

2007 SENATE BILL 174

May 3, 2007 – Introduced by Senator VINEHOUT, cosponsored by Representative NASS, by request of Wisconsin Educational Approval Board. Referred to Committee on Education.

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

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1 20.292 (2) (g), 20.292 (2) (gm), 20.292 (2) (i), 29.506 (7m) (a), 45.20 (1) (d), 45.20
2 (2) (a) 1., 45.20 (2) (a) 2. (intro.), 45.20 (2) (c) 1., 45.20 (2) (d) 1. (intro.), 45.21 (2)
3 (a), 71.05 (6) (b) 28. (intro.), 182.028, 460.05 (1) (e) 1., 944.21 (8) (b) 3. a. and
4 948.11 (4) (b) 3. a.; **to repeal and recreate** 20.292 (2) (g); and **to create** 37.01
5 (2), 37.01 (6) (f), 37.10 (2) to (6), 37.15, 37.35 (2), 37.35 (3) (c), (d), (e) and (g),
6 37.35 (8), 37.40 (title), 37.45 and 37.50 of the statutes; **relating to:** the
7 purposes, authority, and responsibilities of the Educational Approval Board
8 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 or the Wisconsin Association of Independent Colleges and Universities (WAICU) to take possession of the student records of a school that has discontinued its operations, is proposing to discontinue its operations, or is in imminent danger of discontinuing its 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.

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This bill 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 bill 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 bill 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, 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.

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.

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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 bill, 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 WAICU to take possession of the student records of a school that has discontinued its operations, is proposing to discontinue its operations, or is in imminent danger of discontinuing its operations.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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~~

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1 representative's permits under s. ~~38.50 (8)~~ 37.60 and from the fees under s. ~~38.50 (10)~~
2 37.40 (3) (c) shall be credited to this appropriation account.

3 **SECTION 2.** 20.292 (2) (g) of the statutes, as affected by 2007 Wisconsin Act ...
4 (this act), is repealed and recreated to read:

5 20.292 (2) (g) *Approval of school programs.* The amounts in the schedule for
6 the examination and approval of school programs under ch. 37. Ninety percent of all
7 moneys received from the fees under s. 37.40 (3) (c) shall be credited to this
8 appropriation account.

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

10 20.292 (2) (gm) *Student protection.* All moneys received from fees received
11 under s. ~~38.50 (10) (c) 4.~~ 37.40 (3) (d) and from amounts recovered under s. 37.50 (1),
12 for the purpose of indemnifying students, parents, or sponsors under s. ~~38.50 (10) (a)~~
13 37.50 (1) and for the purpose of preserving under s. ~~38.50 (11) 37.55~~ the students
14 records of schools, as defined in s. ~~38.50 (11) (a) 2.~~ 37.55 (1) (a), that have discontinued
15 their operations.

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

17 20.292 (2) (i) *Closed schools; preservation of student records.* All moneys
18 received from fees collected under s. ~~38.50 (11) (d) 37.55 (4)~~ to be used for the
19 administrative costs of taking possession of, preserving, and providing copies of
20 student records of schools, as defined in s. ~~38.50 (11) (a) 2.~~ 37.55 (1) (a), that have
21 discontinued their operations.

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

23 29.506 (7m) (a) The department shall issue a taxidermy school permit to a
24 person who applies for the permit; who, on August 15, 1991, holds held a valid
25 taxidermist permit issued under this section; and who, on August 15, 1991, operates

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1 operated a taxidermy school approved by the educational approval board under s.
2 ~~38.50~~ 38.51, 1991 stats.

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

4 37.01 (2) “Fee” means an application fee, a fee charged for tuition, books, or
5 materials, or any other fee charged to attend a school.

6 **SECTION 7.** 37.01 (6) (f) of the statutes is created to read:

7 37.01 (6) (f) A school that another state agency or board is expressly authorized
8 by statute to approve and supervise.

