

## CHAPTER 136F

## MINNESOTA STATE COLLEGES AND UNIVERSITIES

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## DEFINITIONS

## 136F.01 DEFINITIONS.

Subdivision 1. **Scope.** For the purpose of this chapter, the following terms have the meanings given them.

Subd. 2. **Board or board of trustees.** "Board" or "board of trustees" means the board of trustees of the Minnesota state colleges and universities.

Subd. 3. **Chancellor.** "Chancellor" means the chancellor of the Minnesota state colleges and universities.

Subd. 4. **State colleges and universities.** "State colleges and universities" means Minnesota state colleges and universities governed by the board of trustees.

Subd. 5. **Student activities.** "Student activities" means lectures, concerts, and other functions contributing to the mental, moral, and cultural development of the student body

and community in which they live; athletic activities, including intercollegiate contests, forensics, dramatics, and such other activities of any nature as in the opinion of the board contribute to the educational, cultural, or physical well being of the student body.

**History:** 1995 c 212 art 4 s 3

## BOARD OF TRUSTEES

### 136F.02 BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES.

Subdivision 1. **Membership.** The board consists of 15 members appointed by the governor with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. Three members must be students who are enrolled at least half time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. The remaining members must be appointed to represent the state at large.

Subd. 2. **Term; compensation; removal; vacancies.** The compensation, removal of members, and filling of vacancies on the board are as provided in section 15 0575. Members are appointed for a term of six years, except that the term of each of the student members is two years. Terms end on June 30.

Subd. 3. **Board administration.** The board shall elect a chair and other officers as it may desire. It shall determine its meeting dates and places.

**History:** 1991 c 356 art 9 s 2; 1994 c 532 art 7 s 2,3; 1995 c 212 art 4 s 5,64

### 136F.03 BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES CANDIDATE ADVISORY COUNCIL.

Subdivision 1. **Purpose.** A candidate advisory council for the board of trustees of the Minnesota state colleges and universities shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, nonstudent membership on the board

Subd. 2. **Membership.** The advisory council consists of 24 members. Twelve members are appointed by the subcommittee on committees of the committee on rules and administration of the senate. Twelve members are appointed by the speaker of the house of representatives. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of a member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 governs the advisory council, except that the members must be appointed to six-year terms.

Subd. 3. **Duties.** The advisory council shall:

(1) develop a statement of the selection criteria to be applied and a description of the responsibilities and duties of a member of the board and shall distribute this to potential candidates; and

(2) for each position on the board, identify and recruit qualified candidates for the board, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board.

Subd. 4. **Recommendations.** The advisory council shall recommend at least two and not more than four candidates for each seat. By April 15 of each even-numbered year, the advisory council shall submit its recommendations to the governor. The governor is not bound by these recommendations.

Subd. 5. **Support services.** The legislative coordinating commission shall provide administrative and support services for the advisory council.

**History:** 1991 c 356 art 9 s 3; 1994 c 532 art 7 s 4; 1995 c 212 art 4 s 6-8,64

**136F.04 STUDENT BOARD MEMBER SELECTION.**

Subdivision 1. **Responsibility.** Notwithstanding section 136F.03, the statewide community college student association, state university student association, and technical college student association shall each have the responsibility for recruiting, screening, and recommending qualified candidates for its student member of the board.

Subd. 2. **Criteria.** After consulting with the board of trustees candidate advisory council, the student associations shall jointly develop a statement of the selection criteria to be applied to potential candidates.

Subd. 3. **Recruiting and screening.** Each student association shall develop processes for identifying and recruiting qualified candidates and for screening those candidates.

Subd. 4. **Recommendations.** Each student association shall recommend at least two and not more than four candidates for its student member. By January 2 of the year in which its members' term expires, each student association shall submit its recommendations to the governor. The governor is not bound by these recommendations.

**History:** 1994 c 532 art 7 s 5; 1995 c 212 art 4 s 9,64

**136F.05 MISSIONS.**

The mission of the board is to provide programs of study that meet the needs of students for occupational, general, baccalaureate, and graduate education. The state universities, community colleges, and technical colleges shall have distinct missions as provided in section 135A.052, subdivision 1. Within that statutory definition and subject to the approval of the board, each community college, state university, and technical college may develop its own distinct campus mission. The board shall develop administrative arrangements that make possible the efficient use of the facilities and staff of the technical colleges, community colleges, and state universities for providing these several different programs of study, so that students may have the benefit of improved and broader course offerings, ease of transfer among schools and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. In carrying out the merger of the three separate systems, the board shall control administrative costs by eliminating duplicative administrative positions and course offerings.

**History:** 1991 c 356 art 9 s 4; 1Sp1993 c 2 art 9 s 3; 1994 c 532 art 7 s 6; 1995 c 212 art 4 s 63

**136F.06 POWERS AND DUTIES.**

Subdivision 1. **General authority.** The board shall possess all powers necessary to govern the state colleges and universities and all related property. Those powers shall include, but are not limited to, those enumerated in this section. The board shall prescribe conditions of admission, set tuition and fees, approve programs of study and requirements for completion of programs, approve the awarding of appropriate certificates, diplomas, and degrees, enter into contracts and other agreements, and adopt suitable policies for the institutions it governs. To the extent practicable in protecting statewide interests, the board shall provide autonomy to the campuses while holding them accountable for their decisions. Sections 14.01 to 14.47 do not apply to policies and procedures of the board.

Subd. 2. **Governance authority.** The board shall have the authority needed to operate and govern the state colleges and universities unless otherwise directed or prohibited by law. The board is responsible for its operations and necessary decisions unless these are specifically delegated by law to a state department or agency.

Subd. 3. **Office location.** Notwithstanding chapter 16B, the board may select the location for its central office.

**History:** 1991 c 356 art 9 s 5; 1Sp1993 c 2 art 9 s 4; 1994 c 572 s 2; 1995 c 212 art 4 s 10-12,64; 1996 c 398 s 33,34

**136F.07 CHANCELLOR.**

The board shall appoint a chancellor who shall serve in the unclassified service. The chancellor shall possess powers and perform duties as delegated by the board. The board shall set the salary of the chancellor according to section 15A.0815.

**History:** 1995 c 212 art 4 s 13; 2Sp1997 c 3 s 18

**DESIGNATION****136F.10 DESIGNATION.**

The following are designated as the Minnesota state colleges and universities: the community colleges located at Austin, Bloomington, Brainerd, Brooklyn Park, Cloquet, Coon Rapids, Ely, Fergus Falls, Grand Rapids, Hibbing, International Falls, Inver Grove Heights, Minneapolis, Rochester, Thief River Falls, Virginia, White Bear Lake, Willmar, and Worthington; the community college centers located at Cambridge and Duluth; the state universities located at Bemidji, Mankato, Marshall, Moorhead, St. Cloud, Winona; and the Twin Cities metropolitan area; and the technical colleges located at Alexandria, Albert Lea, Anoka, Austin, Bemidji, Brainerd, Brooklyn Park, Canby, Detroit Lakes, Duluth, East Grand Forks, Eden Prairie, Eveleth, Faribault, Granite Falls, Hibbing, Hutchinson, Jackson, Minneapolis, Mahtomedi, Moorhead, North Mankato, Pine City, Pipestone, Red Wing, Rochester, Rosemount, St. Cloud, St. Paul, Staples, Thief River Falls, Wadena, Willmar, and Winona.

