

## CHAPTER 136A

HIGHER EDUCATION SERVICES OFFICE;  
FACILITIES AUTHORITY

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**136A.03 EXECUTIVE OFFICERS; EMPLOYEES.**

The director of the higher education services office shall possess the powers and perform the duties as prescribed by the higher education services council and shall serve in the unclassified service of the state civil service. The director, or the director's designated representative, on behalf of the office is authorized to sign contracts and execute all instruments necessary or appropriate to carry out the purposes of sections 136A.01 to 136A.178 for the office. The salary of the director shall be established by the higher education services council according to section 15A.0815. The director shall be a person qualified by training or experience in the field of higher education or in financial aid administration. The director may appoint other professional employees who shall serve in the unclassified service of the state civil 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 financial aid and other aspects of higher education and for activities in keeping with the planning and administrative responsibilities of the office and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

**History:** 1997 c 183 art 3 s 11; 2Sp1997 c 3 s 18

**136A.101 DEFINITIONS.**

*[For text of subs 1 to 5, see M.S.1996]*

**Subd. 5a. Assigned family responsibility.** "Assigned family responsibility" means the amount of a family contribution to a student's cost of attendance, as determined by a federal need analysis, except that, beginning for the 1998-1999 academic year, up to \$25,000 in savings and other assets shall be subtracted from the federal calculation of net worth before determining the contribution. For dependent students, the assigned family responsibility is the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 80 percent of the student contribution.

*[For text of subs 7 to 10, see M.S.1996]*

**History:** 1997 c 183 art 2 s 3

**136A.121 GRANTS.**

*[For text of subs 2 and 3, see M.S.1996]*

**Subd. 5. Grant stipends.** The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) the assigned student responsibility of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(2) the assigned family responsibility as defined in section 136A.101; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$300 per academic year.

*[For text of subs 6 to 9, see M.S.1996]*

**Subd. 9a. Full-year grants.** Students may receive state grants for four consecutive quarters or three consecutive semesters during the course of a single fiscal year. In calculating a state grant for the fourth quarter or third semester, the office must use the same calculation as it would for any other term.

*[For text of subs 11 to 17, see M.S.1996]*

**History:** 1997 c 183 art 2 s 4,5

### 136A.125 CHILD CARE GRANTS.

*[For text of subd 1, see M.S.1996]*

**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 income eligible as determined by the office's policies and rules, but is not a recipient of assistance from either aid to families with dependent children or Minnesota family investment program--statewide;

(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 academic progress.

*[For text of subd 3, see M.S.1996]*

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

(1) the income of the applicant and the applicant's spouse, if any;

(2) the number in the applicant's family, as defined by the office; and

(3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be \$2,000 for each eligible child per academic year. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

*[For text of subs 4a to 9, see M.S.1996]*

**History:** 1997 c 85 art 4 s 4; 1997 c 183 art 2 s 6

**136A.1355** [Renumbered 144.1494]

**136A.1356** [Renumbered 144.1495]

**136A.1357** [Renumbered 144.1496]

**136A.1358** [Renumbered 144.1497]

**136A.136 NURSING GRANT PROGRAM.**

*[For text of subd 1, see M.S.1996]*

Subd. 2. **Responsibility of metropolitan healthcare foundation's project LINC.** The metropolitan healthcare foundation's project LINC shall administer the grant program and award grants to eligible health care facility employees. To be eligible to receive a grant, a person must be:

- (1) an employee of a health care facility located in Minnesota, whom the facility has recommended to the metropolitan healthcare foundation's project LINC for consideration;
- (2) working fewer hours than the person's regular schedule per pay period, for the health care facility organization, while maintaining full salary and original benefits and a salary greater than the number of hours worked;
- (3) enrolled full time in a Minnesota school or college of nursing to complete a baccalaureate or master's degree in nursing; and
- (4) a resident of the state of Minnesota.

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. The grant must be used for tuition, fees, and books. Priority in awarding grants shall be given to persons with the greatest financial need. The health care facility may require its employee to commit to a reasonable postprogram completion of employment at the health care facility as a condition for the financial support the facility provides.