9 **SECTION 8.** 37.10 (2) to (6) of the statutes are created to read:

10 37.10 (2) Collecting and disseminating outcome and satisfaction information
11 for students attending schools.

12 (3) Performing annual reviews of schools.

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

14 (5) Holding schools accountable for improving their performance and
15 effectiveness.

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

17 **SECTION 9.** 37.15 of the statutes is created to read:

18 **37.15 Accountability.** The board shall develop, periodically review, and, if
19 appropriate, revise a strategic plan for achieving its purposes under s. 37.10. The
20 strategic plan shall include specific goals, objectives, and measurable results. The
21 board shall use the strategic plan to evaluate annually its performance and
22 effectiveness.

23 **SECTION 10.** 37.35 (2) of the statutes is created to read:

24 37.35 (2) Establish standards and criteria for approving schools offering
25 programs that are delivered primarily by distance learning.

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1 **SECTION 11.** 37.35 (3) (c), (d), (e) and (g) of the statutes are created to read:

2 37.35 **(3)** (c) Student services, including employment assistance services, the
3 school provides.

4 (d) The school's complaint procedures.

5 (e) Student outcome and satisfaction information.

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

8 **SECTION 12.** 37.35 (8) of the statutes is created to read:

9 37.35 **(8)** Require schools to comply with all applicable building, plumbing,
10 electrical, and fire codes and all similar codes established for the protection of the
11 health and safety of occupants of school buildings.

12 **SECTION 13.** 37.40 (title) of the statutes is created to read:

13 **37.40 (title) Approval; application; fees.**

14 **SECTION 14.** 37.45 of the statutes is created to read:

15 **37.45 Reporting. (1) INFORMATION ABOUT SCHOOL.** An approved school shall
16 annually submit to the board information about the school as prescribed by the
17 board, including a current school catalog, an enrollment contract, if one is used by
18 the school, copies of advertising used by the school during the preceding year, and
19 financial information as the board considers necessary.

20 **(2) STUDENT OUTCOME AND SATISFACTION INFORMATION.** An approved school shall
21 annually report to the board student satisfaction and outcome information,
22 including information on the number of students from the prior year who are
23 continuing in the current year, the number of new students starting in the current
24 year, the number of students who have dropped out or withdrawn since the prior
25 year, the number of students who are anticipated to continue next year, the number

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1 of students completing a program, the number of completers successfully employed,
2 and such other information as the board considers necessary.

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

6 **SECTION 15.** 37.50 of the statutes is created to read:

7 **37.50 Consumer protection. (1) STUDENT PROTECTION FUND.** If a school
8 closure results in losses to students, parents, or sponsors, the board may authorize
9 the full or partial payment of those losses from the appropriation under s. 20.292 (2)
10 (gm). The board may pursue any legal action it considers necessary to recover any
11 losses paid from that appropriation. Any losses recovered under this subsection shall
12 be deposited into the general fund and credited to the appropriation account under
13 s. 20.292 (2) (gm).

14 **SECTION 16.** 37.60 of the statutes, as affected by 2007 Wisconsin Act (this
15 act), is repealed.

16 **SECTION 17.** 38.50 (title) of the statutes is renumbered chapter 37 (title).

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

19 **37.01 Definitions.** (intro.) In this ~~section~~ chapter, unless the context clearly
20 requires otherwise:

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

23 **37.01 (1)** ~~Notwithstanding s. 38.01 (2), “board”~~ “Board” means the educational
24 approval board.

25 **SECTION 20.** 38.50 (1) (b) of the statutes is repealed.

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1 **SECTION 21.** 38.50 (1) (c) of the statutes is renumbered 37.01 (4) and amended
2 to read:

3 37.01 (4) ~~“Course of instruction”~~ “Program” means a ~~series of classroom or~~
4 ~~correspondence courses having a unified purpose which lead~~ course of study that
5 provides practical or academic instruction, education, or training leading to a
6 diploma or, certificate, degree or to an occupational or vocational objective, or other
7 indicia that a student has acquired knowledge or skills, but does not include
8 education or training offered by an employer solely to its employees.

