

## CHAPTER 136

## STATE UNIVERSITIES AND COMMUNITY COLLEGES

## STATE UNIVERSITIES

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## STATE UNIVERSITIES

**136.01 DESIGNATION.**

The following educational institutions: Winona State College, Mankato State Col-

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lege, St. Cloud State College, Moorhead State College, Bemidji State College, Southwest State College and Metropolitan State College are designated state universities.

**History:** (3064) 1921 c 260 s 1; 1957 c 576 s 1; 1965 c 331 s 1; 1975 c 321 s 3

## 136.015 CHANGES IN DESIGNATION AND STATUS OF EDUCATIONAL INSTITUTIONS.

Educational institutions heretofore known and described as state normal schools and state teachers colleges as designated in Minnesota Statutes have been redesignated as state universities. All property of the Duluth State College has been transferred and all obligations of the college have been assumed by the regents of the University of Minnesota in accordance with Minnesota Statutes 1974, section 137.13, and this college is now part of the university. The Southwest State University has been established in accordance with the provisions of Minnesota Statutes 1976, section 136.016.

**History:** 1957 c 576 s 1; 1965 c 331 s 2; 1975 c 321 s 2; 1982 c 424 s 35

**136.016** [Repealed, 1977 c 293 s 9]

## 136.017 METROPOLITAN STATE UNIVERSITY.

Subdivision 1. The state university board shall operate an educational program for a state university center as organized in the seven county metropolitan area. The center may operate in facilities acquired through the commissioner of administration by gift or lease. The faculty and staff of the state university system shall provide assistance in developing curricular and educational programs for the university.

Subd. 2. Metropolitan state university may deposit tuition receipts received during the final quarter of each year in a suspense account. The balance in that account shall not cancel on June 30 but shall be available in the next fiscal year.

**History:** 1976 c 163 s 9

## 136.02 STATE UNIVERSITY BOARD.

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

**History:** (3065) 1921 c 260 s 2; 1957 c 576 s 1,2; 1975 c 321 s 2

## 136.03 MANAGEMENT OF STATE UNIVERSITIES.

Subdivision 1. **Management.** The state universities shall be under the management, jurisdiction, and control of the state university board; and it shall have and possess all of the powers, jurisdiction, and authority, and shall perform all of the duties by them possessed and performed on and prior to April 1, 1901, except as hereinafter stated. Notwithstanding the provisions of sections 136.01, 136.015, and 136.017, the state university board, as it deems necessary, may close state universities under its jurisdiction. Prior to closing a state university the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The hearing shall be conducted by the office of administrative hearings. The administrative law judge shall prepare a summary of testimony received at the hearing for the board. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.

Subd. 2. **Methods of acquisition.** If money has been appropriated to the state university board to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under chapter 117.

Subd. 3. The state board and the state universities must not establish any off-

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campus centers or other permanent sites located off state university campuses to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area.

**History:** (3140) 1905 c 119 s 1; 1957 c 576 s 1,2; 1975 c 321 s 2; 1983 c 258 s 36; 1984 c 640 s 32; 1989 c 300 art 1 s 29; 1990 c 591 art 3 s 4

## 136.031 CARRY-OVER AUTHORITY.

The state university board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over any unexpended balance into the following biennium. The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

**History:** 1983 c 258 s 37; 1Sp1985 c 11 s 20

136.034 [Repealed, 1983 c 258 s 72]

136.035 [Obsolete]

## 136.036 IN-SERVICE EDUCATION.

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

Subd. 2. **Provide for superintendents and teachers.** The state university board is granted authority to provide in-service education, on or off campus, for district superintendents and teachers.

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

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

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

**History:** 1947 c 429 s 1-5; 1949 c 274 s 1-5; 1951 c 41 s 1; 1957 c 576 s 1,2; 1973 c 123 art 5 s 7; 1975 c 162 s 39; 1975 c 321 s 2

## 136.045 GENERAL ADULT EDUCATION.

Any state university may establish and conduct a program of general adult education subject to rules of the state university board.

**History:** 1957 c 600 s 1; 1971 c 402 s 5; 1975 c 321 s 2; 1985 c 248 s 70

136.06 [Repealed, 1976 c 231 s 34]

136.063 [Repealed, 1Sp1986 c 1 art 10 s 23]

## 136.065 INTERVIEW EXPENSES.

Candidates for positions in the state university board central office or in a state university who have been invited by the state university board for an interview may be reimbursed for travel and subsistence expenses in the same manner and amounts as state employees. This reimbursement may be made from university imprest cash funds.

**History:** 1976 c 163 s 12

## 136.07 EXCEEDING APPROPRIATIONS; PENALTY.

It shall be unlawful for the state university board to permit any expenditures for any purpose in excess of the amount appropriated or contemplated by law and any

member or agent of the board violating this provision shall be deemed guilty of a gross misdemeanor; and, upon conviction thereof, fined not less than \$100, nor more than \$3,000, or be imprisoned in the county jail for not less than six months, or by both a fine and imprisonment.

**History:** (3145) 1905 c 119 s 6; 1957 c 576 s 1,2; 1975 c 321 s 2; 1984 c 628 art 3 s 11

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

**136.09 DEGREES AND CERTIFICATES.**

Subdivision 1. The state university board may award appropriate degrees to persons who complete a prescribed four year bachelors curriculum of studies.

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

Subd. 3. The state university board may institute a prescribed doctors curriculum of studies and award the appropriate doctoral degree to such persons who complete the prescribed curriculum of studies.

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

**History:** (3066) 1921 c 260 s 3; 1953 c 428 s 1; 1957 c 576 s 1,2; 1963 c 590 s 1; 1967 c 668 s 1; 1975 c 321 s 2; 1978 c 706 s 44

**136.10 MODEL SCHOOLS.**

The state university board may organize model schools in connection with each state university for illustrating methods of teaching and school government only.

**History:** (3068) RL s 1437; 1957 c 576 s 1,2; 1975 c 321 s 2

**136.11 TUITION; FEES; ACTIVITIES FUNDS.**

Subdivision 1. **Tuition.** There shall be a charge for tuition to students in state universities. The board shall fix rates of tuition for the various instructional programs, including in-service education courses, general adult education programs, summer session programs, off-campus courses, institutes, and projects. The board may waive tuition for persons under the age of 21 who are under the guardianship of the commissioner of human services, provided that those persons are qualified for admission to the state universities and that those persons contribute toward their expenses by gainful employment if they are physically able to work. The board may continue to waive tuition for persons removed from the guardianship of the commissioner of human services until they reach the age of 21 provided those persons were under the guardianship of the commissioner of human services when they reached the age of 18, are qualified for admission to the state universities, and contribute toward their expenses by gainful employment if they are physically able to work. The state university board may waive tuition on instructional programs, institutes, courses, or projects when the sponsor pays all costs.

Nonresident students shall pay an additional tuition fee to be determined by the board. Resident status shall be determined at the time of each registration according to the criteria set forth in rules which the state university board shall establish. The rules shall not be subject to the requirements of the administrative procedure act or of any other law requiring notice, hearing, or the approval of the attorney general before adoption.

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

All tuition receipts are appropriated to the board for the operation of the state university system, subject to budgetary control by the commissioner of finance.

**Subd. 2. Fees chargeable.** The state university board may also prescribe fees to be charged students for student unions, university activities, functions, and purposes. All fees received are appropriated to the board for the purposes for which they are charged.

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

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

**Subd. 5. Administration of activity fund moneys.** The state university board independent of other authority and notwithstanding chapters 16A and 16B, shall administer the money collected for the university activities fund. All university activity fund money collected shall be retained by the president of each state university to be administered under the rules of the state university board by the presidents of the respective universities subject to audit of the legislative auditor.

**Subd. 6.** [Repealed, 1984 c 654 art 4 s 30]

**Subd. 7. Student health service.** The state university board shall offer health services for students at each state university. The health services may be offered either on campus or in the community nearby. The board may charge each student a health service fee that the board considers appropriate. The proceeds of the fee shall be used to maintain the health service and equip and construct facilities for it. Proceeds of the fee may be used to contract for health, medical, and hospitalization insurance for the students. The proceeds of the fees shall be deposited in the university activity fund and are annually appropriated to the state university board for the purposes of this subdivision.

**Subd. 8. Placement service fee.** The state universities are authorized to charge a placement service registration fee, which shall be set by the state university board, to each student or graduate upon registration with the university placement service. All fees received are appropriated to the board for the purpose for which they are charged, subject to budgetary control by the commissioner of finance.

**Subd. 9. Refunds.** The state university board may make refunds to students for tuition, activity fees, union fees, and any other fees from imprest cash funds. The imprest cash fund shall be reimbursed periodically by checks or warrants drawn on the funds and accounts to which the refund should ultimately be charged. The amounts necessary to pay the refunds are appropriated from the funds to which they are charged. The state university board shall obtain the approval of the legislative auditor for the procedures used in carrying out the provisions of this subdivision.

**History:** (3069) *RL s 1438; 1933 c 294 s 1; 1943 c 611 s 1; 1945 c 394 s 1-4; 1949 c 720 s 1; 1953 c 599 s 1; 1957 c 576 s 1,2; 1959 c 416 s 1-3; 1961 c 460 s 1; 1963 c 846 s 1; 1969 c 701 s 1; 1969 c 907 s 1; 1971 c 402 s 1-4; 1973 c 492 s 7; 1973 c 725 s 5; 1975 c 321 s 2; 1976 c 163 s 13-16; 1977 c 410 s 14; 1978 c 706 s 45; 1980 c 500 s 1,2; 1984 c 654 art 4 s 14,15; art 5 s 58; 1985 c 248 s 68; 1988 c 609 s 1*

**NOTE:** See also Laws 1975, chapter 433, section 3, subdivision 6.

## 136.111 STUDENTS; RECIPROCITY WITH OTHER INSTITUTIONS.

**Subdivision 1.** In order to make the most provident utilization of state universities,

and private colleges in Minnesota, and public and private colleges and universities in other states and in foreign countries and to avoid duplication of facilities, it is desirable to provide means which will enable a student resident within the areas served by such institutions of higher education to obtain the student's desired courses in the most expedient manner and at the least possible cost.

