



**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2007 ASSEMBLY BILL 281**

January 25, 2008 – Offered by Representative NASS.

1 **AN ACT** *to repeal* 37.60, 38.50 (1) (b), 38.50 (1) (e) 6., 38.50 (1) (e) 8., 38.50 (7) (b),
2 38.50 (8) (h), 38.50 (8) (i), 38.50 (10) (title), 38.50 (11) (a) 1., 38.50 (11) (a) 2. and
3 38.50 (11) (b) 2.; **to renumber** 38.50 (title), 38.50 (1) (d), 38.50 (1) (e) 7., 38.50
4 (7) (i), 38.50 (8) (c) 2., 38.50 (8) (c) 7., 38.50 (8) (d), 38.50 (8) (e), 38.50 (10) (c)
5 (intro.), 38.50 (10) (c) 4. and 38.50 (11) (title); **to renumber and amend** 38.50
6 (1) (intro.), 38.50 (1) (a), 38.50 (1) (c), 38.50 (1) (e) (intro.), 38.50 (1) (e) 1., 38.50
7 (1) (e) 2., 38.50 (1) (e) 3., 38.50 (1) (e) 4., 38.50 (1) (e) 5., 38.50 (1) (f), 38.50 (1)
8 (g), 38.50 (2), 38.50 (3), 38.50 (5), 38.50 (7) (intro.), 38.50 (7) (a), 38.50 (7) (c),
9 38.50 (7) (d), 38.50 (7) (e), 38.50 (7) (f), 38.50 (7) (g), 38.50 (7) (h), 38.50 (8) (title),
10 38.50 (8) (a), 38.50 (8) (b), 38.50 (8) (c) (intro.), 38.50 (8) (c) 1., 38.50 (8) (c) 3.,
11 38.50 (8) (c) 4., 38.50 (8) (c) 5., 38.50 (8) (c) 6., 38.50 (8) (f), 38.50 (8) (g), 38.50
12 (10) (a), 38.50 (10) (b), 38.50 (10) (c) (title), 38.50 (10) (c) 1., 38.50 (10) (c) 2., 38.50
13 (10) (c) 3., 38.50 (10) (cm), 38.50 (10) (d), 38.50 (10) (e), 38.50 (10) (f), 38.50 (11)

1 (a) (intro.), 38.50 (11) (a) 3., 38.50 (11) (b) 1., 38.50 (11) (c) and 38.50 (11) (d); **to**
2 **amend** 20.292 (2) (g), 20.292 (2) (gm), 20.292 (2) (i), 29.506 (7m) (a), 45.20 (1)
3 (d), 45.20 (2) (a) 1., 45.20 (2) (a) 2. (intro.), 45.20 (2) (c) 1., 45.20 (2) (d) 1. (intro.),
4 45.21 (2) (a), 71.05 (6) (b) 28. (intro.), 182.028, 460.05 (1) (e) 1., 944.21 (8) (b) 3.
5 a. and 948.11 (4) (b) 3. a.; **to repeal and recreate** 20.292 (2) (g); and **to create**
6 37.01 (2), 37.10 (2) to (6), 37.15, 37.30 (title), 37.30 (2), 37.35 (2), 37.35 (3) (c),
7 (d), (e) and (g), 37.35 (8), 37.40 (title), 37.45 and 37.50 of the statutes; **relating**
8 **to:** the purposes, authority, and responsibilities of the Educational Approval
9 Board and the regulation of schools by that board.

Analysis by the Legislative Reference Bureau

Under current law, the Educational Approval Board (EAB) is required to protect the general public by inspecting and approving private trade, correspondence, business, and technical schools, changes of ownership or control of those schools, teaching locations used by those schools, and courses of instruction offered by those schools and by regulating the soliciting of students for courses and courses of instruction offered by those schools. In particular, the EAB is required to perform certain actions to protect students, prevent fraud, and encourage generally accepted educational standards at those schools. Those actions include requiring schools offering courses and courses of instruction to residents of this state to furnish information concerning their facilities, curricula, instructors, enrollment policies, tuition and other charges and fees, refund policies, and policies concerning the negotiability of promissory instruments received in payment of tuition and other charges.

Current law also prohibits a solicitor representing any school from soliciting students for a course or course of instruction for a consideration or remuneration, except upon the actual business premises of the school, unless the solicitor first secures a solicitor's permit from the EAB and includes provisions relating to application and issuance of solicitor's permits, refusal or revocation of those permits, and consequences for soliciting students without a permit. Moreover, current law permits the EAB to indemnify a student, parent, or sponsor from an appropriation commonly referred to as the student protection fund, if a school closure results in losses to the student, parent, or sponsor. Finally, current law permits the EAB to take possession of the student records of schools, including certain schools not approved by the EAB, that have discontinued their operations, are proposing to discontinue their operations, or are in imminent danger of discontinuing their operations, if the records are in danger of being destroyed, secreted, mislaid, or

otherwise being made unavailable to the person who is the subject of the record. Schools not approved by the EAB whose student records the EAB may take into possession include tax-exempt schools that were incorporated in this state before January 1, 1992, or that had their headquarters and principal places of business in this state before 1970; schools that are licensed, approved, and supervised by other state agencies; schools approved by the Department of Public Instruction for the training of teachers; and schools accredited by accrediting agencies recognized by the EAB.