**History:** 1995 c 212 art 4 s 14

**136F.11 CHANGES IN DESIGNATION AND STATUS OF EDUCATIONAL INSTITUTIONS.**

Educational institutions heretofore known and described as state normal schools and state teachers colleges as designated in Minnesota Statutes have been redesignated as state universities. All property of the Duluth State College has been transferred and all obligations of the college have been assumed by the regents of the University of Minnesota in accordance with Minnesota Statutes 1974, section 137.13, and this college is now part of the university. The Southwest State University has been established in accordance with the provisions of Minnesota Statutes 1976, section 136.016.

**History:** 1957 c 576 s 1; 1965 c 331 s 2; 1975 c 321 s 2; 1982 c 424 s 35; 1995 c 512 art 4 s 64

**136F.12 FOND DU LAC CAMPUS.**

The Fond du Lac campus has a unique mission among two-year colleges to serve the lower division general education needs in Carlton and south St. Louis counties, and the education needs of American Indians throughout the state and especially in northern Minnesota. Accordingly, while the college is governed by the board of trustees, its governance is accomplished in conjunction with the board of directors of Fond du Lac tribal college.

**History:** 1995 c 212 art 4 s 15; 1996 c 398 s 35

**136F.13 METROPOLITAN STATE UNIVERSITY.**

Subdivision 1. The state university board shall operate an educational program for a state university center as organized in the seven county metropolitan area. The center may operate in facilities acquired through the commissioner of administration by gift or lease. The faculty and staff of the state university system shall provide assistance in developing curricular and educational programs for the university.

Subd. 2. Metropolitan state university may deposit tuition receipts received during the final quarter of each year in a suspense account. The balance in that account shall not cancel on June 30 but shall be available in the next fiscal year.

**History:** 1976 c 163 s 9; 1995 c 212 art 4 s 64

**136F.14 CAMPUS MERGER OR REORGANIZATION.**

The board may merge or reorganize campuses or centers for the purpose of increased efficiency, use of personnel, placement of programs, student access, and other needs as determined by the board. The board shall report its action to the legislature.

**History:** 1995 c 212 art 4 s 16

**136F.16 CAMPUS ESTABLISHMENT.**

Subdivision 1. **New state colleges and universities.** A new state college or university shall be established only by specific legislation. For the purposes of this subdivision, campuses or centers that are merged or reorganized under section 136F.14 are not new state colleges or universities.

Subd. 2. **Campus or center site.** The board may determine the exact location and site for each campus or center.

Subd. 3. **Off-campus sites.** The board shall not establish off-campus centers or other permanent sites to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area. This section does not apply to sites set up specifically for the delivery of courses and programs through telecommunications.

**History:** 1995 c 212 art 4 s 17; 1996 c 398 s 36

**136F.18 CAMPUS CLOSING.**

The board may close a campus or center under its jurisdiction according to policies adopted by the board. Prior to closing a campus or center, 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.

**History:** 1995 c 212 art 4 s 18; 1996 c 398 s 37

**STUDENTS****136F.20 STUDENT HEALTH.**

Subdivision 1. **Health service.** The board shall offer health services for students at each state university and may offer health services for students at each state college. The health services may be offered either on campus or in the nearby community. The board may charge each student a health service fee set by the board. The fees shall be used to maintain the health service and equip and construct facilities. The fee may be used to contract for health, medical, and hospitalization insurance for students. The fees shall be deposited in an activity fund and are annually appropriated to the board for the purposes of this subdivision. Each state college and university shall provide an annual financial accounting of the health service money to the board.

Subd. 2. **Health benefits.** The board may contract for hospital benefits coverage and medical benefits coverage for students in the state colleges and universities in the same manner as authorized by section 43A.23 for state employees.

**History:** 1995 c 212 art 4 s 19

**136F.22 STUDENT ASSOCIATIONS.**

Subdivision 1. **Statewide.** The board shall recognize one statewide student association for the community colleges, one for the state universities, and one for the technical colleges. Each campus student association shall be affiliated with its statewide student association and all students enrolled on those campuses shall be members of their respective statewide association.

Subd. 2. **Fees.** Each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board for review. The board may revise or reject the fee change. Fees must be collected by each state college and university and shall be credited to each association's account to be spent as determined by that association.

Subd. 3. **Consolidation.** Changes may be made to student associations located on community college, state university, technical college, or consolidated colocated campuses with the approval of the students of each affected campus.

**History:** 1994 c 532 art 7 s 7; 1995 c 212 art 2 s 7; art 4 s 20,21,64

### 136F.23 STUDENT ASSOCIATIONS; PURCHASING AUTHORITY.

Notwithstanding chapter 16A or 16C, the student associations recognized by the board of trustees of the Minnesota state colleges and universities may purchase goods or materials through state purchasing authority for the ordinary day-to-day operations of the associations. The student associations must be nonprofit 501(c)(3) organizations in order to qualify for this authority. The department of administration may require that the purchase documents be approved by appropriate officials in the board's central office.

**History:** 1995 c 212 art 4 s 22, 1998 c 386 art 2 s 46

### 136F.24 LEGAL COUNSELING AND SERVICE PROGRAM; FUNDING.

Notwithstanding section 8 06, or any other law or rule to the contrary, the official campus student association at each state college or university may fund a program to provide legal counseling and services to students of the state college or university. The money shall be from an account of the state college and university activity funds allocated to the student associations or other money assigned to them.

**History:** 1995 c 212 art 4 s 23

### 136F.25 ABSENCE FOR CHEMICAL ABUSE TREATMENT.

If a student is absent from a state college or university to participate in a chemical abuse treatment program licensed by the state, the student, upon request, shall remain on the roll in the educational program of the state college or university in which the student is enrolled, according to policies adopted by the board.

**History:** 1995 c 212 art 4 s 24

### 136F.28 SOUTHWEST ASIA VETERANS; TECHNICAL COLLEGES.

Subdivision 1. **Grants.** A Southwest Asia veteran who enrolls in a technical college program, and who is a Minnesota resident whose entire education has not included completion of at least one technical college program is eligible for a state grant of \$500 per year if the veteran has GI Montgomery bill benefits, or \$1,000 per year if the veteran does not have GI Montgomery bill benefits, until the veteran has completed the lesser of (1) 115 credits in a technical college program, or (2) one technical college program. The grant is based on full-time attendance and shall be prorated if the student is attending less than full time. To be eligible for the tuition relief, a veteran who is discharged before July 1, 1993, must enroll in a technical college by July 1, 1995, and a veteran who is discharged on or after July 1, 1993, must enroll in a technical college within two years of the date of discharge. All veterans enrolled under this program must maintain a minimum of six credits per quarter. Total grants may not exceed the available appropriation.

Subd. 2. **Definitions.** For the purpose of this section, the following terms have the meaning given to them:

(a) "Southwest Asia veteran" means a person who:

(1) served in the active military service in any branch of the armed forces of the United States any time between August 1, 1990, and February 27, 1992;

(2) became eligible for the Southwest Asia Service Medal as a result of the service;

(3) was a Minnesota resident at the time of induction into the armed forces and for the one year immediately preceding induction; and

(4) has been separated or discharged from active military service under conditions other than dishonorable.

(b) "Technical college" means a technical college or consolidated community technical college under the governance of the Minnesota state colleges and universities.

