

MINNESOTA STATUTES 1990

3613

HIGHER EDUCATION COORDINATING BOARD; FACILITIES AUTHORITY

CHAPTER 136A

HIGHER EDUCATION COORDINATING BOARD; FACILITIES AUTHORITY

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COORDINATING BOARD

136A.01 CREATION.

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

History: 1965 c 809 s 32 subd 1; 1967 c 615 s 1; 1975 c 271 s 6

136A.02 MEMBERSHIP; OFFICERS; ADVISORY COMMITTEES.

Subdivision 1. The higher education coordinating board shall consist of eight citizen members, one from each congressional district, to be appointed by the governor with the advice and consent of the senate, two citizen members and one student member also to be appointed by the governor with the advice and consent of the senate to represent the state at large. The student member must be a full-time student enrolled in a Minnesota post-secondary institution at the time of appointment or within one year prior to appointment. The student advisory council may recommend candidates to the governor for the student member position. All appointees to the board shall be selected for their knowledge of and interest in post-secondary education and at least one shall be selected specifically for knowledge of and interest in vocational education. A nonstudent member of the board must not be an employee of or receive compensation from a public or private post-secondary institution while serving on the board. A student member may receive compensation as a student body officer or may be a recipient of financial aid, including work study, but must not otherwise be employed or compensated by a post-secondary institution while serving on the board.

Subd. 1a. The term of each voting board member shall be six years, except that the student member's term shall be two years. As nearly as possible, one-sixth of the terms of the voting board members shall expire each year. The compensation, removal of voting members, and filling of vacancies among voting members on the board shall be as provided in section 15.0575, subdivisions 3, 4, and 5.

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 [Repealed, 1977 c 347 s 21]

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

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 [Repealed, 1976 c 134 s 79]

Subd. 5. **Advisory groups.** The board may appoint advisory task forces to assist it in the study of higher education within the state or in the administration of federal programs. The task forces expire and the terms, compensation, and removal of members are as provided in section 15.059, except that the task force established under section 135A.05 and the advisory councils established under subdivisions 6 and 7 expire June 30, 1993.

Subd. 5a. The higher education coordinating board must, if requested by the student advisory council, have at least one student from an affected educational system on a council, committee, commission, study group, or task force it creates. The student member or members shall be appointed by the student advisory council.

Subd. 6. **Higher education advisory council.** A higher education advisory council is established. The council is composed of the president of the University of Minnesota, the chancellor of the state universities, the chancellor of the community colleges, the chancellor of vocational technical education, the commissioner of education, the president of the private college council, and a representative from the Minnesota association of private post-secondary schools. The advisory council shall (1) bring to the attention of the board any matters that the council deems necessary, (2) make appropriate recommendations, (3) review and comment upon proposals and other matters before the board, and (4) provide other assistance to the board. The board shall periodically inform the council of matters under consideration by the board. The board shall refer all proposals to the council before submitting recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

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The council shall report to the board at least quarterly. The council shall determine its meeting times, but it shall also meet within 30 days after a request by the executive director of the board. The council expires June 30, 1993.

Subd. 7. Student advisory council. A student advisory council to the board is established. The members of the council shall include the chair of the University of Minnesota university student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota vocational technical student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school registered under this chapter, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a designee.

The advisory council shall:

(1) bring to the attention of the board any matter that the council believes needs the attention of the board;

(2) make recommendations to the board as the council deems appropriate;

(3) review and comment upon proposals and other matters before the board;

(4) appoint student members to board advisory groups as provided in subdivision 5a;

(5) provide any reasonable assistance to the board; and

(6) select one of its members to serve as chair. The board shall inform the council of all matters under consideration by the board and shall refer all proposals to the council before the board acts or sends the proposals to the governor or the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The student advisory council shall report to the board quarterly and at other times that the council considers desirable. The council shall determine its meeting time, but the council shall also meet with the executive director of the board within 30 days after the director's request for a council meeting. The student advisory council shall meet quarterly with the higher education advisory council and the board executive committee. The council expires June 30, 1993.

History: 1965 c 809 s 32 subds 2-5; 1967 c 615 s 1; 1967 c 895 s 1,2; 1971 c 429 s 1-3; 1973 c 349 s 2; 1973 c 489 s 1; 1975 c 271 s 6; 1975 c 321 s 2; 1976 c 134 s 38,39; 1976 c 149 s 28; 1981 c 75 s 1; 1983 c 314 art 7 s 35; 1984 c 463 art 5 s 25; 1984 c 654 art 4 s 20; 1985 c 60 s 1-3; 1987 c 401 s 12; 1988 c 629 s 34,35; 1988 c 653 s 1-3; 1989 c 293 s 18-20; 1990 c 375 s 3; 1990 c 393 s 1,2

136A.03 EXECUTIVE OFFICERS; EMPLOYEES.

The higher education coordinating board may appoint an executive secretary or director as its principal executive officer, and such other officers and employees as it may deem necessary to carry out its duties. The executive secretary or director shall possess such powers and perform such duties as are delegated by the board and shall serve in the unclassified service of the state civil service. The salary of the executive director shall be established pursuant to section 15A.081, subdivision 1. The executive director shall be a person qualified by training and ability in the field of higher education or in educational administration. The board may also appoint other officers and professional employees who shall serve in the unclassified service of the state civil service and fix the salaries thereof which shall be commensurate with salaries in the classified service. All other employees shall be in the classified civil service.

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

History: 1965 c 809 s 32 subd 6; 1967 c 615 s 1; 1967 c 895 s 3; 1975 c 271 s 6; 1983 c 299 s 21; 1986 c 444

136A.035 [Repealed, 1983 c 299 s 36]

136A.04 DUTIES.

Subdivision 1. The higher education coordinating board shall:

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

(2) continuously engage in long-range planning for the needs of higher education and, if necessary, cooperatively engage in planning with neighboring states and agencies of the federal government;

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

(4) review, approve or disapprove, make recommendations, and identify priorities with respect to all proposals for new, additional, or changes in existing programs or large-scale or permanent sites of instruction to be established in or offered by public post-secondary institutions and, with respect to programs only, private post-secondary institutions. The board shall forward its recommendations on sites to the chairs of the house appropriations and senate finance committees. The board shall also periodically review existing programs and recommend discontinuing or modifying any existing program. When reviewing a site or program, the board shall consider whether it is unnecessary, a needless duplication, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission;

(5) develop in cooperation with the post-secondary systems, house appropriations committee, senate finance committee, and the departments of administration and finance, a compatible budgetary reporting format designed to provide data of a nature to facilitate systematic review of the budget submissions of the public post-secondary institutions, which includes the relating of dollars to program output;

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

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

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

(9) prescribe policies, procedures, and rules necessary to administer the programs under its supervision.

Subd. 2. The higher education coordinating board shall review and make recommendations regarding a plan or proposal for a new or additional program of instruction or a change in an existing program of instruction to be offered by a technical college within 45 days of the transmission of approval of the plan or proposal to the higher education coordinating board by the state board of technical colleges. The higher education coordinating board shall then transmit a written explanation of its recommendations within five days of board action to the president of the applying technical college and to the chancellor of vocational technical education.

History: 1965 c 809 s 32 subd 7; 1967 c 615 s 1; 1971 c 269 s 1; 1973 c 349 s 2; 1973 c 475 s 1; 1975 c 271 s 6; 1975 c 321 s 2; 1975 c 390 s 1; 1977 c 358 s 1; 1979 c 179 s 2; 1987 c 258 s 12; 1987 c 384 art 2 s 37; 1987 c 401 s 13; 1989 c 246 s 2; 1989 c 293 s 21; 1990 c 375 s 3; 1990 c 591 art 3 s 6

NOTE: This section, as amended by Laws 1990, chapter 591, article 3, section 6, is effective July 1, 1991. See Laws 1990, chapter 591, article 3, section 13, subdivision 2.

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

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

History: 1976 c 217 s 1

136A.0411 COLLECTING FEES.

The board may charge fees for seminars, conferences, workshops, services, and materials. The money is annually appropriated to the board.

History: 1990 c 591 art 6 s 2

136A.042 [Repealed, 1989 c 293 s 85]

136A.043 INFORMATION TECHNOLOGY.

The higher education coordinating board shall initiate activities to coordinate state policy development regarding the use of information technology in post-secondary education instruction and administration. These activities shall include at least the following: a survey, conducted in collaboration with the post-secondary education systems, of existing information technology use and needs of institutions and regions; initiation of collaborative activities to share information and resources; and provision of opportunities for post-secondary education policy makers to review issues and needs for policy development.