9 **SECTION 22.** 38.50 (1) (d) of the statutes is renumbered 37.01 (3).

10 **SECTION 23.** 38.50 (1) (e) (intro.) of the statutes is renumbered 37.01 (6) (intro.)
11 and amended to read:

12 37.01 (6) (intro.) “School” means any person, whether located within or outside
13 this state, that offers, maintains, provides, or conducts a program for a fee, including
14 any private trade, correspondence, business, or technical, career, distance learning,
15 or degree-granting school, but does not include not including any of the following:

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

18 37.01 (6) (a) (intro.) ~~In-state schools that are~~ An in-state school that is exempt
19 from taxation under section 501 of the Internal Revenue Code and that either were
20 meets any of the following requirements:

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

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

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1 **SECTION 25.** 38.50 (1) (e) 2. of the statutes is renumbered 37.01 (6) (b) and
2 amended to read:

3 37.01 **(6)** (b) ~~Schools that are~~ A school that is supported mainly by taxes.

4 **SECTION 26.** 38.50 (1) (e) 3. of the statutes is renumbered 37.01 (6) (c) and
5 amended to read:

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

9 **SECTION 27.** 38.50 (1) (e) 4. of the statutes is renumbered 37.01 (6) (d) and
10 amended to read:

11 37.01 **(6)** (d) ~~Schools primarily offering instruction~~ A school offering a program
12 that is avocational or recreational in nature and ~~not leading to~~ that does not have a
13 vocational objective.

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

16 37.01 **(6)** (e) ~~Courses conducted by~~ A school that only offers programs to
17 employers exclusively for the exclusive use of their employees and without charge to
18 those employees.

19 **SECTION 29.** 38.50 (1) (e) 6. of the statutes is repealed.

20 **SECTION 30.** 38.50 (1) (e) 7. of the statutes is repealed.

21 **SECTION 31.** 38.50 (1) (e) 8. of the statutes is repealed.

22 **SECTION 32.** 38.50 (1) (f) of the statutes is renumbered 37.01 (5) and amended
23 to read:

24 37.01 **(5)** “~~Solicitor~~” “Representative” means a person employed by or
25 representing a school ~~located either within or outside this state that~~ who, in places

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1 other than the actual business premises of the school, personally attempts to secure
2 the enrollment of a student in the school.

3 **SECTION 33.** 38.50 (1) (g) of the statutes is renumbered 37.01 (7) and amended
4 to read:

5 37.01 (7) “Teaching location” means the area and facilities designated for use
6 by a school that are required to be approved by the board under this section chapter.

7 **SECTION 34.** 38.50 (2) of the statutes is renumbered 37.10 (intro.) and amended
8 to read:

9 **37.10 Responsibilities Purposes.** (intro.) The board shall purposes of the
10 board are to protect the general public by inspecting and to support quality
11 educational options. The board shall accomplish those purposes by doing all of the
12 following:

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

19 **SECTION 35.** 38.50 (3) of the statutes is renumbered 37.25 and amended to read:

20 **37.25 Rule-making power.** The board shall promulgate rules and establish
21 standards necessary to administer this section chapter.

22 **SECTION 36.** 38.50 (5) of the statutes is renumbered 37.20 and amended to read:

23 **37.20 Employees, quarters.** The board shall employ a person to perform the
24 duties of an executive secretary director and any other persons under the classified
25 service that may be necessary to carry out the board’s responsibilities purposes. The

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1 person performing the duties of the executive ~~secretary~~ director shall be in charge
2 of the administrative functions of the board. ~~The board shall, to the maximum extent~~
3 ~~practicable, keep its office with the technical college system board.~~

4 **SECTION 37.** 38.50 (7) (intro.) of the statutes is renumbered 37.35 (intro.) and
5 amended to read:

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

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

15 37.35 (1) Investigate Evaluate the adequacy of ~~courses and courses of~~
16 ~~instruction~~ programs offered by schools to residents of this state ~~and establish~~
17 ~~minimum standards for those courses of instruction.~~

18 **SECTION 39.** 38.50 (7) (b) of the statutes is repealed.

