

CHAPTER 136A

MINNESOTA HIGHER EDUCATION COORDINATING COMMISSION

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

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

136A.02 MEMBERSHIP; OFFICERS; COMPENSATION; ADVISORY COMMITTEES. Subdivision 1. The higher education coordinating commission shall consist of 18 members comprised as follows:

(a) Eight citizen members to be appointed by the governor with the advice and consent of the senate, seven of whom shall be selected for their knowledge and interest in higher education and one of whom shall be selected for his knowledge and interest in vocational education. At the time of their appointment, each member shall be from a different congressional district;

(b) Two members, the presidents of two private colleges or private universities situated in the state of Minnesota to be appointed by the governor with the advice and consent of the senate;

(c) Eight members, two each as representatives of the University of Minnesota board of regents, the state college board, the state junior college board, and the state board of education, who shall be members or the chief executive officer of the respective boards, to be appointed by the governor with the advice and consent of the senate;

(d) A representative of each of the boards enumerated in clause (c) appointed as a member of the higher education coordinating commission shall be appointed for a term ending February 15, 1970; the second representative of each of such boards shall be appointed as a member of such commission for a term ending on February 15, 1972.

Except as provided in subdivision 2 and the preceding clause (d), the members appointed by the governor shall be appointed for a four year term beginning on February 15 in the year in which the term begins. The governor shall in like manner fill vacancies for the unexpired terms of the members who are presidents of private colleges or private universities or citizen members or representatives of the boards enumerated in clause (c). All members shall serve until their successors are appointed and have qualified. A vacancy in the membership of the commission shall occur whenever a representative of a board ceases to be a member thereof or its executive officer.

Subd. 2. The members of the first higher education coordinating commission who are appointed by the governor with the advice and consent of the senate shall be appointed as follows: One president of a private college or private university shall be appointed for a term ending February 15, 1967, and the other for a term ending February 15, 1969; four of the citizen members appointed by the governor with the advice and consent of the senate shall be appointed for a term ending February 15, 1967, and the remaining four for a term ending February 15, 1969. The terms of the members of the first higher education coordinating commission shall begin on July 1, 1965.

Subd. 3. The higher education coordinating commission 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. Members of the higher education coordinating commission shall serve without compensation. They shall be reimbursed, however, for travel, subsistence, and other reasonable expenses incurred in the performance of their duties in the same manner and in the same amounts as other state officers and employees are reimbursed.

Subd. 5. The commission may appoint advisory committees to assist it in the study of higher education within the state or in the administration of federal programs. Members of such advisory committees may, at the discretion of the commission, be reimbursed for travel and subsistence incurred in the performance of their duties in the same manner and in the same amount as other state officers and employees are reimbursed therefor.

[1965 c 809 s 32 subd 2-5; 1967 c 615 s 1; 1967 c 895 s 1, 2]

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

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

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

136A.04 DUTIES. The higher education coordinating commission shall:

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

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

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

[1965 c 809 s 32 subd 7; 1967 c 615 s 1]

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

[1965 c 809 s 32 subd 8; 1967 c 615 s 1]

136A.06 FEDERAL FUNDS. The higher education coordinating commission 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 commission may apply for, receive, accept, and disburse all administrative funds available to the commission for administering federal funds to support higher education programs, construction or other activities. The commission also

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may apply for, receive, accept, and disburse any research, planning, or program funds which are available for purposes consistent with the provisions of Minnesota Statutes, Chapter 136A. In making application for and administering federal funds the commission 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 commission may contract with both public and private institutions in administering federal funds, and such contracts shall not be subject to the provisions of Minnesota Statutes, Chapter 16. All such moneys received by the commission shall be deposited in the state treasury and are hereby appropriated to it annually for the purpose for which such funds are received. None of such moneys shall cancel but shall be available until expended.

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

136A.07 REPORTS. The higher education coordinating commission 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 January 15 of each odd numbered year.

[1965 c 809 s 32 subd 10; 1967 c 615 s 1]

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

No agreement made by the commission pursuant to this section shall be valid as to a state college without the approval of the state college board, as to a state junior college without the approval of the state junior college board, and as to the university of Minnesota without the approval of the board of regents of the university of Minnesota.

[1967 c 615 s 1; 1967 c 866 s 1]

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

[1967 c 871 s 1]

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

[1969 c 1144 s 1]

136A.10 DEFINITIONS. Subdivision 1. For purposes of sections 136A.09 to 136A.13, the terms defined in this section have the meanings ascribed to them:

Subd. 2. "Commission" means the Minnesota higher education coordinating commission.

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

Subd. 4. "Eligible institution" means an institution of higher education located in this state which provides an organized course of instruction of at least two years

duration in the sciences or liberal arts, including performing and visual arts, or a combination of these, at the collegiate level which either (1) is operated by this state, or (2) is operated publicly or privately, not for profit, and as determined by the commission, maintains academic standards substantially equivalent to those of comparable institutions operated in this state or an area vocational-technical school or other vocational school approved by the commission.

