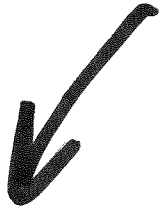




# State of Wisconsin

LEGISLATIVE REFERENCE BUREAU



## ☞ Appendix H ... segment II

### LRB BILL HISTORY RESEARCH APPENDIX

☞ The drafting file for 2015 LRB-1173/3 (For: DOA-Budget)

has been copied/added to the drafting file for

**2015 LRB-0807** (For: DOA-Budget)

☞ Are These “Companion Bills” ?? ... No



# **RESEARCH APPENDIX - PLEASE KEEP WITH THE DRAFTING FILE**

Date Transfer Requested: 01/26/2014 (Per: CMH/ARG)

☞ The attached draft was incorporated into the new draft listed above. For research purposes the attached materials were added, as a appendix, to the new drafting file. If introduced this section will be scanned and added, as a separate appendix, to the digital drafting file.



State of Wisconsin  
2015 - 2016 LEGISLATURE

in  
1/18



LRB-11730 2  
ARG:cjs:jm

stays

DOA:.....Kirschbaum, BB0410 – Elimination of Educational Approval Board  
and transfer of functions to DFIPS and DATCP

**FOR 2015-2017 BUDGET – NOT READY FOR INTRODUCTION**

do NOT gen

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**OTHER EDUCATIONAL AND CULTURAL AGENCIES**

Under current law, the Educational Approval Board (EAB), which is attached to the TCS Board, inspects and approves private trade, correspondence, business, and technical schools to protect the students of those schools, prevent fraud, and encourage accepted educational standards at those schools. The EAB also issues permits to, and regulates, persons who solicit students for enrollment in these schools. The EAB also has certain consumer protection functions related to deceptive practices involving institutions of higher education.

Insert  
ANAL - A

~~This bill eliminates the EAB and transfers most of its functions to a new agency, the Department of Financial Institutions and Professional Standards (DFIPS), although certain consumer protection functions are transferred to DATCP.~~

Insert  
ANAL - B

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1 SECTION 1. 15.07 (5) (i) of the statutes is repealed.

2 SECTION 2. 15.406 (6) (a) 1. of the statutes is amended to read:

3 15.406 (6) (a) 1. Six massage therapists or bodywork therapists licensed under  
 4 ch. 460 who have engaged in the practice of massage therapy or bodywork therapy  
 5 for at least 2 years preceding appointment. One member appointed under this  
 6 subdivision shall be a representative of a massage therapy or bodywork therapy  
 7 school ~~approved~~ <sup>certified</sup> by the educational approval board under s. 38.50 department of  
 8 financial institutions and professional standards under s. 440.52. One member  
 9 appointed under this subdivision shall be a representative of a massage therapy or  
 10 bodywork therapy program offered by a technical college in this state. No other  
 11 members appointed under this subdivision shall be directly or indirectly affiliated  
 12 with a massage therapy or bodywork therapy school or program.

13 SECTION 3. 15.945 of the statutes is repealed.

insert  
2-13  
x ✓

14 SECTION 4. 20.292 (2) of the statutes is renumbered 20.142 (9) and amended  
15 to read:

16 20.142 (9) ~~EDUCATIONAL APPROVAL BOARD PRIVATE TRADE, CORRESPONDENCE,~~  
 17 ~~BUSINESS, AND TECHNICAL SCHOOLS.~~ (g) *Proprietary school programs.* The amounts in  
 18 the schedule for the examination and approval of proprietary school programs.  
 19 Ninety percent of all moneys received from the issuance of solicitor's permits under  
 20 s. ~~38.50~~ 440.52 (8) and from the fees under s. ~~38.50~~ 440.52 (10) and all moneys  
 21 received from the fees under s. ~~38.50~~ (13) (d) 440.52 (13m) shall be credited to this  
 22 appropriation account.

23 (gm) *Student protection.* All moneys received from fees received under s. 38.50  
 24 440.52 (10) (c) 4, for the purpose of indemnifying students, parents, or sponsors  
 25 under s. ~~38.50~~ 440.52 (10) (a) and for the purpose of preserving under s. 38.50 440.52

1 ~~(11) the ~~students~~ student records of schools, as defined in s. ~~38.50 440.52~~ (11) (a) 2.,~~  
2 ~~that have discontinued their operations.~~

3 ~~(i) Closed schools; preservation of student records. All moneys received from~~  
4 ~~fees collected under s. ~~38.50 440.52~~ (11) (d) to be used for the administrative costs of~~  
5 ~~taking possession of, preserving, and providing copies of student records of schools,~~  
6 ~~as defined in s. ~~38.50 440.52~~ (11) (a) 2., that have discontinued their operations.~~

note: bud  
stays →

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

~~\*\*\*NOTE: These appropriations are all being moved to DFIPS. This draft does not create any new appropriation for DATCP.~~

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

8 29.506 (7m) (a) The department shall issue a taxidermy school permit to a  
9 person who applies for the permit; who, on August 15, 1991, holds a valid  
10 taxidermist permit issued under this section; and who, on August 15, 1991, operates  
11 a taxidermy school approved by the educational approval board under s. ~~38.50 38.51,~~  
12 1989 stats.

13 SECTION 6. 38.50 (title) of the statutes is repealed.

14 SECTION 7. 38.50 (1) (intro.), (b), (c), (d), ~~(e), (f)~~ and ~~(g)~~ of the statutes are  
15 renumbered 440.52 (1) (intro.), (b), (c), (d), ~~(e), (f)~~ and ~~(g)~~, and 440.52 (1) (e) 8. ~~and (g),~~  
16 as renumbered, <sup>is</sup> ~~are~~ amended to read:

17 440.52 (1) (e) 8. Schools accredited by accrediting agencies recognized by the  
18 board department.