19 **SECTION 40.** 38.50 (7) (c) of the statutes is renumbered 37.35 (6) and amended
20 to read:

21 37.35 (6) Establish ~~rules, standards, and criteria to prevent fraud and~~
22 ~~misrepresentation in the sale and advertising of courses and courses of instruction~~
23 programs.

24 **SECTION 41.** 38.50 (7) (d) of the statutes is renumbered 37.35 (5) and amended
25 to read:

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1 37.35 (5) ~~Promulgate rules restricting~~ Prescribe restrictions on the
2 negotiability of promissory instruments received by schools in payment of tuition
3 ~~and other charges~~ fees.

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

6 37.35 (7) Establish minimum standards for refund of the unused portion of
7 tuition, fees, and other charges if a student does not enter a ~~course or course of~~
8 instruction program or withdraws or is discontinued from the course program.

9 **SECTION 43.** 38.50 (7) (f) of the statutes is renumbered 37.35 (3) (intro.) and
10 amended to read:

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

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

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

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

20 **SECTION 44.** 38.50 (7) (g) of the statutes is renumbered 37.30 and amended to
21 read:

22 **37.30 Authority.** ~~Approve courses of instruction,~~ The board shall approve
23 schools, programs, changes of ownership or control of schools, and teaching locations
24 meeting, and representatives that meet the requirements and standards established

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1 by the board and ~~complying that comply~~ with rules promulgated by the board and
2 ~~publish a list of the schools and courses of instruction approved.~~

3 **SECTION 45.** 38.50 (7) (h) of the statutes is renumbered 37.35 (4) and amended
4 to read:

5 37.35 (4) ~~Issue~~ Regulate the recruiting of students for programs offered by
6 schools and issue permits to ~~solicitors~~ representatives when all board requirements
7 have been met.

8 **SECTION 46.** 38.50 (7) (i) of the statutes is renumbered 37.35 (9).

9 **SECTION 47.** 38.50 (8) (title) of the statutes is renumbered 37.60 (title) and
10 amended to read:

11 **37.60** (title) ~~SOLICITING~~ RECRUITMENT OF STUDENTS.

12 **SECTION 48.** 38.50 (8) (a) of the statutes is renumbered 37.60 (1) and amended
13 to read:

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

22 **SECTION 49.** 38.50 (8) (b) of the statutes is renumbered 37.60 (2) and amended
23 to read:

24 37.60 (2) ~~SOLICITOR'S~~ REPRESENTATIVE'S PERMIT. The application for a ~~solicitor's~~
25 representative's permit shall be made on a form furnished by the board and shall be

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

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1 **SECTION 50.** 38.50 (8) (c) (intro.) of the statutes is renumbered 37.60 (3) (intro.)
2 and amended to read:

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

6 **SECTION 51.** 38.50 (8) (c) 1. of the statutes is renumbered 37.60 (3) (a) and
7 amended to read:

8 **37.60 (3) (a)** Willful violation of this ~~subsection~~ section or any rule promulgated
9 by the board under this ~~section~~ chapter.

10 **SECTION 52.** 38.50 (8) (c) 2. of the statutes is renumbered 37.60 (3) (b).

11 **SECTION 53.** 38.50 (8) (c) 3. of the statutes is renumbered 37.60 (3) (c) and
12 amended to read:

13 **37.60 (3) (c)** Presenting information to prospective students relating to the
14 school, ~~a course, or a course of instruction~~ or a program that is false, fraudulent, or
15 misleading.