Subd. 5. "Basic educational costs" include:

- (1) Tuition at the resident rate charged to all students in the college or vocational school attended by the scholarship or grant-in-aid recipient.
- (2) General fees, incidental and basic fees normally charged all students in the college or vocational school attended by the scholarship or grant-in-aid recipient.
- (3) A standard book or supply allowance of \$100.

Subd. 6. "Qualified applicant" means those students in the upper quarter at the end of the junior year in high school according to academic standards prescribed by the commission.

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

[1967 c 615 s 1; 1967 c 871 s 2; 1969 c 1144 s 2, 3]

136A.11 POWERS AND DUTIES OF COMMISSION. Subdivision 1. The Minnesota higher education coordinating commission is hereby designated as the administrative agency for carrying out the purposes and terms of sections 136A.09 to 136A.13.

Subd. 2. The commission shall adopt policies and prescribe appropriate rules and regulations to carry out the purposes of sections 136A.09 to 136A.13.

Subd. 3. The commission shall be empowered to employ such professional and clerical staff as the director deems necessary for the proper administration of the scholarship program established and defined by sections 136A.09 to 136A.13.

Subd. 4. Subject to its directives and review, the commission may delegate to the director the responsibility for issuance of public information concerning provisions of sections 136A.09 to 136A.13, for design of the scholarship and grant-in-aid application forms, for prescribing procedures for submission of applications for scholarships and grants-in-aid, and for selection of qualified recipients of scholarship and grant-in-aid benefits provided for by sections 136A.09 to 136A.13.

Subd. 5. The commission shall periodically review and evaluate its programs and activities and shall report to the governor and the legislature on or before November 15 in each even numbered year its recommendations and suggestions for legislation or changes in legislation to achieve the objectives encompassed by sections 136A.09 to 136A.13.

[1967 c 615 s 1; 1967 c 871 s 3; 1969 c 540 s 7; 1969 c 1144 s 4]

136A.12 SCHOLARSHIPS AND GRANTS-IN-AID. Subdivision 1. **Eligibility.** An applicant shall be eligible to compete for a scholarship under the provisions of sections 136A.09 to 136A.13 if the commission finds that applicant:

- (1) is a citizen of the United States.
- (2) is a resident of the state of Minnesota.
- (3) will begin his college work prior to his 25th birthday.
- (4) has met all the requirements for admission as a full time student to an eligible college of his choice as defined in sections 136A.09 to 136A.13.
- (5) has demonstrated capacity for superior achievement at the college level as measured by standards prescribed by the commission.
- (6) has not had any previous post high school college training or equivalent.
- (7) is a qualified applicant as defined herein.

Subd. 2. **Eligibility for grants-in-aid.** An applicant shall be eligible to compete for a grant-in-aid, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under the provisions of sections 136A.09 to 136A.13 if the commission finds that applicant:

- (1) is a citizen of the United States;
- (2) is a resident of the state of Minnesota;
- (3) will begin his college or vocational school work prior to his 25th birthday;
- (4) is a graduate of a secondary school or its equivalent and has met all the re-

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quirements for admission as a full time student to an eligible college or vocational school of his choice as defined in sections 136A.09 to 136A.13;

(5) has not had any previous post high school college training or equivalent;

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

Subd. 3. Allocation and amount. (1) Scholarships and grants-in-aid shall be awarded annually on a funds available basis to those first year students who meet the commission's requirements.

(2) A financial stipend shall accompany scholarship awards if the scholarship winner demonstrates financial need and will attend an eligible institution. The determination of financial need shall take into account basic educational costs as defined herein and shall be made by a college scholarship service or equivalent service under criteria established by the commission. Financial stipends shall range from a maximum of \$800 to a minimum of \$200, but in no event shall exceed basic educational costs as defined herein at the institution of his choice. Scholarship winners who do not demonstrate financial need under criteria prescribed by the commission shall be awarded honorary scholarships.

(3) A financial stipend based on financial need shall accompany grants-in-aid. The determination of financial need shall take into account basic educational costs as defined herein and shall be made by a college grant-in-aid service or equivalent service under criteria established by the commission. Financial stipends shall range from a maximum of \$800 to a minimum of \$200, but in no event shall exceed basic educational costs as defined herein at the institution of the recipient's choice.

(4) In dispensing available funds in a given year, priority shall be given on the following basis:

Renewal scholarships and grants-in-aid.

Thereafter, until the funds are exhausted, to first year recipients, on the basis of their rank in the case of scholarships, and on the basis of need in the case of grants-in-aid, as determined by standards prescribed by the commission.

(5) Each scholarship or grant-in-aid shall be awarded for one academic year but shall be renewable until a total of eight semesters or twelve quarters or their equivalent have been covered, or a baccalaureate degree obtained, whichever occurs first within five years from entrance into the program.

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

(7) The student must apply for renewal of his scholarship or grant-in-aid each year.