This substitute amendment moves the powers and duties of the EAB from a chapter of the statutes relating to the technical college system to its own newly created chapter, reorganizes those powers and duties, and makes various substantive changes with respect to those powers and duties. Specifically, the substitute amendment does the following:

1. **Purposes.** Specifies that the purposes of the EAB are to protect the general public and to support quality educational options and requires the EAB to accomplish those purposes by doing all of the following:

a. Evaluating and approving schools, which the substitute amendment redefines to mean, subject to certain exceptions, any individual, partnership, association, corporation, or limited liability company, whether located within or outside this state, that offers, maintains, provides, or conducts for a fee a course of study that provides practical or academic instruction, education, or training leading to a diploma, certificate, or other indicia that a student has acquired knowledge or skills (program), including any private trade, technical, career, distance learning, or degree-granting school.

b. Collecting and disseminating outcome and satisfaction information for the students of schools.

c. Performing annual reviews of schools.

d. Conducting regular on-site evaluations of schools.

e. Holding schools accountable for improving their performance and effectiveness.

f. Supporting options for innovative and quality programs offered by schools.

2. **Accountability.** Requires the EAB to develop, periodically review, and, if appropriate, revise a strategic plan that includes specific goals, objectives, and measurable results and to use the strategic plan to evaluate annually its performance and effectiveness.

3. **Authority.** Requires the EAB to approve schools, programs that another state agency or board is not authorized to approve or accept, changes of ownership or control of schools, teaching locations used by schools, and school representatives who, in places other than a school, attempt to secure the enrollment of students in the school that meet the requirements and standards established by the EAB and that comply with rules promulgated by the EAB. In the case of a school that offers a program that another state agency or board is authorized to approve or accept, including a program leading to a credential that is required for licensure or a program providing professional development for a licensee, the substitute amendment requires the EAB to cooperate with that other state agency or board in

the approval of the school by the EAB and the approval or acceptance of the program by that other state agency or board.

4. **Responsibility.** Requires the EAB to perform certain actions to hold schools accountable for achieving satisfactory student outcomes and to ensure that programs meet generally accepted educational, occupational, and industry standards, including establishing standards and criteria for approving schools offering programs that are delivered primarily by distance learning and requiring a school, prior to enrolling a student who is a resident of this state, to provide the student with a catalog that includes information about the following:

- a. The school's mission, facilities, programs, and instructors.
- b. The school's policies concerning enrollment and admissions, academic progress, and student conduct.
- c. Student services, including employment assistance services, the school provides.
- d. The school's complaint procedures.
- e. Student outcome and satisfaction information.
- f. The school's fees, refund policies, and policies concerning the negotiability of promissory instruments received in payment of fees.
- g. Any other information the EAB considers necessary to hold schools accountable for achieving satisfactory student outcomes and to ensure that programs meet generally accepted educational, occupational, and industry standards.

5. **Reporting.** Requires an approved school to submit annually to the EAB all of the following:

- a. Information about the school as prescribed by the EAB, including a current school catalog, an enrollment contract, if one is used, copies of advertising used by the school, and financial information as the EAB considers necessary.
- b. Student satisfaction and outcome information, including information on the number of students from the prior year who are continuing in the current year, the number of new students starting in the current year, the number of students who have dropped out or withdrawn since the prior year, the number of students who are anticipated to continue next year, the number of students completing a program, the number of completers successfully employed, and such other information as the EAB considers necessary.
- c. A report on the school's progress in achieving the goals of its institutional plan.

6. **Recruiting.** Deletes, effective 24 months after the date of publication of the substitute amendment, the statutory provisions relating to solicitor's permits, but retains among the responsibilities of EAB regulation of the recruiting of students and the issuing of permits to school representatives.

7. **Student protection fund.** Permits the EAB to pursue any legal action it considers necessary to recover any losses paid from the student protection fund.

8. **Student records.** Eliminates the authority of the EAB to take possession of the student records of a school not approved by the EAB that has discontinued its

operations, is proposing to discontinue its operations, or is in imminent danger of discontinuing its operations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.292 (2) (g) of the statutes is amended to read:

2 20.292 (2) (g) *Proprietary Approval of school programs.* The amounts in the
3 schedule for the examination and approval of proprietary school programs under ch.
4 37. Ninety percent of all moneys received from the issuance of ~~solicitor's~~
5 representative's permits under s. ~~38.50 (8)~~ 37.60 and from the fees under s. ~~38.50 (10)~~
6 37.40 (3) (c) shall be credited to this appropriation account.

7 **SECTION 2.** 20.292 (2) (g) of the statutes, as affected by 2007 Wisconsin Act ...

8 (this act), is repealed and recreated to read:

9 20.292 (2) (g) *Approval of school programs.* The amounts in the schedule for
10 the examination and approval of school programs under ch. 37. Ninety percent of all
11 moneys received from the fees under s. 37.40 (3) (c) shall be credited to this
12 appropriation account.

13 **SECTION 3.** 20.292 (2) (gm) of the statutes is amended to read:

14 20.292 (2) (gm) *Student protection.* All moneys received from fees received
15 under s. ~~38.50 (10) (e) 4.~~ 37.40 (3) (d) and from amounts recovered under s. 37.50 (1),
16 for the purpose of indemnifying students, parents, or sponsors under s. ~~38.50 (10) (a)~~
17 37.50 (1) and for the purpose of preserving under s. ~~38.50 (11)~~ 37.55 the students
18 records of schools, ~~as defined in s. 38.50 (11) (a) 2.,~~ that have discontinued their
19 operations.

20 **SECTION 4.** 20.292 (2) (i) of the statutes is amended to read:

1 20.292 (2) (i) *Closed schools; preservation of student records.* All moneys
2 received from fees collected under s. ~~38.50 (11) (d)~~ 37.55 (4) to be used for the
3 administrative costs of taking possession of, preserving, and providing under s. 37.55
4 copies of student records of schools, ~~as defined in s. 38.50 (11) (a) 2.,~~ that have
5 discontinued their operations.

6 **SECTION 5.** 29.506 (7m) (a) of the statutes is amended to read:

7 29.506 (7m) (a) The department shall issue a taxidermy school permit to a
8 person who applies for the permit; who, on August 15, 1991, ~~holds~~ held a valid
9 taxidermist permit issued under this section; and who, on August 15, 1991, ~~operates~~
10 operated a taxidermy school approved by the educational approval board under s.
11 ~~38.50~~ 38.51, 1991 stats.