16 **SECTION 54.** 38.50 (8) (c) 4. of the statutes is renumbered 37.60 (3) (d) and
17 amended to read:

18 **37.60 (3) (d)** Refusal by the school to be represented to allow reasonable
19 inspection or to supply information after written request ~~therefor~~ by the board.

20 **SECTION 55.** 38.50 (8) (c) 5. of the statutes is renumbered 37.60 (3) (e) and
21 amended to read:

22 **37.60 (3) (e)** Failure of the school which the ~~solicitor~~ representative represents
23 to meet requirements and standards established by and to comply with rules
24 promulgated by the board under ~~sub. (7)~~ s. 37.25.

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1 **SECTION 56.** 38.50 (8) (c) 6. of the statutes is renumbered 37.60 (3) (f) and
2 amended to read:

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

4 **SECTION 57.** 38.50 (8) (c) 7. of the statutes is renumbered 37.60 (3) (g).

5 **SECTION 58.** 38.50 (8) (d) of the statutes is renumbered 37.60 (4).

6 **SECTION 59.** 38.50 (8) (e) of the statutes is renumbered 37.60 (5).

7 **SECTION 60.** 38.50 (8) (f) of the statutes is renumbered 37.60 (6) and amended
8 to read:

9 37.60 (6) RECOVERY BY STUDENTS. The bond in force under ~~par. (b)~~ sub. (2) shall
10 not limit or impair any right of recovery otherwise available under law, nor shall the
11 amount of the bond be relevant in determining the amount of damages or other relief
12 to which any plaintiff may be entitled.

13 **SECTION 61.** 38.50 (8) (g) of the statutes is renumbered 37.60 (7) and amended
14 to read:

15 37.60 (7) RECOVERY ON CONTRACTS. No recovery shall be had by any school or
16 its assignee on any contract for or in connection with a ~~course or course of instruction~~
17 program if the representative who sold ~~or solicited the course~~ the program or
18 recruited the student for the program was not the holder of a ~~solicitor's~~
19 representative's permit under this ~~subsection~~ section at the time of the sale or
20 solicitation recruitment.

21 **SECTION 62.** 38.50 (8) (h) of the statutes is repealed.

22 **SECTION 63.** 38.50 (8) (i) of the statutes is repealed.

23 **SECTION 64.** 38.50 (10) (title) of the statutes is repealed.

24 **SECTION 65.** 38.50 (10) (a) of the statutes is renumbered 37.40 (1) and amended
25 to read:

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1 37.40 (1) ~~AUTHORITY. APPROVAL. All proprietary schools shall be examined and~~
2 ~~No school may operate or advertise in this state, offer a program to a resident of this~~
3 ~~state, change its ownership or control, or establish a teaching location, and no person~~
4 ~~may act as a representative, unless the school or representative is first approved by~~
5 ~~the board before operating in this state. Approval shall be granted to schools meeting~~
6 ~~the criteria. If a school, program, change in ownership or control, teaching location,~~
7 ~~or representative meets the requirements and standards established by the board~~
8 ~~and complies with rules promulgated by the board, the board shall approve the~~
9 ~~school, program, change in ownership or control, teaching location, or~~
10 ~~representative. Approval for a school, program, teaching location, or representative~~
11 ~~shall be for a period not to exceed one year. No school may advertise in this state~~
12 ~~unless approved by the board. All approved schools shall submit quarterly reports,~~
13 ~~including information on enrollment, number of teachers and their qualifications,~~
14 ~~course offerings, number of graduates, number of graduates successfully employed,~~
15 ~~and such other information as the board considers necessary. If a school closure~~
16 ~~results in losses to students, parents, or sponsors, the board may authorize the full~~
17 ~~or partial payment of those losses from the appropriation under s. 20.292 (2) (gm).~~

18 **SECTION 66.** 38.50 (10) (b) of the statutes is renumbered 37.40 (2) and amended
19 to read:

20 37.40 (2) APPLICATION. Application for initial approval or renewal of approval
21 of a school or a course of instruction, approval of a teaching location, change of
22 ownership, or control of a school, renewal of approval of a school or program, approval
23 of a substantially revised program, reinstatement of approval of a school or course
24 of instruction that whose approval has been revoked, approval of a teaching location,
25 approval of a change of ownership or control of a school, or approval of a

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1 representative shall be made on a form furnished by the board and shall be
2 accompanied by a fee set by the board under ~~par. (e)~~ sub. (3) and any other
3 information as that the board considers necessary to evaluate the school, program,
4 teaching location, change of ownership or control, or representative in carrying out
5 the purpose of this ~~section~~ chapter.

6 **SECTION 67.** 38.50 (10) (c) (title) of the statutes is renumbered 37.40 (3) (title)
7 and amended to read:

8 37.40 (3) (title) FEES; RULE MAKING.

9 **SECTION 68.** 38.50 (10) (c) (intro.) of the statutes is renumbered 37.40 (3)
10 (intro.).

11 **SECTION 69.** 38.50 (10) (c) 1. of the statutes is renumbered 37.40 (3) (a) and
12 amended to read:

13 37.40 (3) (a) Require that the amount of fees collected under this ~~paragraph~~
14 subsection be sufficient to cover all costs that the board incurs in examining and
15 approving ~~proprietary~~ schools under this ~~subsection~~ sub. (1).

16 **SECTION 70.** 38.50 (10) (c) 2. of the statutes is renumbered 37.40 (3) (b) and
17 amended to read:

18 37.40 (3) (b) Give consideration to establishing a variable fee structure based
19 on the size of a ~~proprietary~~ school.

20 **SECTION 71.** 38.50 (10) (c) 3. of the statutes is renumbered 37.40 (3) (c) and
21 amended to read:

22 37.40 (3) (c) Specify a fee to accompany all applications under ~~par. (b)~~ sub. (2).

23 **SECTION 72.** 38.50 (10) (c) 4. of the statutes is renumbered 37.40 (3) (d).

24 **SECTION 73.** 38.50 (10) (cm) of the statutes is renumbered 37.40 (4) and
25 amended to read:

SENATE BILL 174**SECTION 73**

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

4 **SECTION 74.** 38.50 (10) (d) of the statutes is renumbered 37.50 (2) and amended
5 to read:

6 **37.50 (2) ENFORCEMENT.** The attorney general or any district attorney may
7 bring an action in circuit court for the enforcement of this ~~subsection~~ chapter,
8 including bringing an action to restrain by temporary or permanent injunction any
9 violation of ~~par. (a)~~ this chapter.

10 **SECTION 75.** 38.50 (10) (e) of the statutes is renumbered 37.50 (3) and amended
11 to read:

12 **37.50 (3) PENALTIES.** Any person who violates ~~par. (a)~~ any provision of this
13 chapter may be required to forfeit not more than \$500. Each day of ~~operation in~~
14 continued violation of ~~par. (a)~~ constitutes a separate offense.

15 **SECTION 76.** 38.50 (10) (f) of the statutes is renumbered 37.50 (4) and amended
16 to read:

17 **37.50 (4) OTHER REMEDIES.** In addition to any other remedies provided by law,
18 a student who attends a school that is in violation of ~~par. (a)~~ this chapter may bring
19 a civil action to recover fees paid to the school in violation of ~~par. (a)~~ this chapter
20 together with costs and disbursements, including reasonable attorney fees.

21 **SECTION 77.** 38.50 (11) (title) of the statutes is renumbered 37.55 (title).

22 **SECTION 78.** 38.50 (11) (a) (intro.) of the statutes is renumbered 37.55 (1) (intro.)
23 and amended to read:

24 **37.55 (1) (intro.)** In this ~~subsection~~ section:

25 **SECTION 79.** 38.50 (11) (a) 1. of the statutes is repealed.