**History:** 1995 c 212 art 4 s 25; 1997 c 183 art 3 s 19

## CURRICULUM

**136F.30 COURSES AND PROGRAMS.**

The board shall review and approve or disapprove campus proposals for adding, deleting, or substantially changing programs of study, including graduate and undergraduate academic programs, training in professional, semiprofessional, and technical fields, and adult education. The board shall avoid duplicate program offerings. The board may initiate activities to close programs. The board shall place a high priority on ensuring the transferability of credit.

**History:** 1995 c 212 art 4 s 26; 1996 c 398 s 38

**136F.32 DEGREES; DIPLOMAS; CERTIFICATES.**

Subdivision 1. **Approval.** The board may approve awarding of appropriate certificates, diplomas, or degrees to persons who complete a prescribed curriculum.

Subd. 2. **Technical and consolidated technical colleges.** A technical college or consolidated technical community college shall offer students the option of pursuing diplomas and certificates in each technical education program, unless the board determines that this is not practicable for certain programs. All credits earned for a diploma or certificate shall be applicable toward any available degree in the same program.

**History:** 1995 c 212 art 4 s 27; 1997 c 183 art 3 s 20

**136F.36 TECHNICAL COLLEGE CARPENTRY PROGRAM CONSTRUCTION AUTHORITY.**

Subdivision 1. **Authority to acquire, develop, and sell real property for instructional purposes.** For the purpose of instructional construction by technical colleges, the board may purchase or otherwise acquire real property that it does not intend to use as a permanent educational site. The board may, upon the terms and conditions it sets, develop and sell real property acquired under this section. Sale shall be for fair market value. Where real property acquired under this section cannot be sold for fair market value, the board may lease the real property under the terms and conditions it sets. The board may also contract for the use of real property it does not own. Where the board makes improvements to real property it does not own, the landowner shall compensate the board for the fair market value of the board's contribution to the improvements. No other authorizing legislation or legislative approval is required for an acquisition, improvement, or sale under this section. Proceeds from the sale, lease, or improvement of real property under this section are appropriated to the board.

Subd. 2. **Exemptions.** The sale requirements of chapters 92 and 94 do not apply to this section. The board shall develop policies for leasing requirements and construction supervision. The board will normally competitively bid contracts related to instructional construction but may negotiate contracts without competitive bidding where it deems appropriate.

Subd. 3. **Warranties.** The board may, in its discretion, offer the warranties contained in chapter 327A.

**History:** 1995 c 212 art 4 s 28; 1996 c 398 s 39

## HUMAN RESOURCES

**136F.40 APPOINTMENT OF PERSONNEL.**

The board shall appoint all presidents, teachers, and other necessary employees and shall prescribe their duties consistent with chapter 43A. Salaries and benefits of employees must be determined according to chapters 43A and 179A.

**History:** 1995 c 212 art 4 s 29

**136F.41 ASSIGNMENT TO BARGAINING UNITS.**

Actions by the board to merge or redesignate institutions or to promote collaborative efforts between institutions must not unilaterally change faculty assignments to bargaining units provided in section 179A.10, subdivision 2.

**History:** 1994 c 532 art 4 s 5; 1995 c 212 art 4 s 30, 64

**136F.42 PERSONNEL MANAGEMENT.**

Subdivision 1. **Time reporting.** As provided in executive order 96-2, the board, in consultation with the commissioners of employee relations and finance, may develop policies to allow system office or campus employees on salaries, as defined in section 43A.17, subdivision 1, to use negative time reporting in which employees report only that time for which leave is taken. By the end of the 1997 fiscal year, the board, in consultation with the commissioners of employee relations and finance, shall evaluate the use of negative time reporting and its potential for use with other state employees.

Subd. 2. **Travel policies.** The board may adopt policies for colleges and universities to approve and administer travel arrangements, other than reimbursement, for employees on campus, and for the system office to provide the same services for employees in that office.

**History:** 1996 c 398 s 40

**136F.43 EXTENDED LEAVES OF ABSENCE.**

Subdivision 1. **Definition.** As used in this section, "teacher" means a person on the instructional or administrative staff of the state colleges and universities who is a member of the teachers retirement association under chapter 354 or who is covered by the unclassified employees plan under chapter 352D or individual retirement account plan under chapter 354B. It shall not include a chancellor, deputy chancellor, or vice-chancellor.

Subd. 2. **Granting authority.** The board may grant an extended leave of absence without salary to a full-time teacher who has been employed by the board for at least five years and has at least ten years of allowable service as defined in section 354.05, subdivision 13. The maximum duration of an extended leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence under this section shall be taken by mutual consent of the board and the teacher. No teacher may receive more than one leave of absence under this section.

Subd. 3. **Reinstatement.** A teacher on an extended leave of absence under this section shall have the right to be reinstated to the same position or a similar position within the department or program from which the leave was granted at the beginning of the school year which immediately follows a year of extended leave of absence, unless the teacher is discharged or placed on retrenchment or on layoff or the teacher's contract is terminated while the teacher is on the extended leave. The board shall not be obligated to reinstate a teacher who is on an extended leave of absence under this section unless the teacher advises the board of an intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return.

Subd. 4. **Seniority rights.** A teacher who is reinstated to the same or similar position after an extended leave under this section shall not lose tenure or credit for previous seniority in the employing state college or university. A teacher shall not accrue seniority credit during the time of a leave of absence under this section, except that a teacher at a state college or university may accrue seniority credit during the leave, consistent with the conditions of the collective bargaining agreement.

Subd. 5. **Salary.** The years spent by a teacher on an extended leave of absence under this section shall not be included in the determination of the teacher's salary upon reinstatement to the same or similar position by the board. The credits earned by a teacher on an extended leave of absence under this section shall not be included in the determination of the teacher's salary upon reinstatement to the same or similar position by the board for a period of time equal to the time of the extended leave of absence.

Subd. 6. **Alternate leave.** The board may grant a teacher a leave of absence which is not subject to the provisions of this section and section 354.094.

**History:** 1995 c 212 art 4 s 31

**136F.44 ADMINISTRATIVE INTERACTION WITH STUDENTS.**

Subdivision 1. **System and campus administrators.** As part of their annual goal setting activity, all unrepresented system and campus academic administrators are encouraged



to substantially increase their interaction with students through activities such as teaching a regularly scheduled course or serving as an academic advisor. Actions to increase the interaction of students and administrators under this section shall not displace permanent faculty or staff.

Subd. 2. **Information.** The board shall include a summary of campus and system activities related to subdivision 1 in its 1998–1999 biennial budget request.

**History:** 1995 c 212 art 2 s 8; 1996 c 398 s 41

### 136F.45 ANNUITIES.

Subdivision 1. **Purchase.** At the request of an employee, the board may negotiate and purchase an individual annuity contract for an employee for retirement or other purposes from a company licensed to do business in Minnesota, and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire premium due or to become due under the contract. The allocation shall be made in a manner that will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own the contract and the employee's rights thereunder shall be nonforfeitable except for failure to pay premiums.

Subd. 1a. **Subsequent vendor contracts.** (a) The board may limit the number of vendors under subdivision 1.

(b) In addition to any other tax-sheltered annuity program investment options, the board may offer as an investment option the Minnesota supplemental investment fund administered by the state board of investment under section 11A.17.