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

(a) To enable a student at any institution party to such a contract to take a specialized course or courses at a different institution from that in which the student is enrolled, with or without the payment of tuition charges at the other institution;

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

(c) A contract entered into pursuant to this subdivision shall provide for approximately equal advantages between the contracting institutions and shall provide that the admission of nonresidents shall be on a space available basis only.

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

Subd. 4. [Repealed, 1969 c 126 s 1]

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

**History:** 1965 c 242 s 1; 1975 c 321 s 2; 1976 c 34 s 1,2; 1986 c 444

### 136.12 EDUCATIONAL MANAGEMENT.

Subdivision 1. The educational management of the state universities is vested in a board of nine directors who shall constitute the state university board. The directors shall be appointed by the governor, subject to the advice and consent of the senate. One director shall be a student at a state university or have graduated from a state university within one year prior to the date of appointment. Other than the student or recent graduate director, at least one director shall be a resident of each congressional district and two directors shall be graduates of a state university in this state.

Subd. 2. The membership terms, compensation, removal of members, and filling of vacancies on the board shall be as provided in section 15.0575 except that the term of the student member shall be two years.

**History:** RL s 1439; 1957 c 576 s 1,2; 1963 c 61 s 1; 1963 c 689 s 5; 1974 c 147 s 1; 1975 c 321 s 2; 1976 c 134 s 35; 1979 c 317 s 1; 1982 c 603 s 1; 1986 c 444

### 136.13 ANNUAL MEETING; OFFICERS.

The annual meeting of the state university board shall be held in May. At the meeting it shall choose by ballot a president and a secretary. The term of office shall be for two years and until the successor qualifies. In case of vacancy, the state university board shall appoint one of the directors to fill the open position until the next annual meeting and until the successor qualifies.

**History:** RL s 1440; 1945 c 367 s 1; 1957 c 576 s 1,2; 1963 c 61 s 2; 1975 c 321 s 2; 1976 c 163 s 17; 1982 c 603 s 2

**NOTE:** See also Laws 1975, chapter 433, section 3, subdivision 6.

### 136.14 DUTIES OF BOARD.

Subdivision 1. **General.** The state university board shall have the educational management, supervision, and control of the state universities and of all related property. It shall appoint all presidents, teachers, and other necessary employees and fix their sal-

aries. It shall prescribe courses of study, conditions of admission, prepare and confer diplomas, report graduates of the state university department, and adopt suitable policies for the universities. Sections 14.01 to 14.47 do not apply to policies and procedures of the board. It shall, as a whole or by committee, visit each state university at least once in each year for the purpose of meeting with administrators, faculty, students and the community to discuss such matters as facilities, modes of instruction, curriculum, extracurricular programs and management.

**Subd. 2. Office location.** Notwithstanding chapter 16B, the state university board may select the location for its central office.

**History:** (3072) *RL s 1441; 1913 c 436 s 1; 1957 c 576 s 1,2; 1969 c 540 s 6; 1975 c 321 s 2; 1980 c 500 s 3; 1Sp1986 c 1 art 10 s 7*

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

### 136.141 WORKSHOP COURSES.

**Subdivision 1.** The state university board is granted authority, in its discretion, to provide refresher and professional workshop courses for teachers and instruction for persons to whom the regular instruction now afforded by the universities is unavailable. Courses of instruction may also be given in cooperation with agencies of the federal government in the interest of national defense.

**Subd. 2.** Credits earned by the students in such courses may be recognized and considered by the state university board.

**Subd. 3.** Tuition shall be fixed by the state university board for such instruction, taking into account the expense to the state in the particular class or course.

**History:** *1943 c 519; 1957 c 576 s 1,2; 1973 c 123 art 5 s 7; 1975 c 321 s 2; 1978 c 706 s 46*

### 136.142 GIFTS, BEQUESTS, ETC.

**Subdivision 1.** The state university board may receive and accept on behalf of the state and for the benefit of any state university any gift, bequest, devise, or endowment which any person, firm, corporation, or association may make to the board by will, deed, gift, or otherwise for the purpose of the university activity funds. The state university board may use any money heretofore given it or any of the universities under its jurisdiction by any person, firm, corporation, or association by will, deed, gift, devise, or endowment for the purpose of providing money for any aspect of the university activity funds, provided that such use of such money is not inconsistent with the terms and conditions under which the money was received by the board or a university under its jurisdiction. Gifts, bequests, devises, or endowments heretofore or hereafter so received are hereby appropriated to the board for the purposes stated. Gifts, bequests, devises or endowments of real property shall be reviewed by the chairs of the Minnesota house of representatives appropriations and the Minnesota senate finance committees who shall give their recommendations to the legislative advisory commission. The legislative advisory commission shall then recommend to the board whether or not the property should be accepted. The recommendation of the committee shall be advisory only. Failure or refusal of the commission to make a recommendation promptly shall be deemed a negative recommendation. All taxes and special assessments constituting a lien on any real property received and accepted by the board under this section shall be paid in full before title is transferred to the state. All other moneys deposited in the university activity funds are hereby appropriated to the board for use in the respective universities where collected.

**Subd. 2.** The state university board shall provide by rule, in accordance with provisions of chapter 118, for the deposit of all money received or referred to under the terms of this section. Whenever the board shall by resolution determine that there are moneys in the university activity funds not currently needed, the board may in and by such resolution authorize and direct the president of the university to invest a specified amount thereof in such securities as are duly authorized as legal investments for savings

banks and trust companies. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state.

**History:** 1959 c 416 s 4; 1971 c 212 s 1; 1975 c 271 s 6; 1975 c 321 s 2; 1978 c 706 s 47; 1985 c 248 s 70; 1986 c 444

### **136.143 COOPERATION WITH OTHERS IN PROMOTION OF UNIVERSITY.**

The state university board may cooperate by contractual arrangement or otherwise with responsible persons, firms, corporations, associations, or governmental agencies to promote short courses, research, and such other programs and activities in the state universities as in the judgment of the board contribute to the development of the state universities and the welfare of their students.

**History:** 1959 c 416 s 5; 1975 c 321 s 2

### **136.144 PROMOTION OF UNIVERSITY; ACCEPTANCE OF GIFTS.**

The board may receive and accept on behalf of the state and for the state universities any gift, bequest, devise, endowment, or grant in the form of cash which any person, firm, corporation, association, or governmental agency may make to the board by will, deed, gift, or otherwise to carry out the purposes of section 136.143. Unless otherwise so expressed in the terms of the gift, bequest, devise, endowment, or grant, moneys so received are not subject to the laws requiring budgeting, allotment, and encumbrance as provided in chapter 16A, or otherwise. These moneys shall not be taken into account in determining appropriations or allocations.

**History:** 1959 c 416 s 6; 1975 c 321 s 2; 1977 c 410 s 15; 1983 c 258 s 38; 1984 c 654 art 4 s 16

### **136.145 MODEL SCHOOL; INJURIES TO SCHOOL CHILDREN, HOSPITAL AND MEDICAL BENEFITS.**

The state university board may enter into a contract providing for the payment of cash benefits or the rendering or payment of hospital and medical benefits, or both, to school children injured while participating in the activities of the model school of any state university, such contract to make the payment of such benefits or the rendering thereof the direct and sole obligation of the association or company entering into such contract with the board.

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

The payment of any fees, premium, or other charge by such child shall not thereby make the board liable for any injuries incurred from such model school activities.

**History:** 1959 c 416 s 7; 1975 c 321 s 2; 1978 c 706 s 48

### **136.146 BEMIDJI STATE UNIVERSITY; EDUCATIONAL TELEVISION.**

Subdivision 1. The state university board may establish or may carry on educational television and telecommunication projects at Bemidji state university, and may make facilities available to public or private nonprofit organizations.

Subd. 2. The state university board may cooperate with public and private educational television systems, and other civic, cultural and educational agencies and organizations, nonprofit in nature, and may enter into contracts necessary therefor.

**History:** 1973 c 408 s 1; 1975 c 321 s 2

### **136.147 HIGHWAY SAFETY CENTER; FEDERAL FUNDING.**

The state university board may apply for and receive federal funds for the planning



and constructing of an emergency driving and research facility to be known as the Minnesota highway safety center. The board may operate the center for governmental and commercial agencies and the public. The board may negotiate and enter into contracts with prospective users of the center. The board may, in addition to entering into contracts, establish a schedule of fees for the use of the center. For the purpose of building the center, the board may use not more than 45 acres of that land within its control and jurisdiction, the custodial control of which was transferred from the department of corrections to St. Cloud State University. The money received for the use of the center is appropriated annually for the purpose of operating and maintaining the center.

**History:** 1973 c 478 s 1; 1975 c 321 s 2

**136.148** [Repealed, 1980 c 500 s 4]

**136.15** [Repealed, 1980 c 500 s 4]

**136.16** [Repealed, 1976 c 134 s 79]

### **136.17 SUMMER SESSIONS AT UNIVERSITIES.**

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

**History:** (3079) 1907 c 164 s 1; 1909 c 112 s 1; 1957 c 576 s 1,2; 1975 c 321 s 2

### **136.171 RECEIPTS FROM SUMMER SESSIONS AND OFF-CAMPUS COURSES.**

All receipts received by the state as a result of or because of conducting of summer sessions and off-campus courses during such summer sessions at the state universities are hereby reappropriated to the respective universities receiving such money and shall be credited on the books of the commissioner of finance to be available during the fiscal year beginning July 1 during such summer session.

**History:** 1949 c 518 s 1; 1957 c 576 s 1,2; 1973 c 492 s 14; 1975 c 321 s 2

### **136.18 INSTRUCTION TO VETERANS.**

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

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

**History:** 1945 c 251; 1957 c 576 s 1,2; 1975 c 321 s 2

**136.19 EXAMINATIONS, TESTS, AND OCCUPATIONAL DIAGNOSES COVERING VETERANS.**

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

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

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

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

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

*History: 1945 c 398 s 1-5; 1957 c 576 s 1,2; 1975 c 321 s 2*

**136.20 BOOK STORE.**

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

*History: 1949 c 517 s 1; 1957 c 576 s 1,2; 1967 c 241 s 1; 1975 c 321 s 2*

**136.21 EXCHANGE TEACHERS.**

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

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

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

*History: 1953 c 597 s 1-3; 1957 c 576 s 1,2; 1975 c 321 s 2*

**136.22 CLASSES ON HOLIDAYS.**

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

*History: 1953 c 598 s 1; 1957 c 576 s 1,2; 1975 c 321 s 2; 1984 c 656 s 3*

**136.232 REIMBURSEMENTS.**

Reimbursements are appropriated for use during the fiscal year in which they are received.