History: 1Sp1985 c 11 s 26

136A.044 DATA ON TEACHER EDUCATION STUDENTS AND GRADUATES.

The higher education coordinating board, in consultation with the board of teaching, shall publish annual data on the characteristics of students admitted to and graduating from teacher education programs. The data shall be collected from teacher preparation institutions in Minnesota and, if possible, from institutions in adjacent states. The board shall establish the reporting format in consultation with teacher education institutions and the board of teaching.

History: 1Sp1985 c 12 art 8 s 43

136A.05 COOPERATION OF INSTITUTIONS OF HIGHER EDUCATION.

Subdivision 1. All public institutions of higher education, all school districts providing post-secondary vocational education, and all state departments and agencies shall cooperate with and supply information requested by the higher education coordinating board in order to enable it to carry out and perform its duties. Private post-secondary institutions are requested to cooperate and provide information.

Subd. 2. The higher education coordinating board and public post-secondary institutions shall provide data, in a manner consistent with state and federal laws governing student records, to and as requested by the Minnesota house or senate for research projects and studies qualifying under Code of Federal Regulations, title 34,

section 99.31(a)(6). Private post-secondary institutions are requested to cooperate and provide data. As a condition of receiving the data, the house or senate shall enter into an agreement with the board or institutions to ensure that the house or senate will not disclose any data that identify individuals.

History: 1965 c 809 s 32 subd 8; 1967 c 615 s 1; 1975 c 271 s 6; 1975 c 390 s 2; 1987 c 401 s 14; 1989 c 293 s 22; 1990 c 591 art 6 s 3

136A.06 FEDERAL FUNDS.

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

History: 1965 c 809 s 32 subd 9; 1967 c 615 s 1; 1967 c 895 s 4; 1975 c 271 s 6; 1987 c 384 art 1 s 16

136A.07 REPORTS.

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

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

136A.08 RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES OR PROVINCES.

Subdivision 1. Definitions. For the purposes of this section, the terms "province" and "provincial" mean the Canadian province of Manitoba.

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Subd. 2. Authorization. The Minnesota higher education coordinating board may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public post-secondary institutions, with appropriate state or provincial agencies and public post-secondary institutions in other states or provinces. The agreements shall be for the purpose of the mutual improvement of educational advantages for residents of this state and other states or provinces with whom agreements are made.

Subd. 3. Wisconsin. A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If this provision is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing Wisconsin. The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the board in the general fund of the state treasury. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually.

Subd. 4. North Dakota; South Dakota. A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing North Dakota. In adopting a formula, the board shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the board in the general fund. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota, and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 5. Financial aid. The board may enter into an agreement, with a state or province with which it has negotiated a reciprocity agreement for tuition, to permit students to receive student aid awards from the student's state or province of residence for attending an eligible institution in the other state or province.

Subd. 6. Approval. An agreement made by the board under this section is not valid as to a particular institution without the approval of that institution's state or provincial governing board. A valid agreement under this subdivision that incurs additional financial liability to the state, beyond enrollment funding adjustments, must be submitted to the chairs of the senate finance and house appropriations committees for review. The agreement remains valid unless it is disapproved in law.

History: 1967 c 615 s 1; 1967 c 866 s 1; 1971 c 161 s 1; 1974 c 532 s 1; 1975 c 271 s 6; 1975 c 321 s 2; 1975 c 390 s 3; 1977 c 403 s 4,5; 1987 c 258 s 12; 1989 c 293 s 23; 1990 c 591 art 6 s 4

136A.09 [Repealed, 1989 c 293 s 85]

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

136A.095 GRANTS-IN-AID; PURPOSE.

The legislature finds and declares that the identification of men and women of the state who are economically disadvantaged and the encouragement of their educational development in eligible institutions of their choosing are in the best interests of the state and of the students.

History: 1971 c 226 s 1; 1971 c 862 s 1; 1Sp1985 c 11 s 28

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

136A.101 DEFINITIONS.

Subdivision 1. For purposes of sections 136A.095 to 136A.134, the terms defined in this section have the meanings ascribed to them.

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

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

Subd. 4. "Eligible institution" means a post-secondary educational institution located in this state or in a state with which the board has entered into a higher education reciprocity agreement on state student aid programs that either (1) is operated by this state, or (2) is operated publicly or privately and, as determined by the board, maintains academic standards substantially equivalent to those of comparable institutions operated in this state.

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

Subd. 6. [Repealed, 1989 c 293 s 85]

Subd. 7. "Student" means a person who is enrolled at least half time, as defined by the board, in a program or course of study that applies to a degree, diploma, or certificate, except that for purposes of section 136A.132, student may include a person enrolled less than half time.

Subd. 8. "Resident student" means a student who meets one of the following conditions:

(1) an independent student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school; or

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Subd. 9. **Independent student.** "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

History: 1971 c 862 s 2; 1975 c 271 s 6; 1975 c 390 s 4; 1Sp1985 c 11 s 29; 1987 c 401 s 15; 1989 c 293 s 24-26

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

136A.111 [Repealed, 1989 c 293 s 85]

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

136A.121 GRANTS.

Subdivision 1. [Repealed, 1989 c 293 s 85]

Subd. 2. **Eligibility for grants.** An applicant is eligible to be considered for a grant,

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regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.095 to 136A.131 if the board finds that the applicant:

- (1) is a resident of the state of Minnesota;
- (2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections 136A.095 to 136A.131;
- (3) has met the financial need criteria established in Minnesota Rules; and
- (4) is not in default, as defined by the board, of any federal or state student educational loan.

Subd. 3. Allocation. Grants must be awarded on a funds available basis to those applicants who meet the board's requirements.

Subd. 4. [Repealed, 1989 c 293 s 85]

Subd. 5. Grant stipends. The amount of a financial stipend must not exceed a grant applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

- (1) a contribution by the grant applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;
- (2) for an applicant who is not an independent student, a contribution by the grant applicant's parents, as determined by a standardized need analysis; and
- (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100.

Subd. 6. Cost of attendance. The cost of attendance consists of allowances specified by the board for room and board and miscellaneous expenses, and

- (1) for public institutions, tuition and fees charged by the institution; or
- (2) for private institutions, an allowance for tuition and fees equal to the lesser of the actual tuition and fees charged by the institution, or the instructional costs per full-year equivalent student in comparable public institutions.

Subd. 7. Insufficient appropriation. If the amount appropriated is determined by the board to be insufficient to make full awards to applicants under subdivision 5, before any award for that year has been disbursed, awards must be reduced by

- (1) adding a surcharge to the contribution of the applicant's parents, and
- (2) a percentage increase in the applicant's contribution.

Subd. 8. [Repealed, 1Sp1985 c 11 s 81]

Subd. 9. Initial awards. An undergraduate student who has not previously received a grant and who meets the board's requirements is eligible to apply for and receive an initial grant in any year of undergraduate study.

Subd. 10. Renewals. Each grant must be awarded for one academic year, is renewable for a maximum of six semesters or nine quarters or their equivalent, but may not continue after the recipient has obtained a baccalaureate degree or has been enrolled full-time or the equivalent for eight semesters or 12 quarters, whichever occurs first.

Subd. 11. Renewal conditions. Each grant is renewable, contingent on continued residency in Minnesota, satisfactory academic standing, recommendation of the eligible institution currently attended, and evidence of continued need.

Subd. 12. Annual application. To continue to receive a grant, the student must apply for renewal each year.

Subd. 13. Deadline. The board shall accept applications for state grants until February 15 and may establish a deadline for the acceptance of applications that is later than February 15.

Subd. 14. [Repealed, 1Sp1985 c 11 s 81]

Subd. 15. [Repealed, 1989 c 293 s 85]

Subd. 16. How applied; order. Grants awarded under sections 136A.095 to 136A.

131 must be applied to educational costs in the following order: tuition, fees, books, supplies, and other expenses. Unpaid portions of the awards revert to the grant account.

Subd. 17. Independent student information. The board shall inform students, in writing, as part of the application process, about the definition of independent student status and appeals to the financial aid administrator relating to the declaration of the status.