19 (g) "Teaching location" means the area and facilities designated for use by a  
20 school required to be approved by the board department under this section.

\*\*\*NOTE: Under 2015 LRB-0807 and existing s. 440.01 (1) (aj), "department" will mean DFIPS in chs. 440 to 480.

21 SECTION 8. 38.50 (1) (a) of the statutes is repealed.

(insert 3-21)

inset  
4-3

1 SECTION 9. 38.50 (2) of the statutes is renumbered 440.52 (2) and amended to  
2 read:

3 440.52 (2) RESPONSIBILITIES. The ~~board~~ department shall protect the general  
4 public by inspecting and approving private trade, correspondence, business, and  
5 technical schools doing business within this state, whether located within or outside  
6 this state, changes of ownership or control of the schools, teaching locations used by  
7 the schools, and courses of instruction offered by the schools and regulate the  
8 soliciting of students for correspondence or classroom courses and courses of  
9 instruction offered by the schools.

10 SECTION 10. 38.50 (3) of the statutes is renumbered 440.52 (3) and amended  
11 to read:

12 440.52 (3) RULE-MAKING POWER. The ~~board~~ department shall promulgate rules  
13 and establish standards necessary to administer this section.

14 SECTION 11. 38.50 (5) of the statutes is repealed.

inset  
4-15

15 SECTION 12. 38.50 (7) of the statutes is renumbered 440.52 (7), and 440.52 (7)  
16 (intro.), (g), (h) and (i), as renumbered, are amended to read:

17 440.52 (7) APPROVAL OF SCHOOLS GENERALLY. (intro.) To protect students,  
18 prevent fraud and misrepresentation in the sale and advertising of courses and  
19 courses of instruction, and encourage schools to maintain courses and courses of  
20 instruction consistent in quality, content, and length with generally accepted  
21 educational standards, the ~~board~~ department shall do all of the following:

22 (g) Approve courses of instruction, schools, changes of ownership or control of  
23 schools, and teaching locations meeting the requirements and standards established  
24 by the ~~board~~ department and complying with rules promulgated by the ~~board~~  
25 department; publish a list of the schools and courses of instruction approved and a

1 list of the schools that are authorized to use the term "college," "university," "state,"  
2 or "Wisconsin" in their names; and make those lists of the schools available on the  
3 board's department's Internet site.

4 (h) Issue permits to solicitors when all board department requirements have  
5 been met.

6 (i) Require schools to furnish a surety bond in an amount as provided by rule  
7 of the board department.

8 **SECTION 13.** 38.50 (8) of the statutes is renumbered 440.52 (8), and 440.52 (8)  
9 (a), (b), (c) (intro.) 1., 2., 4. and 5., (d) and (e), as renumbered, are amended to read:

10 440.52 (8) (a) *In general.* No solicitor representing any school offering any  
11 course or course of instruction shall sell any course or course of instruction or solicit  
12 students for a course or course of instruction in this state for a consideration or  
13 remuneration, except upon the actual business premises of the school, unless the  
14 solicitor first secures a solicitor's permit from the board department. If the solicitor  
15 represents more than one school, a separate permit shall be obtained for each school  
16 the solicitor represents.

17 (b) *Solicitor's permit.* The application for a solicitor's permit shall be made on  
18 a form furnished by the board department and shall be accompanied by a fee and a  
19 surety bond acceptable to the board department in the sum of \$2,000. The board  
20 department shall, by rule, specify the amount of the fee for a solicitor's permit. The  
21 bond may be continuous and shall be conditioned to provide indemnification to any  
22 student suffering loss as the result of any fraud or misrepresentation used in  
23 procuring his or her enrollment or as a result of the failure of the school to perform  
24 faithfully the agreement the solicitor made with the student, and may be supplied  
25 by the solicitor or by the school itself either as a blanket bond covering each of its

**SECTION 13**

1 solicitors in the amount of \$2,000 or the surety bond under sub. (7) (i). Upon approval  
2 of a permit, the ~~board~~ department shall issue an identification card to the solicitor  
3 giving his or her name and address, the name and address of the employing school,  
4 and certifying that the person whose name appears on the card is authorized to solicit  
5 students for the school. A permit shall be valid for one year from the date issued.  
6 Liability under this paragraph of the surety on the bond for each solicitor covered by  
7 the bond shall not exceed the sum of \$2,000 as an aggregate for any and all students  
8 for all breaches of the conditions of the bond. The surety of a bond may cancel the  
9 bond upon giving 30 days' notice in writing to the ~~board~~ department and shall be  
10 relieved of liability under this paragraph upon giving the notice for any breach of  
11 condition occurring after the effective date of the cancellation. An application for  
12 renewal shall be accompanied by a fee, a surety bond acceptable to the ~~board~~  
13 department in the sum of \$2,000 if a continuous bond has not been furnished, and  
14 such information as the ~~board~~ department requests of the applicant. The ~~board~~  
15 department shall, by rule, specify the amount of the fee for renewal of a solicitor's  
16 permit.

17 (c) *Refusal or revocation of permit.* (intro.) The ~~board~~ department may refuse  
18 to issue or renew, or may revoke, any solicitor's permit upon one or any combination  
19 of the following grounds:

20 1. Willful violation of this subsection or any rule promulgated by the ~~board~~  
21 department under this section.

22 2. Furnishing false, misleading, or incomplete information to the ~~board~~  
23 department.

24 4. Refusal by the school to be represented to allow reasonable inspection or to  
25 supply information after written request therefor by the ~~board~~ department.

1 5. Failure of the school which the solicitor represents to meet requirements and  
2 standards established by and to comply with rules promulgated by the ~~board~~  
3 department under sub. (7).

4 (d) ~~Notice of refusal to issue or renew permit.~~ Notice of refusal to issue or renew  
5 a permit or of the revocation of a permit shall be sent by registered mail to the last  
6 address of the applicant or permit holder shown in the records of the ~~board~~  
7 department. Revocation of a permit shall be effective 10 days after the notice of  
8 revocation has been mailed to the permit holder.

