

MINNESOTA STATUTES 1971

136A.01 HIGHER EDUCATION COMMISSIONS AND AGENCIES

1906

CHAPTER 136A

MINNESOTA HIGHER EDUCATION COMMISSIONS AND AGENCIES

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COORDINATING COMMISSION

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 eight citizen members, one from each congressional district, to be appointed by the governor with the advice and consent of the senate, and three citizen members also to be appointed by the governor by and with the advice and consent of the senate to represent the state at large. All appointees to the board shall be selected for their knowledge of and interest in post secondary education and at least one shall be selected specifically for his knowledge of and interest in vocational education.

Citizen members of the commission on May 22, 1971 shall continue as members of the commission under the provisions of their appointments.

Except as provided in subdivision 2 all members shall be appointed for a four year term beginning on February 15 in the year in which the term begins. Vacancies in the commission shall be filled by appointments for the unexpired term. All members shall serve until their successors are appointed and have qualified.

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: four of the citizen members appointed by the governor with the advice and consent of the senate shall be appointed for a term ending

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February 15, 1967, and the remaining four for a term ending February 15, 1969. The first members of the commission appointed by the governor as citizen members to represent the state at large shall be appointed for terms ending February 15, 1975.

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.

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

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

[1965 c 809 c 32 subd 2-5; 1967 c 615 s 1; 1967 c 895 s 1, 2; 1971 c 429 s 1, 2, 3; 1973 c 349 s 2; 1973 c 489 s 1]

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;

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(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;

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

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

[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]

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 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 November 15 of each even numbered year.

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

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

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states pursuant to section 136A.04, may enter into agreements or understandings which include remission of nonresident tuition for designated categories of students at state institutions of higher education and public area vocational-technical institutes with appropriate state agencies and institutions of higher education in other states to facilitate utilization of public higher education institutions in this state and other states. Such agreements shall have as their purpose the mutual improvement of educational advantages for residents of this state and such other states or institutions of other states with whom agreements are made.

At the discretion of the commission, 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 provision for transfer of funds between the two states is included in a collegiate education reciprocity agreement, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the commission and a duly designated agency representing Wisconsin. Such formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the commission in the general fund of the state treasury. There is hereby appropriated from any moneys not otherwise appropriated such amounts as may be necessary for payments to Wisconsin under the provisions of a collegiate education reciprocity agreement. The amount of any appropriation required for these purposes shall be certified by the executive director of the higher education coordinating commission to the commissioner of finance annually.

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

[1967 c 615 s 1; 1967 c 866 s 1; 1971 c 161 s 1; 1974 c 532 s 1]

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 M.S. 1969 [Repealed, 1971 c 862 s 6]

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

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

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

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

Subd. 2. "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.

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

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 for purposes of the state scholarship program and means all eligible students regardless of academic rank for purposes of the state grant-in-aid program.

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

[1971 c 862 s 2]

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

136A.111 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.131.

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

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.131.

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.131, for design of the scholarship and grant-in-aid application forms, for prescribing procedures for submission of applications for scholarships and grants-in-aid, and for selection of qualified recipients of scholarships and grant-in-aid benefits provided for by sections 136A.09 to 136A.131.

Subd. 5. 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 its recommendations and suggestions for legislation or changes in legislation to achieve the objectives encompassed by sections 136A.09 to 136A.131.

[1971 c 862 s 3]

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

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

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

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

- (1) is a citizen of the United States;
- (2) is a resident of the state of Minnesota;
- (3) is a graduate of a secondary school or its equivalent and has met all requirements for admission as a full time student to an eligible college or vocational school of his choice as defined in sections 136A.09 to 136A.131 or has completed at least one academic year of study at a two year institution and seeks transfer to a four year eligible institution;
- (4) 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

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awarded annually on a funds available basis to those first year students and transfer 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. Financial stipends shall range from a maximum of \$1,000 to a minimum of \$100 but in no event shall exceed one half of the applicant's financial need. 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. Financial stipends shall range from a maximum of \$1,000 to a minimum of \$100, but in no event shall exceed one half of the applicant's financial need;

(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 and transfer applicants, on the basis of their rank in the case of scholarships, and on the basis of need with first year and transfer applicants treated as a single pool of applicants 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;

(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.131 shall be applied to educational costs in the following order: tuition, fees, books, supplies and other expenses. Unpaid portions of such awards shall revert to the commission scholarship or grant-in-aid account.

[1971 c 862 s 4]

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

136A.131 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 commissioner of finance.** Upon proper verification for payment of a scholarship or grant-in-aid as defined herein, the commission shall certify to the commissioner of finance the amount of the current payment to be made to the scholarship winner or grant-in-aid recipient, in conformance with the rule of the commission governing the method of payment.