(c) For the tax-sheltered annuity program vendor contracts to be executed for the period beginning July 1, 2000, the board shall actively solicit participation of and shall include as vendors lower expense and "no-load" mutual funds or equivalent investment products as those terms are defined by the federal securities and exchange commission. To the extent possible, in addition to a range of insurance annuity contract providers and other mutual fund provider arrangements, the board must assure that no less than five insurance annuity providers and no less than one nor more than three lower expense and "no-load" mutual funds or equivalent investment products will be made available for direct access by employee participants. To the extent that offering a lower expense "no-load" product increases the total necessary and reasonable expenses of the program and if the board is unable to negotiate a rebate of fees from the mutual fund or equivalent investment product providers, the board may charge the participants utilizing the lower expense "no-load" mutual fund products a fee to cover those expenses. The participant fee may not exceed one percent of the participant's annual contributions or \$20 per participant per year, whichever is greater. Any excess fee revenue generated under this subdivision must be reimbursed to participant accounts in the manner provided in subdivision 3a.

Subd. 2. **Deposits; payment.** All amounts so allocated shall be deposited in an annuity account established by the board. Payment of annuity premiums shall be made when due or in accordance with the salary agreement entered into between the employee and the board. The money in the annuity account is not subject to the budget, allotment, and incumbrance system provided for in chapter 16A.

Subd. 3. [Repealed, 1998 c 390 art 2 s 21]

Subd. 3a. **Sharing of fees.** (a) For purposes of this subdivision, a gross fee amount is defined as the fees, commissions, and other charges which an annuity investment provider or vendor would charge a typical consumer of those services for identical or similar products. A net fee amount is an amount below the gross fee amount reflecting a negotiated reduction below gross fees.

(b) To offset the board's necessary and reasonable expenses incurred under subdivisions 1 and 2, the Minnesota state colleges and universities system is authorized to negotiate with an annuity investment provider or vendor to establish a net fee amount.

(c) Under the negotiated arrangements, the Minnesota state colleges and universities system is authorized to either make arrangements to recapture the difference between gross

and net fee amounts through a rebate from the annuity investment provider or vendor, or deduct those amounts prior to transmitting the contributions or premiums.

(d) The revenues collected or retained under these negotiated arrangements must be used to offset the board's necessary and reasonable expenses incurred under this section. Any excess above the necessary and reasonable expenses must be allocated annually to the accounts of the participants.

**Subd. 4. Periodic review.** If the board so chooses, it may solicit bids or proposals for options under subdivision 1. The board may retain consulting services to assist it in soliciting and evaluating bids or proposals and in the periodic review of companies offering options under subdivision 1. The board may annually establish a budget for its costs in the soliciting, evaluating, and periodic review processes. The board may charge a proportional share of all costs related to the periodic review to each company currently under contract and may charge a proportional share of all costs related to soliciting and evaluating bids or proposals to each company selected by the board. Contracts must provide that all options in subdivision 1 must: (1) be presented in an unbiased manner, (2) be reported on a periodic basis to all employees participating in the tax-sheltered annuity program, and (3) not be the subject of unreasonable solicitation of state employees to participate in the program. The contract may not permit any person to jeopardize the tax-deferred status of money invested by state employees under this section. All costs or fees in relation to the bid solicitation and evaluation process for the options provided under subdivision 1 must be paid by the underwriting companies ultimately selected by the board.

**History:** 1995 c 212 art 4 s 32; 1997 c 241 art 8 s 1,2; 1998 c 390 art 2 s 3,4

#### 136F.46 NONPROFIT FOUNDATION PAYROLL DEDUCTION.

**Subdivision 1. Request; warrant.** The commissioner of finance, upon the written request of an employee of the board, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit state college or university foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation. The Penny fellowship and the Nellie Stone Johnson scholarship program of the Minnesota state university student association shall be considered nonprofit state college and university foundations for purposes of this section.

**Subd. 2. Foundation application; approval.** A nonprofit state college or university foundation that desires to receive contributions through payroll deductions shall apply to the board for approval to participate in the payroll deduction plan. The board may approve the application for participation if the foundation:

(1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended;

(2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1986, as amended;

(3) secures funding solely for distribution to a state college or university or for distribution to students in the form of scholarships; and

(4) has been incorporated according to chapter 317A for at least one calendar year before the date it applies to the board for approval.

**Subd. 3. Solicitation.** Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.

**History:** 1995 c 212 art 4 s 33; 1998 c 384 s 9

#### 136F.47 PENSION PLAN.

Effective July 1, 1995, the board shall assume the administrative responsibility for the individual retirement account plans in chapter 354B formerly administered separately by the state university board and the community college board. The separate plans and the former plan administration must be merged into a single individual retirement account plan and plan administration covering eligible employees of the board, eligible employees of system insti-

tutions, and other eligible employee groups who are covered by the plan under section 354B.01.

**History:** 1994 c 572 s 2; 1995 c 212 art 4 s 64

### 136F.48 EMPLOYER-PAID HEALTH INSURANCE.

(a) This section applies to a person who:

(1) retires from the state university system, the technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member or as an unclassified administrator in one of those systems;

(3) begins drawing an annuity from the teachers retirement association or from a first class city teacher plan; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) For a person eligible under paragraphs (a) and (b), the employing board shall make the same employer contribution for hospital, medical, and dental benefits as would be made if the person were employed full time.

(d) For work under paragraph (a), a person must receive a percentage of the person's salary at the time of retirement that is equal to the percentage of time the person works compared to full-time work.

(e) If a collective bargaining agreement covering a person provides for an early retirement incentive that is based on age, the incentive provided to the person must be based on the person's age at the time employment under this section ends. However, the salary used to determine the amount of the incentive must be the salary that would have been paid if the person had been employed full time for the year immediately preceding the time employment under this section ends.

(f) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

**History:** 1995 c 212 art 4 s 34,64; 1995 c 262 art 1 s 2; 1997 c 183 art 3 s 39; 1998 c 390 art 2 s 5

### 136F.49 LICENSURE.

The board shall adopt policies for licensure of teaching personnel in technical colleges and for vocational technical instructors teaching outside the Minnesota state colleges and universities system. The board may establish a processing fee for the issuance, renewal, or extension of a license.

**History:** 1995 c 212 art 4 s 35; 1997 c 183 art 3 s 21

## ADMINISTRATION

**136F.50 COOPERATION OR PROMOTION OF A STATE COLLEGE OR UNIVERSITY.**

The board, system office, and the campuses may cooperate by contractual arrangement or otherwise with responsible persons, firms, corporations, associations, or governmental agencies to promote short courses, research, and other programs and activities in the state colleges and universities as in the judgment of the board, system office, or the campus contribute to the development of the state colleges and universities and the welfare of their students.

**History:** 1995 c 212 art 4 s 36; 1996 c 398 s 42

**136F.52 LOCAL ADVISORY COMMITTEES.**

Subdivision 1. **Appointment.** The president may appoint a local advisory committee for each campus. Committee members must be qualified people who have knowledge of and interest in the campus. The board shall define the role and authority of the advisory committees and establish procedures for the appointment, terms, and termination of members. The president or an appointee of the president shall regularly meet and consult with the local advisory committee.

Subd. 2. **Compensation.** Advisory committee members shall serve without compensation and without reimbursement for expenses.

**History:** 1991 c 356 art 9 s 6; 1995 c 212 art 4 s 37, 64

**136F.526 AUDITS.**

Each college and university shall be audited as provided by board policy. The policy shall be designed to ensure financial integrity, necessary internal controls, and appropriate accordance between board policies and campus expenditures. The college or university may arrange for any additional audits it desires by contracting with the legislative auditor or a private certified public accountant. Nothing in this section shall limit the authority of the legislative auditor to perform selected scope audits or other duties of the office as provided under section 3.971.

