

education aid , which shall be claimed in full by the employing district.

Sec. 7. [120.171] EXPENDITURE OF FUNDS FOR EDUCATION OF HANDICAPPED CHILDREN. Neither the state department of education nor any school district shall expend funds from state appropriations or local tax levies for the purpose of complying with the administrative requirements of Public Law 94-142, an act of the 94th Congress of the United States cited as the "Education for All Handicapped Children Act of 1975," except for those administrative requirements which are also contained in Minnesota laws and statutes, including sections 1 to 6 of this act, or established by the rules of the state board. Only federal funds received pursuant to Public Law 94-142 may be expended to meet these federal requirements not established by Minnesota laws or statutes or the rules of the state board, and no federal funds received pursuant to Public Law 94-142 may be expended for any other purpose until these requirements have been fulfilled.

Approved April 8, 1976.

CHAPTER 212—H.F.No.1996

[Coded in Part]

An act relating to education; requiring school boards to take control of all co-curricular school activities; changing the method of accounting for co-curricular and extra curricular activities; describing co-curricular and extra curricular activities; amending Minnesota Statutes 1974, Section 123.38, Subdivisions 1, 2 and 3, and by adding subdivisions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1974, Section 123.38, Subdivision 1, is amended to read:

123.38 EDUCATION; CO-CURRICULAR AND EXTRA CURRICULAR ACTIVITIES OF INDEPENDENT SCHOOL DISTRICTS; INSURANCE. Subdivision 1. **ACTIVITIES MAY BE AUTHORIZED.** Whenever it shall appear to be beneficial and for the best interest of the district and the pupils of the district to carry on any school sport activities or educational activities connected with their studies outside of the territorial limits of the school district, the board may authorize such activities to be conducted under such rules and regulations as the board deems sufficient. The district may pay all necessary costs therefor including transportation from the school district funds available.

Sec. 2. Minnesota Statutes 1974, Section 123.38, Subdivision 2, is amended to read:

Subd. 2. CONTROL OF ACTIVITIES; HANDLING OF MONEY.

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The board may, and, upon vote of the district shall take charge of and control all ~~school and quasi-co-curricular~~ school activities of the teachers and children of the public schools in that district held in the school building or school grounds or under the supervision or direction of the school board and to that end adopt rules and regulations for the conduct of ~~athletic, oratorical, musical, dramatic, and other contests and entertainments~~ these activities in which the schools of the district or any class or pupils therein may participate. All money received on account of such ~~entertainments and contests~~ activities shall be turned over to the school district treasurer, who shall keep the same in a ~~separate fund to be known as the school auxiliary fund~~ the general fund or the area vocational technical institutes fund, if applicable, to be disbursed for expenses and salaries connected with ~~such entertainments or contests~~ the activities, or otherwise, by the board upon properly allowed itemized claims. ~~Where the district has taken charge and control of such funds, the treasurer and his bonding company and depositories shall be subject to the same liability for such funds as for other school funds as provided by law and such funds shall be considered public funds for the purposes of examination and auditing. Any donations to the school district for specific objects and purposes and other than for the primary purposes of the district, shall be placed in the fund hereinbefore referred to and in like manner disbursed; the request of the donor thereof being complied with in regard to the purpose of such disbursements, if the board shall consider that the interest of the district will be promoted thereby.~~

No such school or quasi school entertainment or contest in any district in which the school board shall act under the provision of this subdivision ~~co-curricular~~ activity shall be participated in by the teachers ~~of~~ or pupils in the public schools of such district, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Sec. 3. Minnesota Statutes 1974, Section 123.38, is amended by adding a subdivision to read:

Subd. 2a. CO-CURRICULAR ACTIVITIES. Co-curricular activities shall mean school sponsored and directed activities designed to provide opportunities for pupils to participate, on an individual or group basis, in school and public events for the improvement of skills. Co-curricular activities are not offered for school credit, cannot be counted toward graduation and have one or more of the following characteristics:

(a) They are conducted at regular and uniform times during school hours, or at times established by school authorities;

(b) Although not offered for credit, they are directed or supervised by instructional staff in a learning environment similar to that found in courses offered for credit;

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(c) They are partially funded by public moneys for general instructional purposes under direction and control of the board.

Sec. 4. Minnesota Statutes 1974, Section 123.38, is amended by adding a subdivision to read:

Subd. 2b. CHARGE AND CONTROL OF EXTRA CURRICULAR ACTIVITIES. The board may take charge of and control all extra curricular activities of the teachers and children of the public schools in the district. Extra curricular activities shall mean all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. Extra curricular activities have all of the following characteristics:

(a) They are not offered for school credit nor required for graduation;

(b) They are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(c) The content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

If the board does not take charge of and control extra curricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions or other student fund-raising events; moreover, the general fund or the area vocational technical institutes fund, if applicable, shall reflect only those salaries directly related to and readily identified with the activity and paid by public funds and other revenues and expenditures for extra curricular activities shall be recorded pursuant to the "Manual of Instructions for Uniform Student Activities Accounting for Minnesota School Districts". If the board takes charge of and controls extra curricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district. If the board takes charge of and controls extra curricular activities, no such activity shall be participated in by the teachers or pupils in the district, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Sec. 5. Minnesota Statutes 1974, Section 123.38, Subdivision 3, is amended to read:

Subd. 3. The board may enter into a contract providing for the payment of cash benefits or the rendering or payment of hospital and medical benefits, or both to school children injured while participating in ~~the athletic or supervised physical~~ activities of the school, such contract to make the payment of such benefits or the rendering thereof

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the direct and sole obligation of the association or company entering into such contract with the district.

If the board deems it advisable, it may authorize employees to collect fees from the pupils enrolled in said school who are to be or are covered by such contract, and to make payment of the premium or other charge for such contract or protection. The payment of such premium or other charge may be made from funds received from the federal government or from the state or any governmental subdivision thereof, or from funds derived by a tax levy or the issuance of bonds.

The payment of any fees, premium or other charge by such child shall not thereby make the district liable for any injuries incurred from such ~~athletic or supervised physical~~ school activities.

Approved April 8, 1976.

CHAPTER 213—H.F.No.2335

An act relating to insurance; revising financial requirements for certain insurance companies; amending Minnesota Statutes 1974, Section 60A.07, Subdivisions 5a, 5b, 5c and 5d.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1974, Section 60A.07, Subdivision 5a, is amended to read:

Subd. 5a. INSURANCE; FINANCIAL REQUIREMENTS; STOCK COMPANIES. No insurance company operating upon the stock plan shall be initially authorized to transact any one of the kinds of business enumerated in section 60A.06, subdivision 1, clauses (1) to (15), unless it shall have paid-up capital stock and surplus of not less than the amounts specified below ; ~~provided that~~. Except as otherwise provided by this subdivision, after initial authorization has been granted, ~~the surplus shall thereafter~~ be constantly maintained in an amount ~~equal to~~ not less than one-half of the surplus originally required for that kind of business. If the kind of business being transacted is of the type authorized by section 60A.06, subdivision 1, clause (4), surplus shall be constantly maintained after initial authorization in an amount not less than 25 percent of the amount of surplus originally required.

	Paid Up Capital Stock		Surplus	
Clause (1),	\$200,000	\$350,000	\$200,000	\$350,000
Clause (2),	\$200,000	<u>\$350,000</u>	\$200,000	\$350,000
Clause (3),	\$200,000		\$200,000	
Clause (4),	\$300,000	<u>\$1,000,000</u>	\$300,000	<u>\$2,000,000</u>
Clause (5),	\$200,000		\$200,000	

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