9 (e) ~~Request for appearance.~~ Within 20 days of the receipt of notice of the ~~board's~~  
10 department's refusal to issue or renew a permit or of the revocation of a permit, the  
11 applicant or holder of the permit may request permission to appear before the ~~board~~  
12 department in person, with or without counsel, to present reasons why the permit  
13 should be issued, renewed, or reinstated. Upon receipt of a request, the ~~board~~  
14 department shall grant a hearing to the applicant or holder of the permit within 30  
15 days giving that person at least 10 days' notice of the date, time, and place.

16 **SECTION 14.** 38.50 (10) of the statutes is renumbered 440.52 (10), and 440.52  
17 (10) (a), (b), (c) (intro.) and 1. and (cm), as renumbered, are amended to read:

18 440.52 (10) (a) *Authority.* All proprietary schools shall be examined and  
19 approved by the ~~board~~ department before operating in this state. Approval shall be  
20 granted to schools meeting the criteria established by the ~~board~~ department for a  
21 period not to exceed one year. No school may advertise in this state unless approved  
22 by the ~~board~~ department. All approved schools shall submit quarterly reports,  
23 including information on enrollment, number of teachers and their qualifications,  
24 course offerings, number of graduates, number of graduates successfully employed,  
25 and such other information as the ~~board~~ department considers necessary. If a school



1 closure results in losses to students, parents, or sponsors, the ~~board department~~ may  
2 authorize the full or partial payment of those losses from the appropriation under s.  
3 ~~20.292 (2)~~ 20.142 (9) (gm).

4 (b) *Application.* Application for initial approval of a school or a course of  
5 instruction, approval of a teaching location, change of ownership, or control of a  
6 school, renewal of approval of a school or reinstatement of approval of a school or  
7 course of instruction that has been revoked shall be made on a form furnished by the  
8 ~~board department~~ and shall be accompanied by a fee set by the ~~board department~~  
9 under par. (c) and any other information as the ~~board department~~ considers  
10 necessary to evaluate the school in carrying out the purpose of this section.

11 (c) *Fees; rule making.* (intro.) The ~~board department~~ shall promulgate rules to  
12 establish the fees paid to the ~~board department~~. In promulgating rules to establish  
13 the fees, the ~~board department~~ shall do all of the following:

14 1. Require that the amount of fees collected under this paragraph be sufficient  
15 to cover all costs that the ~~board department~~ incurs in examining and approving  
16 proprietary schools under this subsection.

17 (cm) *Limit on student protection fee.* The ~~board department~~ shall discontinue  
18 collecting annual student protection fees under par. (c) 4. during the period that the  
19 ~~balance in the fund created by those fees exceeds \$1,000,000.~~

20 SECTION 15. 38.50 (11) of the statutes is renumbered 440.52 (11), and 440.52  
21 (11) (b) 1., (c) and (d), as renumbered, are amended to read:

22 440.52 (11) (b) 1. If a school operating in this state discontinues its operations,  
23 proposes to discontinue its operations, or is in imminent danger of discontinuing its  
24 operations as determined by the ~~board department~~, if the student records of the  
25 school are not taken into possession under subd. 2., and if the ~~board department~~

1 determines that the student records of the school are in danger of being destroyed,  
2 secreted, mislaid, or otherwise made unavailable to the persons who are the subjects  
3 of those student records or the authorized representatives of those persons, the ~~board~~  
4 department may take possession of those student records.

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

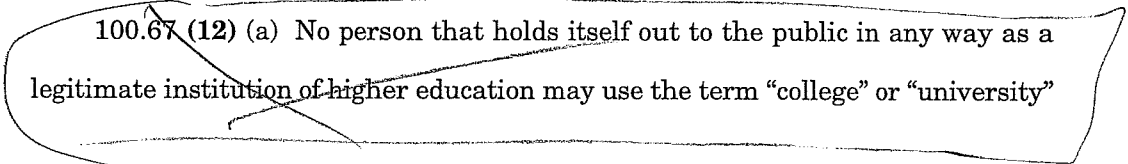
10 (d) The ~~board~~ department or association shall preserve a student record that  
11 comes into the possession of the ~~board~~ department or association under par. (b) 1. or  
12 2. and shall keep the student record confidential as provided under 20 USC 1232g  
13 and 34 CFR part 99. A student record in the possession of the ~~board~~ department is  
14 not open to public inspection or copying under s. 19.35 (1). Upon request of the person  
15 who is the subject of a student record or an authorized representative of that person,  
16 the ~~board~~ department or association shall provide a copy of the student record to the  
17 requester. The ~~board~~ department or association may charge a fee for providing a copy  
18 of a student record. The fee shall be based on the administrative cost of taking  
19 possession of, preserving, and providing the copy of the student record. All fees  
20 collected by the ~~board~~ department under this paragraph shall be credited to the  
21 appropriation account under s. ~~20.292 (2)~~ ~~20.142~~ ~~(3)(a)~~ (3)(a) ✓

22 **SECTION 16.** 38.50 (12) of the statutes is renumbered 100.67 (12), and 100.67

23 (12) (a) and (b), as renumbered, are amended to read:

24 100.67 (12) (a) No person that holds itself out to the public in any way as a  
25 legitimate institution of higher education may use the term "college" or "university"

Insert  
9-24



1 ~~in the person's name unless the person provides an educational program for which~~  
2 ~~the person awards an associate or higher degree and the person has accreditation~~  
3 ~~recognized by the U.S. secretary of education, has the foreign equivalent of that~~  
4 ~~accreditation, as determined by the board department of financial institutions and~~  
5 ~~professional standards, or has accreditation recognized by the Council for Higher~~  
6 Education Accreditation. This paragraph does not apply to any of the following:

7 1. A school that was doing business in this state with the approval of the  
8 educational approval board under s. 38.50, 2007 stats., prior to May 27, 2010.