**History:** 1996 c 398 s 43

**136F.53 PARKING AND TRAFFIC REGULATION.**

Subdivision 1. **Campus parking authority.** Notwithstanding section 169.966, a state college or university may adopt and enforce policies, regulations, or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied, or operated by the state college or university.

Subd. 2. **Fines; fees.** A state college or university may collect a fine and a towing fee for a violation. Money collected under this section by a state college or university is annually appropriated to the state college or university for parking lot maintenance, improvement, and policy enforcement.

Subd. 3. **Disputes.** A state college or university shall establish procedures to resolve a dispute arising from enforcement of a policy.

Subd. 4. **Procedure.** Chapter 14 does not apply to this section.

Subd. 5. **Enforcement.** Every sheriff, constable, police officer, or other peace officer shall have authority to enforce all policies and ordinances adopted pursuant to this section and shall have authority to arrest and prosecute offenders for violations of law.

**History:** 1995 c 212 art 4 s 38; 1996 c 398 s 44, 45

**136F.54 STUDENT HOUSING MANAGEMENT.**

The board may contract with student housing facility owners or on-site management firms to assist in the operation, control, and management of the facility.

**History:** 1995 c 212 art 4 s 39

**136F.56 STATE COUNCIL ON VOCATIONAL TECHNICAL EDUCATION.**

Subdivision 1. **State agency purpose.** The state council on vocational technical education, formerly known as the Minnesota state advisory council for vocational education, is a state agency in the executive branch. Its purpose is to implement section 112 of the Carl D. Perkins Vocational Education Act of 1984, United States Code, title 20, section 2322, and other purposes necessary to improve vocational technical education.

Subd. 2. **Members; terms.** The governor shall appoint the members of the council according to United States Code, title 20, section 2322. Except as otherwise provided by that act, members are governed by section 15.0575.

Subd. 3. **Offices.** The commissioner of administration shall provide the council with suitable office space, furnishings, and equipment.

Subd. 4. **Funding.** Federal, state, or private money received by the council must be deposited in the state treasury and credited to a special account for the council. The council has sole authority to spend its money. The money may not be diverted or reprogrammed by any agency or person to any other purpose. Unless restricted by federal or other state law, the council may carry forward any unexpended balance from one fiscal year to the next and from one fiscal biennium to the next.

Subd. 5. **Service contracts.** The council may contract for the services it needs to carry out its function. The council may also contract to provide services to other organizations. The contracts are not subject to the contract approval procedures of the commissioner of administration or of chapter 16C.

Subd. 6. **Fiscal agent.** The board shall act as fiscal agent for the council and provide other support services necessary for disbursements, accounting, auditing, and reporting.

Subd. 7. **Staff.** The council may employ an executive director and other staff needed to carry out its duties. The executive director shall serve in the unclassified service and may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The council may contract with professional, technical, and clerical consultants and interns needed to carry out its functions.

**History:** 1995 c 212 art 4 s 40; 1998 c 386 art 2 s 47

**136F.58 BOOKSTORES.**

A state college or university may operate a bookstore in a state college or university building, or may allocate space in a state college or university building and permit a person or corporation to operate a bookstore without rent at the campus' pleasure and on such conditions as the board may impose. The board may provide insurance, at no cost to the state, for the inventory of a bookstore a state college or university conducts in its building.

**History:** 1995 c 212 art 4 s 41; 1996 c 398 s 46

**136F.581 PURCHASES AND CONTRACTS.**

Subdivision 1. **Conditions.** The board and the colleges and universities are subject to the provisions of section 471.345.

Subd. 2. **Policies and procedures.** The board shall develop policies, and each college and university shall develop procedures, for purchases and contracts that are consistent with subdivision 1. The policies and procedures shall be developed through the system and campus labor management committees and shall include provisions requiring the system and campuses to determine that they cannot use available staff before contracting with additional outside consultants or services. In addition, each college and university, in consultation with the system office, shall develop procedures for those purchases and contracts that can be accomplished by a college and university without board approval. The board policies must allow each college and university the local authority to enter into contracts for construction projects of up to \$250,000 and to make other purchases of up to \$50,000, without receiving board approval. The board may allow a college or university local authority to make purchases over \$50,000 without receiving board approval.

Subd. 3. **Procurement from designated businesses.** The policies and procedures must include provisions for procurement, including construction, from small targeted group busi-

nesses and businesses from economically disadvantaged areas designated under section 16C.16. The board, colleges, and universities shall use the methods contained in section 471.345, subdivision 8, for such purchasing, or may develop additional methods in which the cost percentage preferences are consistent with the provision of section 16C.16, subdivisions 6, paragraph (a), and 7, or consistent with the provisions of the University of Minnesota's targeted group business purchasing program.

**Subd. 4 Professional or technical services.** (a) The board shall develop policies for entering into contracts for professional or technical services, other than instructional services. The policies must allow each college and university the authority to enter into contracts for professional or technical services up to \$15,000 without board approval. The board may allow a college or university authority to enter into contracts for professional or technical services over \$15,000 without receiving board approval.

(b) Each college and university, in consultation with the system office, shall develop procedures to enter into contracts for professional or technical services.

(c) The policies and procedures developed by the board and by each college and university for professional or technical service contracts must be done in consultation with employees and their exclusive bargaining representatives and must address topics such as employee protections, information availability and reporting, conflict of interest, and renewal restrictions.

**History:** 1996 c 398 s 47; 1997 c 183 art 3 s 22; 1998 c 386 art 2 s 48

### 136F.582 LOCAL CONTRACTING AUTHORITY.

College and university presidents may enter into contracts to provide customized training or for short-term leases of instructional space or equipment without additional authorization.

**History:** 1996 c 398 s 48

### 136F.59 TECHNICAL EQUIPMENT.

Subdivision 1. [Repealed, 1996 c 398 s 66]

**Subd. 2. Computer sales and support.** The board may sell computers and related products to state college and university staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

**Subd. 3. Office of technology.** The system office and the campuses shall cooperate with the office of technology in its responsibility to coordinate information and communications technology development throughout the state. The system and campuses shall consult with the office of technology throughout any efforts to plan or implement information and communication systems to ensure that the systems are effective, efficient, and, where appropriate, compatible with other state systems.

**History:** 1995 c 212 art 4 s 53; 1997 c 212 s 1

## FACILITIES

### 136F.60 COLLEGE AND UNIVERSITY SITES; ACQUISITION.

**Subdivision 1. Purchase of neighboring property; state universities.** The board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of a state university. Before taking action, the board shall consult with the chairs of the senate finance committee and the house ways and means committee about the proposed action. The board shall explain the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition. The amount needed may be spent from sums previously appropriated for purposes of the state colleges and universities, including, but not limited to, general fund appropriations for instructional or noninstructional expenditures, general fund appropriations carried forward, or state college and university activity fund appropriations. The board may pay relocation costs, at its discretion, when acquiring property.

Subd. 2. **Methods of acquisition.** If money has been appropriated to the 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:** 1995 c 212 art 4 s 42

#### 136F.61 STATE BUILDING CODE.

All Minnesota state college and university facilities are subject to the provisions of the state building code under chapter 16B and the Uniform Fire Code under chapter 299F.

**History:** 1996 c 398 s 49

#### 136F.64 CONSTRUCTION, IMPROVEMENT, AND REPAIR OF FACILITIES.

Subdivision 1. **Construction; improvements.** The board shall supervise and control the preparation of plans and specifications for the construction, alteration, repair, or enlargement of state college and university buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Subd. 2. **Plans.** Plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided by law.