History: 1971 c 862 s 4; 1975 c 271 s 6; 1975 c 390 s 5; 1977 c 384 s 2; 1977 c 449 s 16; 1979 c 238 s 1-4; 1981 c 359 s 15,16; 1983 c 258 s 42; 1984 c 654 art 4 s 21; 1Sp1985 c 11 s 30-42; 1987 c 258 s 12; 1987 c 401 s 17,18; 1989 c 246 s 2; 1989 c 293 s 27

136A.125 CHILD CARE GRANTS.

Subdivision 1. Establishment. A child care grant program is established under the supervision of the higher education coordinating board. The program makes money available to eligible students to reduce the costs of child care while attending an eligible post-secondary institution. The board shall develop policies and adopt rules as necessary to implement and administer the program.

Subd. 2. Eligible students. An applicant is eligible for a child care grant if the applicant:

- (1) is a resident of the state of Minnesota;
- (2) has a child 12 years of age or younger, or 14 years of age or younger who is handicapped as defined in section 120.03, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;
- (3) is within the sliding fee scale income guidelines set under section 256H.10, subdivision 2, as determined by a standardized financial aid needs analysis in accordance with the board's policies and rules, but is not a recipient of aid to families with dependent children;
- (4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters, 12 quarters, or the equivalent;
- (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;
- (6) is enrolled at least half time in an eligible institution; and
- (7) is in good academic standing and making satisfactory progress, as determined by the institution.

Subd. 3. Eligible institution. A Minnesota public post-secondary institution or a private, residential, two-year or four-year, liberal arts, degree granting college or university located in Minnesota is eligible to receive child care funds from the board and disburse them to eligible students.

Subd. 4. Amount and length of grants. The amount of a child care grant must be based on:

- (1) the financial need of the applicant;
- (2) the number of the applicant's children; and
- (3) the cost of the child care,

as determined by the institution in accordance with board policies and rules. The amount of the grant must cover the cost of child care for all eligible children for the full number of hours of education per week and may cover up to 20 hours per week of employment for which child care is needed. The grant must be awarded for one academic year.

Subd. 5. Initial allocations to institutions. The board initially shall allocate funds to an eligible institution based on the number of its enrolled students with dependent children who applied for state grants in the last academic year.

Subd. 6. Yearly allocations to institutions. The board shall base yearly allocations on the need for and use of the funds in the last academic year, and other relevant factors as determined by the board in consultation with the institutions.

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Subd. 7. Monitoring and reallocation. The board shall establish procedures to (1) continually monitor the use of funds throughout the year; (2) identify areas of unmet need for grants; and (3) redistribute available funds in a timely manner to meet the needs of eligible recipients.

Subd. 8. Information. The board shall develop and provide information about the program to eligible post-secondary institutions, human service agencies, and potential applicants.

Subd. 9. Report. Institutions must submit reports, when requested by the board, on program activity including the number of students served, the child care costs, and the number of students on a waiting list for available funds. The reports must also include the institution's method of prioritizing applicants if insufficient funds are available.

History: 1989 c 293 s 28

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

136A.131 ACCOUNTING AND RECORDS.

Subdivision 1. Accounts. The board shall establish and maintain appropriate accounts and related records of each recipient of a grant.

Subd. 2. Rules, payment and accounting. The board shall provide by rule the method of payment of the grant awarded and prescribe a system of accounting to be kept by the institution selected by a recipient.

Subd. 3. Certification to commissioner of finance. Upon proper verification for payment of a grant, the board shall certify to the commissioner of finance the amount of the current payment to be made to the grant recipient in conformance with the rule of the board governing the method of payment.

Subd. 4. Recovery of overpayments. A recipient of a grant must reimburse the board for overpayment. The amount of reimbursement is the difference between the amount received and the amount of actual entitlement as calculated by the board after it makes its final findings under section 136A.121 and rules implemented under that section. The amount of reimbursement may include any costs or expenses, including reasonable attorney fees, incurred by the agency in collecting the debt. The reimbursement is recoverable from the recipient or the recipient's estate. The agency may institute a civil action, if necessary for recovery.

The recipient must not receive additional awards until the overpayment is recovered or the recipient is making payments under an approved plan. Additional awards for which the recipient is eligible may be used to recover an unreimbursed overpayment.

History: 1971 c 862 s 5; 1973 c 492 s 14; 1975 c 271 s 6; 1989 c 293 s 30

136A.132 PART-TIME STUDENT GRANT PROGRAM.

Subdivision 1. Creation. A part-time student grant program is created under the supervision of the higher education coordinating board.

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

Subd. 3. Student eligibility. An applicant is eligible to be considered for a part-time student grant if the applicant:

- (1) is a resident of the state of Minnesota;
- (2) is an undergraduate student who has not earned a baccalaureate degree;
- (3) is pursuing a program or course of study that applies to a degree, diploma, or certificate;
- (4) is attending an eligible institution either less than half time as defined by the

board, or as a new or returning student enrolled at least half time but less than full time as defined by the board; and

(5) is not in default, as defined by the board, of any federal or state student educational loan.

Subd. 4. **Selection.** A recipient of a part-time grant must be selected by the post-secondary education institution of attendance in accordance with guidelines, policies, and rules established by the higher education coordinating board.

Subd. 5. **Amount.** The amount of any part-time student grant award must be based on the need of the applicant determined by the institution in accordance with policies and rules established by the higher education coordinating board.

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

A new or returning student enrolled at least half time but less than full time, as defined by the board, and pursuing a program or course of study that applies to a degree, diploma, or certificate is eligible for an award for only one term.

Subd. 7. **Institutional allocation.** Funds appropriated for part-time student grants must be allocated among eligible institutions by the higher education coordinating board according to a formula which takes into account the number of resident part-time students enrolled in each institution and other relevant factors determined by the board. However, an institution may not receive less than it would have received under the allocation formula used before fiscal year 1988.

History: 1977 c 384 s 17; 1Sp1985 c 11 s 43-46; 1987 c 401 s 19-21; 1989 c 293 s 31

136A.133 [Repealed, 1984 c 654 art 4 s 30]

136A.134 GRANTS TO DISLOCATED RURAL WORKERS.

Subdivision 1. **Establishment of program.** The higher education coordinating board shall develop policies and procedures to administer a dislocated rural worker grant program and to allocate program money to eligible institutions and shall supervise the operation of the program.

Subd. 2. **Eligible institutions.** For purposes of this section, "eligible institution" has the meaning given it in section 136A.101.

Subd. 3. **Applicants.** An applicant may be considered for a dislocated rural worker grant if the applicant:

- (1) is a resident of rural Minnesota;
- (2) is enrolled in an adult farm management program or a program designed to provide preparation for available employment within the local labor market or in an area to which the individual is willing to relocate;
- (3) has met the financial need criteria established by the board; and
- (4) can demonstrate that one of the following criteria has been met:
 - (i) the applicant or applicant's spouse has been separated from employment or has received a notice of separation from employment as a result of job obsolescence, plant shutdown, regional decline in the applicant's customary occupation, or industry slow-down, and the applicant or the applicant's spouse is unlikely to return to work for that employer or in that occupation within 12 months following separation from employment;
 - (ii) the applicant is a displaced homemaker; or
 - (iii) the applicant or the applicant's spouse is a farmer who can demonstrate severe household financial need.

Subd. 4. **Program recipients.** An eligible institution shall select a recipient of a dislocated rural worker grant in accordance with guidelines, policies, and rules established by the board.

Subd. 5. Program coordination; information. The board shall develop and provide information to dislocated workers in rural areas about post-secondary education opportunities and student financial aid programs. The board shall also provide for the coordination of dislocated rural worker grants with other available student financial aid programs. Dislocated rural worker grants must be awarded in a manner that maximizes the use of existing federal and state student financial aid programs.

History: 1987 c 386 art 10 s 6; 1989 c 293 s 32

136A.1351 DEFINITION; DESIGNATED RURAL AREA.

In sections 136A.1352 and 136A.1355, "designated rural area" means a Minnesota community outside a ten-mile radius of a ranally area, which community:

- (1) has more than 2,000 persons per physician, including seasonal variation; and
- (2) has notified the higher education coordinating board of its need for a physician or nurse for the community.

For purposes of this definition, "ranally area" means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile and the work force of the other communities significantly depends on the central city or cities.

History: 1990 c 591 art 4 s 1

NOTE: This section is repealed effective June 30, 1995. See Laws 1990, chapter 591, article 4, section 9.

136A.1352 PRENURSING GRANTS.