9 1m. A person described in ~~sub. s. 440.52~~ (1) (e) 1. whose administrative  
10 headquarters and principal place of business is in the village of Union Grove that  
11 provides a residential facility located in that village to assist young adults with  
12 disabilities in transitioning from home and school to work and independent living.

13 2. A person described in ~~sub. s. 440.52~~ (1) (e) 3. to 7. that was doing business  
14 in this state prior to May 27, 2010.

15 (b) ~~No school, including a school described in sub. s. 440.52 (1) (e) 1. to 8., may~~  
16 ~~use the term "state" or "Wisconsin" in its name if the use of that term operates to~~  
17 ~~mislead the public into believing that the school is affiliated with the University of~~  
18 ~~Wisconsin System or the technical college system, unless the school actually is so~~  
19 ~~affiliated. This paragraph does not apply to a school described in sub. s. 440.52 (1)~~  
20 ~~(e) 1. that has accreditation recognized by the U.S. secretary of education, has the~~  
21 ~~foreign equivalent of that accreditation, as determined by the board department of~~  
22 ~~financial institutions and professional standards, or has accreditation recognized by~~  
23 the Council for Higher Education Accreditation.

\*\*\*NOTE: The penalties in this provision will override the general penalties under  
s. 100.26, but the consumer protection surcharge under s. 100.261 will apply to these

(intro.) ↗

(intro.) ↗

10., 2., a., c. and d., 3., and 4.

<use 2x>

violations. In addition, s. 100.263 may allow certain expenses to be recovered against a violator. Please advise if this is not consistent with your intent.

1 SECTION 17. 38.50 (13) (title), (a), (b) and (c) of the statutes are renumbered  
2 100.67 (13) (title), (a), (b) and (c), and 100.67 (13) (a) 2. a., b., c. and c., as renumbered,  
3 are amended to read:

4 100.67 (13) (a) 2. a. Has accreditation recognized by the U.S. secretary of  
5 education; has the foreign equivalent of that accreditation, as determined by the  
6 board department of financial institutions and professional standards; or has  
7 accreditation recognized by the Council for Higher Education Accreditation.

insert  
11-7

8 b. Is approved by the board department of financial institutions and  
9 professional standards to operate in this state.

10 c. Operates in this state and is a school described in sub. s. 440.52 (1) (e) 1. to  
11 8.

12 e. Has been found by the board department of financial institutions and  
13 professional standards to meet standards of academic quality comparable to those  
14 of an educational institution located in the United States that has accreditation  
15 recognized by the U.S. secretary of education or by the Council for Higher Education  
16 Accreditation to offer credentials of the type and level claimed.

\*\*\*\*NOTE: The penalties in this provision will override the general penalties under s. 100.26, but the consumer protection surcharge under s. 100.261 will apply to these violations. In addition, s. 100.263 may allow certain expenses to be recovered against a violator. Please advise if this is not consistent with your intent.

insert  
11-16

17 ~~SECTION 18. 38.50 (13) (d) of the statutes is renumbered 440.52 (13m) and~~  
18 ~~amended to read:~~

19 ~~440.52 (13m) FALSE ACADEMIC CREDENTIALS. The board department may charge~~  
20 ~~a fee for evaluating an educational institution under par. s. 100.67 (13) (a) 2. e. in an~~  
21 ~~amount that is sufficient to cover all costs that the board department incurs in~~

1 evaluating the institution. All fees collected by the ~~board~~ department under this  
 2 paragraph ~~subsection~~ shall be credited to the appropriation account under s. ~~20.292~~  
 3 ~~(2) 20.142 (9) (g).~~

4 SECTION 19. 45.20 (1) (d) of the statutes is amended to read:

5 45.20 (1) (d) "Tuition," when referring to the University of Wisconsin System,  
 6 means academic fees and segregated fees; when referring to the technical colleges,  
 7 means "program fees" and "additional fees" as described in s. 38.24 (1m) and (1s); and  
 8 when referring to a high school, a school that is approved under s. 45.03 (11), or a  
 9 proprietary school that is ~~approved~~ <sup>strike ↓</sup> certified under s. ~~38.50~~ 440.52, means the charge for the  
 10 courses for which a person is enrolled.

11 SECTION 20. 45.20 (2) (a) 1. of the statutes is amended to read:

12 45.20 (2) (a) 1. The department shall administer a tuition reimbursement  
 13 program for eligible veterans enrolling as undergraduates in any institution of  
 14 higher education in this state, enrolling in a school that is approved under s. 45.03  
 15 (11), enrolling in a proprietary school that is ~~approved~~ <sup>strike ↓</sup> certified under s. ~~38.50~~ 440.52,  
 16 enrolling in a public or private high school, enrolling in a tribal school, as defined in  
 17 s. 115.001 (15m), in any grade from 9 to 12, or receiving a waiver of nonresident  
 18 tuition under s. 39.47.

19 SECTION 21. 45.20 (2) (a) 2. (intro.) of the statutes is amended to read:

20 45.20 (2) (a) 2. (intro.) A veteran who is a resident of this state and otherwise  
 21 qualified to receive benefits under this subsection may receive the benefits under  
 22 this subsection upon the completion of any correspondence courses or part-time  
 23 classroom study from an institution of higher education located outside this state,  
 24 from a school that is approved under s. 45.03 (11), or from a proprietary school that  
 25 is ~~approved~~ <sup>strike ↓</sup> certified under s. ~~38.50~~ 440.52, if any of the following applies:

1           **SECTION 22.** 45.20 (2) (c) 1. of the statutes is amended to read:

2           45.20 (2) (c) 1. A veteran who meets the eligibility requirements under par. (b)

3           1. may be reimbursed upon satisfactory completion of an undergraduate semester in

4           any institution of higher education in this state, or upon satisfactory completion of

5           a course at any school that is approved under s. 45.03 (11), any proprietary school

6           that is ~~approved~~ <sup>certified</sup> under s. ~~38.50~~ 440.52, any public or private high school, any tribal

7           school, as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or any

8           institution from which the veteran receives a waiver of nonresident tuition under s.