**History:** 1976 c 163 s 18

**136.24 TECHNICAL EQUIPMENT.**

Subdivision 1. **Proprietary purchases.** Technical educational equipment may be procured for the state universities on request of the state university board either by brand designation or in accordance with standards and specifications the board may promulgate, notwithstanding the competitive bidding requirements of chapter 16B to the contrary. The procurement is still subject to supervision by the office of information systems management under section 16B.41.

Subd. 2. **Computer marketing and support.** The state university board may sell computers and related products to its staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

**History:** 1976 c 163 s 19; 1985 c 248 s 68; 1Sp1985 c 11 s 21; 1990 c 506 art 2 s 15

**136.25 HEALTH BENEFITS.**

The state university board may contract for hospital benefits coverage and medical benefits coverage for students in the same manner as authorized by section 43A.23 for state employees.

**History:** 1976 c 163 s 20; 1981 c 210 s 54

**136.26 [Repealed, 1988 c 703 art 1 s 29]****136.27 CAPITAL PROJECTS BIDDING PROCEDURES.**

In awarding contracts for capital projects under section 16B.09, the board must consider the documentation provided by the bidders regarding their qualifications including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall formulate procedures to administer this section which include practices that will assist in the economic development of small businesses, small targeted group businesses, and businesses in economically disadvantaged areas designated under section 16B.19.

**History:** 1987 c 401 s 11; 1989 c 352 s 9,25; 1990 c 541 s 12,29

**136.31 STATE UNIVERSITY BOARD, DUTIES.**

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

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

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

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

(d) acquire building sites and buildings or structures by gift, purchase, or otherwise

and pledge the revenues thereof for the payment of any bonds issued for such purpose as provided in sections 136.31 to 136.38;

(e) borrow money and issue and sell bonds in such amount or amounts as the legislature shall authorize for the purpose of acquiring, constructing, completing, remodeling, or equipping any such buildings or structures, and acquiring sites therefor, and refund and refinance the same from time to time by the issuance and sale of refunding bonds as often as it shall in the board's judgment be advantageous to the public interest so to do. All such bonds shall be sold and issued by said board in the manner and upon the terms and conditions provided by chapter 475, except as otherwise provided in this section. Such bonds shall be payable solely from and secured by an irrevocable pledge of the revenues to be derived from the operation of any such buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of such bonds and in addition thereto from such other income and revenues described in section 136.33, clause (a), as said board by resolution shall specify, and notwithstanding this limitation all bonds issued hereunder shall have the qualities of negotiable instruments under the laws of this state. The legislature intends not to appropriate money from the general fund to pay for these bonds.

Subd. 2. Such bonds may bear such date or dates and may mature serially at such time or times not exceeding 40 years from their date or dates, may be in such form, carry such registration privileges, may be payable at such place or places, may be subject to such terms of redemption prior to maturity with or without premium, may be delivered to the purchasers at such times and places, and may contain such terms and covenants, not inconsistent with sections 136.41 and 136.42, all as may be provided by resolution of said board authorizing the issuance of such bonds.

Subd. 3. The bonds must be executed by the officers of the board designated by the board to execute them and countersigned by the treasurer elected by the board.

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

Subd. 5. If the board by resolution determines that its treasurer possesses money not currently needed, or that is set aside in a reserve, the board in the resolution may direct the treasurer to invest a specified amount of the money in securities of the types described in section 475.66. The securities must be deposited with and held for the board by the treasurer. If the invested money is needed by the board it shall direct the treasurer to sell all or a designated amount of the securities. Money collected from the investment by the treasurer, as principal, interest, or proceeds of sales, must be credited to and made a part of the fund and account for which the investment is made.

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

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

Subd. 7. Except as provided in this subdivision, the board may irrevocably appropriate and use any money, other than direct state appropriations and tuition receipts appropriated by section 136.11, subdivision 1, held by it to discharge or otherwise provide for the payment of the interest coming due on its revenue bonds outstanding on July 1, 1988, until paid and of the principal and any premium coming due on the bonds at maturity or upon any earlier date upon which the bonds are called for redemption. For this purpose, the board may exercise all powers conferred upon it under subdivision 6 with respect to escrow agents and escrow accounts, and may provide for the funding of the escrow accounts with securities of the type referred to in subdivision 6 and certificates of deposit, time deposits, and investment agreements issued by the escrow agent or any other financial institution. This subdivision does not authorize the appropriation or use of board money to secure outstanding revenue bonds contrary to a board resolution authorizing the issuance and providing for the security of the bonds, or the use of other board money contrary to the terms of a contract, specific legislative appropriation, or law.

**History:** 1955 c 715 s 1; 1957 c 576 s 1,2; 1957 c 603 s 1; 1965 c 331 s 3-5; 1967 c 140 s 1; 1973 c 492 s 14; 1975 c 321 s 2; 1978 c 706 s 50; 1988 c 703 art 1 s 13; 1989 c 293 s 16,17; 1990 c 610 art 2 s 3

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

### 136.311 STATE UNIVERSITY PARKING RULES.

Notwithstanding section 169.966, the state university board may authorize a state university to adopt and enforce rules about parking on property owned or leased by the university. The rules may enable a university to assess and collect a fine and a towing fee for a violation of a rule. Money collected under this section by a state university is annually appropriated to the university for parking lot maintenance, improvement, and rule enforcement. A state university, with the approval of the state university board, shall establish procedures to resolve a dispute arising from enforcement of a rule. Chapter 14 does not apply to this section.

**History:** 1Sp1985 c 11 s 22

### 136.32 BONDS, INVESTMENTS.

The state, including the state board of investment, and all counties, cities, incorporated towns and other municipal corporations, political subdivisions and political bodies, and public officers of any thereof, all banks, bankers, trust companies, savings

banks, and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued pursuant to sections 136.31 to 136.38, it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm or corporation from any duty of exercising due care in selecting securities for purchase or investment. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of section 50.14, notwithstanding the restrictions in part (c) of subdivision 4 thereof.

**History:** 1955 c 715 s 2; 1957 c 603 s 2; 1973 c 123 art 5 s 7; 1983 c 213 s 6

### 136.33 RESOLUTION OF BOARD.

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

(a) the pledging of all or any portion of the proceeds of any fees imposed upon students for student activities, student facilities, or for other purposes, and the net revenues from other buildings or facilities heretofore or hereafter constructed or acquired at any university under the jurisdiction of said board as additional security for the payment of said bonds;

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

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

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

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

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

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

**History:** 1955 c 715 s 3; 1957 c 576 s 1,2; 1975 c 321 s 2

### 136.34 STUDENT ACTIVITIES, FEES CHARGED.

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

for the purpose or purposes set forth and described in the resolution authorizing the issuance of said bonds, and the necessary expenses of the operation and maintenance thereof; and such charges and fees shall be sufficient at all times for such purposes.

*History: 1955 c 715 s 4; 1957 c 603 s 3*

### **136.35 SPECIAL REVENUE FUND.**

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

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

*History: 1955 c 715 s 5; 1957 c 576 s 1,2; 1975 c 321 s 2; 1986 c 444*

### **136.36 ALLOCATION OF RECEIPTS.**

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

*History: 1955 c 715 s 6; 1957 c 576 s 1,2; 1957 c 603 s 4; 1975 c 321 s 2*

### **136.37 ADMINISTRATION.**

The administration of sections 136.31 to 136.38 shall be under the state university board independent of other authority and notwithstanding chapters 16A and 16B.

*History: 1955 c 715 s 7; 1957 c 576 s 1,2; 1975 c 321 s 2; 1977 c 410 s 16; 1985 c 248 s 68*

### **136.38 CONTRACTS OF BOARD, PERFORMANCE COMPELLED.**

The provisions of sections 136.31 to 136.38 and of any resolution or other proceedings authorizing the issuance of bonds shall constitute a contract with the holders of such bonds and the provisions thereof shall be enforceable either in law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction to enforce or compel the performance of any duties required by sections 136.31 to

136.38 and any resolution authorizing the issuance of bonds adopted responsive hereto, including the establishment of sufficient charges or fees for use of any such buildings or structures and the application of the income and revenue thereof; and it shall be the duty of said university board or its successor upon the issuance of any bonds under the provisions of sections 136.31 to 136.38 to establish by resolution from time to time the fees or charges to be made for the use of any such buildings or structures, which fees or charges shall be adjusted from time to time in order to always provide sufficient income for payment of the principal of and interest on such bonds issued as provided for in sections 136.31 to 136.38, and for the necessary expenses of operation and maintenance.

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

**History:** 1955 c 715 s 8; 1957 c 576 s 1,2; 1975 c 321 s 2

### 136.40 MINNESOTA STATE UNIVERSITY BONDS.

**Subdivision 1. Purpose and appropriation.** For the purpose of providing money to be loaned to the Minnesota State University Board for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed to provide facilities and services at the state universities, in anticipation of the receipt of net revenues derived from charges, fees, and rentals for such facilities and services, when authorized by law and requested by the board, the commissioner of finance shall sell and issue bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith, credit, and taxing powers of the state are irrevocably pledged. The proceeds of such bonds are appropriated and shall be credited to the revenue fund of the board and shall be available until the purposes for which the bonds were authorized have been accomplished or abandoned, and none of such money shall be canceled. When the board shall certify to the commissioner of finance that the purposes of any such issue have been accomplished or abandoned, the unexpended balance of the proceeds shall be transferred and credited to the state bond fund. Bonds shall be issued pursuant to this section only as authorized by subdivision 8 or by another law specifying the purpose or purposes thereof as herein authorized and the maximum amount of the proceeds authorized to be expended for each purpose. Any act authorizing the issuance of bonds in the manner provided in this section shall, together with this section, constitute complete authority for such issue, and such bonds shall not be subject to restrictions or limitations contained in any other law.