*[For text of subd 3, see M.S.1996]*

**History:** 1997 c 183 art 2 s 8

**136A.16 POWERS AND DUTIES OF OFFICE.**

*[For text of subs 1 to 7, see M.S.1996]*

Subd. 8. Money made available to the office that is not immediately needed for the purposes of sections 136A.15 to 136A.1702 may be invested by the office. 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 office or may be pledged for security of bonds issued by the office or its predecessor, the Minnesota higher education coordinating board.

*[For text of subs 9 to 12, see M.S.1996]*

Subd. 13. The office may sue and be sued.

Subd. 14. The office may sell at public or private sale, at the price or prices determined by the office, any note or other instrument or obligation evidencing or securing a loan made by the office or its predecessor, the Minnesota higher education coordinating board.

Subd. 15. The office may obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions.

**History:** 1997 c 183 art 3 s 12-15

**136A.171 REVENUE BONDS; ISSUANCE; PROCEEDS.**

The higher education services office 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 office, 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 office pending disbursement in the form of loans. All interest and profits from the investments shall inure to the benefit of the office and shall be available to the office 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:** 1997 c 183 art 3 s 16

### **136A.172 NEGOTIABLE NOTES; ISSUANCE; CONDITIONS.**

The office may from time to time issue negotiable notes for the purpose of sections 136A.15 to 136A.178 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 office 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 office or any issue thereof may contain any provisions which the office is authorized to include in any resolution or resolutions authorizing revenue bonds of the office or any issue thereof, and the office 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 office, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

**History:** 1997 c 7 art 1 s 73

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

Subdivision 1. The office may from time to time issue revenue bonds for purposes of sections 136A.15 to 136A.178 and all such revenue bonds, notes, bond anticipation notes, or other obligations of the office issued pursuant to sections 136A.15 to 136A.178 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 office 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 office available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the office 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 office may contain.

*[For text of subd 2, see M.S.1996]*

Subd. 3. The revenue bonds may be issued as serial bonds or as term bonds, or the office, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the director of the office 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 office shall determine. Pending preparation of the definitive bonds, the office may issue interim receipts or certificates which shall be exchanged for such definite bonds.

*[For text of subs 4 to 6, see M.S.1996]*

**History:** 1997 c 7 art 1 s 73; 1997 c 183 art 3 s 17

### **136A.174 SECURITY FOR BONDS.**

In the discretion of the office any revenue bonds issued under the provisions of sections 136A.15 to 136A.178 may be secured by a trust agreement by and between the office 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 office 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 office. 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 office may deem reasonable and proper for the security of the bondholders.

**History:** 1997 c 7 art 1 s 73

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

*[For text of subs 1 to 3, see M.S.1996]*

Subd. 4. All such revenue bonds shall be subject to the provisions of sections 136A.15 to 136A.178 in the same manner and to the same extent as other revenue bonds issued pursuant to sections 136A.15 to 136A.178.

**History:** 1997 c 7 art 1 s 73

### **136A.176 BONDS NOT STATE OBLIGATIONS.**

Bonds issued under authority of sections 136A.15 to 136A.178 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:** 1997 c 7 art 1 s 73

### **136A.177 RIGHTS OF BONDHOLDERS.**

Any holder of revenue bonds issued under the provisions of sections 136A.15 to 136A.178 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.178 or by such resolution or trust agreement to be performed by the office 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:** 1997 c 7 art 1 s 73

### **136A.178 LEGAL INVESTMENTS; AUTHORIZED SECURITIES.**

Bonds issued by authority under the provisions of sections 136A.15 to 136A.178 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.178. 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:** 1997 c 7 art 1 s 73

### 136A.233 WORK-STUDY GRANTS.

*[For text of subd 1, see M.S.1996]*

**Subd. 2. Definitions.** For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program 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 services office.

(d) "Eligible employer" means any eligible post-secondary institution, any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, a handicapped person or a person over 65 who employs a student to provide personal services in or about the person's residence, or a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field.

(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.

(g) "Half-time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

**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) In selecting students for participation, priority must be given to students enrolled for at least 12 credits.

(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) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

(f) Each post-secondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.

(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.

(h) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

**Subd. 4. Cooperation with local schools.** Each campus using the state work study program is encouraged to cooperate with its local public elementary and secondary schools to place college work study students in activities in the schools, such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards including the profiles of learning. College students shall work under direct supervision; therefore, school hiring authorities are not required to request criminal background checks on these students under section 120.1045.