9           39.47. Except as provided in par. (e), the amount of reimbursement may not exceed

10          the total cost of the veteran's tuition minus any grants or scholarships that the

11          veteran receives specifically for the payment of the tuition, or, if the tuition is for an

12          undergraduate semester in any institution of higher education, the standard cost of

13          tuition for a state resident for an equivalent undergraduate semester at the

14          University of Wisconsin-Madison, whichever is less.

15          **SECTION 23.** 45.20 (2) (d) 1. (intro.) of the statutes is amended to read:

16          45.20 (2) (d) 1. (intro.) Subject to subd. 1m., a veteran's eligibility for

17          reimbursement under this subsection at any institution of higher education in this

18          state, at a school that is approved under s. 45.03 (11), at a proprietary school that is

19          ~~approved~~ <sup>certified</sup> under s. ~~38.50~~ 440.52, at a public or private high school, at a tribal school,

20          as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or at an

21          institution where he or she is receiving a waiver of nonresident tuition under s. 39.47

22          is limited to the following:

23          **SECTION 24.** 45.21 (2) (a) of the statutes is amended to read:

24          45.21 (2) (a) The veteran is enrolled in a training course in a technical college

25          under ch. 38 or in a proprietary school in the state ~~approved~~ <sup>certified</sup> by the educational

↑  
strike

1 ~~approval board under s. 38.50~~ department of financial institutions and professional  
2 standards under s. 440.52, other than a proprietary school offering a 4-year degree  
3 or 4-year program, or is engaged in a structured on-the-job training program that  
4 meets program requirements promulgated by the department by rule.

5 SECTION 25. 71.05 (6) (b) 28. (intro.) of the statutes is amended to read:

6 71.05 (6) (b) 28. (intro.) An amount paid by a claimant for tuition expenses and  
7 mandatory student fees for a student who is the claimant or who is the claimant's  
8 child and the claimant's dependent who is claimed under section 151 (c) of the  
9 Internal Revenue Code, to attend any university, college, technical college or a school  
10 ~~approved~~ <sup>strike ↓ certified</sup> under s. ~~38.50~~ 440.52, that is located in Wisconsin or to attend a public  
11 vocational school or public institution of higher education in Minnesota under the  
12 Minnesota-Wisconsin reciprocity agreement under s. 39.47, calculated as follows:

13 SECTION 26. 71.07 (5r) (a) 2. of the statutes is amended to read:

14 71.07 (5r) (a) 2. "Course of instruction" has the meaning given in s. ~~38.50~~ 440.52  
15 (1) (c).

16 SECTION 27. 71.07 (5r) (a) 6. b. of the statutes is amended to read:

17 ~~approved~~ <sup>strike ↓ certified</sup> 71.07 (5r) (a) 6. b. A school ~~approved~~ under s. ~~38.50~~ 440.52, if the delivery of  
18 education occurs in this state.

19 SECTION 28. 71.28 (5r) (a) 2. of the statutes is amended to read:

20 71.28 (5r) (a) 2. "Course of instruction" has the meaning given in s. ~~38.50~~ 440.52  
21 (1) (c).

22 SECTION 29. 71.28 (5r) (a) 6. b. of the statutes is amended to read:

23 ~~approved~~ <sup>strike ↓ certified</sup> 71.28 (5r) (a) 6. b. A school ~~approved~~ under s. ~~38.50~~ 440.52, if the delivery of  
24 education occurs in this state.

25 SECTION 30. 71.47 (5r) (a) 2. of the statutes is amended to read:

1           71.47 (5r) (a) 2. "Course of instruction" has the meaning given in s. ~~38.50~~ 440.52  
2 (1) (c).

3           **SECTION 31.** 71.47 (5r) (a) 6. b. of the statutes is amended to read:

4           71.47 (5r) (a) 6. b. A school <sup>strike</sup> ~~approved~~ <sup>certified</sup> under s. ~~38.50~~ 440.52, if the delivery of  
5 education occurs in this state.

6           **SECTION 32.** 100.67 of the statutes is created to read:

7           **100.67 Private trade, correspondence, business, and technical schools.**

8 (1) DEFINITIONS. In this section, unless the context clearly requires otherwise:

9 (b) "Course" has the meaning given in s. 440.52 (1) (b).

10 (c) "Course of instruction" has the meaning given in s. 440.52 (1) (c).

11 (d) "Person" has the meaning given in s. 440.52 (1) (d).

12 (e) "School" has the meaning given in s. 440.52 (1) (e).

13 (2) RESPONSIBILITIES. The department shall protect the general public by  
14 investigating complaints and potential violations related to this section and s.  
15 440.52.

16 (3) RULE-MAKING POWER. The department may promulgate rules and establish  
17 standards necessary to administer this section.

\*\*\*\*NOTE: The remainder of s. 100.67 is renumbered from s. 38.50.

18           **SECTION 33.** 111.335 (1) (cx) of the statutes is amended to read:

19           111.335 (1) (cx) Notwithstanding s. 111.322, it is not employment  
20 discrimination because of conviction record to refuse to employ or license, or to bar  
21 or terminate from employment or licensure, any individual who has been convicted  
22 of any offense under s. ~~38.50~~ 100.67 (13) (c).