**Subd. 2. Loans of bond proceeds.** Each loan authorized to be made under this section shall be payable solely from net revenues annually received by the board in its revenue fund from charges, fees, and rentals for the use and service of housing, food service, union, and other student facilities and activities, in excess of the current costs of operation and maintenance of such facilities, and in excess of net revenues from time to time needed to pay principal and interest due on revenue bonds of the board and to maintain all reserves securing such bonds in accordance with the provisions of the resolutions of the board authorizing their issuance. Each loan shall be made in a principal amount equal to the amount of the state bonds issued to provide the loan, and shall bear interest at the average annual rate borne by the bonds, and shall be payable in equal annual installments, including principal and interest, each in the amount required annually to retire the loan within the maximum term permitted by law for revenue bonds of the board. The annual payments shall be made by the board to the commissioner of finance who shall credit the payments to the state bond fund on November 1 immediately following the date of the issuance of the bonds and on November 1 in each year thereafter, until the bonds and any bonds refunding the same have been fully paid and redeemed, and until the total amount of such annual payments equals the total amount of princi-



pal and interest actually paid on the state bonds; at which time the commissioner of finance shall cancel and satisfy the loan.

**Subd. 3. Issuance of bonds.** Upon request by resolution of the Minnesota State University Board and upon authorization as provided in subdivision 1 the commissioner of finance shall sell and issue Minnesota state university bonds in the aggregate amount requested, upon sealed bids and upon such notice, at such price, in such form and denominations, bearing interest at such rate or rates, maturing in such amounts and on such dates, without option of prepayment or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks within or outside the state, with such provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale or delivery of definitive bonds, and in accordance with such further rules, as the commissioner of finance shall determine, subject to the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any appurtenant interest coupons and their seals may be printed, lithographed, engraved, or stamped thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an officer of a bank designated by them as authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

**Subd. 4. Expenses.** All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including but not limited to actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the revenue fund of the Minnesota State University Board, and the amounts necessary therefor are appropriated from that fund; provided that if any amount is specifically appropriated for this purpose in an act authorizing the issuance of bonds pursuant to this section, such expenses shall be limited to the amount so appropriated.

**Subd. 5. State university bond account in the state bond fund.** The commissioner of finance shall maintain in the state bond fund a separate bookkeeping account which shall be designated as the state university bond account, to record receipts and disbursements of money transferred to the fund to pay Minnesota state university bonds and income from the investment of such money, which income shall be credited to the account in each fiscal year in an amount equal to the approximate average return that year on all invested state funds, as determined by the commissioner of finance, times the average balance in the account that year.

**Subd. 6. Appropriations to state university bond account.** All loan payments to be deposited in the state bond fund in accordance with subdivision 2 shall be credited to the state university bond account therein. In order to reduce the amount of taxes otherwise required to be levied, in accordance with section 16A.641, there shall also be transferred to the state university bond account from the general fund in the state treasury, on November 1 in each year, a sum of money sufficient in amount, when added to the balance then on hand therein, to pay all Minnesota state university bonds and interest thereon due and to become due to and including July 1 in the second ensuing year. All money so credited and all income from the investment thereof is annually appropriated for the payment of such bonds and interest thereon, and shall be available in the state university bond account prior to the levy of the tax in any year required by the Constitution, Article 11, Section 7. The legislature may also appropriate to the state university bond account any other moneys in the state treasury not otherwise appropriated, for the security of Minnesota state university bonds in the event that sufficient money should not be available in the account from the sources herein appropriated, prior to the levy of such tax in any year. The commissioner of finance and treasurer are directed to make the appropriate entries in the accounts of the respective funds.

Subd. 7. **Tax levy.** On or before December 1 in each year the state auditor shall levy on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then and theretofore credited to the Minnesota state university bond account, to pay the entire amount of principal and interest then and theretofore due and principal and interest to become due on or before July 1 in the second year thereafter on Minnesota state university bonds. This tax shall be subject to no limitation of rate or amount until all such bonds and interest thereon are fully paid. The proceeds of this tax are appropriated and shall be credited to the state bond fund, and the principal of and interest on the bonds are payable from such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of such taxes to pay the principal and interest when due on Minnesota state university bonds, such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated.

Subd. 8. **Bond authorization and appropriation.** For the purpose of providing money to be loaned to the Minnesota state university board for the acquisition and betterment of public land, buildings, and improvements of a capital nature, the state auditor is directed to sell and issue Minnesota state university bonds in the maximum amount of \$4,500,000 to be expended for dormitory, residence hall, and food service facilities at the state universities, in accordance with the recommendations of the legislative buildings commission to the 1969 session of the legislature, and in the maximum amount of \$7,500,000 to be expended for student union facilities at said universities, in the manner and upon the conditions provided in subdivisions 1 to 7, which total amounts are authorized to be expended for these purposes. No expenditures for the authorized purposes shall be made until the board has consulted the chairs of the senate finance committee and house of representatives appropriations committee and received their recommendations thereon. Such recommendation shall be advisory only. Failure or refusal to make a recommendation promptly shall be deemed a negative recommendation. The bonds shall be sold, issued, and secured as provided in subdivisions 1 to 7 and in article XI, section 7, of the Constitution. In order to reduce the amount of taxes otherwise required by the Constitution to be levied for the payment of interest and principal thereon, there is appropriated annually to the Minnesota state university bond account in the state bond fund from the general fund in the state treasury a sum of money sufficient in amount, when added to the balance on hand on November 1 in each year in said Minnesota state university bond account, to pay all principal and interest due and to become due on said bonds to and including July 1 in the second ensuing year. The moneys received and on hand pursuant to this annual appropriation are available in the state bond fund prior to the levy of the tax in any year required by the Constitution and by subdivision 7 and shall be used to reduce the amount of the tax otherwise required to be levied.

Subd. 9. **Bond authorization and appropriation.** For the purpose of providing money to be loaned to the Minnesota state university board for the refunding, payment, and redemption of each and all of the board's university buildings revenue bonds, series A, reissued, now outstanding in the principal amount of \$1,710,000, and series B, reissued, now outstanding in the principal amount of \$6,115,000, both dated as of December 1, 1959, which bonds are now held by the state in retirement funds in trust for the provision of retirement benefits assured by law and contract to participants in state and public employees retirement systems, the commissioner of finance is directed to sell and issue Minnesota state university bonds in the maximum amount of \$7,825,000 to be expended for the redemption of said revenue bonds at the earliest date practicable. The state consents to the prepayment and redemption of said revenue bonds on any date when the proceeds of the bonds herein authorized are available for that purpose, at a price equal to the principal amount plus accrued interest to the date of redemption. The amounts necessary to pay the accrued interest, together with the expenses incidental to the sale, printing, execution, and delivery of the bonds issued pursuant to this subdivision, are appropriated from the general fund in the state treasury. The bonds shall be sold, issued, and secured as provided in subdivisions 1 to 7 and in article XI, section

7, of the Constitution; provided that (a) the annual maturities thereof shall be fixed in such manner that, so far as practicable, the total amount of principal and interest to become due thereon in each year prior to the 20th year from the date of issue will not exceed the amount of principal and interest which would have become due on the outstanding revenue bonds, had they not been refunded, and (b) the loan of the proceeds of the bonds shall be repayable from the net revenues annually received by the board in its revenue fund, at the same times and in the same amounts of interest and principal as those which would have become due on the outstanding revenue bonds, had they not been refunded. In order to reduce the amount of taxes otherwise required by the Constitution to be levied for the payment of interest and principal on the bonds, there is appropriated annually to the Minnesota state university bond account in the state bond fund from the general fund in the state treasury a sum of money sufficient in amount, when added to the balance on hand on November 1 in each year in the Minnesota state university bond account, to pay all principal and interest due and to become due on the bonds to and including July 1 in the second ensuing year. The money received and on hand pursuant to this annual appropriation is available in the state bond fund prior to the levy of the tax in any year required by the Constitution and by subdivision 7 and shall be used to reduce the amount of the tax otherwise required to be levied.

*History: 1969 c 399 s 49; 1969 c 1152 s 1; 1973 c 492 s 14; 1973 c 759 s 1; 1975 c 321 s 2; 1976 c 2 s 172; 1982 c 424 s 130; 1983 c 301 s 136; 1984 c 597 s 49; 1985 c 248 s 70; 1Sp1985 c 14 art 4 s 25; 1986 c 444*

### **136.41 REVENUE BONDS, ISSUANCE.**

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

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

Subd. 3. The state university board or any successor thereof is authorized to issue additional revenue bonds under sections 136.31 to 136.38, subject to the provisions of the resolutions authorizing its outstanding revenue bonds, and payable solely from the revenue appropriated thereto by section 136.11, subdivision 6, and sections 136.31 to 136.38, in an aggregate principal amount not exceeding 13 million dollars, over and above the amounts of bonds authorized elsewhere in this section, and to use the proceeds of their sale, together with other public or private money which may otherwise become available, for acquiring, constructing, completing, remodeling, and equipping structures to be used for dormitory, residence hall, student union, and food service purposes at each of the state universities; and the buildings and facilities to be financed in this manner and the method of retirement of such bonds herein described are hereby approved.

Subd. 4. The state university board or any successor thereof is authorized to issue additional revenue bonds under sections 136.31 to 136.38, in an aggregate principal amount not exceeding \$9,400,000, and to use the proceeds of their sale, together with any revenues available in accordance with law and said resolutions, to redeem and

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refund the outstanding University Building Revenue Bonds, Series A and Series B, heretofore issued pursuant to subdivision 1, at their par value plus accrued interest, plus the premium required for such redemption. Said refunding revenue bonds shall bear interest at a rate or rates to be determined by the board, which may be higher or lower than the rate of interest payable on any or all the bonds refunded.

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

Subd. 5. The state university board or any successor thereof is authorized to issue additional revenue bonds under sections 136.31 to 136.38, subject to the provisions of the resolutions authorizing its outstanding revenue bonds, and payable solely from the revenue appropriated thereto by section 136.11, subdivision 6, and sections 136.31 to 136.38, in an aggregate principal amount not exceeding \$11,000,000, over and above the amounts of bonds authorized elsewhere in this section, and to use the proceeds of their sale, together with other public or private money which may otherwise become available, for acquiring, constructing, completing, remodeling, and equipping structures to be used for dormitory, residence hall, student union, and food service purposes at the state universities, in accordance with the recommendations of the legislative buildings commission to the 1965 session of the legislature; and the buildings and facilities to be financed in this manner are hereby approved.