(8) The student must continue to attend an eligible institution.

(9) All scholarship winners shall be notified of their award by the commission and shall be given appropriate evidence of the award.

(10) All grant-in-aid recipients shall be duly notified thereof by the commission.

(11) Financial scholarships and grants-in-aid awarded under the terms of sections 136A.09 to 136A.13 shall be applied to basic educational costs in the following order: tuition, fees and books, and supplies. Unpaid portions of such awards shall revert to the commission scholarship or grant-in-aid account.

[1967 c 871 s 4; 1969 c 1144 s 5, 6]

136A.13 ACCOUNTING AND RECORDS. Subdivision 1. **Accounts.** The commission shall establish and maintain appropriate scholarship and grant-in-aid accounts and related records of each recipient of a scholarship or grant-in-aid awarded.

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

Subd. 3. Certification to state auditor. Upon proper verification for payment of a scholarship or grant-in-aid as defined herein, the commission shall certify to the state auditor the amount of the current payment to be made to the scholarship winner

or grant-in-aid recipient in conformance with the rule of the commission governing the method of payment.

[1967 c 871 s 5; 1969 c 1144 s 7]

136A.14 STUDENT LOANS, PURPOSE. The legislature has found and hereby declares that the encouragement of the maximum educational development of the young men and women of Minnesota is in the best interest of the state. The state loan program would encourage students to continue their education and provide financial assistance for those who would not otherwise be able to do so. The state loan program provided for herein is designated to be compatible with the provisions of the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965, both of which provide interest subsidies on student loans which are guaranteed by a state program.

[1967 c 894 s 1]

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

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

Subd. 3. "Commission" means the Minnesota higher education coordinating commission.

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

Subd. 5. "Eligible institution" in the case of loans for vocational instruction means a business or trade school, or technical institution or other technical or vocational school, in any state, which is approved by the U. S. commissioner of education in accordance with requirements set forth in the National Vocational Student Loan Insurance Act of 1965. In the case of loans for higher education, "eligible institution" means any educational institution offering at least a two year program acceptable for full credit toward a baccalaureate degree, and any graduate professional school, including any public educational institution and any private educational institution, in any state which is approved by the U. S. commissioner of education in accordance with requirements set forth in the Higher Education Act of 1965.

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

Subd. 7. "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution.

[1967 c 615 s 1; 1967 c 894 s 2]

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

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

Subd. 3. The commission shall be authorized to make or to guarantee loans in amounts not to exceed \$1,500 in any academic year or its equivalent to residents of this state who are attending or accepted for enrollment at eligible institutions, both public and private.

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

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

Subd. 6. The commission shall be empowered to charge for insurance on each

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guaranteed loan a premium, payable each year in advance, in an amount not to exceed the premium in the federal regulations which govern the vocational and higher education loan program. Premium fees shall be available to the commission without fiscal year limitation for the purposes of making and guaranteeing loans and meeting expenses incurred in administering the program.

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

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

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

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

Subd. 11. The commission 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 commission shall establish and maintain appropriate accounting and related records.

[1967 c 615 s 1; 1967 c 894 s 3; 1969 c 6 s 23]

136A.17 PROGRAM REQUIREMENTS. Subdivision 1. Eligibility of student borrowers: An applicant shall be eligible to apply for a loan under the provisions of sections 136A.14 to 136A.17 if the commission finds that he:

- (a) is a citizen of the United States
- (b) is a resident of the state of Minnesota
- (c) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution
- (d) is carrying at least one half of the normal full time workload as determined by the institution.

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

Subd. 3. The commission may loan and guarantee the loan of money, upon such terms and conditions as the commission may prescribe; provided that the total amount of outstanding guaranteed loans at any one time may not exceed 15 times the amount of the reserve funds on deposit at that time for the purposes of guaranteeing loans.

Subd. 4. No loan or guarantee of a loan shall be made in excess of \$1,500 for any academic year or its equivalent. The aggregate insured unpaid principal amount of insured loans for vocational study made to any student shall not at any time exceed \$2,000. The aggregate insured unpaid principal amount of insured loans for higher education made to any student shall not at any time exceed \$7,500 in the case of any graduate or professional student, including any such insured loans made to such person before he became a graduate or professional student, or \$5,000 in the case of any other student.

Subd. 5. The commission may insure loans for vocational study to an indi-

vidual 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 or guaranteed by the commission shall be made at an annual rate of interest in excess of the maximum prescribed in the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965, and any amendments thereof.

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

Subd. 8. The repayment procedures applicable for loans made or guaranteed by the commission 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 commission may take, hold, and administer, on behalf of the commission and for any of its purposes, real property, personal property and moneys, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the commission. The commission 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 non-profit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the commission.

Subd. 10. All moneys received by the commission, regardless of the source, shall be deposited in the state treasury and are hereby appropriated to it annually for the purpose for which such funds are received.

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

[1967 c 894 s 4]