Subdivision 1. Establishment. The higher education coordinating board shall provide grants to students who are entering or enrolled in registered nurse or licensed practical nurse programs, who have no previous nursing training or education, and who agree to practice in a designated rural area.

Subd. 2. Eligibility. (a) To be eligible to receive a grant, a student must be:

- (1) a resident of the state of Minnesota;
- (2) enrolled in a Minnesota school, college, or program of nursing to complete an educational program that would lead to the student's first licensure as a licensed practical nurse or as a registered nurse;
- (3) willing to agree to serve at least three of the first five years following licensure in a designated rural area; and
- (4) able to meet the financial need criteria established in section 136A.121 and board rules.

(b) The grant must be awarded for one academic year, but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent, but cannot continue after receipt of the nursing degree or certificate.

Subd. 3. Priority. If insufficient funds are available to meet the needs of all eligible applicants, the board shall give priority to applicants who reside in a designated rural area and applicants attending post-secondary institutions outside the seven-county metropolitan area.

Subd. 4. Determination of need; amount of award. The determination of a student's need and the amount of a grant award must be based on the criteria established in section 136A.121 and related board rules. A grant under this section does not affect a recipient's eligibility for a state grant under section 136A.121.

History: 1990 c 591 art 4 s 2

NOTE: This section is repealed effective June 30, 1995. See Laws 1990, chapter 591, article 4, section 9.

136A.1353 NURSING GRANT PROGRAM FOR LICENSED PRACTICAL NURSES.

Subdivision 1. Establishment. A nursing grant program is established under the authority of the higher education coordinating board to provide grants to licensed prac-

tical nurses who are entering or enrolled in an educational program that would lead to licensure as a registered nurse.

Subd. 2. **Eligibility.** To be eligible to receive a grant, a student must be:

- (1) a resident of the state of Minnesota;
- (2) a licensed practical nurse enrolled in a Minnesota school, college, or program of nursing to complete an educational program that would lead to licensure as a registered nurse; and
- (3) eligible under any additional criteria established by the school, college, or program of nursing in which the student is enrolled.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. **Responsibility of nursing programs.** Each school, college, or program of nursing that wishes to participate in the nursing grant program must apply to the higher education coordinating board for grant money, according to rules and policies established by the board. A school, college, or program of nursing must establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing educational program and must give priority to students with the greatest financial need. Grants must be for a minimum of \$500, but must not exceed \$2,500 per year. Each school, college, or program of nursing must establish procedures for students to apply for and receive grants.

Subd. 4. **Responsibilities of the higher education coordinating board.** The higher education coordinating board shall distribute funds each year to the schools, colleges, or programs of nursing applying to participate in the nursing grant program based on the last academic year's enrollment of students in educational programs that would lead to licensure as a licensed practical nurse. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested schools, colleges, or programs of nursing. Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant school, college, or program of nursing of its approximate allocation of funds in order to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute funds to the schools, colleges, or programs of nursing by August 1, 1991, and by August 1 of each later year.

Subd. 5. **Report.** The schools, colleges, or programs of nursing participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board.

History: 1990 c 591 art 4 s 3

NOTE: This section is repealed effective June 30, 1995. See Laws 1990, chapter 591, article 4, section 9.

136A.1354 NURSING GRANT PROGRAM FOR REGISTERED NURSES.

Subdivision 1. **Establishment.** A nursing grant program is established under the authority of the higher education coordinating board to provide grants to registered nurses seeking to complete baccalaureate or master's degrees in nursing or a program of advanced nursing education.

Subd. 2. **Eligibility.** To be eligible to receive a grant, a student must be:

- (1) licensed as a registered nurse in Minnesota and have been employed as a nurse in the state for at least one year before re-enrolling in college;
- (2) a resident of the state of Minnesota;
- (3) enrolled in a Minnesota school or college of nursing to complete a baccalaureate or master's degree, or a program of advanced nursing education; and
- (4) eligible under any additional criteria established by the school, college of nursing, or program of advanced nursing education, in which the student is enrolled.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

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Subd. 3. Responsibility of nursing programs. Each school or college of nursing, or program of advanced nursing education, that wishes to participate in the nursing grant program must apply to the higher education coordinating board for money, according to rules and policies established by the board. A school or college of nursing, or program of advanced nursing education, must establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the educational program and must give priority to:

- (1) students with the greatest financial need; and
- (2) students enrolling to complete baccalaureate degrees in nursing.

Grants must be for a minimum of \$500, but must not exceed \$2,500 per year. Each school or college of nursing, or program of advanced nursing education, must establish procedures for students to apply for and receive grants.

Subd. 4. Responsibilities of the higher education coordinating board. The higher education coordinating board shall distribute funds each year to the schools or colleges of nursing, or programs of advanced nursing education, applying to participate in the nursing grant program based on the last academic year's enrollment of registered nurses in schools or colleges of nursing, or programs of advanced nursing education. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested schools or colleges of nursing, or programs of advanced nursing education. Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant school or college of nursing, or program of advanced nursing education, of its approximate allocation of money to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute money to the schools or colleges of nursing, or programs of advanced nursing education, by August 1, 1991, and by August 1 of each later year.

Subd. 5. Report. The schools or colleges of nursing, or programs of advanced nursing education, participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board.

History: 1990 c 591 art 4 s 4

NOTE: This section is repealed effective June 30, 1995. See Laws 1990, chapter 591, article 4, section 9.

136A.1355 RURAL PHYSICIAN EDUCATION ACCOUNT.

Subdivision 1. Creation of account. A rural physician education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for medical students agreeing to practice in designated rural areas.

Subd. 2. Eligibility. To be eligible to participate in the program, a prospective physician must submit a letter of interest to the higher education coordinating board while attending medical school. Before completing the first year of residency, a student or resident must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Subd. 3. Loan forgiveness. The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 4. Penalty for nonfulfillment. If a participant does not fulfill the required three-year minimum commitment of service in a designated rural area, the higher edu-

cation coordinating board shall collect from the participant the amount paid by the board under the loan forgiveness program. The higher education coordinating board shall deposit the money collected in the rural physician education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the three-year service commitment.

History: 1990 c 591 art 4 s 5

NOTE: This section is repealed effective June 30, 1995. See Laws 1990, chapter 591, article 4, section 9.

136A.14 [Repealed, 1989 c 293 s 85]

136A.141 [Repealed, 1989 c 293 s 85]

136A.142 [Repealed, 1989 c 293 s 85]

136A.143 FOREIGN STUDENTS; RESIDENT TUITION.

Institutions of higher education in Minnesota shall be authorized to grant resident status for the purpose of paying tuition fees in each institution to bona fide foreign students after their first year in Minnesota, provided that the total number of these residencies shall not exceed one-half of one percent of total full-time equivalent fall term enrollment of these institutions.

History: 1974 c 492 s 1; 1975 c 271 s 6; 1983 c 258 s 45

136A.144 [Repealed, 1983 c 258 s 72]

136A.145 [Repealed, 1983 c 258 s 72]

136A.146 [Repealed, 1983 c 258 s 72]

136A.15 DEFINITIONS.

Subdivision 1. For purposes of sections 136A.15 to 136A.1702, the terms defined in this section have the meanings ascribed to them.

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

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

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

Subd. 5. "Province" means the Canadian province of Manitoba.

Subd. 6. "Eligible institution" means any public educational institution and any private educational institution, in any state which is approved by the United States commissioner of education in accordance with requirements set forth in the Higher Education Act of 1965, as amended. It also includes any institution chartered in a province.

Subd. 7. "Eligible lender" means an eligible institution, an agency or instrumentality of a state, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the state of Minnesota or of the United States.

Subd. 8. "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state or province. Eligible student, except for purposes of section 136A.1701, includes parents of an eligible student as the term "parent" is defined in the Higher Education Act of 1965, as amended, and applicable regulations. Except for the purposes of section 136A.1701, eligible student also includes students eligible for auxiliary loans as the term "auxiliary" is defined in the Higher Education Act of 1965, as amended, and applicable regulations. An eligible student, for section 136A.1701, means a student who gives informed consent authorizing the disclosure of data specified in section 136A.162, paragraph (b), to a consumer credit reporting agency.

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Subd. 9. "Resident student" means a student who meets the conditions in section 136A.101, subdivision 8.

History: 1967 c 615 s 1; 1967 c 894 s 2; 1973 c 605 s 3,4; 1975 c 271 s 6; 1981 c 300 s 2; 1983 c 258 s 46; 1Sp1985 c 11 s 47; 1989 c 293 s 33-35; 1990 c 591 art 6 s 5

136A.16 POWERS AND DUTIES OF BOARD.