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

Subd. 6. The state university board or any successor thereof is authorized to issue additional revenue bonds under sections 136.31 to 136.38, subject to the provisions of the resolutions authorizing its outstanding revenue bonds, and payable solely from the revenue appropriated thereto by section 136.11, subdivision 6 and sections 136.31 to 136.38, in an aggregate principal amount not exceeding \$13,000,000, over and above the amounts of bonds authorized elsewhere in this section, and to use the proceeds of their sale, together with other public or private money which may otherwise become available, for acquiring, constructing, completing, remodeling, and equipping structures to be used for dormitory, residence hall, student union, and food service purposes at the state universities, in accordance with the recommendations of the legislative buildings commission to the 1967 session of the legislature; and the buildings and facilities to be financed in this manner are hereby approved.

Subd. 7. The state university board is authorized to use any portion of the proceeds of the sale of bonds issued pursuant to section 136.40, subdivision 8, and to subdivisions 1 to 6 of this section, remaining after completion and payment of the cost of projects therein authorized or after abandonment of any such project for acquiring, constructing, completing, remodeling and equipping student union facilities at state universities in accordance with recommendations of the legislative building commission to the 1971 and prior sessions of the legislature.

Subd. 8. The state university board or a successor may issue additional revenue bonds under sections 136.31 to 136.38 in an aggregate principal amount not exceeding \$40,000,000, subject to the resolutions authorizing its outstanding revenue bonds, and payable from the revenue appropriated to the fund established by section 136.35, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures to be used for dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house appropriations committee and the senate finance committee about the facilities to be financed by the bonds.

Subd. 9. The bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes. However, if it is intended that the interest on the bonds be exempt from fed-

eral income taxes, an officer of the board shall certify for the board on the date of issue the facts, estimates, and circumstances that lead the officer reasonably to expect that the proceeds of the bonds and the facilities financed by them will not be used to cause the interest on the bonds to be subject to federal income taxes; the board may covenant and agree with the holders of the bonds that it will comply with the provisions of the United States Internal Revenue Code now or hereafter enacted that do or may apply to the bonds and that establish conditions under which the interest to be paid on the bonds will not be subject to federal income taxes; and the officers of the board shall take the actions or refrain from taking the actions necessary to comply with the covenants. Money required to be spent to comply may be appropriated by the board from the fund established by section 136.35.

**History:** 1957 c 576 s 1,2; 1957 c 604 s 1; 1959 c 413 s 1; 1963 c 479 s 1; 1965 c 317 s 1,2; 1965 c 332 s 1,2; 1967 c 140 s 2; 1971 c 963 s 6; 1975 c 321 s 2; 1988 c 703 art 1 s 14,15

### **136.42 MAY APPLY TO FEDERAL HOUSING AND HOME FINANCE COMPANY FOR LOAN.**

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

**History:** 1957 c 576 s 1,2; 1957 c 604 s 2; 1975 c 321 s 2

### **136.43 NATIONAL DEFENSE EDUCATION ACT OF 1958; AGREEMENT WITH FEDERAL COMMISSIONER OF EDUCATION.**

The state university board is hereby authorized to enter into agreements with the United States commissioner of education pursuant to Title II of Public Law Number 85-864, 85th Congress, entitled the national defense education act of 1958, in order to provide the benefits of Title II of Public Law Number 85-864 at the state universities. Provisions of these agreements shall

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

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

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

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

(5) Includes such other provisions as may be necessary to protect the financial interests of the United States and of the state of Minnesota and promote the purposes of Title II of Public Law Number 85-864 and as may be agreed to by the United States commissioner of education and the state university board acting in behalf of the state universities.

**History:** 1959 c 22 s 1; 1971 c 228 s 1; 1975 c 321 s 2

#### **136.44 ACCEPTANCE OF FEDERAL GRANTS; USE OF GRANTS.**

The treasurer of the state university board is authorized to accept any federal grant which will become available under provisions of Title II of Public Law Number 85-864; under Title I, Part D, of Public Law Number 90-351 (also known as section 406 of the Omnibus Crime Control and Safe Streets Act of 1968 and as the Law Enforcement Education Program); under Title VIII, Part B, Public Law Number 410 (also known as Public Health Service Act) as amended including specifically the amendment by Public Law Number 88-581 (also known as Nurse Training Act of 1964 which authorizes the Nursing Student Loan Program); under Title IV, Part A, of the Higher Education Act of 1965; or any other federal grants made available for the purpose of providing scholarship, grant, or loan money to students at the state universities, for use in the special student loan account in the university activity funds in any of the Minnesota state universities for which the grant is made. Any such federal grant is hereby appropriated to the state university board for use in the intended state university, in accordance with the terms under which it was accepted. The money of any such federal grant, shall be administered within the university activity fund.

**History:** 1959 c 22 s 2; 1971 c 228 s 2; 1975 c 321 s 2; 1987 c 384 art 2 s 36

#### **136.45 RULES.**

The state university board is hereby authorized and directed to establish rules for the conduct of the program contemplated by Title II of Public Law Number 85-864 which shall not be inconsistent with the provisions of Public Law Number 85-864; for the conduct of the program contemplated by Title I, Part D, of Public Law Number 90-351; for the conduct of the program contemplated by Title VIII, Part B, Public Law Number 410; for the conduct of the program contemplated by Title IV, Part A, of the Higher Education Act of 1965; and for the conduct of any other program under which federal funds are accepted.

**History:** 1959 c 22 s 3; 1971 c 228 s 3; 1975 c 321 s 2; 1985 c 248 s 70

#### **136.46 ACCEPTANCE OF MONEY FROM PRIVATE SOURCES; USE.**

The state university board may receive and accept on behalf of the state and for the benefit of the state universities any gift, bequest, devise, or endowment which any person, firm, or corporation may make to the board by will, deed, gift, or otherwise for the purpose of providing moneys to meet the requirements of the federal acts described in section 136.44 and any agreement made by the state university board with the United States commissioner of education pursuant thereto. The state university board may use any moneys heretofore given it or any of the universities under its jurisdiction by any person, firm or corporation by will, deed, gift, devise, or endowment for the purpose of making student loans and meeting the requirements of the federal acts described in section 136.44 and any agreement made pursuant thereto provided that such use of such moneys is not inconsistent with the terms and conditions under which the money was received by the board or a university under its jurisdiction. Moneys referred to in this section shall be administered within the university activity fund. The moneys referred to in this section are appropriated to the board for the purposes stated.

**History:** 1959 c 22 s 4; 1971 c 228 s 4; 1975 c 321 s 2

#### **136.47 DEPOSITS; INVESTMENTS.**

The state university board shall deposit according to the provisions of chapter 118,

all moneys received or referred to under the terms of sections 136.43 to 136.50. Whenever the board shall by resolution determine that there are moneys in such student loan accounts not currently needed, the board may in and by such resolution authorize and direct the treasurer of the board to invest a specified amount thereof in such securities as are authorized for investment in section 136.31, subdivision 5. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state.

**History:** 1959 c 22 s 5; 1975 c 321 s 2

#### **136.48 AVAILABLE MONEY.**

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

**History:** 1959 c 22 s 6; 1975 c 321 s 2

#### **136.49 APPLICATION FOR FEDERAL LOANS ON BEHALF OF STATE.**

The state university board on behalf of the state and the state universities under its jurisdiction, may apply for loans from the United States Office of Education for the purpose of providing, on a temporary basis, the share of the state universities of the loan fund in accordance with the provisions of the federal act described in section 136.43. In applying for any loan, the state university board shall in no way whatsoever pledge the credit of the state of Minnesota for the repayment of such loans. It is intended by this section to the extent permissible under federal laws to borrow, if necessary, from the federal government the state share of funds necessary to enable the state university board and the universities under its jurisdiction to participate in the student loan program established by the federal act described in section 136.43.

**History:** 1959 c 22 s 7; 1975 c 321 s 2

#### **136.50 ELIGIBILITY FOR STUDENT LOANS.**

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

**History:** 1959 c 22 s 8

#### **136.501 EMPLOYMENT OF STUDENTS; FEDERAL AID.**

The purpose of sections 136.501 to 136.507 is to stimulate and promote the part time employment of students in state universities who are from low income families and are in need of the earnings from such employment to pursue courses of study at such state universities.

**History:** 1965 c 679 s 1; 1975 c 321 s 2; 1980 c 509 s 39

#### **136.502 ACCEPTANCE OF FEDERAL ACT.**

The provisions of part C of title I of the act of Congress entitled "an act to mobilize the human and financial resources of the nation to combat poverty in the United States," Public Law Number 88-452, known as the Economic Opportunity Act of 1964, hereinafter referred to as "the federal act" and acts amendatory thereof, be and the same are hereby accepted, and the benefits of all funds appropriated under the provisions of such acts are hereby accepted as provided in such acts.

**History:** 1965 c 679 s 2

**136.503 AUTHORITY OF BOARD.**

Subdivision 1. **Board designated state agency.** The state university board, hereinafter referred to as the board, is hereby designated as a state agency to apply for, receive, and disburse moneys from the United States of America under said federal act. The board shall deposit all moneys so received in the state treasury and such moneys are appropriated to the board for the purposes of sections 136.501 to 136.507. The board has the power to enter into agreements with the director of the office of economic opportunity, hereinafter referred to as the director, authorized by sections 123 and 124 of the federal act, subject to applicable provisions of the laws of this state, hereinafter referred to as state laws. The board has the power, subject to applicable state laws, to do all things necessary to comply with the requirements of said federal act and any rules or regulations promulgated thereunder.

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

**History:** 1965 c 679 s 3; 1975 c 321 s 2; 1980 c 509 s 40

**136.504 MUNICIPALITIES MAY CONTRACT.**

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

**History:** 1965 c 679 s 4; 1973 c 123 art 5 s 7; 1975 c 321 s 2

**136.505 COOPERATION WITH FEDERAL AGENCY.**

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

**History:** 1965 c 679 s 5

**136.506 FUNDS, AUTHORITY OF BOARD.**

The state university board is appointed custodian of all funds received from the federal government under sections 136.501 to 136.507 and is charged with the duty and responsibility of receiving and providing for the proper custody and proper disbursement of money paid to the state and the appropriations made for such purpose.