12 **SECTION 6.** 37.01 (2) of the statutes is created to read:

13 37.01 (2) “Fee” means an application fee, a fee charged for tuition, books, or
14 materials, or any other fee charged to attend a school.

15 **SECTION 7.** 37.10 (2) to (6) of the statutes are created to read:

16 37.10 (2) Collecting and disseminating outcome and satisfaction information
17 for students attending schools.

18 (3) Performing annual reviews of schools.

19 (4) Conducting regular on-site evaluations of schools.

20 (5) Holding schools accountable for improving their performance and
21 effectiveness.

22 (6) Supporting options for innovative and quality programs offered by schools.

23 **SECTION 8.** 37.15 of the statutes is created to read:

24 **37.15 Accountability.** The board shall develop, periodically review, and, if
25 appropriate, revise a strategic plan for achieving its purposes under s. 37.10. The

1 strategic plan shall include specific goals, objectives, and measurable results. The
2 board shall use the strategic plan to evaluate annually its performance and
3 effectiveness.

4 **SECTION 9.** 37.30 (title) of the statutes is created to read:

5 **37.30 (title) Authority.**

6 **SECTION 10.** 37.30 (2) of the statutes is created to read:

7 37.30 (2) In the case of a school that offers a program that another state agency
8 or board is authorized to approve or accept, including a program leading to a
9 credential that is required for licensure or a program providing professional
10 development for a licensee, the board shall cooperate with that other state agency or
11 board in the approval of the school by the board and the approval or acceptance of
12 the program by that other state agency or board.

13 **SECTION 11.** 37.35 (2) of the statutes is created to read:

14 37.35 (2) Establish standards and criteria for approving schools offering
15 programs that are delivered primarily by distance learning.

16 **SECTION 12.** 37.35 (3) (c), (d), (e) and (g) of the statutes are created to read:

17 37.35 (3) (c) Student services, including employment assistance services, the
18 school provides.

19 (d) The school's complaint procedures.

20 (e) Student outcome and satisfaction information.

21 (g) Any other information that the board considers necessary to accomplish the
22 goals specified in s. 37.35 (intro.).

23 **SECTION 13.** 37.35 (8) of the statutes is created to read:

1 37.35 (8) Require schools to comply with all applicable building, plumbing,
2 electrical, and fire codes and all similar codes established for the protection of the
3 health and safety of occupants of school buildings.

4 **SECTION 14.** 37.40 (title) of the statutes is created to read:

5 **37.40 (title) Approval; application; fees.**

6 **SECTION 15.** 37.45 of the statutes is created to read:

7 **37.45 Reporting. (1) INFORMATION ABOUT SCHOOL.** An approved school shall
8 annually submit to the board information about the school as prescribed by the
9 board, including a current school catalog, an enrollment contract, if one is used by
10 the school, copies of advertising used by the school during the preceding year, and
11 financial information as the board considers necessary.

12 **(2) STUDENT OUTCOME AND SATISFACTION INFORMATION.** An approved school shall
13 annually report to the board student satisfaction and outcome information,
14 including information on the number of students from the prior year who are
15 continuing in the current year, the number of new students starting in the current
16 year, the number of students who have dropped out or withdrawn since the prior
17 year, the number of students who are anticipated to continue next year, the number
18 of students completing a program, the number of completers successfully employed,
19 and such other information as the board considers necessary.

20 **(3) INSTITUTIONAL PLAN.** An approved school shall have an institutional plan
21 and shall report annually to the board on the progress of the school in achieving the
22 goals of the plan.

23 **SECTION 16.** 37.50 of the statutes is created to read:

24 **37.50 Consumer protection. (1) STUDENT PROTECTION FUND.** If a school
25 closure results in losses to students, parents, or sponsors, the board may authorize

1 the full or partial payment of those losses from the appropriation under s. 20.292 (2)
2 (gm). The board may pursue any legal action it considers necessary to recover any
3 losses paid from that appropriation. Any losses recovered under this subsection shall
4 be deposited into the general fund and credited to the appropriation account under
5 s. 20.292 (2) (gm).

6 **SECTION 17.** 37.60 of the statutes, as affected by 2007 Wisconsin Act ... (this
7 act), is repealed.

8 **SECTION 18.** 38.50 (title) of the statutes is renumbered chapter 37 (title).

9 **SECTION 19.** 38.50 (1) (intro.) of the statutes is renumbered 37.01 (intro.) and
10 amended to read:

11 **37.01 Definitions.** (intro.) In this section chapter, unless the context clearly
12 requires otherwise:

13 **SECTION 20.** 38.50 (1) (a) of the statutes is renumbered 37.01 (1) and amended
14 to read:

15 37.01 (1) ~~Notwithstanding s. 38.01 (2), “board”~~ “Board” means the educational
16 approval board.

17 **SECTION 21.** 38.50 (1) (b) of the statutes is repealed.

18 **SECTION 22.** 38.50 (1) (c) of the statutes is renumbered 37.01 (4) and amended
19 to read:

20 37.01 (4) ~~“Course of instruction”~~ “Program” means a series of classroom or
21 correspondence courses having a unified purpose which lead course of study that
22 provides practical or academic instruction, education, or training leading to a
23 diploma or, certificate, degree or to an occupational or vocational objective, or other
24 indicia that a student has acquired knowledge or skills, but does not include

1 education or training offered by an employer solely to its employees or a program that
2 another state agency or board is authorized to approve or accept.

3 **SECTION 23.** 38.50 (1) (d) of the statutes is renumbered 37.01 (3).