Subdivision 1. Notwithstanding chapter 16B, the Minnesota higher education coordinating board is designated as the administrative agency for carrying out the purposes and terms of sections 136A.15 to 136A.1702. The board may establish one or more loan programs.

Subd. 2. The board shall adopt policies and prescribe appropriate rules to carry out the purposes of sections 136A.15 to 136A.1702. The policies and rules except as they relate to loans under section 136A.1701 must be compatible with the provisions of the National Vocational Student Loan Insurance Act of 1965 and the provisions of title IV of the Higher Education Act of 1965, and any amendments thereof.

Subd. 3. The board may make loans in amounts not to exceed the maximum amount provided in the Higher Education Act of 1965 and any amendments thereof except that the limitation shall not apply to loans under section 136A.1701. The board may establish procedures determining the loan amounts for which students are eligible.

Subd. 4. The board may contract with or enter into agreements with eligible lenders for the purpose of making loans to eligible students in accordance with the policies and rules of the board.

Subd. 5. The board may contract with guarantee agencies, insurance agencies, collection agencies, or any other person, to carry out the purposes of sections 136A.15 to 136A.1702.

Subd. 6. The board shall be empowered to charge for insurance on each loan a premium, payable each year in advance. The premiums shall not be in an amount in excess of the premium in the federal regulations which govern the vocational and higher education loan program except that the limitation shall not apply to loans under section 136A.1701. Premium fees shall be available to the board without fiscal year limitation for the purposes of making loans and meeting expenses of administering the loan programs.

Subd. 7. The board may apply for, receive, accept, and disburse federal funds, as well as funds from other public and private sources, made available to the state for loans or as administrative moneys to operate student loan programs. In making application for funds, it may comply with all requirements of state and federal law and rules and regulations, and enter into the contracts necessary to enable it to receive, accept, and administer such funds.

Subd. 8. Money made available to the board that is not immediately needed for the purposes of sections 136A.15 to 136A.1702 may be invested by the board. The money must be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. The money may also be invested in prime quality commercial paper that is eligible for investment in the state employees retirement fund. All interest and profits from such investments inure to the benefit of the board.

Subd. 9. The board may employ the professional and clerical staff the director deems necessary for the proper administration of the loan programs established and defined by sections 136A.15 to 136A.1702.

Subd. 10. Subject to its directives and review, the board may delegate to the director the responsibility for issuance of public information concerning provisions of sections 136A.15 to 136A.1702, for design of loan application forms, and for prescribing procedures for submission of applications for loans.

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

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

History: 1967 c 615 s 1; 1967 c 894 s 3; 1969 c 6 s 23; 1973 c 605 s 5,6; 1975 c 271 s 6; 1977 c 384 s 4-7; 1981 c 300 s 3-5; 1983 c 258 s 47; 1985 c 248 s 70; 1989 c 293 s 36-41

136A.161 [Repealed, 1983 c 258 s 72]

136A.162 CLASSIFICATION OF DATA.

All data on applicants for financial assistance collected and used by the higher education coordinating board for student financial aid programs administered by that board shall be classified as private data on individuals under section 13.02, subdivision 12. Exceptions to this classification are that:

(a) the names and addresses of program recipients or participants are public data; and

(b) the following data collected in the Minnesota supplemental loan program under section 136A.1701 may be disclosed to a consumer credit reporting agency only if the borrower and the cosigner give informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:

- (1) the lender-assigned borrower identification number;
- (2) the name and address of borrower;
- (3) the name and address of cosigner;
- (4) the date the account is opened;
- (5) the outstanding account balance;
- (6) the dollar amount past due;
- (7) the number of payments past due;
- (8) the number of late payments in previous 12 months;
- (9) the type of account;
- (10) the responsibility for the account; and
- (11) the status or remarks code.

History: 1977 c 384 s 8; 1979 c 238 s 5; 1981 c 311 s 39; 1982 c 545 s 24; 1Sp1985 c 11 s 48; 1989 c 293 s 42

136A.17 PROVISIONS FOR FEDERAL PROGRAMS.

Subdivision 1. A student is eligible to apply for a loan under sections 136A.15 to 136A.1702 if the board finds that the student is an eligible student as defined in those sections and is eligible for a loan under federal laws and regulations governing the federal guaranteed student loan programs.

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

Subd. 3. The board may loan money upon such terms and conditions as the board may prescribe and it may acquire student loans from other lenders to facilitate the student loan programs provided for in this section.

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

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

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

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

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

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

Subd. 10. The board may establish variable repayment schedules consistent with the need and anticipated income streams of borrowers. The repayment schedules shall not violate the federal laws and regulations governing federal guaranteed student loan programs.

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

History: 1967 c 894 s 4; 1973 c 605 s 7-10; 1975 c 271 s 6; 1977 c 384 s 9-14; 1978 c 706 s 52; 1981 c 300 s 6-8; 1983 c 258 s 48; 1986 c 444; 1989 c 293 s 43

136A.1701 SUPPLEMENTAL AND ADDITIONAL LOANS.

Subdivision 1. **Establishment of program.** The higher education coordinating board may provide for programs of loans which may be made in lieu of or in addition to loans authorized under sections 136A.15 to 136A.1702 and applicable provisions of federal law as provided in this section.

Subd. 2. **Purpose of program.** The purpose of the loan programs under this section is to provide financial assistance for the post-secondary education of students who are eligible students whether or not such students qualify for a loan or loans under other provisions of sections 136A.15 to 136A.1702.

Loans granted to students may be used solely for educational purposes.

Subd. 3. **Compliance with Civil Rights Act.** The student loan programs shall be administered in compliance with title VI of the Civil Rights Act of 1964.

Subd. 4. **Terms and conditions of loans.** The board may loan money upon such terms and conditions as the board may prescribe. The principal amount of a loan to an undergraduate student for a single academic year may not exceed \$4,000. The aggregate principal amount of all loans made under this section to an undergraduate student may not exceed \$16,000. The principal amount of a loan to a graduate student for a single academic year shall not exceed \$6,000. The aggregate principal amount of all loans made under this section to a student as a graduate student shall not exceed \$25,000.

Subd. 5. **Maximum loans for students.** Loans made under this section or sections 136A.15 to 136A.1702 to an individual eligible student for vocational study may be made for a maximum of three academic years or their equivalent and loans made to any other individual eligible student may be made for a maximum of eight academic years or their equivalent.

Subd. 6. **Rate of interest.** The board shall determine the rate of interest to be charged on loans. The rate of interest on student loans however computed, shall not be subject to any provision of state law limiting the rate of interest to be charged for a loan of money.

Subd. 7. **Repayment of loans.** The board shall establish repayment procedures for

loans made under this section, but in no event shall the period of permitted repayment exceed ten years from the eligible student's termination of the student's post-secondary academic or vocational program, or 15 years from the date of the student's first loan under this section, whichever is less.

Subd. 8. **Board powers.** The board may take, hold, and administer for any of its purposes, real or personal property and money, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the board. The board may acquire real or personal property or money for its purposes by purchase or lease and by gift, grant, bequest, devise, or loan, and may enter into contracts with profit or non-profit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the board and its loan programs.

Subd. 9. **Variable repayment schedules.** The board may establish variable loan repayment schedules consistent with the need and anticipated income streams of borrowers.

Subd. 10. **Prohibition on use of state money.** No money originating from state sources in the state treasury shall be made available for student loans under this section and all student loans shall be made from money originating from nonstate sources.

History: 1983 c 258 s 49; 1986 c 444; 1989 c 293 s 44-46

136A.1702 COMMISSION APPROVAL.

The board shall obtain approval from the legislative advisory commission prior to taking the following actions with regard to student loan programs described in Laws 1983, chapter 258:

(1) implementing a loan program for parents and students eligible for auxiliary loans as defined in section 136A.15, subdivision 7;

(2) acquiring student loans from other lenders to facilitate student loan programs provided for in section 136A.17; and

(3) providing for programs of supplemental and additional loans as defined in section 136A.1701.

History: 1983 c 258 s 50

136A.171 REVENUE BONDS; ISSUANCE; PROCEEDS.