**History:** 1965 c 679 s 6; 1980 c 509 s 41; 1984 c 654 art 4 s 18

**136.507 FEDERAL AID, REPORTS TO THE LEGISLATURE.**

The board shall make to the legislature at each biennial session a report of its administration of federal and state acts relating to the work-study program and the expenditure of money allotted to the state under the provisions of such acts.

**History:** 1965 c 679 s 7

**136.508 [Repealed, 1977 c 403 s 13]****136.55 ANNUITIES, PURCHASE BY BOARD.**

Subdivision 1. At the request of an employee the state university board may negoti-



ate and purchase an individual annuity contract from a company licensed to do business in Minnesota for an employee for retirement or other purposes and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire premium due or to become due under such contract. The allocation shall be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and the employee's rights thereunder shall be nonforfeitable except for failure to pay premiums.

Subd. 2. All amounts so allocated shall be deposited in an annuity account which is established by the state university board. Payment of annuity premiums shall be made when due or in accordance with the salary agreement entered into between the employee and the state university board. The moneys in the annuity account are not subject to the budget, allotment, and incumbrance system provided for in chapter 16A, and any act amendatory thereof.

*History: 1963 c 481 s 1; 1975 c 321 s 2; 1977 c 410 s 17; 1984 c 654 art 4 s 19; 1986 c 444*

### 136.56 CASH OVER AND SHORT ACCOUNT OF IMPREST CASH FUND.

The state university board is hereby authorized to establish a cash over and short account within the imprest cash fund in each of its state universities. This account shall be used to record on a daily basis overages and shortages of cash receipts. At the end of each fiscal year, the state university board shall credit or debit the overage or shortage from each university to the state university board maintenance and equipment appropriation account. In the instance of a debit balance remaining in any cash over and short accounts, the state university board is authorized to transfer from the maintenance and equipment appropriation account moneys sufficient to offset such debit balance. The commissioner of finance shall make the appropriate adjustments and entries on the general books of account of the state.

*History: 1971 c 211 s 1; 1973 c 492 s 14; 1975 c 321 s 2*

### 136.57 STATE UNIVERSITIES; LEGAL COUNSELING AND SERVICE PROGRAM.

Subdivision 1. Notwithstanding sections 8.06 and 136.11 to the contrary or any rules adopted pursuant thereto, the official student association at each state university may expend money for the purpose of funding a program to provide legal counseling and services to students of the state university. The money to be expended shall be from that certain account of the university activity fund of the state university allocated to the student association.

Subd. 2. In addition to the provisions of subdivision 1, the Minnesota state university student association shall have authority to expend money assigned to it to fund a legal counseling and service program. •

*History: 1974 c 512 s 1,2; 1975 c 321 s 2; 1985 c 248 s 70*

### 136.58 STATE UNIVERSITY NONPROFIT FOUNDATION PAYROLL DEDUCTIONS.

Subdivision 1. **Request; warrant.** The commissioner of finance, upon the written request of an employee of a state university or the state university board, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit university foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation.

Subd. 2. **Foundation application; approval.** A nonprofit foundation that desires to receive contributions through payroll deductions shall apply to the state university board for approval to participate in the payroll deduction plan. The board may approve the application for participation if the foundation:

(1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1954, as amended;

(2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1954, as amended;

(3) secures funding solely for distribution to that state university; and

(4) has been incorporated according to chapter 317A for at least one calendar year prior to the date it applies to the state university board for approval.

Subd. 3. **Solicitation.** Efforts to secure payroll deductions authorized in subdivision 1 must not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.

**History:** *1Sp1985 c 11 s 23; 1989 c 304 s 137*

## COMMUNITY COLLEGES

### 136.60 ESTABLISHMENT OF COMMUNITY COLLEGES, LOCATION.

Subdivision 1. Not to exceed 18 community colleges are established under the management, jurisdiction, and control of the state board for community colleges.

Subd. 2. [Repealed, 1977 c 293 s 9]

Subd. 3. The community colleges shall be located at Coon Rapids, Austin, Brainerd, Fergus Falls, Hibbing, Inver Grove Heights, Grand Rapids, White Bear Lake, Virginia, Minneapolis, Bloomington, Brooklyn Park, Thief River Falls, International Falls, Rochester, Ely, Willmar, and Worthington.

**History:** *1963 c 837 s 29 subd 1; 1973 c 349 s 2; 1977 c 293 s 1,2*

**136.601** [Repealed, 1977 c 293 s 9]

### 136.602 ADDITIONAL COMMUNITY COLLEGES.

In addition to the community colleges authorized in section 136.60, two community colleges are established under the jurisdiction of the state board for community colleges, one of which shall be located at Fairmont and the other at a site to be designated by the state board for community colleges at one of the sites recommended by the higher education coordinating board; namely, Alexandria, Cambridge, Hutchinson, New Ulm and Owatonna. This direction does not imply rejection of the remaining named sites, nor does it preclude legislative selection of alternative or additional sites.

**History:** *1969 c 1154 s 32 subd 1; 1973 c 349 s 2; 1975 c 271 s 6; 1977 c 293 s 3*

### 136.603 REDESIGNATION OF STATE JUNIOR COLLEGES AND STATE JUNIOR COLLEGE BOARD.

Each state junior college is redesignated as a community college and every college hereinafter established pursuant to sections 136.60 to 136.70 shall be likewise designated as a community college. The state junior college board is redesignated as the state board for community colleges.

**History:** *1973 c 349 s 1; 1977 c 293 s 4*

### 136.61 STATE BOARD FOR COMMUNITY COLLEGES; SELECTION AND ADMINISTRATION.

Subdivision 1. The state board for community colleges consists of nine members appointed by the governor with the advice and consent of the senate. One member shall be a full-time student at a community college at the time of appointment or shall have been a full-time student at a community college within one year before appointment to the state board for community colleges. Other than the student or recent graduate member, at least one member shall be a resident of each congressional district. In making appointments to the board, the governor shall recognize the mission of the community college system and attempt to reflect the groups served by the mission.

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Subd. 1a. The membership terms, compensation, removal of members, and filling of vacancies on the board shall be as provided in section 15.0575 except that the term of the student member shall be two years.

Subd. 2. [Repealed, 1976 c 134 s 79]

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

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

**History:** 1963 c 837 s 29 subd 2; 1973 c 349 s 2; 1973 c 640 s 1,2; 1976 c 134 s 36,37; 1978 c 561 s 1,2; 1979 c 317 s 2; 1988 c 613 s 21

## 136.62 POWERS OF BOARD.

Subdivision 1. The state board for community colleges shall possess all powers necessary and incident to the management, jurisdiction, and control of the community colleges and all property pertaining thereto. Such powers shall include, but are not limited to, the enumeration contained in this section.

Subd. 2. The board may determine the exact location and site for each community college.

Subd. 3. [Repealed, 1977 c 293 s 9]

Subd. 4. Subject to the other provisions of this section and section 136.63, the board shall appoint the heads of each community college, the necessary teachers and supervisors, and all other necessary employees. All such appointed persons shall be subject to the provisions of chapter 43A in the same manner as such state civil service act is applicable to similar persons in the employ of the state university board.

Subd. 5. Candidates for 12-month administrative positions and for academic positions who have been invited by the state community college board for interview may be reimbursed for travel and subsistence expenses in the same manner and in the same amounts as state employees.

Subd. 6. The board may contract for hospital benefits coverage and medical benefits coverage for students in the same manner as authorized by section 43A.23 for state employees.

Subd. 7. **Closing authority.** Notwithstanding the provisions of sections 136.60 and 136.602, the board, as it deems necessary, may close community colleges under its jurisdiction. Prior to closing a community college the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The hearing shall be conducted by the office of administrative hearings. The administrative law judge shall prepare a summary of testimony received at the hearing for the board. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.

Subd. 8. The state board and the community colleges must not establish any off-campus centers or other permanent sites located off community college campuses to provide academic programs, courses, or student services without authorizing legislation.

Subd. 9. **Authorization to seek financing.** A community college must not seek financing for child care facilities through the higher education facilities authority, as provided in section 136A.28, subdivision 3, without the explicit authorization of the state board.

**History:** 1963 c 837 s 29 subd 3; 1965 c 770 s 1; 1973 c 349 s 2; 1973 c 507 s 45; 1974 c 406 s 19; 1975 c 321 s 2; 1976 c 163 s 21; 1977 c 293 s 5-7; 1980 c 469 s 1; 1981 c 210 s 54; 1983 c 258 s 39; 1984 c 640 s 32; 1990 c 591 art 3 s 5; 1990 c 610 art 1 s 46

## 136.621 COMBINED MANAGEMENT.

Subdivision 1. The state board for community colleges may combine the manage-

ment of any two or more of the community colleges if it believes its programs would be more effective by so doing.

Subd. 2. [Repealed, 1977 c 293 s 9]

Subd. 3. [Repealed, 1977 c 293 s 9]

**History:** 1965 c 809 s 31 subds 3-5; 1973 c 349 s 2; 1974 c 406 s 20; 1977 c 293 s 8

### 136.622 TECHNICAL EQUIPMENT.

Subdivision 1. **Proprietary purchases.** Technical educational equipment may be procured for the state community colleges on request of the state board for community colleges either by brand designation or in accordance with standards and specifications the board may promulgate, notwithstanding the competitive bidding requirements of chapter 16B. The procurement is still subject to supervision by the office of information systems management under section 16B.41.

Subd. 2. **Computer sales and support.** The state board for community colleges may sell computers and related products to its staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

**History:** 1Sp1985 c 11 s 25; 1988 c 613 s 22; 1990 c 506 art 2 s 16

### 136.63 LOCAL ADVISORY COMMITTEES.

Subdivision 1. The board shall appoint a local advisory committee for each community college composed of qualified persons who have a knowledge of and interest in community colleges and who reside in the area served by the community college. One member of each local advisory committee shall be a full-time student at the community college at the time of appointment or shall have been a full-time student at the community college within one year before appointment to the local advisory committee. The board from time to time shall consult with each local advisory committee on matters of courses of study to be offered at the community college. The number of members and their terms of each advisory committee shall be fixed by the board. Advisory committee members shall serve without compensation and without reimbursement for expenses.