[1971 c 862 s 5; 1973 c 492 s 14]

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

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

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

[1973 c 605 s 1]

136A.142 ADMINISTRATOR. The administrator of Laws 1973, Chapter 605 shall be under the commission independent of other authority and notwithstanding Chapter 16.

[1973 c 605 s 21]

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

[1974 c 492 s 1]

136A.144 EMERGENCY SCHOLARSHIP FUND; FOREIGN STUDENTS; AWARD. The state of Minnesota shall establish an emergency scholarship fund to be awarded to public and private institutions of higher education in Minnesota which are eligible for the state grant-in-aid program as defined in chapter 136A, and which have foreign students enrolled, for the purpose of enabling them to achieve and maintain a desirable cultural mix in their student populations, and of assisting their bona fide foreign students to meet unexpected financial needs. The formula for apportioning available emergency scholarship funds to the institutions shall be established by the higher education coordinating commission, which shall take into consideration full-time equivalent fall term enrollments and the total cost of education of foreign students at each participating institution. The amounts awarded to individual students with emergency financial needs shall be determined by the participating institution based on guidelines reflecting the total cost of education at each institution and resources available to each potential recipient.

[1974 c 492 s 2]

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

[1974 c 492 s 3]

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

[1974 c 492 s 4]

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

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

Subd. 3. "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" means any public educational institution and any private educational institution, in any state which is approved by the U.S. commis-

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sioner of education in accordance with requirements set forth in the Higher Education Act of 1965, as amended.

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

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

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

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 the maximum amount provided in the higher education act of 1965 and any amendments thereof and the commission shall be authorized to establish procedures determining the loan amounts for which students are eligible.

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 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 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.

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.

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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; 1973 c 605 s 5, 6]

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

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

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

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

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

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

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

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

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

[1973 c 605 s 11]

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 is an eligible student as defined by Laws 1973, Chapter 605 and is eligible for a loan under federal regulations governing the federally insured student loan program.

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

Subd. 3. The commission may loan and guarantee the loan of money, upon such terms and conditions as the commission may prescribe.

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

Subd. 5. The commission may insure 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 or guaranteed by the commission shall be made at an annual rate of interest in excess of the maximum prescribed in the National Vo-

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

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

[1967 c 894 s 4; 1973 c 605 s 7-10]

136A.171 REVENUE BONDS; ISSUANCE; PROCEEDS. The higher education coordinating commission is hereby authorized to issue revenue bonds in an aggregate amount not to exceed \$30,000,000 for the purpose of obtaining funds for loans made in accordance with the provisions of Laws 1973, Chapter 605. Proceeds from the issuance of bonds may be held and invested by the commission pending disbursement in the form of loans. All interest and profits from such investments shall inure to the benefit of the commission and shall be available to the commission for costs incurred in administering loans under Laws 1973, Chapter 605 and for loan reserve funds.

[1973 c 605 s 12]

136A.172 NEGOTIABLE NOTES; ISSUANCE; CONDITIONS. The commission may from time to time issue negotiable notes for the purpose of Laws 1973, Chapter 605 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 commission 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 commission or any issue thereof may contain any provisions which the commission is authorized to include in any resolution or resolutions authorizing revenue bonds of the commission or any issue thereof, and the commission 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 commission, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

[1973 c 605 s 13]

136A.173 NEGOTIABILITY; BOND ANTICIPATION NOTES; PAYMENT; CONDITIONS. Subdivision 1. The commission may from time to time issue revenue bonds for purposes of Laws 1973, Chapter 605 and all such revenue bonds, notes, bond anticipation notes or other obligations of the commission issued pursuant to Laws 1973, Chapter 605 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 commission 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 commission available therefor and not

otherwise pledged, or from the proceeds of sale of the revenue bonds of the commission 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 commission may contain.

Subd. 2. The revenue bonds and notes of every issue shall be payable solely out of revenues of the commission, 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 commission, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the members of the commission 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 commission shall determine. Pending preparation of the definitive bonds, the commission 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 commission 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 commission 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 commission shall have power out of any funds available therefor to purchase its bonds or notes. The commission may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

[1973 c 605 s 14]

136A.174 SECURITY FOR BONDS. In the discretion of the commission any revenue bonds issued under the provisions of Laws 1973, Chapter 605 may be secured by a trust agreement by and between the commission 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 commission authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state

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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 commission. 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 commission may deem reasonable and proper for the security of the bondholders.

[1973 c 605 s 15]

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

Subdivision 1. The commission is hereby authorized to provide for the issuance of revenue bonds of the commission for the purpose of refunding any revenue bonds of the commission 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 commission, 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 commission.

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 commission for use by it in any lawful manner.