23           **SECTION 34.** 125.04 (5) (a) 5. of the statutes is amended to read:



1           125.04 (5) (a) 5. Have successfully completed within the 2 years prior to the  
2           date of application a responsible beverage server training course at any location that  
3           is offered by a technical college district and that conforms to curriculum guidelines  
4           specified by the technical college system board or a comparable training course that  
5           ~~is approved by the department or the educational approval board~~ department of  
6           ~~financial institutions and professional standards~~. This subdivision does not apply  
7           to an applicant who held, or who was an agent appointed and approved under sub.  
8           (6) of a corporation or limited liability company that held, within the past 2 years,  
9           a Class "A", "Class A" or "Class C" license or a Class "B" or "Class B" license or permit  
10          or a manager's or operator's license.

11           **SECTION 35.** 125.17 (6) (a) (intro.) of the statutes is amended to read:

12           125.17 (6) (a) (intro.) Except as provided in par. (b), no municipal governing  
13           body may issue an operator's license unless the applicant has successfully completed  
14           a responsible beverage server training course at any location that is offered by a  
15           technical college district and that conforms to curriculum guidelines specified by the  
16           technical college system board or a comparable training course, which may include  
17           computer-based training and testing, ~~that is approved by the department or the~~  
18           ~~educational approval board~~ department of financial institutions and professional  
19           ~~standards~~, or unless the applicant fulfills one of the following requirements:

20           **SECTION 36.** 134.66 (2m) (b) of the statutes is amended to read:

21           134.66 (2m) (b) Paragraph (a) does not apply to an agent, employee, or  
22           independent contractor who has received the training described in par. (a) as part of  
23           a responsible beverage server training course or a comparable training course, as  
24           described in s. 125.04 (5) (a) 5., that was successfully completed by the agent,  
25           employee, or independent contractor. The department of health services shall make

1 the training program developed or approved by that department under par. (a)  
 2 available to the technical college system board, and that board shall include that  
 3 training program or a comparable training program approved by that department  
 4 in the curriculum guidelines specified by that board under s. 125.04 (5) (a) 5. The  
 5 department of health services shall also make the training program developed or  
 6 approved by that department under par. (a) available to any provider of a comparable  
 7 training course, as described in s. 125.04 (5) (a) 5., on request, ~~and the department~~  
 8 ~~of revenue or the educational approval board~~ department of financial institutions  
 9 and professional standards may approve a comparable training course under s.  
 10 ~~125.04 (5) (a) 5. only if that training course includes the training program developed~~  
 11 ~~or approved by the department of health services under par. (a) or a comparable~~  
 12 ~~training program approved by that department.~~ *strike*

13 SECTION 37. 182.028 of the statutes is amended to read:

14 **182.028 School corporations.** Any corporation formed for the establishment  
 15 and maintenance of schools, academies, seminaries, colleges or universities or for the  
 16 cultivation and practice of music shall have power to enact bylaws for the protection  
 17 of its property, and provide fines as liquidated damages upon its members and  
 18 patrons for violating the bylaws, and may collect the same in tort actions, and to  
 19 prescribe and regulate the courses of instruction therein, and to confer such degrees  
 20 and grant such diplomas as are usually conferred by similar institutions or as shall  
 21 be appropriate to the courses of instruction prescribed, ~~except that no corporation~~  
 22 ~~shall operate or advertise a school that is subject to s. 38.50 440.52 (10) without~~  
 23 ~~complying with the requirements of s. 38.50 440.52.~~ Any stockholder may transfer  
 24 his or her stock to the corporation for its use; and if the written transfer so provides

1 the stock shall be perpetually held by the board of directors with all the rights of a  
2 stockholder, including the right to vote.

3 SECTION 38. Subchapter V (title) of chapter 440 [precedes 440.51] of the  
4 statutes is amended to read:

5 CHAPTER 440

6 SUBCHAPTER V

7 PEDDLERS; PRIVATE SCHOOLS

8 SECTION 39. 440.52 (title) of the statutes is created to read:

9 440.52 (title) **Private trade, correspondence, business, and technical**  
10 **schools.**

\*\*\*NOTE: Most of the provisions of s. 440.52 are renumbered from s. 38.50.

11 SECTION 40. 440.52 (7m) of the statutes is created to read:

1/18/18  
18-12

12 440.52 (7m) WRITTEN AUTHORIZATION TO ACCOMPANY SCHOOL APPROVAL. (a) The  
13 department shall issue written authorization to any school approved by the  
14 department under this section.

15 (a) (b) With respect to any school <sup>certified</sup> approved by the department or for which the  
16 department has a pending application for <sup>certification</sup> ~~approval~~ <sub>sub</sub> under this section, the  
17 department shall do all of the following:

- 18 1. Fulfill any obligation of this state specified in 20 USC 1099a.
- 19 2. Cooperate with any accrediting agency or association recognized by the
- 20 federal secretary of education as meeting the criteria established under 20 USC
- 21 1099b, and with the federal secretary of education, with respect to certification or
- 22 recertification under 20 USC 1099c of any school for purposes of the school's
- 23 participation in programs of the federal department of education.

\*\*\*\*NOTE: I carefully reviewed 20 USC 1099b, along with various other related provisions of federal law. I am still unclear what you want in this new provision. Please advise if created s. 440.52 (7m) is not what you intended.

1 SECTION 41. 460.05 (1) (e) 1. of the statutes is amended to read:

2 460.05 (1) (e) 1. Graduated from a school of massage therapy or bodywork  
 3 therapy <sup>strike</sup> ~~approved by the educational approval board under s. 38.50 department~~  
 4 ~~under s. 440.52~~ that meets the requirements under s. 460.095 or completed a  
 5 training program approved by the affiliated credentialing board under the rules  
 6 promulgated under s. 460.04 (2) (b).

\*\*\*\*NOTE: Under 2015 LRB-0807 and existing s. 440.01 (1) (aj), "department" will mean DFIPS in chs. 440 to 480.