The higher education coordinating board may issue revenue bonds to obtain funds for loans made in accordance with the provisions of this chapter. The aggregate amount of revenue bonds, issued directly by the board, outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, shall not exceed \$550,000,000. Proceeds from the issuance of bonds may be held and invested by the board pending disbursement in the form of loans. All interest and profits from the investments shall inure to the benefit of the board and shall be available to the board for the same purposes as the proceeds from the sale of revenue bonds including, but not limited to, costs incurred in administering loans under this chapter and loan reserve funds.

History: 1973 c 605 s 12; 1975 c 271 s 6; 1975 c 390 s 6; 1977 c 384 s 15; 1979 c 238 s 6; 1980 c 537 s 1; 1981 c 300 s 9

136A.172 NEGOTIABLE NOTES; ISSUANCE; CONDITIONS.

The board may from time to time issue negotiable notes for the purpose of sections 136A.15 to 136A.179 and may from time to time renew any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The board may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed, and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the board or any issue thereof may contain any provisions which the board is authorized to include in any resolution or resolutions authorizing revenue bonds of the board or any issue thereof, and the board may include in any notes any terms, covenants, or

conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenue of the board, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

History: 1973 c 605 s 13; 1975 c 271 s 6; 1978 c 706 s 53; 1989 c 293 s 47

136A.173 NEGOTIABILITY; BOND ANTICIPATION NOTES; PAYMENT; CONDITIONS.

Subdivision 1. The board may from time to time issue revenue bonds for purposes of sections 136A.15 to 136A.179 and all such revenue bonds, notes, bond anticipation notes, or other obligations of the board issued pursuant to sections 136A.15 to 136A.179 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of such revenue bonds, the board may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of the original note. Such notes shall be paid from any revenues of the board available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the board in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions, or limitations which a bond resolution or the board may contain.

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

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

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

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

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

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

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

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

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

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

History: 1973 c 605 s 14; 1975 c 271 s 6; 1978 c 706 s 54; 1989 c 293 s 48

136A.174 SECURITY FOR BONDS.

In the discretion of the board any revenue bonds issued under the provisions of sections 136A.15 to 136A.179 may be secured by a trust agreement by and between the board and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the board authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledges such securities as may be required by the board. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the board may deem reasonable and proper for the security of the bondholders.

History: 1973 c 605 s 15; 1975 c 271 s 6; 1978 c 706 s 55; 1989 c 293 s 49

136A.175 REFUNDING REVENUE BONDS; PROCEEDS; INVESTMENTS.

Subdivision 1. The board is hereby authorized to provide for the issuance of revenue bonds of the board for the purpose of refunding any revenue bonds of the board then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of such revenue bonds.

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

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

Subd. 4. All such revenue bonds shall be subject to the provisions of sections

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136A.15 to 136A.179 in the same manner and to the same extent as other revenue bonds issued pursuant to sections 136A.15 to 136A.179.

History: 1973 c 605 s 16; 1975 c 271 s 6; 1978 c 706 s 56; 1989 c 293 s 50

136A.176 BONDS NOT STATE OBLIGATIONS.

Bonds issued under authority of sections 136A.15 to 136A.179 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings. The legislature intends not to appropriate money from the general fund to pay for these bonds.

History: 1973 c 605 s 17; 1978 c 706 s 57; 1989 c 293 s 51; 1990 c 610 art 2 s 4

136A.177 RIGHTS OF BONDHOLDERS.

Any holder of revenue bonds issued under the provisions of sections 136A.15 to 136A.179 or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by sections 136A.15 to 136A.179 or by such resolution or trust agreement to be performed by the board or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

History: 1973 c 605 s 18; 1975 c 271 s 6; 1978 c 706 s 58; 1989 c 293 s 52

136A.178 LEGAL INVESTMENTS; AUTHORIZED SECURITIES.

Bonds issued by authority under the provisions of sections 136A.15 to 136A.179 are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provided further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, board or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.15 to 136A.179. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

History: 1973 c 605 s 19; 1978 c 706 s 59; 1989 c 293 s 53

136A.179 PUBLIC PURPOSE; TAX FREE STATUS.

The exercise of the powers granted by sections 136A.15 to 136A.179 will be in all respects for the benefit of the people of this state, for the increase of their commerce,

welfare and prosperity, and for the improvement of their health and living conditions, and as providing loans by the board or its agent will constitute the performance of an essential public function.

History: 1973 c 605 s 20; 1975 c 271 s 6; 1978 c 706 s 60; 1983 c 213 s 7; 1989 c 293 s 54

CONTRACTUAL ARRANGEMENTS WITH PRIVATE COLLEGES

136A.18 PRIVATE COLLEGES; PURPOSE.

The legislature has found and hereby declares that private colleges in Minnesota have the capacity for educating significant numbers of Minnesota residents and that providing for the education of Minnesota residents in private colleges, rather than in state institutions of higher education, results in a savings of tax money. The Minnesota private colleges are encouraged to facilitate the education of significant numbers of Minnesota residents in private colleges located in Minnesota.

History: 1971 c 850 s 1; 1983 c 258 s 51

136A.19 [Repealed, 1983 c 258 s 72]

136A.20 [Repealed, 1983 c 258 s 72]

136A.21 [Repealed, 1983 c 258 s 72]

136A.22 [Repealed, 1983 c 258 s 72]

136A.225 [Repealed, 1989 c 293 s 85]

COLLEGE POWERS

136A.23 TRUSTEES OF INCORPORATED COLLEGES MAY PRESCRIBE COURSE OF STUDY; ANNUAL REPORT.

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

History: 1975 c 90 s 1; 1975 c 271 s 6

WORK-STUDY PROGRAMS

136A.231 EDUCATION; POST-SECONDARY STUDENTS; WORK-STUDY PROGRAMS.

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

History: 1973 c 682 s 1; 1975 c 430 s 1

136A.232 ADMINISTRATION; AGREEMENTS WITH EDUCATIONAL FACILITIES.

The higher education coordinating board shall develop and administer a work-study program. The board shall enter into agreements with institutions of post-secondary education.

History: 1973 c 682 s 2; 1975 c 271 s 6; 1975 c 430 s 2

136A.233 WORK-STUDY GRANTS.

Subdivision 1. Allocation to institutions. The higher education coordinating board may offer work-study grants to eligible post-secondary institutions according to the resident full-time equivalent enrollment of all eligible post-secondary institutions that apply to participate in the program. The board shall seek to equalize work-study job opportunities by also taking into account student employment needs at eligible institutions. Each institution wishing to receive a work-study grant shall submit to the board, in accordance with policies and procedures established by the board, an estimate of the amount of funds needed by the institution. The amount allocated to any institution shall not exceed the estimate of need submitted by the institution. Any funds which would be allocated to an institution according to full-time equivalent enrollment but which exceed the estimate of need by the institution or the actual need of the institution may be reallocated by the board to other institutions for which the estimate of need exceeds the amount of allocation according to enrollment. The institution must not receive less than it would have received under the allocation formula used before fiscal year 1988. No more than one-half of any increase in appropriations, attributable to this section, above the level before fiscal year 1988 may be allocated on the basis of identified student employment needs at eligible institutions.

Subd. 2. Definitions. For purposes of sections 136A.231 to 136A.234, the words defined in this subdivision have the meanings ascribed to them.

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

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

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

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

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

(f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Subd. 3. Payments. Work-study payments shall be made to eligible students by post-secondary institutions as provided in this subdivision.

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

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

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

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

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

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

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

History: 1973 c 682 s 3; 1975 c 271 s 6; 1975 c 430 s 3; 1976 c 239 s 50; 1977 c 384 s 16; 1981 c 65 s 1; 1Sp1985 c 11 s 49; 1986 c 444; 1987 c 384 art 2 s 1; 1987 c 401 s 22,23; 1989 c 293 s 55

136A.234 RULES.

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

History: 1973 c 682 s 4; 1975 c 271 s 6; 1985 c 248 s 70

136A.235 [Repealed, 1983 c 15 s 33]

136A.236 [Repealed, 1983 c 258 s 72]

136A.237 [Repealed, 1983 c 258 s 72]

FACILITIES AUTHORITY

136A.25 CREATION.

A state agency known as the Minnesota higher education facilities authority is hereby created.

History: 1971 c 868 s 1

136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.

Subdivision 1. Membership. The Minnesota higher education facilities authority shall consist of eight members appointed by the governor with the advice and consent of the senate, and the executive director of the Minnesota higher education coordinating board. The executive director of the coordinating board may designate a member of the director's staff to sit in the director's place as a member of the authority.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; and at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education.

