota association of secondary school principals, the Minnesota school counselors association, Minnesota area vocational-technical institutes, the Minnesota department of education, the Minnesota association of private vocational schools, and a minimum of one secondary and one post-secondary education student. The expiration of this advisory task force and the terms, compensation and removal of its members shall be as provided in section 15.059, subdivision 6.

Subd. 2. The board shall periodically review and evaluate the statewide guidance, testing and information program and report to the governor and legislature the program status and the board's recommendations for legislation to improve the program.

Subd. 3. The board shall contract with the university of Minnesota to administer the program. The university of Minnesota may contract with other testing agencies and suppliers to obtain instruments or services needed to operate the program.  
 [ 1978 c 782 s 2 ]

**136A.87 PROGRAM.** The program shall:

- (a) Administer to eleventh grade Minnesota high school students, who desire to participate in the program, educational measurement instruments and questionnaires as determined by the board to be appropriate to serve the purposes of sections 136A.85 to 136A.88;
- (b) Provide individual reports of results to the students, to the high schools in which students are enrolled, and, if authorized by the students, to post-secondary educational institutions; and
- (c) Provide annual summary reports of results on a statewide basis to all Minnesota high schools and post-secondary educational institutions and to the department of education.  
 [ 1978 c 782 s 3 ]

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**136A.88 SUPPLEMENTARY SERVICES.** The program may provide additional instruments or services to students, high schools, institutions or systems of post-secondary education, and other educational agencies and may charge fees for the cost of such services.

[ 1978 c 782 s 4 ]