4 **SECTION 24.** 38.50 (1) (e) (intro.) of the statutes is renumbered 37.01 (6) (intro.)
5 and amended to read:

6 37.01 (6) (intro.) “School” means any person, whether located within or outside
7 this state, that offers, maintains, provides, or conducts a program for a fee, including
8 any private trade, correspondence, business, or technical, career, distance learning,
9 or degree-granting school, but does not include not including any of the following:

10 **SECTION 25.** 38.50 (1) (e) 1. of the statutes is renumbered 37.01 (6) (a) (intro.)
11 and amended to read:

12 37.01 (6) (a) (intro.) ~~In-state schools that are~~ An in-state school that is exempt
13 from taxation under section 501 of the Internal Revenue Code and that ~~either were~~
14 meets any of the following requirements:

15 1. Was incorporated in this state prior to January 1, 1992, ~~or had their~~ and has
16 continuously been in good standing under ch. 181 since the date of incorporation.

17 2. Had its administrative headquarters and principal places of business in this
18 state prior to 1970.

19 **SECTION 26.** 38.50 (1) (e) 2. of the statutes is renumbered 37.01 (6) (b) and
20 amended to read:

21 37.01 (6) (b) ~~Schools~~ A school that are supported mainly by taxes is governed
22 by a public board.

23 **SECTION 27.** 38.50 (1) (e) 3. of the statutes is renumbered 37.01 (6) (c) and
24 amended to read:

1 37.01 (6) (c) ~~Schools~~ A school offering only programs that are of a parochial or
2 denominational character offering courses having, that have a sectarian objective,
3 and that are limited to use in the ministry of a religion, as determined by the board.

4 **SECTION 28.** 38.50 (1) (e) 4. of the statutes is renumbered 37.01 (6) (d) and
5 amended to read:

6 37.01 (6) (d) ~~Schools primarily offering instruction~~ A school offering a program
7 that is avocational or recreational in nature and ~~not leading to~~ that does not have a
8 vocational objective.

9 **SECTION 29.** 38.50 (1) (e) 5. of the statutes is renumbered 37.01 (6) (e) and
10 amended to read:

11 37.01 (6) (e) ~~Courses conducted by~~ A school that only offers programs to
12 employers ~~exclusively for~~ the exclusive use of their employees and without charge to
13 those employees.

14 **SECTION 30.** 38.50 (1) (e) 6. of the statutes is repealed.

15 **SECTION 31.** 38.50 (1) (e) 7. of the statutes is renumbered 37.01 (6) (f).

16 **SECTION 32.** 38.50 (1) (e) 8. of the statutes is repealed.

17 **SECTION 33.** 38.50 (1) (f) of the statutes is renumbered 37.01 (5) and amended
18 to read:

19 37.01 (5) “Solicitor” “Representative” means a person employed by or
20 representing a school located ~~either within or outside this state that~~ who, in places
21 other than ~~the actual business premises of the school,~~ personally attempts to secure
22 the enrollment of a student in the school.

23 **SECTION 34.** 38.50 (1) (g) of the statutes is renumbered 37.01 (7) and amended
24 to read:

1 37.01 (7) "Teaching location" means the area and facilities designated for use
2 by a school that are required to be approved by the board under this section chapter.

3 **SECTION 35.** 38.50 (2) of the statutes is renumbered 37.10 (intro.) and amended
4 to read:

5 **37.10 Responsibilities Purposes.** (intro.) The board shall purposes of the
6 board are to protect the general public by inspecting and to support quality
7 educational options. The board shall accomplish those purposes by doing all of the
8 following:

9 (1) Evaluating and approving private trade, correspondence, business, and
10 technical schools doing business within this state, whether located within or outside
11 this state, changes of ownership or control of the schools, teaching locations used by
12 the schools, and courses of instruction offered by the schools and regulate the
13 soliciting of students for correspondence or classroom courses and courses of
14 instruction offered by the schools.

15 **SECTION 36.** 38.50 (3) of the statutes is renumbered 37.25 and amended to read:

16 **37.25 Rule-making power.** The board shall promulgate rules and establish
17 standards necessary to administer this section chapter.

18 **SECTION 37.** 38.50 (5) of the statutes is renumbered 37.20 and amended to read:

19 **37.20 Employees, quarters.** The board shall employ a person to perform the
20 duties of an executive secretary director and any other persons under the classified
21 service that may be necessary to carry out the board's responsibilities purposes. The
22 person performing the duties of the executive secretary director shall be in charge
23 of the administrative functions of the board. The board shall, to the maximum extent
24 practicable, keep its office with the technical college system board.

1 **SECTION 38.** 38.50 (7) (intro.) of the statutes is renumbered 37.35 (intro.) and
2 amended to read:

3 **37.35 Approval of schools generally Responsibilities.** (intro.) To protect
4 students, prevent fraud and misrepresentation in the sale and advertising of courses
5 and courses of instruction, and encourage schools to maintain courses and courses
6 of instruction consistent in quality, content, and length with hold schools accountable
7 for achieving satisfactory student outcomes and to ensure that programs meet
8 generally accepted educational, occupational, and industry standards, the board
9 shall do all of the following:

10 **SECTION 39.** 38.50 (7) (a) of the statutes is renumbered 37.35 (1) and amended
11 to read:

12 37.35 (1) Investigate Evaluate the adequacy of courses and courses of
13 instruction programs offered by schools to residents of this state and establish
14 minimum standards for those courses of instruction.

15 **SECTION 40.** 38.50 (7) (b) of the statutes is repealed.

16 **SECTION 41.** 38.50 (7) (c) of the statutes is renumbered 37.35 (6) and amended
17 to read:

18 37.35 (6) Establish rules, standards, and criteria to prevent fraud and
19 misrepresentation in the sale and advertising of courses and courses of instruction
20 programs.

21 **SECTION 42.** 38.50 (7) (d) of the statutes is renumbered 37.35 (5) and amended
22 to read:

23 37.35 (5) Promulgate rules restricting Prescribe restrictions on the
24 negotiability of promissory instruments received by schools in payment of tuition
25 and other charges fees.