**History:** 1997 c 183 art 2 s 9-11

### EDVEST SAVINGS PROGRAM

#### 136A.241 EDVEST PROGRAM ESTABLISHED.

An Edvest savings program is established. In establishing this program, the legislature seeks to encourage individuals to save for post-secondary education by:

- (1) providing a qualified state tuition program under federal tax law;
- (2) providing matching grants for contributions to the program by low- and middle-income families; and
- (3) by encouraging individuals, foundations, and businesses to provide additional grants to participating students.

**History:** 1997 c 183 art 2 s 12

#### 136A.242 DEFINITIONS.

**Subdivision 1. General.** For purposes of sections 136A.241 to 136A.245, the following terms have the meanings given.

**Subd. 2. Adjusted gross income.** "Adjusted gross income" means adjusted gross income as defined in section 62 of the Internal Revenue Code.

**Subd. 3. Beneficiary.** "Beneficiary" means the designated beneficiary for the account, as defined in section 529(e)(1) of the Internal Revenue Code.

**Subd. 4. Board.** "Board" means the state board of investment.

**Subd. 5. Director.** "Director" means the director of the higher education services office.

**Subd. 6. Executive director.** "Executive director" means the executive director of the state board of investment.

**Subd. 7. Internal revenue code.** "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

**Subd. 8. Office.** "Office" means the higher education services office.

**Subd. 9. Program.** "Program" or "Edvest" refers to the program established under sections 136A.241 to 136A.245.

**History:** 1997 c 183 art 2 s 13

#### 136A.243 HIGHER EDUCATION SERVICES OFFICE.

**Subdivision 1. Responsibilities.** (a) The director shall establish the rules, terms, and conditions for the program, subject to the requirements of sections 136A.241 to 136A.245.

(b) The director shall prescribe the application forms, procedures, and other requirements that apply to the program.

**Subd. 2. Accounts-type program.** The office must establish the program and the program must be operated as an accounts-type program that permits individuals to save for qualified higher education costs incurred at any institution, regardless of whether it is private or public or whether it is located within or outside of this state. A separate account must be maintained for each beneficiary for whom contributions are made.

**Subd. 3. Consultation with state board of investment.** In designing and establishing the program's requirements and in negotiating or entering contracts with third parties under subdivision 8, the director shall consult with the executive director.

**Subd. 4. Program to comply with federal law.** The director shall take steps to ensure that the program meets the requirements for a qualified state tuition program under section 529 of the Internal Revenue Code. The director may request a private letter ruling or rulings from the Internal Revenue Service or take any other steps to ensure that the program qualifies under section 529 of the Internal Revenue Code or other relevant provisions of federal law.

**Subd. 5. Minimum penalty.** In establishing the terms of the program, the office must provide that refunds of amounts in an account are subject to a minimum penalty, as required by section 529(b)(3) of the Internal Revenue Code. If the refunds or payments are not used for qualified higher education expenses of the designated beneficiary, this penalty must equal, at least, the proportionate amount of any matching grants deposited in the account under section 136A.245 and the investment return on the grants, plus an additional penalty that meets the requirement of federal law.

**Subd. 6. Three-year period for withdrawal of grants.** A matching grant deposited in the account under section 136A.245 may not be withdrawn within three years of the establishment of the account of the beneficiary. In calculating the three-year period, the period held in another account is included, if the account includes a rollover from another account under section 529(c)(3)(C) of the Internal Revenue Code.

**Subd. 7. Marketing.** The director shall make parents and other interested individuals aware of the availability and advantages of the program as a way to save for higher education costs. The cost of these promotional efforts must be paid entirely from state general fund appropriations and may not be funded with fees imposed on participants.

**Subd. 8. Administration.** The director shall administer the program, including accepting and processing applications, maintaining account records, making payments, making matching grants under section 136A.245, and undertaking any other necessary tasks to administer the program. The office may contract with one or more third parties to carry out some or all of these administrative duties, including promotion and marketing of the program. The office and the board may jointly contract with third-party providers, if the office and board determine that it is desirable to contract with the same entity or entities for administration and investment management.

**Subd. 9. Authority to impose fees.** The office may impose fees on participants in the program to recover the costs of administration. The office must use its best efforts to keep these fees as low as possible, consistent with efficient administration, so that the returns on savings invested in the program will be as high as possible.