Subd. 3. **Dispute resolution.** In contracting for projects, the board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

**History:** 1994 c 532 art 7 s 8; 1995 c 212 art 4 s 43, 44, 64

#### 136F.66 CAPITAL PROJECTS BIDDING PROCEDURES.

In awarding contracts for capital projects under section 136F.64, the board 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, small targeted group businesses, and businesses in economically disadvantaged areas designated under section 16C.16.

**History:** 1995 c 212 art 4 s 45, 64; 1998 c 386 art 2 s 49

#### 136F.67 FINANCING OF CHILD CARE; PARKING.

Subdivision 1. **Authorization.** A technical college or a community college must not seek financing for child care facilities or parking facilities through the higher education facilities authority, as provided in section 136A.28, subdivision 7, without the explicit authorization of the board.

Subd. 2. **Parking.** State appropriations for repair or construction of parking facilities must not be used for more than two-thirds of the repair or construction cost of a parking facility at any technical college or community college campus. The campus must provide the remaining costs through local revenue.

**History:** 1996 c 398 s 50

#### 136F.68 STATE PROPERTY AGREEMENTS.

Notwithstanding section 16B 24, the board may enter into an agreement with an intermediate school district for the cooperative use of state property for an initial period of ten years, which may be renewed or extended for additional periods of up to ten years each

**History:** 1995 c 212 art 4 s 46

## FINANCE

**136F.70 TUITION; FEES; ACTIVITIES FUNDS.**

Subdivision 1. **Tuition.** The board shall set rates of tuition for the various instructional programs. The board may waive tuition for certain persons, courses, and programs.

Subd. 2. **Fees.** The board may prescribe fees to be charged students for student unions, state college and university activities, functions, and purposes

Subd. 3. **Refunds.** The board may make refunds to students for tuition, activity fees, union fees, and any other fees from imprest cash funds. The imprest cash fund shall be reimbursed periodically by checks or warrants drawn on the funds and accounts to which the refund should ultimately be charged. The amounts necessary to pay the refunds are appropriated from the funds and accounts to which they are charged.

**History:** 1995 c 212 art 4 s 47

**136F.71 RECEIPTS.**

Subdivision 1. **Appropriation of receipts.** All receipts of every kind, nature, and description, including student tuition and fees, all federal receipts, aids, contributions, and reimbursements, but not including receipts attributable to state colleges and universities activity funds, in all the state colleges and universities are appropriated to the board, but are subject to budgetary control to be exercised by the commissioner of finance. The balance in these funds shall not cancel on June 30, but shall be available in the next fiscal year.

Subd. 2. **Activity funds.** All receipts attributable to the state colleges and universities activity funds and deposited in the state treasury are appropriated to the board and are not subject to budgetary control as exercised by the commissioner of finance.

Subd. 3. **Interest income.** Beginning July 1, 1997, interest income attributable to general fund dedicated receipts of the board is appropriated to the board. The board shall allocate the income proportionately among the colleges and universities. The board shall report this income separately in its biennial budget requests.

**History:** 1995 c 212 art 4 s 48; 1996 c 398 s 51

**136F.72 FUNDS.**

Subdivision 1. **Activity funds.** The board may establish in each state college and university a fund to be known as the activity fund. The purpose of these funds shall be to provide for the administration of state college and university activities designed for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings. The activity funds shall encompass accounts for student activities, student health services authorized college and university agencies, authorized auxiliary enterprises, federal, state, and private student financial aid, gifts and endowments, and other accounts as the board may prescribe.

Subd. 2. **Administrative fund and accounts.** The board may establish a fund within the board office for management of employee retirement funds. The board may establish an administrative fund at each state college and university or within the board office for the administration of contracts, student equipment purchases, and receipt and transfer of foreign program money.

Subd. 3. **Administration.** Each college and university, independent of other authority and notwithstanding chapters 16A, 16B, and 16C, shall administer its activity funds. The board, independent of other authority and notwithstanding chapters 16A, 16B, and 16C, shall administer the administrative fund established in the system office. All activity fund money collected shall be administered under the policies of the board subject to audit of the legislative auditor.

Subd. 4. **Imprest cash funds.** The board may establish an imprest cash fund in each of its state colleges and universities.

**History:** 1995 c 212 art 4 s 49; 1996 c 398 s 52; 1997 c 183 art 3 s 23; 1998 c 386 art 2 s 50



**136F.73 CASH OVER AND SHORT ACCOUNT OF IMPREST CASH FUND.**

The board may establish a cash over and short account within the imprest cash fund for each state college and university. This account shall be used to record on a daily basis overages and shortages of cash receipts. At the end of each fiscal year, the board shall credit or debit the overage or shortage from each state college or university to the board maintenance and equipment appropriation account. In the instance of a debit balance remaining in any cash over and short accounts, the board may transfer from the maintenance and equipment appropriation account money sufficient to offset such debit balance. The commissioner of finance shall make the appropriate adjustments and entries on the general books of account of the state.

**History:** 1995 c 212 art 4 s 50

**136F.74 CARRY-OVER AUTHORITY.**

The board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over any unexpended balance into the following biennium. The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

**History:** 1995 c 212 art 4 s 51

**136F.76 LITIGATION AWARDS.**

Notwithstanding any law to the contrary, the board may keep money received from successful litigation by or against the board. Awards made to the state or the board resulting from litigation against or by the board must be kept by the board to the credit of the account from which the litigation was originally funded. An award that exceeds the costs incurred in the litigation shall be used by the board for repair or replacement projects.

**History:** 1995 c 212 art 4 s 52

**136F.79 SOLE STATE AGENCY.**

The board is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The board shall develop and submit the state plan for vocational technical education. The board shall develop the state plan according to terms of agreement with the state board of education.

**History:** 1995 c 212 art 4 s 54

**GRANTS AND GIFTS****136F.80 GRANTS; GIFTS; BEQUESTS; DEVISES; ENDOWMENTS.**

**Subdivision 1. Receipt and acceptance.** The board may apply for, receive, and accept on behalf of the state and for the benefit of any state college or university any grant, gift, bequest, devise, or endowment that any person, firm, corporation, foundation, or association may make to the board for the purposes of the state colleges and universities, or any federal, state, or private money made available for the purpose of providing student financial aid at the state colleges and universities. The board may use any money given to it or to any of the state colleges and universities consistent with the terms and conditions under which the money was received and for the purposes stated. All moneys under this subdivision are appropriated to the board for use in the colleges and universities and shall be administered within the college and university activity funds. These moneys shall not be taken into account in determining appropriations or allocations. All taxes and special assessments constituting a lien on any real property received and accepted by the board under this section shall be paid in full before title is transferred to the state.

**Subd. 2. Deposit of money.** The board shall provide by policy, in accordance with provisions of chapter 118A, for the deposit of all money received or referred to under this sec-

tion. Whenever the board shall by resolution determine that there are moneys in the state college or university funds not currently needed, the board may by resolution authorize and direct the president of the college or university to invest a specified amount in securities as are duly authorized as legal investments for savings banks and trust companies. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state. Notwithstanding the provisions of chapter 118A, the state board of investment may invest assets of the board, colleges, and universities when requested by the board, college, or university.