7 SECTION 42. 944.21 (8) (b) 3. a. of the statutes is amended to read:

8 944.21 (8) (b) 3. a. Is a technical college, is a school <sup>strike 2</sup> ~~approved~~ <sup>certified</sup> by the educational  
 9 approval board under s. 38.50 department of financial institutions and professional  
 10 standards under s. 440.52, or is a school described in s. 38.50 440.52 (1) (e) 6., 7. or  
 11 8.; and

12 SECTION 43. 948.11 (4) (b) 3. a. of the statutes is amended to read:

13 948.11 (4) (b) 3. a. Is a technical college, is a school <sup>strike 2</sup> ~~approved~~ <sup>certified</sup> by the educational  
 14 approval board under s. 38.50 department of financial institutions and professional  
 15 standards under s. 440.52, or is a school described in s. 38.50 440.52 (1) (e) 6., 7. or  
 16 8.; and

17 SECTION 44. 995.55 (1) (b) of the statutes is amended to read:

18 995.55 (1) (b) "Educational institution" means an institution of higher  
 19 education, as defined in s. 108.02 (18); a technical college established under s. 38.02;  
 20 a school, as defined in s. 38.50 440.52 (11) (a) 2.; a public school, as described in s.  
 21 115.01 (1); a charter school, as defined in s. 115.001 (1); a private school, as defined  
 22 in s. 115.001 (3r); or a private educational testing service or administrator.

1           **SECTION 9143. Nonstatutory provisions; Technical College System.**

2           (1) ELIMINATION OF EDUCATIONAL APPROVAL BOARD AND TRANSFER OF FUNCTIONS.

3           (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and  
4 liabilities of the educational approval board, other than those related to consumer  
5 protection functions, as determined by the secretary of administration, become the  
6 assets and liabilities of the department of financial institutions and professional  
7 standards. The assets and liabilities of the educational approval board related to  
8 consumer protection functions become the assets and liabilities of the department  
9 of agriculture, trade and consumer protection.

10           (b) *Positions and employees.* On the effective date of this paragraph, all  
11 positions and all incumbent employees in the classified service of the state civil  
12 service holding those positions in the educational approval board, other than  
13 employees performing consumer protection functions, as determined by the  
14 secretary of administration, are transferred to the department of financial  
15 institutions and professional standards. Employees performing consumer  
16 protection functions are transferred to the department of agriculture, trade and  
17 consumer protection.

18           (c) *Employee status.* Employees transferred under paragraph (b) have all the  
19 rights and the same status under subchapter V of chapter 111 and chapter 230 of the  
20 statutes in the department of financial institutions and professional standards or the  
21 department of agriculture, trade and consumer protection, whichever is appropriate,  
22 that they enjoyed in the educational approval board immediately before the transfer.  
23 Notwithstanding section 230.28 (4) of the statutes, no employee so transferred who  
24 has attained permanent status in class is required to serve a probationary period.

#,  
(1) (d) *Tangible personal property.* On the effective date of this paragraph, all  
2 tangible personal property, including records, of the educational approval board,  
3 other than property related to consumer protection functions, as determined by the  
4 secretary of administration, is transferred to the department of financial institutions  
5 and professional standards. Property related to consumer protection functions is  
6 transferred to the department of agriculture, trade and consumer protection.

#  
(7) (e) *Pending matters.* Any matter pending with the educational approval board  
8 on the effective date of this paragraph, other than one related to the board's  
9 consumer protection functions, as determined by the secretary of administration, is  
10 transferred to the department of financial institutions and professional standards.  
11 Any matter related to the board's consumer protection functions is transferred to the  
12 department of agriculture, trade and consumer protection. All materials submitted  
13 to or actions taken by the board are considered as having been submitted to or taken  
14 by the department of financial institutions and professional standards or the  
15 department of agriculture, trade and consumer protection, as applicable.

#  
(16) (f) *Contracts.* All contracts entered into by the educational approval board in  
17 effect on the effective date of this paragraph remain in effect and are transferred to  
18 the department of financial institutions and professional standards, except that  
19 those related to the board's consumer protection functions are transferred to the  
20 department of agriculture, trade and consumer protection. The department of  
21 financial institutions and professional standards or the department of agriculture,  
22 trade and consumer protection, as applicable, shall carry out any obligations under  
23 those contracts unless modified or rescinded by that department to the extent  
24 allowed under the contract.

#  
(25) (g) *Rules and orders.*

1           1. All rules promulgated by the educational approval board in effect on the  
2 effective date of this subdivision remain in effect until their specified expiration  
3 dates or until amended or repealed by the department of financial institutions and  
4 professional standards or the department of agriculture, trade and consumer  
5 protection, as applicable. The secretary of administration shall determine which  
6 rules of the board become those of the department of financial institutions and  
7 professional standards and which rules become those of the department of  
8 agriculture, trade and consumer protection.

9           2. All orders issued by the educational approval board in effect on the effective  
10 date of this subdivision remain in effect until their specified expiration dates or until  
11 modified or rescinded by the department of financial institutions and professional  
12 standards or the department of agriculture, trade and consumer protection, as  
13 applicable. The secretary of administration shall determine which orders of the  
14 board become those of the department of financial institutions and professional  
15 standards and which orders become those of the department of agriculture, trade  
16 and consumer protection.

17           <sup>#</sup>(h) *Secretary to resolve transition disagreements.* In the case of disagreement  
18 among or between the educational approval board, the department of financial  
19 institutions and professional standards, and the department of agriculture, trade  
20 and consumer protection with respect to any matter specified in this subsection, the  
21 secretary of administration shall determine the matter and shall develop a plan for  
22 an orderly transfer.

\*\*\*NOTE: This draft has the general effective date of the budget bill. Please advise  
if you would like a different effective date. This draft's effective date must be the same  
as, or later than, the effective date in LRB-0807, which creates DFIPS. If the effective

date of this draft is delayed, harmonizing the effective date with other agency reorganizations in the budget may be important.

