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.

AN ACT to repeal 37.60, 38.50 (1) (b), 38.50 (1) (e) 6., 38.50 (1) (e) 7., 38.50 (1) (e) 8., 38.50 (7) (b), 38.50 (8) (h), 38.50 (8) (i), 38.50 (10) (title), 38.50 (11) (a) 1. and 38.50 (11) (b) 2.; to renumber 38.50 (title), 38.50 (1) (d), 38.50 (7) (i), 38.50 (8) (c) 2., 38.50 (8) (c) 7., 38.50 (8) (d), 38.50 (8) (e), 38.50 (10) (c) (intro.), 38.50 (10) (c) 4. and 38.50 (11) (title); to renumber and amend 38.50 (1) (intro.), 38.50 (1) (a), 38.50 (1) (c), 38.50 (1) (e) (intro.), 38.50 (1) (e) 1., 38.50 (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) (g), 38.50 (2), 38.50 (3), 38.50 (5), 38.50 (7) (intro.), 38.50 (7) (a), 38.50 (7) (c), 38.50 (7) (d), 38.50 (7) (e), 38.50 (7) (f), 38.50 (7) (g), 38.50 (7) (h), 38.50 (8) (title), 38.50 (8) (a), 38.50 (8) (b), 38.50 (8) (c) (intro.), 38.50 (8) (c) 1., 38.50 (8) (c) 3., 38.50 (8) (c) 4., 38.50 (8) (c) 5., 38.50 (8) (f), 38.50 (8) (g), 38.50 (10) (a), 38.50 (10) (b), 38.50 (10) (c) (title), 38.50 (10) (c) 1., 38.50 (10) (c) 2., 38.50 (10) (c) 3., 38.50 (10) (cm), 38.50 (10) (d), 38.50 (10) (e), 38.50 (10) (f), 38.50 (11) (a) (intro.), 38.50 (11) (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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20.292 (2) (g), 20.292 (2) (gm), 20.292 (2) (i), 29.506 (7m) (a), 45.20 (1) (d), 45.20
(2) (a) 1., 45.20 (2) (a) 2. (intro.), 45.20 (2) (c) 1., 45.20 (2) (d) 1. (intro.), 45.21 (2)
(a), 71.05 (6) (b) 28. (intro.), 182.028, 460.05 (1) (e) 1., 944.21 (8) (b) 3. a. and
948.11 (4) (b) 3. a.; to repeal and recreate 20.292 (2) (g); and to create 37.01
(2), 37.10 (2) to (6), 37.15, 37.35 (2), 37.35 (3) (c), (d), (e) and (g),
37.35 (8), 37.40 (title), 37.45 and 37.50 of the statutes; relating to: the
purposes, authority, and responsibilities of the Educational Approval 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 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.

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*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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) Performing annual reviews of schools.

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

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

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

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

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

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

37.35 (2) Establish standards and criteria for approving schools offering programs that are delivered primarily by distance learning.
SECTION 11. 37.35 (3) (c), (d), (e) and (g) of the statutes are created to read:

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

(d) The school’s complaint procedures.

(e) Student outcome and satisfaction information.

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

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

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

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

37.40 (title) Approval; application; fees.

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

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

(2) STUDENT OUTCOME AND SATISFACTION INFORMATION. An approved school shall annually report to the board 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 completing a program, the number of completers successfully employed, and such other information as the board considers necessary.

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

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

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

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

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

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

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

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

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

SECTION 20. 38.50 (1) (b) of the statutes is repealed.
SECTION 21. 38.50 (1) (c) of the statutes is renumbered 37.01 (4) and amended to read:

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

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

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

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

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

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

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

2. Had its administrative headquarters and principal places of business in this state prior to 1970.
SECTION 25. 38.50 (1) (e) 2. of the statutes is renumbered 37.01 (6) (b) and amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SECTION 41.** 38.50 (7) (d) of the statutes is renumbered 37.35 (5) and amended to read:
37.35 (5) Promulgate rules restricting prescribe restrictions on the negotiability of promissory instruments received by schools in payment of tuition and other charges fees.

Section 42. 38.50 (7) (e) of the statutes is renumbered 37.35 (7) and amended to read:

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

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

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

(a) The school’s mission, facilities, curricula, programs, and instructors.