Subd. 1a. The state board for community colleges shall prescribe the courses of study including undergraduate academic programs, training in semiprofessional and technical fields, and adult education, conditions of admission, fees and tuition to be paid by students, requirements for graduation, and such suitable rules necessary for the operation of such community colleges. Rules so prescribed shall not be subject to the requirements of the administrative procedure act or any other law requiring notice, hearing or the approval of the attorney general prior to adoption.

Subd. 1b. [Repealed, 1987 c 403 art 2 s 164]

Subd. 2. [Repealed, 1969 c 1154 s 28 subd 2]

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

**History:** 1963 c 837 s 29 subd 4; 1969 c 1154 s 28 subd 1; 1973 c 349 s 2; 1978 c 561 s 3; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 8

**136.64** [Repealed, 1971 c 25 s 34]

### 136.65 COMMUNITY COLLEGE SITES, ACQUISITION.

Subdivision 1. A city, county, school district, or unorganized territory, or other body corporate and politic may, either jointly or severally, acquire by gift, purchase, or condemnation a site for a community college if the site has been designated by the

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state board for community colleges as the site of a community college, and may convey any such site to the state of Minnesota for community college purposes. Any of the governmental instrumentalities named in this section may convey to the state board for community colleges for community college purposes any of its lands not needed for its purposes, if such lands are included in a site designated by the state board for community colleges as the site of a community college.

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

Subd. 3. **Methods of acquisition.** If money has been appropriated to the community college board to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under chapter 117.

**History:** 1965 c 728 s 1; 1973 c 123 art 5 s 7; 1973 c 349 s 2; 1989 c 300 art 1 s 30

## 136.651 SURPLUS COMMUNITY COLLEGE LAND.

At the request of the state board for community colleges, the commissioner of administration shall transfer and convey, or lease for a term of years, state land under the control of but no longer needed by a community college to the city where the community college is located. The land must be used by the city for student housing. The conveyance must be made for no monetary consideration, and by quitclaim deed in a form approved by the attorney general. The deed must provide that the land reverts to the state if it is no longer used for student housing unless the owner of improvements on the land agrees before the reversion to pay the state the value of the unimproved land. For purposes of determining the value, the commissioner shall designate two or more of the regularly appointed and qualified state appraisers to determine the value of the land.

**History:** 1985 c 96 s 1

**136.66** [Repealed, 1977 c 293 s 9]

## 136.67 RECEIPTS; FUNDS.

Subdivision 1. All receipts of every kind, nature, and description, including student tuition and fees, all federal receipts, aids, contributions, and reimbursements, but not including receipts attributable to community college activity funds, in all the state community colleges are appropriated to the state community college board, but are subject to budgetary control to be exercised by the commissioner of finance.

Subd. 2. The state community college board may establish activity funds and imprest cash funds, waive tuition charges, and act as agent and accept the benefits of Public Law Number 88-452, known as the Economic Opportunity Act of 1964, as amended, and Public Law Number 85-864, known as the National Defense Education Act of 1958, as amended, to the same extent and subject to the same conditions as this authority is vested in the state university board. Sections 136.045; 136.142; 136.143; 136.144; 136.171; 136.22; 136.56; 169.966; and 352.01, subdivision 2a, clause (6), also apply to the state community college board and the state community colleges in the same manner as to the state university board and the state universities.

Subd. 3. All receipts attributable to the community college activity funds and deposited in the state treasury are appropriated to the state community college board and are not subject to budgetary control as exercised by the commissioner of finance.

Subd. 4. Reimbursements are appropriated for use during the fiscal year in which they are received.

Subd. 5. **Carry-over authority.** The community college board may carry over any unexpended balance from its appropriation from the first year of a biennium into the

second year of the biennium. The board may carry over any unexpended balance into the following biennium. The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

**History:** 1976 c 163 s 22; 1983 c 258 s 40; 1Sp1985 c 11 s 24; 1988 c 613 s 23

### 136.70 ANNUITIES, PURCHASE BY BOARD.

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

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

**History:** 1965 c 110 s 1; 1973 c 349 s 2; 1986 c 444; 1987 c 384 art 2 s 1

### 136.71 NONPROFIT FOUNDATION PAYROLL DEDUCTION.

Subdivision 1. **Request; warrant.** The commissioner of finance, upon the written request of an employee of a community college or the state board for community colleges, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit community college foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation.

Subd. 2. **Foundation application; approval.** A nonprofit foundation that desires to receive contributions through payroll deductions shall apply to the state board for approval to participate in the payroll deduction plan. The board may approve the application for participation if the foundation:

- (1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended;
- (2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1986, as amended;
- (3) secures funding solely for distribution to that community college; and
- (4) has been incorporated according to chapter 317A for at least one calendar year before the date it applies to the state board for community colleges for approval.

Subd. 3. **Solicitation.** Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.

**History:** 1988 c 613 s 24; 1989 c 304 s 137

### 136.72 CAPITAL PROJECTS BIDDING PROCEDURES.

In awarding contracts for capital projects under section 16B.09, the state board for community colleges shall consider the documentation provided by the bidders regarding their qualifications, including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board

shall set procedures to administer this section, which must include practices that will assist in the economic development of small businesses, small targeted group businesses, and businesses in economically disadvantaged areas designated under section 16B.19.

*History:* 1988 c 613 s 25; 1989 c 352 s 10,25; 1990 c 541 s 13,29

## GENERAL PROVISIONS

### 136.80 SUPPLEMENTAL RETIREMENT.

Subdivision 1. The supplemental retirement plan for personnel employed by the state university board and the state board for community colleges who are in the unclassified service of the state commencing July 1 following the completion of the second year of their full-time contract is hereby established and shall be governed pursuant to sections 136.81 to 136.85. An unclassified employee who is employed by the state university board or the state board for community colleges in subsidized on-the-job training, work experience, or public service employment as an enrollee under the federal comprehensive employment and training act may not be included in the supplemental retirement plan provided for in sections 136.81 to 136.85 after March 30, 1978, unless the unclassified employee has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement fund providing primary retirement coverage to meet the minimum vesting requirements for a deferred retirement annuity, or the board agrees in writing to make the employer contribution required by section 136.81 on account of that unclassified employee from revenue sources other than funds provided under the federal comprehensive employment and training act, or the unclassified employee agrees in writing to make the employer contribution required by section 136.81 in addition to the member contribution.

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

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

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

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

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

*History:* 1965 c 809 s 36; 1967 c 808 s 1; 1969 c 951 s 1; 1971 c 621 s 1; 1973 c 349 s 2; 1973 c 728 s 1; 1975 c 321 s 2; 1978 c 720 s 2; 1981 c 224 s 31; 1989 c 319 art 12 s 1

### 136.81 SALARY DEDUCTIONS, MATCHING FUNDS.

Subdivision 1. **Deductions.** The state university board and the state board for community colleges shall deduct from the salary of each person described in section 136.80, subdivision 1, a sum equal to five percent of the person's annual salary paid between \$6,000 and \$15,000. The deduction must be made in the same manner as other retirement deductions are made from the salary of the person. The employer shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person. If an agreement is made under section 356.24 for additional employer contributions, an amount equal to the additional employer contribution must be deducted from the person's annual salary above \$15,000 as specified in this subdivision. Two percent of the amount of the salary deductions and employer contributions may be used by the state university board and the state board for community colleges for payment of necessary and reasonable administrative expenses.

Subd. 1a. **Administration.** The executive director of the teachers retirement association shall transfer the administration records of the supplemental retirement plan to the chancellor of the state university system and the chancellor of the state community college system on July 1, 1991. The chancellor of the state university system and the chancellor of the state community college system shall administer the supplemental retirement plan for their employees. The chancellors shall invest contributions made

under this section, less amounts used for administrative expenses, as required by section 354B.05, subdivisions 2 and 3. The retirement contributions and death benefits provided by annuity contracts or custodial accounts purchased by the chancellors are owned by the plan and must be paid in accordance with the provisions of the annuity contracts or custodial accounts.

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

Subd. 3. (a) Each person described in section 136.80, subdivision 1, may elect to purchase shares in one or a combination of the income share account, the growth share account, the money market account, the bond market account, the guaranteed return account, or the common stock index account established in section 11A.17. The person may elect to participate in one or more of the investment accounts in the fund by specifying, on a form provided by the executive director of the teachers retirement fund, the percentage of salary deductions and state matching funds to be used to purchase shares in each of the accounts.

(b) Twice in any calendar year, a person described in section 136.80, subdivision 1, may indicate in writing on forms provided by the teachers retirement association a choice of options for subsequent purchases of shares. After a choice is made, and until a different written indication is made, the executive director shall purchase shares in the supplemental fund as selected. A change in choice of investment options is effective the first of the month following receipt of the request for a change.

(c) One month before the start of a new guaranteed investment contract, a person described in section 136.80, subdivision 1, may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. If a partial transfer is made, a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment options. Upon expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for redemption of shares under section 136.82, subdivisions 1 and 2.

(d) Twice in any calendar year a person described in section 136.80, subdivision 1, may also change the investment options selected for all or a portion of the person's shares previously purchased in accounts other than the guaranteed return account. If a partial transfer is made, a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment option. Before January 1, 1989, a change is restricted to a transfer from one or more accounts to a single account. Changes in investment options for the person's shares must be effected the first of the month following the receipt of a request for a change or as soon as cash flow to an account practically permits provided all changes are made no later than six months after the receipt of a request.

(e) If a person fails to indicate a choice as provided in this section, the executive director of the teachers retirement fund shall purchase shares in the income account of the Minnesota supplemental investment fund until a different written indication is made by the person. The shares purchased must stand in the name of the board of trustees of the teachers retirement fund, but a record must be kept indicating the number of shares in each account of the Minnesota supplemental investment fund purchased with the salary deductions and state matching funds attributable to the salary deduc-



tions of each person. The record is known as the "employee's share account record." The employee's share account record must show, in addition to the number of shares in the account, any cash balance of salary deductions or state matching funds attributable to those deductions that stands uninvested in shares.