**History:** 1995 c 212 art 4 s 55; 1996 c 398 s 53; 1997 c 183 art 3 s 24

### 136F.81 TRANSFER OF GIFTS.

A college or university that receives a gift or bequest that is intended for purposes performed by a foundation approved under section 136F.46 may transfer the money to its foundation, provided the money is used only for public purposes.

**History:** 1997 c 183 art 3 s 25

## BONDS

### 136F.90 BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES, DUTIES.

Subdivision 1. **Duties.** For the state universities, the board of trustees of the Minnesota state colleges and universities may:

(1) acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings, parking facilities, and any other similar revenue-producing buildings of such type and character as the board finds necessary for the good and benefit of the state universities, and may acquire property whether real, personal, or mixed, by gift, purchase, or otherwise, provided that no contract for the construction of any building shall be entered into until financing has been approved by the legislature;

(2) maintain and operate any buildings or structures and charge for their use, and conduct any activities that are commonly conducted in connection with the buildings or structures;

(3) enter into contracts for the purposes of sections 136F.90 to 136F.98;

(4) acquire building sites and buildings or structures by gift, purchase, or otherwise and pledge the revenues from them for the payment of any bonds issued for that purpose as provided in sections 136F.90 to 136F.98;

(5) borrow money and issue and sell bonds in an amount or amounts the legislature authorizes for the purpose of acquiring, constructing, completing, remodeling, or equipping any buildings or structures, and acquiring sites, and refund and refinance the bonds by the issuance and sale of refunding bonds when the board finds that it is in the public interest. The bonds shall be sold and issued by the board in the manner and upon the terms and conditions provided by chapter 475, except as otherwise provided in this section. The bonds are payable only from and secured by an irrevocable pledge of the revenues to be derived from the operation of any buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of the bonds and from other income and revenues described in section 136F.92, clause (1), the board by resolution specifies, and notwithstanding this limitation all bonds issued under sections 136F.90 to 136F.98 shall have the qualities of negotiable instruments under the laws of this state. The legislature shall not appropriate money from the general fund to pay for these bonds.

Subd. 2. **Form.** The bonds may:

(1) bear the date or dates;

(2) mature serially at a time or times not exceeding 40 years from their date or dates;

(3) be in the form;

(4) carry the registration privileges;

- (5) be payable at a place or places;
- (6) be subject to terms of redemption prior to maturity with or without premium;
- (7) be delivered to the purchasers at times and places; and
- (8) contain terms and covenants, consistent with section 136F.98, all as may be provided by resolution of the board authorizing the issuance of the bonds.

Subd. 3. **Execution.** The bonds must be executed by the officers of the board designated by the board to execute them, in the manner authorized by section 475.55.

Subd. 4. **Bond statement; registration.** Each bond shall state upon its face that it is payable solely from and secured by an irrevocable pledge of the revenues derived from the operation of any buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of the sale of the bonds and from other income and revenues described in section 136F.92, clause (1), as specified in the resolution providing for its issue, and that it does not constitute a debt or obligation of the state of Minnesota within the meaning or application of any constitutional or statutory limitation or provision. A copy of the proceedings taken by the board in the issuance of the bonds shall be filed with the commissioner of finance.

Subd. 5. **Bond securities.** 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 118A.04. 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.

Subd. 6. **Payment of interest; outstanding revenue bonds.** Except as provided in this subdivision, the board may irrevocably appropriate and use any money, other than direct state appropriations and tuition receipts appropriated by section 136F.71, subdivision 1, held by it to discharge or otherwise provide for the payment of the interest coming due on its revenue bonds outstanding on July 1, 1988, until paid and for the payment of the principal and any premium coming due on the bonds at maturity or upon any earlier date upon which the bonds are called for redemption. For this purpose, the board may exercise all powers conferred upon it under section 475.67, subdivisions 5 to 10. This subdivision does not authorize the appropriation or use of board money to secure outstanding revenue bonds contrary to a board resolution authorizing the issuance and providing for the security of the bonds, or the use of other board money contrary to the terms of a contract, specific legislative appropriation, or law.

**History:** 1955 c 715 s 1; 1957 c 576 s 1,2; 1957 c 603 s 1; 1965 c 331 s 3-5; 1967 c 140 s 1; 1973 c 492 s 14; 1975 c 321 s 2; 1978 c 706 s 50; 1988 c 703 art 1 s 13; 1989 c 293 s 16,17; 1990 c 610 art 2 s 3; 1994 c 532 art 6 s 1,12; 1995 c 212 art 4 s 58,64; 1996 c 399 art 2 s 12

### **136F.91 BONDS, INVESTMENTS.**

The state, including the state board of investment, and all counties, cities, towns and other municipal corporations, political subdivisions and political bodies, and public officers of any of the public entities listed in this section, all banks, bankers, trust companies, savings banks, and institutions, savings associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued pursuant to sections 136F.90 to 136F.98. The purpose of this section is to authorize the investment in bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers. Nothing 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. The bonds are constituted "authorized securities" within the meaning and for the

purposes of section 50.14, notwithstanding the restrictions in section 50.14, subdivision 4, clause (c).

**History:** 1955 c 715 s 2; 1957 c 603 s 2; 1973 c 123 art 5 s 7; 1983 c 213 s 6; 1994 c 532 art 6 s 2,12; 1995 c 202 art 1 s 25; 1995 c 212 art 4 s 58,64,65; 1996 c 305 art 1 s 130,131

### 136F.92 RESOLUTION OF BOARD.

Upon the determination by the board of trustees of the Minnesota state colleges and universities or its successor to acquire, construct, complete, remodel, or equip any student residence halls, dormitories, dining halls, student union buildings, parking facilities, or other similar revenue-producing building or buildings, the board or its successor shall adopt a resolution describing generally the contemplated project, the estimated cost, including legal, engineering and financial expenses and interest on the bonds during the period of constructing the project and for six months thereafter, fixing the amount of the bonds, the maturity or maturities, the interest rate, and all details in respect of the bonds. The resolution shall contain covenants as may be determined by the board or its successor as to:

(1) the pledging of all or any portion of the proceeds of any fees imposed upon students for student activities, student facilities, or for other purposes, and the net revenues from other buildings or facilities heretofore or hereafter constructed or acquired at any state university as additional security for the payment of the bonds;

(2) the regulation as to the use of the buildings or structures to assure maximum use or occupancy;

(3) the amount and kind of insurance to be carried, including use and occupancy insurance, the cost of which shall be payable only from the revenues to be derived from the buildings or structures;

(4) the operation, maintenance, management, accounting and auditing, and the keeping of records, reports and audits of the buildings or structures;

(5) the obligation of the board or its successor to maintain the buildings or structures in good condition and to operate them in an economical and efficient manner;

(6) the amendment or modification of the resolution authorizing the issuance of any bonds, and the manner, terms and conditions, and the amount or percentage of assenting bonds necessary to effectuate the amendment or modification; and

(7) other covenants as may be deemed necessary or desirable to assure the prompt and punctual payment of all bonds issued under sections 136F.90 to 136F.98.

**History:** 1955 c 715 s 3; 1957 c 576 s 1,2; 1975 c 321 s 2; 1994 c 532 art 6 s 3,12; 1995 c 212 art 4 s 58,64,65; 1996 c 305 art 1 s 130,131

### 136F.93 STUDENT ACTIVITIES, FEES CHARGED.

Whenever bonds are issued as provided in sections 136F.90 to 136F.98, it shall be the duty of the board of trustees of the Minnesota state colleges and universities to establish charges or fees, including without limitation fees for student activities and fees for student facilities, for the use of any buildings or structures sufficient at all times to pay the principal of and interest on the bonds and to create and maintain suitable reserves for them and the necessary expenses of their operation and maintenance. All revenues derived from their operation shall be set aside in a separate fund and accounts and be irrevocably pledged for and used only to pay the principal of and interest upon the bonds issued for the purpose or purposes set forth and described in the resolution authorizing the issuance of the bonds, and the necessary expenses of the operation and maintenance of the buildings and structures; and the charges and fees shall be sufficient at all times for these purposes.