Subd. 1a. Private college council member. The president of the Minnesota private college council, or the president's designee, shall serve without compensation as an advisory, nonvoting member of the authority.

Subd. 2. Term; compensation; removal. The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the executive director of the higher education coordinating board or the director's designee, and the chief executive officer of the private college council, shall be as provided in section 15.0575.

History: 1971 c 868 s 2; 1973 c 758 s 1; 1975 c 271 s 6; 1976 c 134 s 40; 1983 c 258 s 52; 1984 c 654 art 4 s 22; 1989 c 293 s 56

136A.27 POLICY.

It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living

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

History: 1971 c 868 s 3; 1973 c 758 s 2

136A.28 DEFINITIONS.

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

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

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

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

Subd. 5. "Bonds," or "revenue bonds" means revenue bonds of the authority issued under the provisions of sections 136A.25 to 136A.42, including revenue refund-

ing bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution for higher education or any other lawfully pledged security of a participating institution for higher education.

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

Subd. 7. "Participating institution of higher education" means an institution of higher education that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42. Community colleges and technical colleges may be considered participating institutions of higher education for the purpose of financing and constructing child care facilities.

History: 1971 c 868 s 4; 1978 c 706 s 61; 1990 c 610 art 1 s 47,48

136A.29 POWERS; DUTIES.

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

Subd. 2. The authority shall annually elect one of its members as chair, one as vice-chair, and one as secretary, as well as elect additional officers deemed necessary by the authority.

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

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

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

Subd. 6. The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of such purposes, to enter into contracts for the management and operation of a project, and to designate a participating institution of higher education as its agent to determine the location and character of a project undertaken by such participating institution of higher education under the provisions of sections 136A.25 to 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project. Contracts of the authority or of a participating institution of higher education to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair

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projects shall not be subject to the provisions of chapter 16B or section 574.26, or any other public contract or competitive bid law.

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

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

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed \$250,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

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

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

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

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

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

Subd. 15. The authority is authorized and empowered to employ consulting engi-

neers, architects, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation.

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

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

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

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

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

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

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

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

History: 1971 c 868 s 5; 1973 c 758 s 3; 1975 c 271 s 6; 1978 c 793 s 63; 1983 c 258 s 53,54; 1984 c 544 s 89; 1985 c 248 s 70; 1986 c 444; 1989 c 293 s 57

136A.30 SOURCE OF PAYMENT OF EXPENSES.

All expenses incurred in carrying out the provisions of sections 136A.25 to 136A.42, shall be payable solely from funds provided under the authority of sections 136A.25 to 136A.42, and no liability shall be incurred by the authority hereunder

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beyond the extent to which money shall have been provided under the provisions of sections 136A.25 to 136A.42.

History: 1971 c 868 s 6

136A.31 NOTES OF THE AUTHORITY.

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

History: 1971 c 868 s 7

136A.32 BONDS OF THE AUTHORITY.

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

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

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

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

(a) Pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with any individual partnership, corporation or association or other body, public or private, to secure the payment of the revenue bonds or of any particular issue of revenue bonds, subject to such agreements with bondholders as may then exist;

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

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

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

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

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

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

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

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

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

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

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

Subd. 7. The authority may invest any bond proceeds, sinking funds or reserves in any securities authorized for investment of debt service funds of municipalities pursuant to section 475.66, subdivision 3, including securities described in section 475.67, subdivision 8. In addition, such bond proceeds, sinking funds and reserves may be

(1) deposited in time deposits of any state or national bank subject to the limitations and requirements of chapter 118, or

(2) invested in repurchase agreements with, providing for the repurchase of securities described in the preceding sentence by, a bank qualified as a depository of money of the authority, a national or state bank in the United States that is a member of the federal reserve system and whose combined capital and surplus equals or exceeds \$10,000,000, or a reporting dealer to the federal reserve bank of New York. Power to make any such investment or deposit is subject to the provisions of any applicable covenant or restriction in a resolution or trust agreement of the authority.

History: 1971 c 868 s 8; 1973 c 758 s 4,5; 1984 c 654 art 4 s 23

136A.33 TRUST AGREEMENT.

In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or

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bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledges such securities as may be required by the authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as a part of the cost of the operation of a project.

History: 1971 c 868 s 9

136A.34 REVENUE REFUNDING BONDS.

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

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

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

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

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

History: 1971 c 868 s 10; 1973 c 758 s 6

136A.35 BONDS ARE NOT STATE OBLIGATION.

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

History: 1971 c 868 s 11; 1990 c 610 art 2 s 5

136A.36 REVENUES.

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

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

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

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

History: 1971 c 868 s 12

136A.37 REMEDIES OF BONDHOLDERS AND TRUSTEES.

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

History: 1971 c 868 s 13

136A.38 BONDS ELIGIBLE FOR INVESTMENT.

Bonds issued by authority under the provisions of sections 136A.25 to 136A.42, are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes 1969, section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

History: 1971 c 868 s 14

136A.39 EXEMPTION FROM TAXES AND OTHER RESTRICTIONS.

The exercise of the powers granted by sections 136A.25 to 136A.42, will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a project by the authority or its agent will constitute the performance of an essential public function, neither the authority nor its agent shall be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the authority or its agent under the provisions of sections 136A.25 to 136A.42, or upon the income therefrom.

History: 1971 c 868 s 15; 1983 c 213 s 8

136A.40 ADMINISTRATION.

The administration of sections 136A.25 to 136A.42, shall be under the authority independent of other departments and agencies and notwithstanding chapter 16. The authority shall not be subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62 in connection with the adoption of any rules, rents, fees or charges or with the exercise of any other powers or duties.

History: 1971 c 868 s 16; 1973 c 758 s 7; 1982 c 424 s 130; 1985 c 248 s 70

136A.41 CONFLICT OF INTEREST.

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

History: 1971 c 868 s 17; 1973 c 758 s 8

136A.42 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures and shall annually make a report thereof to the higher education coordinating board. The higher education coordinating board shall review and comment upon the report and make such recommendations as it deems necessary to the governor and the legislature.

History: 1971 c 868 s 18; 1975 c 271 s 6; 1983 c 258 s 55

136A.51 [Repealed, 1989 c 293 s 85]

136A.52 [Repealed, 1989 c 293 s 85]

136A.53 [Repealed, 1989 c 293 s 85]

136A.55 [Repealed, 1989 c 293 s 85]

**REGISTRATION AND APPROVAL OF
PRIVATE AND PUBLIC
POST-SECONDARY INSTITUTIONS**

136A.61 POLICY.

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

History: 1975 c 201 s 1; 1978 c 603 s 1

136A.62 DEFINITIONS.

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

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

Subd. 3. **School.** "School" means any individual, partnership, company, firm, society, trust, association, corporation, or any combination thereof, which (a) is, owns, or operates a private, nonprofit post-secondary education institution; (b) provides a post-secondary instructional program or course leading to a degree whether or not for profit; (c) is, owns, or operates a private, post-secondary education institution which uses the

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term "college", "academy", "institute" or "university" in its name; or (d) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. School shall also mean any public postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion.

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

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

History: 1975 c 201 s 2; 1975 c 271 s 6; 1978 c 603 s 2; 1985 c 248 s 70

136A.63 REGISTRATION.

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

History: 1975 c 201 s 3; 1975 c 271 s 6; 1978 c 603 s 3

136A.64 INFORMATION.

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

Subd. 2. The board shall not disclose financial records provided to it by a school pursuant to this section except for the purpose of defending, at hearings pursuant to chapter 14, or other appeal proceedings, its decision to approve or not to approve the granting of degrees or the use of a name by the school. Section 15.17, subdivision 4, shall not apply to such records.

History: 1975 c 201 s 4; 1975 c 271 s 6; 1978 c 603 s 4; 1982 c 424 s 130

136A.65 APPROVAL OF DEGREES AND NAME.

Subdivision 1. No school subject to registration shall grant a degree unless such degree is approved by the board, nor shall any school subject to registration use the name "college," "academy," "institute" or "university" in its name without approval by the board.

Subd. 2. The board shall establish procedures for approval, including notice and an opportunity for a hearing pursuant to chapter 14 if such approval is not granted. If a hearing is requested, no disapproval shall take effect until after such hearing.

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

History: 1975 c 201 s 5; 1975 c 271 s 6; 1978 c 603 s 5; 1982 c 424 s 130

136A.653 EXEMPTIONS.