**History:** 1967 c 808 s 2; 1969 c 399 s 49; 1969 c 951 s 2; 1980 c 607 art 14 s 45 subd 1; 1980 c 614 s 89; 1981 c 224 s 32; 1987 c 284 art 3 s 1; 1988 c 453 s 9; 1989 c 319 art 2 s 1; art 12 s 2; 1990 c 570 art 3 s 1,2

**NOTE:** Subdivision 1, as amended by Laws 1990, chapter 570, article 3, section 1; and subdivision 1a, as added by Laws 1990, chapter 570, article 3, section 2, are effective July 1, 1991. See Laws 1990, chapter 570, article 3, section 13.

**NOTE:** Subdivisions 2 and 3 are repealed effective July 1, 1991. See Laws 1990, chapter 570, article 3, section 13.

### 136.82 REDEMPTION.

Subdivision 1. **Generally.** (a) The executive director of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental retirement investment fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and rules governing the Minnesota supplemental retirement investment fund:

(b) The executive director shall redeem shares under this subdivision when requested to do so in writing on forms provided by the executive director by a person having shares to the credit of the employee's share account record if the person is age 55 or older and is no longer employed by the state university board or state board for community colleges. In such case the person must receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the person's shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year.

(c) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, by a person having shares to the credit of the employee's share account record if the person has left employment by the state university board or state board for community colleges because of a total and permanent disability as defined in section 354.05, subdivision 14. If the executive director finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person must receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year. If the person returns to good health, the person owes no restitution to the state or a fund established by its laws for a redemption under this paragraph.

(d) The executive director shall redeem shares under this subdivision in the event of the death of a person having shares to the credit of the employee's share account record and leaving a designated beneficiary, when requested to do so in writing, on forms provided by the executive director, by the designated beneficiary. The designated beneficiary must receive the cash realized on the redemption of the shares. If the designated beneficiary is a surviving spouse, the surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased person's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for

community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse must receive the cash realized from the redemption of the shares. Upon the death of the surviving spouse any shares remaining in the employee's share account record must be redeemed by the executive director and the cash realized from the redemption must be distributed to the estate of the surviving spouse.

(e) In the event of the death of a person having shares to the credit of the employee's share account record and leaving no designated beneficiary, the surviving spouse must receive the cash realized on the redemption of the shares as provided in paragraph (d). If there is no surviving spouse, the executive director shall redeem all shares to the credit of the employee's share account record and pay the cash realized from the redemption to the estate of the deceased person.

(f) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, by a person having shares to the credit of the employee's share account record if the person is no longer employed by the state university board or state board for community colleges, but does not qualify under the provisions of paragraphs (b) to (e). In that case, the person is entitled upon application to receive one-half of the cash realized on the redemption of shares and one-half must be credited to the administrative expense reserve account of the supplemental retirement plan for payment of necessary and reasonable administrative expenses of the supplemental retirement plan as provided in section 354.65.

**Subd. 2. Redemption of shares as an annuity.** A person who has shares to the credit of the employee's share account record, who is 55 years of age or older and who is no longer employed by the state university board or the state board for community colleges or who is totally and permanently disabled pursuant to subdivision 1, paragraph (c), or who has the status of a surviving spouse of a person who has shares to the credit of the employee's share account pursuant to subdivision 1, paragraph (d) or (e), may redeem all or part of the shares to purchase an annuity by depositing the cash realized upon redemption with the executive director of the teachers retirement fund and receive in exchange an annuity for life or an optional annuity as hereinafter provided. The election to purchase an annuity may be made only once by any individual. If an election is made before the date on which the person is entitled to request redemption, the redemption shall not be made prior to the date upon which the person would be entitled to make the request. The annuity purchase rates shall be based on the annuity table of mortality adopted by the board of trustees of the teachers retirement fund for the fund as provided in section 354.07, subdivision 1, using the interest assumption specified in section 356.215, subdivision 4d. The amount of the annuity for life shall be that amount which has a present value equal to the cash realized on the redemption of the shares as of the first day of the month next following the date of the election to purchase an annuity. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares is payable to the designated beneficiary. The optional forms of annuity shall be actuarially equivalent to the single life annuity as defined in section 354.05, subdivision 7. In establishing these optional forms, the board of trustees shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement, and these recommendations shall be a part of the permanent records of the board of trustees.

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

**Subd. 4.** A person who is authorized to request a redemption of a portion of shares may, in writing on forms provided by the executive director, authorize one or more

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shares to be redeemed per month on a continuing basis so that requests need not be submitted each month, and the person may change the continuing order for any subsequent month by similar written request.

**History:** 1967 c 808 s 3; 1969 c 951 s 3; 1973 c 270 s 1; 1973 c 349 s 2; 1973 c 728 s 2; 1975 c 321 s 2; 1980 c 607 art 14 s 45 subd 1; 1981 c 224 s 33; 1984 c 574 s 4; 1985 c 248 s 70; 1987 c 259 s 11; 1987 c 284 art 3 s 2; 1988 c 709 art 1 s 1; 1989 c 319 art 2 s 2,3; 1990 c 570 art 3 s 3,4

**NOTE:** Subdivisions 1, 2, 3, and 4 are repealed by Laws 1990, chapter 570, article 3, section 12, effective July 1, 1991. See Laws 1990, chapter 570, article 3, section 13.

**136.821** [Repealed, 1976 c 163 s 63]

## **136.83 PROSPECTUS.**

The executive director of the teachers retirement fund shall distribute to each person having shares to the credit of the person's employee's share account record a prospectus of the Minnesota supplemental retirement investment fund when received from the latter fund.

**History:** 1967 c 808 s 4; 1980 c 607 art 14 s 45 subd 1; 1981 c 224 s 34; 1986 c 444

**NOTE:** This section is repealed by Laws 1990, chapter 570, article 3, section 12, effective July 1, 1991. See Laws 1990, chapter 570, article 3, section 13.

## **136.84 TITLE TO ASSETS, PERSONAL RIGHTS.**

The right of a person who has shares to the credit of the person's employee's share account record to redeem the shares or any portion of the shares is a personal right only and is not assignable. Legal title to the assets of the supplemental retirement investment fund is as specified in section 356A.06, subdivision 1, subject to the rights of the teachers retirement fund. An assignment or attempted assignment of shares to the credit of an employee's share account record is null and void. Shares are exempt from garnishment or levy under attachment or execution and from all taxation by the state of Minnesota, but are not exempt from taxation under chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

**History:** 1967 c 808 s 5; 1971 c 789 s 2; 1986 c 444; 1989 c 319 art 8 s 9

**NOTE:** This section is repealed by Laws 1990, chapter 570, article 3, section 12, effective July 1, 1991. See Laws 1990, chapter 570, article 3, section 13.

## **136.85 BUDGET.**

Each biennium the board of trustees of the teachers retirement fund shall submit to the commissioner of finance a proposed budget for the administration of this supplemental retirement plan for the coming biennium, and the budget, with any recommendation in connection with it as the governor may make, shall be submitted to the legislature.

**History:** 1967 c 808 s 6; 1981 c 224 s 35

**NOTE:** This section is repealed by Laws 1990, chapter 570, article 3, section 12, effective July 1, 1991. See Laws 1990, chapter 570, article 3, section 13.

**136.86** [Repealed, 1981 c 224 s 276]

## **136.87 TAX SHELTER PROVISIONS.**

Subdivision 1. For the purpose of, and to permit the participation in the tax shelter provisions of section 501(c) and section 403(b) and related provisions of the Internal Revenue Code, the state university board and the board for community colleges are authorized to enter into agreements to reduce or adjust salaries downward for persons defined in section 136.80, subdivision 1, and to pay as employer an amount equivalent to the salary reduction in the same manner as deductions would have been paid by the person pursuant to section 136.81, subdivision 1.

Subd. 2. Subject to the approval of the board of trustees, the executive director is authorized to establish rules and procedures consistent with sections 136.80 to 136.87,

which permit, if possible, the participation in the tax shelter provisions of the federal Internal Revenue Code.

Subd. 3. [Repealed, 1978 c 706 s 69]

**History:** 1967 c 808 s 10; 1973 c 349 s 2; 1975 c 321 s 2; 1981 c 224 s 36,37; 1985 c 248 s 70

### 136.88 EXTENDED LEAVES OF ABSENCE.

Subdivision 1. As used in this section, the terms defined in this subdivision have the meanings given them.

(a) "Board" means the state board for community colleges and the state university board.

(b) "Teacher" means a person on the instructional or administrative staff of the community college or state university system who is a member of the teachers retirement association. It shall not include a chancellor or vice-chancellor.

Subd. 2. A board may grant an extended leave of absence without salary to a full time teacher who has been employed by the board for at least five years and has at least ten years of allowable service as defined in section 354.05, subdivision 13. The maximum duration of an extended leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence pursuant to this section shall be taken by mutual consent of the board and the teacher. No teacher may receive more than one leave of absence pursuant to this section.

Subd. 3. [Repealed, 1989 c 319 art 2 s 28]

Subd. 4. A teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to the same position or a similar position within the department or program from which the leave was granted at the beginning of the school year which immediately follows a year of extended leave of absence, unless the teacher is discharged or placed on retrenchment or on layoff or the teacher's contract is terminated while the teacher is on the extended leave. A board shall not be obligated to reinstate a teacher who is on an extended leave of absence pursuant to this section unless the teacher advises the board of an intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return.

Subd. 5. A teacher who is reinstated to the same or similar position after an extended leave pursuant to this section shall not lose tenure or credit for previous seniority in the employing community college or state university. A teacher shall not accrue seniority credit during the time of a leave of absence pursuant to this section, except that a teacher at a community college or state university may accrue seniority credit during the leave, consistent with the conditions of the collective bargaining agreement.

Subd. 6. The years spent by a teacher on an extended leave of absence pursuant to this section shall not be included in the determination of the teacher's salary upon reinstatement to the same or similar position by the board which granted the leave. The credits earned by a teacher on an extended leave of absence pursuant to this section shall not be included in the determination of the teacher's salary upon reinstatement to the same or similar position by the board which granted the leave for a period of time equal to the time of the extended leave of absence.

Subd. 7. Nothing within the provisions of this section shall be construed to limit the authority of a board to grant a teacher a leave of absence which is not subject to the provisions of this section and section 354.094.

Subd. 8. A board shall not grant extended leaves of absence pursuant to this section beyond the limits of the appropriation to that board for the purposes of section 354.094.

**History:** 1980 c 454 s 1; 1982 c 603 s 3; 1986 c 444