Subd. 4. All such revenue bonds shall be subject to the provisions of Laws 1973, Chapter 605 in the same manner and to the same extent as other revenue bonds issued pursuant to Laws 1973, Chapter 605.

[1973 c 605 s 16]

136A.176 BONDS NOT STATE OBLIGATIONS. Bonds issued under authority of Laws 1973, Chapter 605 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings.

[1973 c 605 s 17]

136A.177 RIGHTS OF BONDHOLDERS. Any holder of revenue bonds issued under the provisions of Laws 1973, Chapter 605 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 Laws 1973, Chapter 605 or by such resolution or trust agreement to be performed by the commission or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

[1973 c 605 s 18]

136A.178 LEGAL INVESTMENTS; AUTHORIZED SECURITIES. Bonds issued by authority under the provisions of Laws 1973, Chapter 605 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 Laws 1973, Chapter 605. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

[1973 c 605 s 19]

136A.179 PUBLIC PURPOSE; TAX FREE STATUS. The exercise of the powers granted by Laws 1973, Chapter 605 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 commission or its agent will constitute the performance of an essential public function, and any bonds issued under the provisions of Laws 1973, Chapter 605, their transfer and the income therefrom including any profit made on the sale thereof, shall at all times be free from taxation of every kind by the state and by the municipalities and other political subdivisions in the state.

[1973 c 605 s 20]

CONTRACTUAL ARRANGEMENTS WITH PRIVATE COLLEGES

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

[1971 c 850 s 1]

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

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

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

[1971 c 850 s 2]

136A.20 AUTHORIZATION FOR CONTRACTS. The higher education coordinating commission is authorized to enter into contractual arrangements with eligible private colleges in Minnesota. Such contracts may provide for payments to such private colleges for educating Minnesota residents in programs approved by the commission. Such contractual arrangements shall provide for payment from the state treasury to each private college providing the service prescribed by the contract of an amount not to exceed \$500 per student in each institution which grants a bachelor's degree and \$400 per student in each institution which grants an associate degree, but not a bachelor's degree, for each Minnesota resident enrolled as a full time student in excess of the number of Minnesota residents enrolled as full time students in each private college in the fall of 1970 and, in addition, an equal amount per student, \$500 for institutions granting a bachelor's degree and \$400 for institutions granting an associate degree, for every student who receives a state grant under the Minnesota state grant-in-aid program and is enrolled in each private college as a full time student without regard to the number of students previously enrolled.

[1971 c 850 s 3]

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

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

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

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

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

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

[1971 c 850 s 4; 1974 c 492 s 14]

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

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

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

[1971 c 850 s 5]

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

[1973 c 682 s 1]

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136A.232 ADMINISTRATION; AGREEMENTS WITH EDUCATIONAL FACILITIES. The higher education coordinating commission shall develop and administer a work-study program. The commission shall enter into agreements with students, institutions of post-secondary education, and eligible work-study agencies for conducting such a program.

[1973 c 682 s 2]

136A.233 STUDENT AID. Notwithstanding the provisions of Sections 136A.09 to 136A.13, the higher education coordinating commission may offer work-study scholarships and grants to recipients of state scholarships and grants-in-aid as follows:

(a) The students selected to receive a state scholarship or state grant-in-aid shall have the option of electing to receive a work-study scholarship or grant equal to approximately 75 percent of his need, but not to exceed 80 percent of his need, provided that the institution of attendance can arrange a suitable work-study experience under rules and regulations adopted by the commission.

(b) The difference between the amount of stipend offered to the student as a grant or a scholarship and the amount of stipend available to the student under a work-study scholarship or grant shall be paid by the agency in which the student obtains the work experience.

(c) Work-study experiences shall be permissible in governmental and nonprofit public service agencies approved by the commission, except that institutions of post-secondary education shall not be eligible.

[1973 c 682 s 3]

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

[1973 c 682 s 4]

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

[1973 c 682 s 5]

FACILITIES AUTHORITY

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

[1971 c 868 s 1]

136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL. The Minnesota higher education facilities authority shall consist of six members appointed by the governor with the advice and consent of the senate, and the executive director of the Minnesota higher education coordinating commission. The governor shall in like manner fill for the unexpired term all vacancies of the authority over which he has power of appointment.

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

All members of the authority to be appointed by the governor shall be appointed in the manner prescribed in this paragraph. Two of the directors appointed in 1971 shall be appointed for a term expiring January 1, 1973; two shall be appointed for a term expiring January 1, 1975; and two shall be appointed for a term expiring January 1, 1977. Thereafter all directors shall be appointed for a six year term. All members appointed by the governor shall serve until their successors are appointed and qualified.

Any member of the authority may be removed by the governor for misfeasance, malfeasance or willful neglect of duty or other cause after notice and a public hearing, unless such notice and hearing shall be expressly waived in writing.

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The members of the authority shall receive \$35 for attendance at each special meeting of the authority and each such member shall be paid for necessary expenses while engaged in the performance of such duties.

[1971 c 868 s 2; 1973 c 758 s 1]

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

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

136A.28 DEFINITIONS. In sections 136A.25 to 136A.42, the following words and terms shall, unless the context otherwise requires, have the following meanings:

(a) "Authority", the higher education facilities authority created by sections 136A.25 to 136A.42.

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

(c) "Cost", as applied to a project or any portion thereof financed under the provisions of sections 136A.25 to 136A.42 embraces 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.

(d) "Bonds", or "revenue bonds", revenue bonds of the authority issued under

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

(e) "Institution of higher education", a nonprofit educational institution within the state authorized to provide a program of education beyond the high school level.

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

[1971 c 868 s 4]

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

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

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

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

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

Subd. 6. The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of such purposes, to enter into contracts for the management and operation of a project, and to designate a participating institution of higher education as its agent to determine the location and character of a project undertaken by such participating institution of higher education under the provisions of sections 136A.25 to 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project. Contracts of the authority or of a participating institution of higher education to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair projects shall not be subject to the provisions of Sections 16.07 or 574.26, or any other public contract or competitive bid law.

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

Subd. 8. The authority is authorized and empowered to purchase, construct, re-

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construct, 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 \$62,000,000 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. During the biennium commencing July 1, 1973, not more than \$20,000,000 shall be used for financing new construction, and not more than fifty percent of the amount used for new construction shall be used for construction projects which expand the capacity of institutions. An issue of revenue bonds authorized to be issued for a biennium under this subdivision may be sold and delivered in a later biennium, without being charged against the amount of bonds authorized to be issued in the later biennium, if the authority shall have approved an application from a participating institution of higher education in respect of the project or bonds or shall have entered into a contract for purchase or construction of a project or shall have adopted a resolution to issue and sell the bonds during the preceding biennium.

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 section 136A.29, 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 and regulations for the use of a project or any portion thereof and to designate a participating institution of higher education as its agent to establish rules and regulations for the use of a project undertaken for such participating institution of higher education.

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

[1971 c 868 s 5; 1973 c 758 s 3]

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

[1971 c 868 s 6]

136A.31 NOTES OF THE AUTHORITY. The authority may from time to time issue negotiable notes for the purpose of sections 136A.25 to 136A.42, and may from time to time renew any notes by the issuance of new notes, whether

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

[1971 c 868 s 7]

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

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

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

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

(a) Pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with any individual partnership, corporation or association or other body, public or private, to secure the 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 general obligation of the United States, the state of Minnesota or any of its municipalities and in securities issued by the following agencies of the United States: Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Government National Mortgage Association, and Banks for Cooperatives. In addition, such bond proceeds, sinking funds and reserves may be deposited in time deposits of any state or national bank subject to the limitations and requirements of chapter 118. Power to make any such investment or deposit is subject to the provisions of any applicable covenant or restriction in a resolution or trust agreement of the authority.

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

136A.33 TRUST AGREEMENT. In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolution 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.

[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.

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

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

[1971 c 868 s 11]

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

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

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

(c) To create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, such revenue bonds of the authority. Such rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this

state other than the authority. A sufficient amount of the revenues derived in respect of a project, except such part of such revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in such resolution or trust agreement in a sinking or other similar fund which is hereby pledged to, and charged with, the payment of the principal of and the interest on such revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such sinking or other similar fund shall be a fund for all such revenue bonds issued to finance a project or projects at one or more participating institutions of higher education without distinction or priority of one over another; provided the authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project at an institution of higher education and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of such subordinate lien bonds.

[1971 c 868 s 12]

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

[1971 c 868 s 13]

136A.38 BONDS ELIGIBLE FOR INVESTMENT. Bonds issued by authority under the provisions of sections 136A.25 to 136A.42, are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately 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 pur-

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poses of Minnesota Statutes 1969, Section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

[1971 c 868 s 14]

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

[1971 c 868 s 15]

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

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

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

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

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

[1971 c 868 s 18]

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

[1974 c 547 s 1]

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

(a) Total student enrollment of each professional program;

(b) Number of men, women, and racial minorities as a percentage of the total student enrollment of each professional program by year, and a comparison of those

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figures to the figures for the most recent federal census for the adult population of the state of Minnesota;

(c) Total number of applicants broken down into men, women and racial minorities for each class year;

(d) Total number of applicants accepted for admission in the above categories as a percentage of the number of applications received in each category;

(e) Total number of graduates in each category; and

(f) To the best of their ability, the number of graduates in each category who are placed in positions.

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

[1974 c 547 s 2]

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

[1974 c 547 s 3]