1 **SECTION 43.** 38.50 (7) (e) of the statutes is renumbered 37.35 (7) and amended
2 to read:

3 **37.35 (7)** Establish minimum standards for refund of the unused portion of
4 tuition, fees, and other charges if a student does not enter a course or course of
5 instruction program or withdraws or is discontinued from the course program.

6 **SECTION 44.** 38.50 (7) (f) of the statutes is renumbered 37.35 (3) (intro.) and
7 amended to read:

8 **37.35 (3)** (intro.) Require schools offering courses and courses of instruction to
9 residents of this state to furnish a school, prior to enrolling a student who is a
10 resident of this state, to provide the student with a catalog that includes information
11 concerning their all of the following:

12 (a) The school's mission, facilities, curricula, programs, and instructors,

13 (b) The school's policies concerning enrollment policies, tuition and other
14 charges and admissions, academic progress, and student conduct.

15 (f) The school's fees, refund policies, and policies concerning negotiability of
16 promissory instruments received in payment of tuition and other charges fees.

17 **SECTION 45.** 38.50 (7) (g) of the statutes is renumbered 37.30 (1) and amended
18 to read:

19 **37.30 (1)** ~~Approve courses of instruction,~~ Subject to sub. (2), the board shall
20 approve schools, programs, changes of ownership or control of schools, and teaching
21 locations meeting, and representatives that meet the requirements and standards
22 established by the board and ~~complying~~ that comply with rules promulgated by the
23 board and ~~publish a list of the schools and courses of instruction approved.~~

24 **SECTION 46.** 38.50 (7) (h) of the statutes is renumbered 37.35 (4) and amended
25 to read:

1 37.35 (4) ~~Issue~~ Regulate the recruiting of students for programs offered by
2 schools and issue permits to solicitors representatives when all board requirements
3 have been met.

4 **SECTION 47.** 38.50 (7) (i) of the statutes is renumbered 37.35 (9).

5 **SECTION 48.** 38.50 (8) (title) of the statutes is renumbered 37.60 (title) and
6 amended to read:

7 **37.60** (title) ~~SOLICITING~~ RECRUITMENT OF STUDENTS.

8 **SECTION 49.** 38.50 (8) (a) of the statutes is renumbered 37.60 (1) and amended
9 to read:

10 37.60 (1) ~~IN GENERAL. No solicitor representing any school offering any course~~
11 ~~or course of instruction shall sell any course or course of instruction or solicit~~
12 ~~students for a course or course of instruction~~ representative may sell any program
13 or recruit any student for a program in this state for a consideration or remuneration,
14 except upon the actual business premises of the school, unless the solicitor
15 representative first secures a solicitor's representative's permit from the board. If
16 the solicitor representative represents more than one school, a separate permit shall
17 be obtained for each school the solicitor representative represents.

18 **SECTION 50.** 38.50 (8) (b) of the statutes is renumbered 37.60 (2) and amended
19 to read:

20 37.60 (2) ~~SOLICITOR'S~~ REPRESENTATIVE'S PERMIT. The application for a solicitor's
21 representative's permit shall be made on a form furnished by the board and shall be
22 accompanied by a fee and a surety bond acceptable to the board in the sum of \$2,000.
23 The board shall, by rule, specify the amount of the fee for a solicitor's representative's
24 permit. The bond may be continuous and shall be conditioned to provide
25 indemnification to any student suffering loss as the result of any fraud or

misrepresentation used in procuring his or her enrollment or as a result of the failure of the school to perform faithfully the agreement the ~~solicitor~~ representative made with the student, and may be supplied by the ~~solicitor~~ representative or by the school itself either as a blanket bond covering each of its ~~solicitors~~ representatives in the amount of \$2,000 or the surety bond under ~~sub. (7) (i) s. 37.35 (9)~~. Upon approval of a permit, the board shall issue an identification card to the ~~solicitor~~ representative giving his or her name and address, and the name and address of the employing school, and certifying that the person whose name appears on the card is authorized to ~~solicit~~ recruit students for the school. A permit shall be valid for one year from the date issued. Liability under this ~~paragraph~~ subsection of the surety on the bond for each ~~solicitor~~ representative covered by the bond shall not exceed the sum of \$2,000 as an aggregate for any and all students for all breaches of the conditions of the bond. The surety of a bond may cancel the bond upon giving 30 days' notice in writing to the board and shall be relieved of liability under this ~~paragraph~~ subsection upon giving the notice for any breach of condition occurring after the effective date of the cancellation. An application for renewal shall be accompanied by a fee, a surety bond acceptable to the board in the sum of \$2,000 if a continuous bond has not been furnished, and such information as the board requests of the applicant. The board shall, by rule, specify the amount of the fee for renewal of a ~~solicitor's~~ representative's permit.

SECTION 51. 38.50 (8) (c) (intro.) of the statutes is renumbered 37.60 (3) (intro.) and amended to read:

37.60 (3) REFUSAL OR REVOCATION OF PERMIT. (intro.) The board may refuse to issue or renew, or may revoke, any ~~solicitor's~~ representative's permit upon one or any combination of the following grounds:

1 **SECTION 52.** 38.50 (8) (c) 1. of the statutes is renumbered 37.60 (3) (a) and
2 amended to read:

3 37.60 (3) (a) Willful violation of this ~~subsection~~ section or any rule promulgated
4 by the board under this ~~section~~ chapter.

5 **SECTION 53.** 38.50 (8) (c) 2. of the statutes is renumbered 37.60 (3) (b).

6 **SECTION 54.** 38.50 (8) (c) 3. of the statutes is renumbered 37.60 (3) (c) and
7 amended to read:

8 37.60 (3) (c) Presenting information to prospective students relating to the
9 school, ~~a course, or a course of instruction~~ or a program that is false, fraudulent, or
10 misleading.