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1 **SECTION 80.** 38.50 (11) (a) 2. of the statutes is renumbered 37.55 (1) (a) and
2 amended to read:

3 37.55 (1) (a) ~~Notwithstanding sub. (1) (e), “school”~~ “School” has the meaning
4 given in ~~sub. (1) (e) (intro.)~~ s. 37.01 (6) (intro.) and also includes a school described
5 in ~~sub. (1) (e) 1., 6., 7., or 8~~ s. 37.01 (6) (a) or (f).

6 **SECTION 81.** 38.50 (11) (a) 3. of the statutes is renumbered 37.55 (1) (b) and
7 amended to read:

8 37.55 (1) (b) “Student record” means, in the case of a school, as defined in ~~sub.~~
9 ~~(1) (e) (intro.)~~ s. 37.01 (6) (intro.), a transcript for a student or former student of a
10 school showing the name of the student, the title of the program in which the student
11 was or is enrolled, the total number of credits or hours of instruction completed by
12 the student, the dates of enrollment, the grade for each course, lesson, or unit of
13 instruction completed by the student, the student’s cumulative grade for the
14 program, and an explanation of the school’s credit and grading system. In the case
15 of a school described in ~~sub. (1) (e) 1., 6., 7., or 8~~ s. 37.01 (6) (a) or (f), “student record”
16 means a transcript for a student or former student of the school showing such
17 information about the academic work completed by the student or former student as
18 is customarily maintained by the school.

19 **SECTION 82.** 38.50 (11) (b) 1. of the statutes is renumbered 37.55 (2) and
20 amended to read:

21 37.55 (2) If a school operating in this state discontinues its operations, proposes
22 to discontinue its operations, or is in imminent danger of discontinuing its operations
23 as determined by the board, ~~if the student records of the school are not taken into~~
24 ~~possession under subd. 2.,~~ and if the board determines that the student records of the
25 school are in danger of being destroyed, secreted, mislaid, or otherwise made

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1 unavailable to the persons who are the subjects of those student records or the
2 authorized representatives of those persons, the board may take possession of those
3 student records.

4 **SECTION 83.** 38.50 (11) (b) 2. of the statutes is repealed.

5 **SECTION 84.** 38.50 (11) (c) of the statutes is renumbered 37.55 (3) and amended
6 to read:

7 37.55 (3) If necessary to protect student records from being destroyed, secreted,
8 mislaid, or otherwise made unavailable to the persons who are the subjects of those
9 student records or the authorized representatives of those persons, the board ~~or~~
10 ~~association~~ may seek a court order authorizing the board ~~or association~~ to take
11 possession of those student records.

12 **SECTION 85.** 38.50 (11) (d) of the statutes is renumbered 37.55 (4) and amended
13 to read:

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

25 **SECTION 86.** 45.20 (1) (d) of the statutes is amended to read:

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

7 **SECTION 87.** 45.20 (2) (a) 1. of the statutes is amended to read:

8 45.20 (2) (a) 1. The department shall administer a tuition reimbursement
9 program for eligible veterans enrolling as undergraduates in any institution of
10 higher education in this state, enrolling in a school that is approved under s. 45.03
11 (11), enrolling in a ~~proprietary~~ school that is approved under ~~s. 38.50~~ ch. 37, enrolling
12 in a public or private high school, or receiving a waiver of nonresident tuition under
13 s. 39.47.

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

15 45.20 (2) (a) 2. (intro.) A veteran who is a resident of this state and otherwise
16 qualified to receive benefits under this subsection may receive the benefits under
17 this subsection upon the completion of any correspondence courses or part-time
18 classroom study from an institution of higher education located outside this state,
19 from a school that is approved under s. 45.03 (11), or from a ~~proprietary~~ school that
20 is approved under ~~s. 38.50~~ ch. 37, if any of the following applies:

21 **SECTION 89.** 45.20 (2) (c) 1. of the statutes is amended to read:

22 45.20 (2) (c) 1. A veteran who meets the eligibility requirements under par. (b)
23 1. may be reimbursed upon satisfactory completion of an undergraduate semester in
24 any institution of higher education in this state, or upon satisfactory completion of
25 a course at any school that is approved under s. 45.03 (11), any ~~proprietary~~ school

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1 that is approved under ~~s. 38.50~~ ch. 37, any public or private high school, or any
2 institution from which the veteran receives a waiver of nonresident tuition under s.
3 39.47. Except as provided in par. (e), the amount of reimbursement may not exceed
4 the total cost of the veteran's tuition minus any grants or scholarships that the
5 veteran receives specifically for the payment of the tuition, or, if the tuition is for an
6 undergraduate semester in any institution of higher education, the standard cost of
7 tuition for a state resident for an equivalent undergraduate semester at the
8 University of Wisconsin–Madison, whichever is less.

9 **SECTION 90.** 45.20 (2) (d) 1. (intro.) of the statutes is amended to read:

10 45.20 **(2)** (d) 1. (intro.) A veteran's eligibility for reimbursement under this
11 subsection at any institution of higher education in this state, at a school that is
12 approved under s. 45.03 (11), at a ~~proprietary~~ school that is approved under ~~s. 38.50~~
13 ch. 37, at a public or private high school, or at an institution where he or she is
14 receiving a waiver of nonresident tuition under s. 39.47 is limited to the following:

15 **SECTION 91.** 45.21 (2) (a) of the statutes is amended to read:

16 45.21 **(2)** (a) The veteran is enrolled in a training course in a technical college
17 under ch. 38 or in a ~~proprietary~~ school in the state approved by the educational
18 approval board under ~~s. 38.50~~ ch. 37, other than a ~~proprietary~~ school offering a
19 4-year degree or 4-year program, or is engaged in a structured on-the-job training
20 program that meets program requirements promulgated by the department by rule.

21 **SECTION 92.** 71.05 (6) (b) 28. (intro.) of the statutes is amended to read:

22 71.05 **(6)** (b) 28. (intro.) An amount paid by a claimant for tuition expenses for
23 a student who is the claimant or who is the claimant's child and the claimant's
24 dependent who is claimed under section 151 (c) of the Internal Revenue Code, to
25 attend any university, college, technical college or a school approved under ~~s. 38.50~~

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1 ch. 37, that is located in Wisconsin or to attend a public vocational school or public
2 institution of higher education in Minnesota under the Minnesota–Wisconsin
3 reciprocity agreement under s. 39.47, calculated as follows:

4 **SECTION 93.** 182.028 of the statutes is amended to read:

5 **182.028 School corporations.** Any corporation formed for the establishment
6 and maintenance of schools, academies, seminaries, colleges or universities or for the
7 cultivation and practice of music shall have power to enact bylaws for the protection
8 of its property, and provide fines as liquidated damages upon its members and
9 patrons for violating the bylaws, and may collect the same in tort actions, and to
10 prescribe and regulate the courses of instruction therein, and to confer such degrees
11 and grant such diplomas as are usually conferred by similar institutions or as shall
12 be appropriate to the courses of instruction prescribed, except that no corporation
13 shall operate or advertise a school that is subject to s. ~~38.50 (10)~~ 37.40 (1) without
14 complying with the requirements of s. ~~38.50~~ ch. 37. Any stockholder may transfer
15 his or her stock to the corporation for its use; and if the written transfer so provides
16 the stock shall be perpetually held by the board of directors with all the rights of a
17 stockholder, including the right to vote.

18 **SECTION 94.** 460.05 (1) (e) 1. of the statutes is amended to read:

19 460.05 **(1)** (e) 1. Graduated from a school of massage therapy or bodywork
20 approved by the educational approval board under s. ~~38.50~~ ch. 37 or completed a
21 training program approved by the department under the rules promulgated under
22 s. 460.04 (2) (b).

23 **SECTION 95.** 944.21 (8) (b) 3. a. of the statutes is amended to read:

