

CHAPTER 136

STATE UNIVERSITIES AND COMMUNITY
COLLEGES

136.03	Management of state universities.	136.80	Supplemental retirement.
136.27	Capital projects bidding procedures.	136.81	Salary deductions, matching funds.
136.31	State university board, duties.	136.82	Redemption.
136.65	Community college sites, acquisition.	136.84	Title to assets, personal rights.
136.72	Capital projects bidding procedures.	136.88	Extended leaves of absence.

136.03 MANAGEMENT OF STATE UNIVERSITIES.

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

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

History: 1989 c 300 art 1 s 29

136.27 CAPITAL PROJECTS BIDDING PROCEDURES.

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

History: 1989 c 352 s 9

NOTE: The amendments to this section by Laws 1989, chapter 352, section 9, are repealed June 30, 1990. See Laws 1989, chapter 352, section 25, clause (c).

136.31 STATE UNIVERSITY BOARD, DUTIES.

[For text of subds 1 and 2, see M.S.1988]

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

[For text of subd 4, see M.S.1988]

Subd. 5. If the board by resolution determines that its treasurer possesses money not currently needed, or that is set aside in a reserve, the board in the resolution may direct the treasurer to invest a specified amount of the money in securities of the types described in section 475.66. The securities must be deposited with and held for the board by the treasurer. If the invested money is needed by the board it shall direct the

treasurer to sell all or a designated amount of the securities. Money collected from the investment by the treasurer, as principal, interest, or proceeds of sales, must be credited to and made a part of the fund and account for which the investment is made.

[For text of subds 6 and 7, see M.S.1988]

History: 1989 c 293 s 16,17

136.65 COMMUNITY COLLEGE SITES, ACQUISITION.

[For text of subds 1 and 2, see M.S.1988]

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

History: 1989 c 300 art 1 s 30

136.72 CAPITAL PROJECTS BIDDING PROCEDURES.

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

History: 1989 c 352 s 10

NOTE: The amendments to this section by Laws 1989, chapter 352, section 10, are repealed June 30, 1990. See Laws 1989, chapter 352, section 25, clause (e).

136.80 SUPPLEMENTAL RETIREMENT.

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

History: 1989 c 319 art 12 s 1

136.81 SALARY DEDUCTIONS, MATCHING FUNDS.

Subdivision 1. Deductions. The state university board and the state board for community colleges shall deduct from the salary of each person described in section 136.80, subdivision 1, a sum equal to five percent of the person's annual salary paid between \$6,000 and \$15,000. The deduction must be made in the same manner as other retirement deductions are made from the salary of the person. The employer shall make a contribution to the plan on behalf of every covered person in an amount equal

to the deductions made from the salary of the person. If an agreement is made under section 356.24 for additional employer contributions, an amount equal to the additional employer contribution must be deducted from the person's annual salary above \$15,000 as specified in this subdivision. The money deducted and the employer contribution must be deposited to the credit of the state university and community college supplemental retirement plan account of the teachers retirement fund. The account must be separate and distinct from other funds, accounts, or assets of the teachers retirement fund. Two percent of the amount of the salary deductions and employer contributions must be credited to the administrative expense reserve account of the supplemental retirement plan and must be used for payment of necessary and reasonable administrative expenses of the supplemental retirement plan as provided in section 354.65.

Deductions taken from the salary of a person for the supplemental retirement plan in error must, upon discovery and verification, be refunded to the person. Any related employer contributions must be refunded to the employer. The executive director shall establish a reserve reflecting any gains or losses realized due to the purchase and redemption of shares representing salary deductions and employer contributions made in error. The balance of the reserve remaining after the refund of contributions made in error must be credited annually to the administrative expense reserve account.

If salary deductions required under this section are omitted, the amount of the omitted salary deductions may be remitted by the person to the supplemental retirement plan investment account of the teachers retirement association within 90 days following the association's written notification to the person of the omission, but not thereafter. If the omitted salary deductions are received from the person, the required employer contribution must be paid by the employer within 30 days after the association's written notification to the employer of the amount due.

[For text of subds 2 and 3, see M.S.1988]

History: 1989 c 319 art 2 s 1; art 12 s 2

136.82 REDEMPTION.

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

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

(c) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, by a person having shares to the credit of the employee's share account record if the person has left employment by the state university board or state board for community colleges because of a total and permanent disability as defined in section 354.05, subdivision 14. If the executive director finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person must receive

the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year. If the person returns to good health, the person owes no restitution to the state or a fund established by its laws for a redemption under this paragraph.

(d) The executive director shall redeem shares under this subdivision in the event of the death of a person having shares to the credit of the employee's share account record and leaving a surviving spouse, when requested to do so in writing, on forms provided by the executive director, by the surviving spouse. The surviving spouse must receive the cash realized on the redemption of the shares. The surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse must receive the cash realized from the redemption of the shares. Upon the death of the surviving spouse any shares remaining in the employee's share account record must be redeemed by the executive director and the cash realized from the redemption must be distributed to the estate of the surviving spouse.

(e) In the event of the death of a person having shares to the credit of the employee's share account record and leaving no surviving spouse, the executive director shall redeem all shares to the credit of the employee's share account record and pay the cash realized from the redemption to the estate of the deceased person.

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

Subd. 2. Redemption of shares as an annuity. A person who has shares to the credit of the employee's share account record, who is 55 years of age or older and who is no longer employed by the state university board or the state board for community colleges or who is totally and permanently disabled pursuant to subdivision 1, paragraph (c), or who has the status of a surviving spouse of a person who has shares to the credit of the employee's share account pursuant to subdivision 1, paragraph (d), may redeem all or part of the shares to purchase an annuity by depositing the cash realized upon redemption with the executive director of the teachers retirement fund and receive in exchange an annuity for life or an optional annuity as hereinafter provided. The election to purchase an annuity may be made only once by any individual. If an election is made before the date on which the person is entitled to request redemption, the redemption shall not be made prior to the date upon which the person would be entitled to make the request. The annuity purchase rates shall be based on the annuity table of mortality adopted by the board of trustees of the teachers retirement fund for the fund as provided in section 354.07, subdivision 1, using the interest assumption specified in section 356.215, subdivision 4d. The amount of the annuity for life shall be that amount which has a present value equal to the cash realized on the redemption

of the shares as of the first day of the month next following the date of the election to purchase an annuity. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares is payable to the designated beneficiary. The optional forms of annuity shall be actuarially equivalent to the single life annuity as defined in section 354.05, subdivision 7. In establishing these optional forms, the board of trustees shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement, and these recommendations shall be a part of the permanent records of the board of trustees.

[For text of subds 3 and 4, see M.S.1988]

History: 1989 c 319 art 2 s 2,3

136.84 TITLE TO ASSETS, PERSONAL RIGHTS.

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

History: 1989 c 319 art 8 s 9

136.88 EXTENDED LEAVES OF ABSENCE.

[For text of subds 1 and 2, see M.S.1988]

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

[For text of subds 4 to 8, see M.S.1988]