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

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

Section 44. 38.50 (7) (g) of the statutes is renumbered 37.30 and amended to read:

37.30 Authority. Approve courses of instruction, the board shall approve schools, programs, changes of ownership or control of schools, and teaching locations meeting, and representatives that meet the requirements and standards established
by the board and complying with rules promulgated by the board and publish a list of the schools and courses of instruction approved.

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

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

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

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

37.60 (title) SOLICITING RECRUITMENT OF STUDENTS.

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

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

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

37.60 (2) SOLICITOR’S REPRESENTATIVE’S PERMIT. The application for a solicitor’s representative’s permit shall be made on a form furnished by the board and shall be
accompanies a fee and a surety bond acceptable to the board in the sum of $2,000. The board shall, by rule, specify the amount of the fee for a solicitor’s representative’s permit. The bond may be continuous and shall be conditioned to provide 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 50. 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:

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

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

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

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

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

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

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

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

37.60 (3) (e) Failure of the school which the solicitor representative represents to meet requirements and standards established by and to comply with rules promulgated by the board under sub. (7) s. 37.25.
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SECTION 56. 38.50 (8) (c) 6. of the statutes is renumbered 37.60 (3) (f) and amended to read:

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

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

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

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

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

37.60 (6) Recovery by students. The bond in force under par. (b) sub. (2) shall not limit or impair any right of recovery otherwise available under law, nor shall the amount of the bond be relevant in determining the amount of damages or other relief to which any plaintiff may be entitled.

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

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

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

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

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

SECTION 65. 38.50 (10) (a) of the statutes is renumbered 37.40 (1) and amended to read:
37.40 (1) **Authority. Approval.** All proprietary schools shall be examined and
No school may operate or advertise in this state, offer a program to a resident of this
state, change its ownership or control, or establish a teaching location, and no person
may act as a representative, unless the school or representative is first approved by
the board before operating in this state. Approval shall be granted to schools meeting
the criteria. If a school, program, change in ownership or control, teaching location,
or representative meets the requirements and standards established by the board
and complies with rules promulgated by the board, the board shall approve the
school, program, change in ownership or control, teaching location, or
representative. Approval for a school, program, teaching location, or representative
shall be for a period not to exceed one year. No school may advertise in this state
unless approved by the board. All approved schools shall submit quarterly reports,
including information on enrollment, number of teachers and their qualifications,
course offerings, number of graduates, number of graduates successfully employed,
and such other information as the board considers necessary. If a school closure
results in losses to students, parents, or sponsors, the board may authorize the full
or partial payment of those losses from the appropriation under s. 20.292 (2) (gm).

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

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

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

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

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

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

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

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

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

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

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

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

**SECTION 73.** 38.50 (10) (cm) of the statutes is renumbered 37.40 (4) and amended to read:
37.40 (4) LIMIT ON STUDENT PROTECTION FEE. The board shall discontinue collecting annual student protection fees under par. (c) 4, sub. (3) (d) during the period that the balance in the fund created by those fees exceeds $1,000,000.

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

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

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

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

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

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

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

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

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

SECTION 79. 38.50 (11) (a) 1. of the statutes is repealed.
**SECTION 80.** 38.50 (11) (a) 2. of the statutes is renumbered 37.55 (1) (a) and amended to read:

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

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

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

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

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

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

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

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

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

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

**SECTION 86.** 45.20 (1) (d) of the statutes is amended to read:
45.20 (1) (d) “Tuition,” when referring to the University of Wisconsin System, means academic fees and segregated fees; when referring to the technical colleges, means “program fees” and “additional fees” as described in s. 38.24 (1m) and (1s); and when referring to a high school, a school that is approved under s. 45.03 (11), or a proprietary school that is approved under s. 38.50 ch. 37, means the charge for the courses or programs for which a person is enrolled.

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

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

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

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

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

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

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

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

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

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

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

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

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

**182.028 School corporations.** Any corporation formed for the establishment
and maintenance of schools, academies, seminaries, colleges or universities or for the
cultivation and practice of music shall have power to enact bylaws for the protection
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 94.** 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 95.** 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 s. 37.01 (6) (f); and

SECTION 96. 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 s. 37.01 (6) (f); and

SECTION 97. Effective dates. This act takes effect on the day after publication, except as follows:

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