Subdivision 1. A school which does not grant a degree and which is subject to licensing by the state board of education pursuant to chapter 141, is exempt from the

provisions of sections 136A.61 to 136A.71. The determination of the commissioner of education as to whether a particular school is subject to regulation under chapter 141 is final for the purposes of this exemption.

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

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

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

History: 1978 c 603 s 6

136A.657 EXEMPTION; RELIGIOUS SCHOOLS.

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

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

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

History: 1978 c 603 s 7

136A.66 LIST.

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

History: 1975 c 201 s 6; 1975 c 271 s 6

136A.67 UNAUTHORIZED REPRESENTATIONS.

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

History: 1975 c 201 s 7; 1975 c 271 s 6

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136A.68 RECORDS.

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

History: 1975 c 201 s 8; 1975 c 271 s 6

136A.69 FEES.

The board may collect reasonable registration fees not to exceed \$400 for an initial registration of each school and \$250 for each annual renewal of an existing registration.

History: 1975 c 201 s 9; 1975 c 271 s 6; 1989 c 293 s 58

136A.70 RULES.

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

History: 1975 c 201 s 10; 1975 c 271 s 6; 1985 c 248 s 70

136A.71 INJUNCTION.

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

History: 1975 c 201 s 11

SENIOR CITIZENS HIGHER EDUCATION PROGRAM

136A.80 DEFINITIONS.

Subdivision 1. For the purposes of this section and section 136A.81, the following words have the meanings ascribed to them.

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

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

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

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

History: 1975 c 219 s 1; 1975 c 321 s 2; 1987 c 258 s 12; 1989 c 246 s 2

136A.81 PROGRAM AND QUALIFICATIONS.

Subdivision 1. **Fees and tuition.** Except for an administration fee of \$6 a credit hour, to be collected only when a course is taken for credit, a senior citizen who is a legal resident of Minnesota is entitled without payment of tuition or activity fees to attend courses offered for credit, audit any courses offered for credit, or enroll in any noncredit adult vocational education courses in any state supported institution of higher education in Minnesota when space is available after all tuition-paying students have been accommodated. For the purposes of this section and section 136A.80, the term "noncredit adult vocational education courses" shall not include those adult vocational education courses designed and offered specifically and exclusively for senior citizens.

The provisions of this section and section 136A.80 do not apply to noncredit courses designed and offered by the University of Minnesota, the state university system, the community college system, and the technical colleges specifically and exclusively for senior citizens. Senior citizens enrolled under the provisions of this section and section 136A.80 shall not be included by such institutions in their computation of full-time equivalent students when requesting staff or appropriations. The enrollee shall pay laboratory or material fees.

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

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

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

Subd. 5. Placement. The institution shall refer interested senior citizens to social service, community, and educational agencies for employment or volunteer work.

History: 1975 c 219 s 2-6; 1981 c 194 s 3; 1982 c 548 art 4 s 12; 1984 c 654 art 4 s 24; 1987 c 258 s 12; 1989 c 246 s 2

POST-HIGH SCHOOL PLANNING PROGRAM

136A.85 POST-HIGH SCHOOL PLANNING PROGRAM.

The higher education coordinating board shall establish a voluntary post-high school planning program for all secondary students in grades 8 through 12, and adults. The program must be a statewide education and career guidance, testing, information and planning program designed to:

- (1) enable students and adults to consider the full range of available post-secondary opportunities;
- (2) encourage early and systematic planning for education and careers by students and adults;
- (3) encourage students and adults to acquire the academic skills to prepare them for a wide range of post-secondary programs;
- (4) increase completion of post-secondary education by helping students and adults enroll in appropriate institutions and programs;
- (5) consolidate and make more efficient the testing procedures used to advise, admit, and place students and adults in post-secondary programs;
- (6) assist high school, college and technical college counselors in their work with students and adults;
- (7) assist Minnesota colleges and technical colleges to identify students and adults for whose talents, interests and needs they have appropriate programs;
- (8) assist colleges and scholarship agencies to select from applicants those who show the most promise of benefiting from particular programs;
- (9) provide educators, state planners, and policy makers a continuous inventory of the talents, plans, needs and other characteristics of students and adults in individual educational institutions, in educational systems, and in the state as a whole; and
- (10) assist educators, state planners and policy makers to develop improved educational measures and counseling tools.

History: 1978 c 782 s 1; 1981 c 300 s 10; 1987 c 258 s 12; 1987 c 401 s 24; 1989 c 246 s 2

136A.86 DUTIES OF THE BOARD.

Subdivision 1. The board shall establish an advisory task force to make recommendations to the board on program goals, policies, selection of tests, and coordination of tests administered by the program and post-secondary institutes. The task force shall study and make recommendations about a variety of methods that could be used throughout the community to provide assistance to adults considering post-secondary education. Membership on the advisory task force shall include, but not be limited to, representatives of: the state university system, the University of Minnesota, the state community college system, the technical college system, the Minnesota private college council, the Minnesota association of private post-secondary schools, the Minnesota school boards association, the Minnesota association of secondary school principals, the Minnesota school counselors association, the Minnesota department of education, a minimum of one secondary and one post-secondary education student, and other representatives who have knowledge of and interest in post-secondary education for adults. The expiration of this advisory task force and the terms, compensation, and removal of its members shall be as provided in section 15.059, subdivision 6.

Subd. 2. The board shall at least biennially review and evaluate the program and report to the governor and legislature the program status and the board's recommendations for legislation to improve the program.

Subd. 3. The board may contract with the University of Minnesota and other testing agencies and suppliers to obtain instruments or services needed to operate the program.

Subd. 4. Any data, reports, studies, tapes, or other documents prepared by contractors for the board under this program shall be the exclusive property of the board, and those materials shall be remitted to the board upon completion, termination, or cancellation of any contract or agreement with the board.

History: 1978 c 782 s 2; 1981 c 300 s 11-13; 1987 c 258 s 12; 1987 c 401 s 25,26; 1989 c 246 s 2

136A.87 ASPECTS OF THE PROGRAM.

Subdivision 1. **Assessment instruments and questionnaires.** The program shall provide for administration of education and career assessment instruments and questionnaires to residents in grades 8 through 12, and to adults. The board shall determine the instruments and questionnaires that are appropriate to serve the purposes of sections 136A.85 to 136A.88.

Subd. 2. **High school assessments.** The program shall provide for administration of educational measurement instruments and questionnaires to high school students before their senior year. At least the following may be included:

- (1) an aptitude assessment for students anticipating entry to collegiate programs;
- (2) an inventory of interests, career directions, background information, and education plans; and
- (3) a preliminary mathematics placement test to aid in future course selections, and, as determined appropriate by the board, preliminary placement tests in other subjects.

Subd. 3. **Providing information.** The board shall make available to all residents from 8th grade through adulthood information about planning and preparing for post-secondary opportunities. Information must be provided to all 8th grade students and their parents by January 1 of each year about the need to plan for their post-secondary education. The board may also provide information to high school students and their parents, to adults, and to out-of-school youth. The information provided may include the following:

- (1) the need to start planning early;
- (2) the availability of assistance in educational planning from educational institutions and other organizations;

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- (3) suggestions for studying effectively during high school;
- (4) high school courses necessary to be adequately prepared for post-secondary education;
- (5) encouragement to involve parents actively in planning for all phases of education;
- (6) information about post-high school education and training opportunities existing in the state, their respective missions and expectations for students, their preparation requirements, admission requirements, and student placement;
- (7) ways to evaluate and select post-secondary institutions;
- (8) the process of transferring credits among Minnesota post-secondary institutions and systems;
- (9) the costs of post-secondary education and the availability of financial assistance in meeting these costs;
- (10) the interrelationship of assistance from student financial aid, public assistance, and job training programs; and
- (11) financial planning for education beyond high school.

Subd. 4. **Data base.** A data base of information from the program's assessments and services shall be maintained to:

- (1) provide individual reports of results to the students, high schools in which students are enrolled, and, if authorized by the students, post-secondary educational institutions; and
- (2) provide annual statewide summary reports of results to high schools, post-secondary institutions, the department of education, the chairs of the education, higher education, appropriations and finance committees of the legislature, and the governor.

Subd. 5. **Coordination.** The board shall coordinate efforts and develop additional methods of providing information, guidance, and testing services to out-of-school youth and adults.

History: 1978 c 782 s 3; 1987 c 401 s 27

136A.88 SUPPLEMENTARY SERVICES.

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

History: 1978 c 782 s 4