11 **SECTION 55.** 38.50 (8) (c) 4. of the statutes is renumbered 37.60 (3) (d) and
12 amended to read:

13 37.60 (3) (d) Refusal by the school to be represented to allow reasonable
14 inspection or to supply information after written request ~~therefor~~ by the board.

15 **SECTION 56.** 38.50 (8) (c) 5. of the statutes is renumbered 37.60 (3) (e) and
16 amended to read:

17 37.60 (3) (e) Failure of the school which the ~~solicitor~~ representative represents
18 to meet requirements and standards established by and to comply with rules
19 promulgated by the board under ~~sub. (7)~~ s. 37.25.

20 **SECTION 57.** 38.50 (8) (c) 6. of the statutes is renumbered 37.60 (3) (f) and
21 amended to read:

22 37.60 (3) (f) Cancellation of the ~~solicitor's~~ representative's bond by surety.

23 **SECTION 58.** 38.50 (8) (c) 7. of the statutes is renumbered 37.60 (3) (g).

24 **SECTION 59.** 38.50 (8) (d) of the statutes is renumbered 37.60 (4).

25 **SECTION 60.** 38.50 (8) (e) of the statutes is renumbered 37.60 (5).

1 **SECTION 61.** 38.50 (8) (f) of the statutes is renumbered 37.60 (6) and amended
2 to read:

3 **37.60 (6) RECOVERY BY STUDENTS.** The bond in force under ~~par. (b)~~ sub. (2) shall
4 not limit or impair any right of recovery otherwise available under law, nor shall the
5 amount of the bond be relevant in determining the amount of damages or other relief
6 to which any plaintiff may be entitled.

7 **SECTION 62.** 38.50 (8) (g) of the statutes is renumbered 37.60 (7) and amended
8 to read:

9 **37.60 (7) RECOVERY ON CONTRACTS.** No recovery shall be had by any school or
10 its assignee on any contract for or in connection with a ~~course or course of instruction~~
11 program if the representative who sold ~~or solicited the course~~ the program or
12 recruited the student for the program was not the holder of a solicitor's
13 representative's permit under this subsection section at the time of the sale or
14 solicitation recruitment.

15 **SECTION 63.** 38.50 (8) (h) of the statutes is repealed.

16 **SECTION 64.** 38.50 (8) (i) of the statutes is repealed.

17 **SECTION 65.** 38.50 (10) (title) of the statutes is repealed.

18 **SECTION 66.** 38.50 (10) (a) of the statutes is renumbered 37.40 (1) and amended
19 to read:

20 **37.40 (1) ~~AUTHORITY. APPROVAL.~~** ~~All proprietary schools shall be examined and~~
21 No school may operate or advertise in this state, offer a program to a resident of this
22 state, change its ownership or control, or establish a teaching location, and no person
23 may act as a representative, unless the school or representative is first approved by
24 the board before operating in this state. Approval shall be granted to schools meeting
25 the criteria. If a school, program, change in ownership or control, teaching location,

1 or representative meets the requirements and standards established by the board
2 and complies with rules promulgated by the board, the board shall approve the
3 school, program, change in ownership or control, teaching location, or
4 representative. Approval for a school, program, teaching location, or representative
5 shall be for a period not to exceed one year. No school may advertise in this state
6 unless approved by the board. All approved schools shall submit quarterly reports,
7 including information on enrollment, number of teachers and their qualifications,
8 course offerings, number of graduates, number of graduates successfully employed,
9 and such other information as the board considers necessary. If a school closure
10 results in losses to students, parents, or sponsors, the board may authorize the full
11 or partial payment of those losses from the appropriation under s. 20.292 (2) (gm).

12 **SECTION 67.** 38.50 (10) (b) of the statutes is renumbered 37.40 (2) and amended
13 to read:

14 37.40 (2) APPLICATION. Application for initial approval or renewal of approval
15 of a school or a course of instruction, approval of a teaching location, change of
16 ownership, or control of a school, renewal of approval of a school or program, approval
17 of a substantially revised program, reinstatement of approval of a school or course
18 of instruction that whose approval has been revoked, approval of a teaching location,
19 approval of a change of ownership or control of a school, or approval of a
20 representative shall be made on a form furnished by the board and shall be
21 accompanied by a fee set by the board under par. (e) sub. (3) and any other
22 information as that the board considers necessary to evaluate the school, program,
23 teaching location, change of ownership or control, or representative in carrying out
24 the purpose of this section chapter.

1 **SECTION 68.** 38.50 (10) (c) (title) of the statutes is renumbered 37.40 (3) (title)
2 and amended to read:

3 37.40 (3) (title) FEES; ~~RULE MAKING.~~

4 **SECTION 69.** 38.50 (10) (c) (intro.) of the statutes is renumbered 37.40 (3)
5 (intro.).

6 **SECTION 70.** 38.50 (10) (c) 1. of the statutes is renumbered 37.40 (3) (a) and
7 amended to read:

8 37.40 (3) (a) Require that the amount of fees collected under this paragraph
9 subsection be sufficient to cover all costs that the board incurs in examining and
10 approving proprietary schools under ~~this subsection~~ sub. (1).

11 **SECTION 71.** 38.50 (10) (c) 2. of the statutes is renumbered 37.40 (3) (b) and
12 amended to read:

13 37.40 (3) (b) Give consideration to establishing a variable fee structure based
14 on the size of a ~~proprietary~~ school.

15 **SECTION 72.** 38.50 (10) (c) 3. of the statutes is renumbered 37.40 (3) (c) and
16 amended to read:

17 37.40 (3) (c) Specify a fee to accompany all applications under ~~par. (b)~~ sub. (2).

18 **SECTION 73.** 38.50 (10) (c) 4. of the statutes is renumbered 37.40 (3) (d).