**History:** 1955 c 715 s 4; 1957 c 603 s 3; 1994 c 532 art 6 s 4,12; 1995 c 212 art 4 s 58,64,65; 1996 c 305 art 1 s 130,131

### 136F.94 SPECIAL REVENUE FUND.

(a) The gross total income derived from the sale of bonds, and receipts and income derived from charges or fees, rentals, and all other revenue established for the use and service

of any buildings or structures shall, within three days after their receipt, be paid to and held by the treasurer of the board of trustees of the Minnesota state colleges and universities as a special fund known as, "The Board of Trustees of the Minnesota State Colleges and Universities Revenue Fund". The treasurer shall be custodian of the special fund, which fund shall be held and disbursed for the purposes provided in sections 136F.90 to 136F.98. The special fund shall be protected by a corporate surety bond executed by the treasurer of the board with a surety authorized to do business under the laws of the state of Minnesota. The amount of the bond shall be fixed by resolution of the board or its successor and may be increased or diminished at any time. The premiums of the bonds shall be payable from "The Board of Trustees of the Minnesota State Colleges and Universities Revenue Fund" and charged as an item of maintenance expense.

(b) A certified copy of each resolution providing for the issuance of bonds under sections 136F.90 to 136F.98 shall be filed with the treasurer of the board, and it shall be the duty of the treasurer to keep and maintain separate accounts in the special fund for each bond issue in accordance with the covenants and the directions set out in the resolution providing for the issuance of the bonds and to disburse funds from the proper account for the payment of the principal of and interest on the bonds in accordance with the directions and covenants of the resolution authorizing the issue. All disbursements for maintenance and operation costs shall be made from the proper maintenance and operation account by order of the board or its successor in accordance with the covenants set out in the resolution authorizing the issuance of bonds. All disbursements for construction costs shall be made from a separate account in the special fund by order of the board or its successor in accordance with the covenants set out in the resolution authorizing the bonds.

**History:** 1955 c 715 s 5; 1957 c 576 s 1,2; 1975 c 321 s 2; 1986 c 444; 1994 c 532 art 6 s 5,12; 1995 c 212 art 4 s 58,64,65; 1996 c 305 art 1 s 130,131

#### **136F.95 ALLOCATION OF RECEIPTS.**

All moneys in the Board of Trustees of the Minnesota State Colleges and Universities Revenue Fund and all income from the operation of residence halls, dormitories, dining halls, student union buildings, parking facilities and other revenue producing buildings and structures are appropriated first to the payment of expenses of the operation of the facilities from which the revenues so appropriated are derived and second to the payment of the obligations authorized by sections 136F.90 to 136F.98.

**History:** 1955 c 715 s 6; 1957 c 576 s 1,2; 1957 c 603 s 4; 1975 c 321 s 2; 1994 c 532 art 6 s 6,12; 1995 c 212 art 4 s 58,64,65; 1996 c 305 art 1 s 130,131

#### **136F.96 ADMINISTRATION.**

The administration of sections 136F.90 to 136F.98 shall be under the board of trustees of the Minnesota state colleges and universities independent of other authority and notwithstanding chapters 16A, 16B, and 16C.

**History:** 1955 c 715 s 7; 1957 c 576 s 1,2; 1975 c 321 s 2; 1977 c 410 s 16; 1985 c 248 s 68; 1994 c 532 art 6 s 7,12; 1995 c 212 art 4 s 58,64,65; 1996 c 305 art 1 s 130,131; 1998 c 386 art 2 s 51

#### **136F.97 CONTRACTS OF BOARD, PERFORMANCE COMPELLED.**

(a) The provisions of sections 136F.90 to 136F.98 and of any resolution or other proceedings authorizing the issuance of bonds shall constitute a contract with the holders of the bonds and the provisions shall be enforceable either in law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction to enforce or compel the performance of any duties required by sections 136F.90 to 136F.98 and any resolution authorizing the issuance of bonds, including the establishment of sufficient charges or fees for use of any buildings or structures and the application of the income and revenue from them; and it shall be the duty of the board of trustees of the Minnesota state colleges and universities or its successor upon the issuance of any bonds under sections 136F.90 to 136F.98 to establish by resolution from time to time the fees or charges to be made for the use of any buildings or structures, which fees or charges shall be adjusted from time to time in order to always pro-

vide sufficient income for payment of the principal of and interest on the bonds issued as provided for in sections 136F.90 to 136F.98, and for the necessary expenses of operation and maintenance.

(b) If the board of trustees of the Minnesota state colleges and universities is abolished, all contracts made by the board and all things done or actions taken by the board under sections 136F.90 to 136F.98 shall be deemed to be contracts of, actions taken and things done by its successor and the successor shall be bound by all contracts, actions taken and things done by the board and subject to all the obligations and duties of the board under sections 136F.90 to 136F.98.

**History:** 1955 c 715 s 8; 1957 c 576 s 1,2; 1975 c 321 s 2; 1994 c 532 art 6 s 8,12; 1995 c 212 art 4 s 58,64,65; 1996 c 305 art 1 s 130,131

### 136F.98 REVENUE BONDS, ISSUANCE; FEDERAL TAX.

Subdivision 1. **Issuance of bonds.** The board of trustees of the Minnesota state colleges and universities or a successor may issue additional revenue bonds under sections 136F.90 to 136F.97 in an aggregate principal amount not exceeding \$40,000,000, subject to the resolutions authorizing its outstanding revenue bonds, and payable from the revenue appropriated to the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures to be used for dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house ways and means committee and the senate finance committee about the facilities to be financed by the bonds.

Subd. 2. **Federal tax on interest.** The bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes. However, if it is intended that the interest on the bonds be exempt from federal income taxes, an officer of the board shall certify for the board on the date of issue the facts, estimates, and circumstances that lead the officer reasonably to expect that the proceeds of the bonds and the facilities financed by them will not be used to cause the interest on the bonds to be subject to federal income taxes; the board may covenant and agree with the holders of the bonds that it will comply with the provisions of the United States Internal Revenue Code now or hereafter enacted that do or may apply to the bonds and that establish conditions under which the interest to be paid on the bonds will not be subject to federal income taxes; and the officers of the board shall take the actions or refrain from taking the actions necessary to comply with the covenants. Money required to be spent to comply may be appropriated by the board from the fund established by section 136F.94.

Subd. 3. **Successor.** For the purposes of this section, the board of trustees of the Minnesota state colleges and universities is the successor to the state university board.

**History:** 1957 c 576 s 1,2; 1957 c 604 s 1; 1959 c 413 s 1; 1963 c 479 s 1; 1965 c 317 s 1,2; 1965 c 332 s 1,2; 1967 c 140 s 2; 1971 c 963 s 6; 1975 c 321 s 2; 1988 c 703 art 1 s 14,15; 1993 c 4 s 19; 1994 c 532 art 6 s 9,10,12; 1995 c 212 art 4 s 58,64,65; 1996 c 305 art 1 s 130,131