**History:** 1997 c 183 art 2 s 14

### 136A.244 INVESTMENT OF ACCOUNTS.

**Subdivision 1. State board to invest.** The state board of investment shall invest the money deposited in accounts in the program.

**Subd. 2. Permitted investments.** The board may invest the accounts in any permitted investment under section 11A.24.

**Subd. 3. Contracting authority.** The board may contract with one or more third parties for investment management, recordkeeping, or other services in connection with investing the accounts. The board and office may jointly contract with third-party providers, if the office and board determine that it is desirable to contract with the same entity or entities for administration and investment management.

**Subd. 4. Fees.** The board may impose fees on participants in the program to recover the cost of investment management and related tasks for the program. The board must use its best

efforts to keep these fees as low as possible, consistent with high quality investment management, so that the returns on savings invested in the program will be as high as possible.

**History:** 1997 c 183 art 2 s 15

### 136A.245 MATCHING GRANTS.

Subdivision 1. **Matching grant qualification.** By March 1 of each year, a state matching grant must be added to each account established under the program if the following conditions are met:

(1) the contributor applies, in writing in a form prescribed by the director, for a matching grant;

(2) a minimum contribution of \$200 was made during the preceding calendar year; and

(3) the family income of the beneficiary did not exceed \$80,000.

Subd. 2. **Family income.** For purposes of this section, "family income" means:

(1) if the beneficiary is under age 25, the combined adjusted gross income of the beneficiary's parents as reported on the federal tax return or returns for the most recently available tax year; or

(2) if the beneficiary is age 25 or older, the combined adjusted gross income of the beneficiary and spouse, if any.

Subd. 3. **Amount of matching grant.** The amount of the matching grant for a beneficiary equals:

(1) if the beneficiary's family income is \$50,000 or less, 15 percent of the sum of the contributions made to the beneficiary's account during the calendar year, not to exceed \$300; and

(2) if the beneficiary's family income is more than \$50,000 but not more than \$80,000, five percent of the sum of the contributions made to the beneficiary's account during the calendar year, not to exceed \$300.

Subd. 4. **Budget limit.** If the total amount of matching grants determined under subdivision 3 exceeds the amount of the appropriation for the fiscal year, the director shall proportionately reduce each grant so that the total equals the available appropriation.

Subd. 5. **Coordination with department of revenue.** In administering matching grants, the director may require that applicants submit sufficient information to determine whether the beneficiary qualifies for a grant, including the social security numbers, family income information, and any other information the director determines necessary. The applicant or applicants may authorize the director to request information from the commissioner of revenue to verify eligibility for a grant from tax information on file with the commissioner or obtained from the Internal Revenue Service. If this method is used and the taxpayer has authorized a release of the information to the director, the commissioner of revenue may verify that the beneficiary is eligible for a grant at a specified rate and maximum and disclose that information to the director, notwithstanding the provisions of chapter 270B.

Subd. 6. **Private contributions.** (a) The office may solicit and accept contributions from private corporations, other businesses, foundations, or individuals to provide:

(1) matching grants under this section in addition to those funded with direct appropriations; or

(2) grants to students who withdraw money from accounts established under the program.

(b) Amounts contributed may only be used for those purposes. Amounts contributed are appropriated to the director to make grants.

(c) Contributors may designate a specific field of study, geographic area, or other criteria that govern use of the grants funded with their contributions, but may not discriminate on the basis of race, ethnicity, or gender. The office may refuse contributions that are subject, in the judgment of the director, to unacceptable conditions on their use.

**History:** 1997 c 183 art 2 s 16

**136A.29 POWERS; DUTIES.**

*[For text of subs 1 to 8, see M.S.1996]*

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed \$500,000,000 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.

*[For text of subs 10 to 23, see M.S.1996]*

**History:** 1997 c 183 art 3 s 18

**136A.32 BONDS OF THE AUTHORITY.**

*[For text of subs 1 to 6, see M.S.1996]*

Subd. 7. The authority may invest any bond proceeds, sinking funds or reserves in any securities authorized for investment of funds of municipalities pursuant to sections 118A.04 and 118A.05, 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 118A; 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:** 1997 c 219 s 2

**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 16B. The authority shall not be subject to the provisions of chapter 14, including section 14.386 in connection with the adoption of any rules, rents, fees or charges or with the exercise of any other powers or duties.

**History:** 1997 c 187 art 5 s 18