19 **SECTION 74.** 38.50 (10) (cm) of the statutes is renumbered 37.40 (4) and
20 amended to read:

21 37.40 (4) LIMIT ON STUDENT PROTECTION FEE. The board shall discontinue
22 collecting annual student protection fees under ~~par. (e) 4.~~ sub. (3) (d) during the
23 period that the balance in the fund created by those fees exceeds \$1,000,000.

24 **SECTION 75.** 38.50 (10) (d) of the statutes is renumbered 37.50 (2) and amended
25 to read:

1 37.50 (2) ENFORCEMENT. The attorney general or any district attorney may
2 bring an action in circuit court for the enforcement of this subsection chapter,
3 including bringing an action to restrain by temporary or permanent injunction any
4 violation of ~~par. (a)~~ this chapter.

5 **SECTION 76.** 38.50 (10) (e) of the statutes is renumbered 37.50 (3) and amended
6 to read:

7 37.50 (3) PENALTIES. Any person who violates ~~par. (a)~~ any provision of this
8 chapter may be required to forfeit not more than \$500. Each day of ~~operation in~~
9 continued violation of ~~par. (a)~~ constitutes a separate offense.

10 **SECTION 77.** 38.50 (10) (f) of the statutes is renumbered 37.50 (4) and amended
11 to read:

12 37.50 (4) OTHER REMEDIES. In addition to any other remedies provided by law,
13 a student who attends a school that is in violation of ~~par. (a)~~ this chapter may bring
14 a civil action to recover fees paid to the school in violation of ~~par. (a)~~ this chapter
15 together with costs and disbursements, including reasonable attorney fees.

16 **SECTION 78.** 38.50 (11) (title) of the statutes is renumbered 37.55 (title).

17 **SECTION 79.** 38.50 (11) (a) (intro.) of the statutes is renumbered 37.55 (1) (intro.)
18 and amended to read:

19 37.55 (1) (intro.) In this ~~subsection~~ section:

20 **SECTION 80.** 38.50 (11) (a) 1. of the statutes is repealed.

21 **SECTION 81.** 38.50 (11) (a) 2. of the statutes is repealed.

22 **SECTION 82.** 38.50 (11) (a) 3. of the statutes is renumbered 37.55 (1) (b) and
23 amended to read:

24 37.55 (1) (b) “Student record” means, ~~in the case of a school, as defined in sub.~~
25 ~~(1) (e) (intro.)~~, a transcript for a student or former student of a school showing the

1 name of the student, the title of the program in which the student was or is enrolled,
2 the total number of credits or hours of instruction completed by the student, the dates
3 of enrollment, the grade for each course, lesson, or unit of instruction completed by
4 the student, the student's cumulative grade for the program, and an explanation of
5 the school's credit and grading system. ~~In the case of a school described in sub. (1)~~
6 ~~(e) 1., 6., 7., or 8, "student record" means a transcript for a student or former student~~
7 ~~of the school showing such information about the academic work completed by the~~
8 ~~student or former student as is customarily maintained by the school.~~

9 **SECTION 83.** 38.50 (11) (b) 1. of the statutes is renumbered 37.55 (2) and
10 amended to read:

11 37.55 (2) If a school operating in this state discontinues its operations, proposes
12 to discontinue its operations, or is in imminent danger of discontinuing its operations
13 as determined by the board, ~~if the student records of the school are not taken into~~
14 ~~possession under subd. 2., and if the board determines that the student records of the~~
15 school are in danger of being destroyed, secreted, mislaid, or otherwise made
16 unavailable to the persons who are the subjects of those student records or the
17 authorized representatives of those persons, the board may take possession of those
18 student records.

19 **SECTION 84.** 38.50 (11) (b) 2. of the statutes is repealed.

20 **SECTION 85.** 38.50 (11) (c) of the statutes is renumbered 37.55 (3) and amended
21 to read:

22 37.55 (3) If necessary to protect student records from being destroyed, secreted,
23 mislaid, or otherwise made unavailable to the persons who are the subjects of those
24 student records or the authorized representatives of those persons, the board or

1 ~~association~~ may seek a court order authorizing the board ~~or association~~ to take
2 possession of those student records.

3 **SECTION 86.** 38.50 (11) (d) of the statutes is renumbered 37.55 (4) and amended
4 to read:

5 **37.55 (4)** The board ~~or association~~ shall preserve a student record that comes
6 into the possession of the board ~~or association~~ under ~~par. (b) 1. or 2.~~ sub. (2) and shall
7 keep the student record confidential as provided under 20 USC 1232g and 34 CFR
8 part 99. A student record in the possession of the board is not open to public
9 inspection or copying under s. 19.35 (1). Upon request of the person who is the subject
10 of a student record or an authorized representative of that person, the board ~~or~~
11 ~~association~~ shall provide a copy of the student record to the requester. The board ~~or~~
12 ~~association~~ may charge a fee for providing a copy of a student record. The fee shall
13 be based on the administrative cost of taking possession of, preserving, and providing
14 the copy of the student record. All fees collected by the board under this paragraph
15 subsection shall be credited to the appropriation account under s. 20.292 (2) (i).

16 **SECTION 87.** 45.20 (1) (d) of the statutes is amended to read:

17 **45.20 (1) (d)** “Tuition,” when referring to the University of Wisconsin System,
18 means academic fees and segregated fees; when referring to the technical colleges,
19 means “program fees” and “additional fees” as described in s. 38.24 (1m) and (1s); and
20 when referring to a high school, a school that is approved under s. 45.03 (11), or a
21 proprietary school that is approved under s. ~~38.50~~ ch. 37, means the charge for the
22 courses or programs for which a person is enrolled.

23 **SECTION 88.** 45.20 (2) (a) 1. of the statutes is amended to read:

24 **45.20 (2) (a) 1.** The department shall administer a tuition reimbursement
25 program for eligible veterans enrolling as undergraduates in any institution of

1 higher education in this state, enrolling in a school that is approved under s. 45.03
2 (11), enrolling in a ~~proprietary~~ school that is approved under ~~s. 38.50~~ ch. 37, enrolling
3 in a public or private high school, or receiving a waiver of nonresident tuition under
4 s. 39.47.

5 **SECTION 89.** 45.20 (2) (a) 2. (intro.) of the statutes is amended to read:

6 45.20 (2) (a) 2. (intro.) A veteran who is a resident of this state and otherwise
7 qualified to receive benefits under this subsection may receive the benefits under
8 this subsection upon the completion of any correspondence courses or part-time
9 classroom study from an institution of higher education located outside this state,
10 from a school that is approved under s. 45.03 (11), or from a ~~proprietary~~ school that
11 is approved under ~~s. 38.50~~ ch. 37, if any of the following applies:

12 **SECTION 90.** 45.20 (2) (c) 1. of the statutes is amended to read:

13 45.20 (2) (c) 1. A veteran who meets the eligibility requirements under par. (b)
14 1. may be reimbursed upon satisfactory completion of an undergraduate semester in
15 any institution of higher education in this state, or upon satisfactory completion of
16 a course at any school that is approved under s. 45.03 (11), any ~~proprietary~~ school
17 that is approved under ~~s. 38.50~~ ch. 37, any public or private high school, or any
18 institution from which the veteran receives a waiver of nonresident tuition under s.
19 39.47. Except as provided in par. (e), the amount of reimbursement may not exceed
20 the total cost of the veteran's tuition minus any grants or scholarships that the
21 veteran receives specifically for the payment of the tuition, or, if the tuition is for an
22 undergraduate semester in any institution of higher education, the standard cost of
23 tuition for a state resident for an equivalent undergraduate semester at the
24 University of Wisconsin-Madison, whichever is less.

25 **SECTION 91.** 45.20 (2) (d) 1. (intro.) of the statutes is amended to read:

1 45.20 (2) (d) 1. (intro.) A veteran's eligibility for reimbursement under this
2 subsection at any institution of higher education in this state, at a school that is
3 approved under s. 45.03 (11), at a ~~proprietary~~ school that is approved under ~~s. 38.50~~
4 ch. 37, at a public or private high school, or at an institution where he or she is
5 receiving a waiver of nonresident tuition under s. 39.47 is limited to the following:

6 **SECTION 92.** 45.21 (2) (a) of the statutes is amended to read:

7 45.21 (2) (a) The veteran is enrolled in a training course in a technical college
8 under ch. 38 or in a ~~proprietary~~ school in the state approved by the educational
9 approval board under ~~s. 38.50~~ ch. 37, other than a ~~proprietary~~ school offering a
10 4-year degree or 4-year program, or is engaged in a structured on-the-job training
11 program that meets program requirements promulgated by the department by rule.

12 **SECTION 93.** 71.05 (6) (b) 28. (intro.) of the statutes, as affected by 2007
13 Wisconsin Act 20, is amended to read:

14 71.05 (6) (b) 28. (intro.) An amount paid by a claimant for tuition expenses and
15 mandatory student fees for a student who is the claimant or who is the claimant's
16 child and the claimant's dependent who is claimed under section 151 (c) of the
17 Internal Revenue Code, to attend any university, college, technical college or a school
18 approved under ~~s. 38.50~~ ch. 37, that is located in Wisconsin or to attend a public
19 vocational school or public institution of higher education in Minnesota under the
20 Minnesota-Wisconsin reciprocity agreement under s. 39.47, calculated as follows:

21 **SECTION 94.** 182.028 of the statutes is amended to read:

22 **182.028 School corporations.** Any corporation formed for the establishment
23 and maintenance of schools, academies, seminaries, colleges or universities or for the
24 cultivation and practice of music shall have power to enact bylaws for the protection
25 of its property, and provide fines as liquidated damages upon its members and

patrons for violating the bylaws, and may collect the same in tort actions, and to prescribe and regulate the courses of instruction therein, and to confer such degrees and grant such diplomas as are usually conferred by similar institutions or as shall be appropriate to the courses of instruction prescribed, except that no corporation shall operate or advertise a school that is subject to s. ~~38.50 (10)~~ 37.40 (1) without complying with the requirements of s. ~~38.50~~ ch. 37. Any stockholder may transfer his or her stock to the corporation for its use; and if the written transfer so provides the stock shall be perpetually held by the board of directors with all the rights of a stockholder, including the right to vote.

SECTION 95. 460.05 (1) (e) 1. of the statutes is amended to read:

460.05 (1) (e) 1. Graduated from a school of massage therapy or bodywork approved by the educational approval board under s. ~~38.50~~ ch. 37 or completed a training program approved by the department under the rules promulgated under s. 460.04 (2) (b).

SECTION 96. 944.21 (8) (b) 3. a. of the statutes is amended to read:

944.21 (8) (b) 3. a. Is a technical college, is a school approved by the educational approval board under s. ~~38.50~~ ch. 37, or is a school described in s. ~~38.50 (1) (e) 6., 7.~~ or ~~8.~~ 37.01 (6) (f); and

SECTION 97. 948.11 (4) (b) 3. a. of the statutes is amended to read:

948.11 (4) (b) 3. a. Is a technical college, is a school approved by the educational approval board under s. ~~38.50~~ ch. 37, or is a school described in s. ~~38.50 (1) (e) 6., 7.~~ or ~~8.~~ 37.01 (6) (f); and

SECTION 98. Effective dates. This act takes effect on the day after publication, except as follows:

1 (1) REPRESENTATIVE'S PERMITS. The repeal and recreation of section 20.292 (2)
2 (g) of the statutes and the repeal of section 37.60 of the statutes take effect on the first
3 day of the 24th month beginning after publication.

4 (END)