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(END)

insert  
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**INSERT 23-1:**

**SECTION 9243. Fiscal changes; Technical College System.**

(1) TRANSFERS FROM EDUCATIONAL APPROVAL BOARD. The unencumbered balances in the appropriation accounts under section 20.292 (2) (g), 2013 stats., section 20.292 (2) (gm), 2013 stats., and section 20.292 (2) (i), 2013 stats., immediately before the effective date of this subsection, are transferred to the appropriation account under section 20.115 (8) (ks) of the statutes.

\*\*\*\*NOTE: As requested, this draft transfers the unencumbered balances of the EAB appropriations to DATCP's appropriation under s. 20.115 (8) (ks), which reads: "State services. All moneys received from other state agencies for the costs of the services performed for those state agencies, to provide those services." I have not amended s. 20.115 (8) (ks). Although the funds are transferred, I don't know that s. 20.115 (8) (ks) provides any expenditure authority for these funds, much less expenditure authority for consumer protection purposes.

**SECTION 9452. Effective dates; Other**

(1) ELIMINATION OF EDUCATIONAL APPROVAL BOARD. This act takes effect on January 1, 2016, or on the day after publication, whichever is later.

\*\*\*\*NOTE: This draft will be combined with the DFIPS draft, LRB-0807, and will have the same effective date as that draft. When the drafts are combined, a list of affected sections will be generated and placed in an effective date provision in section 9452.

2015-2016 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1173/2ins  
ARG:.....

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**INSERT ANAL-A:**

(no 4)

The EAB also performs certain functions related to the preservation of student records at closed schools.

**INSERT ANAL-B:**

This bill eliminates the EAB. The bill eliminates some current functions of the EAB, transfers some functions to a new agency, the Department of Financial Institutions and Professional Standards (DFIPS), and transfers some functions to DATCP. Under the bill, DFIPS must certify, upon application, proprietary schools having accreditation recognized by the federal Department of Education or by the Council for Higher Education Accreditation, but has no other role in approving proprietary schools. The EAB's record preservation functions are also transferred to DFIPS. Certain consumer protection functions of the EAB are transferred to DATCP.

**INSERT 2-13:**

\*-0800/P1.58\*SECTION 1. 20.165 (1) (g) of the statutes is renumbered 20.142

(3) (g) and amended to read:

20.142 (3) (g) *General program operations, professional licensure.* The amounts in the schedule for the professional licensing, ~~rule-making~~, and regulatory functions of the department under chs. 440 to 480, other than the licensing, rule-making, and credentialing functions of the medical examining board and the affiliated credentialing boards attached to the medical examining board and except for preparing, administering, and grading examinations. Ninety percent of all moneys received under chs. 440 to 480, except ch. 448 and ss. 440.03 (13), 440.05 (1) (b), and, less \$10 of each renewal fee received under s. 452.12 (5); all moneys transferred from the appropriation under par. (i); and all moneys received under s.

copied from 0807/P2  
↓ (drafts will be combined) ↓

1 ss. 440.055 (2) and 440.52 (10) (c) 4. and (11) (d), shall be credited to this  
2 appropriation.

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

\*\*\*NOTE: This appropriation is cut-and-pasted from LRB-0807/P2. The amendment in the appropriation retains the substance of s. 20.292 (2) (g), (gm), and (i) with respect to whether 90 percent, or all, of the fees are credited to the appropriation.

\*\*\*NOTE: Do you want changes made in the text of this appropriation? I'm not sure that the former EAB's functions are "professional licensing" and I'm also not sure that the text of the appropriation captures all of the functions being transferred from EAB to DFIPS. Will some of the former EAB's functions be funded under DFIPS general program appropriation under s. 20.142 (1) (a)?

x x

3 SECTION 2. 20.292 (2) of the statutes is repealed.

9 ← apostrophe  
9s

4

5 **INSERT 3-21:**

x x

6 SECTION 3. 38.50 (1) (f) of the statutes is repealed.

x x

7 SECTION 4. 38.50 (1) (g) of the statutes is repealed.

8

9 **INSERT 4-3:**

10 440.52 (2) RESPONSIBILITIES. The board department shall protect the general  
11 public by ~~inspecting and approving~~ certifying private trade, correspondence,  
12 business, and technical schools doing business within this state, whether located  
13 within or outside this state, ~~changes of ownership or control of the schools, teaching~~  
14 ~~locations used by the schools, and courses of instruction offered by the schools and~~  
15 ~~regulate the soliciting of students for correspondence or classroom courses and~~  
16 ~~courses of instruction offered by the schools~~ that seek certification from the state.

17

18

19

1           **INSERT 4-15:**

2   ×       **SECTION 5.** 38.50 (7) of the statutes is repealed.

3   ×       **SECTION 6.** 38.50 (8) of the statutes is repealed.

4   ×       **SECTION 7.** 38.50 (10) of the statutes is repealed.

5

6           **INSERT 9-24:**

7           100.67 (12) (a) No person that holds itself out to the public in any way as a  
8   legitimate institution of higher education may use the term “college” or “university”  
9   in the person’s name unless the person provides an educational program for which  
10   the person awards an associate or higher degree and the person has accreditation  
11   recognized by the U.S. secretary of education, ~~has the foreign equivalent of that~~  
12   ~~accreditation, as determined by the board,~~ or has accreditation recognized by the  
13   Council for Higher Education Accreditation. This paragraph does not apply to any  
14   of the following:

15

16           **INSERT 10-15:**

17           (b) No school, including a school described in ~~sub. s. 440.52~~ (1) (e) 1. to 8., may  
18   use the term “state” or “Wisconsin” in its name if the use of that term operates to  
19   mislead the public into believing that the school is affiliated with the University of  
20   Wisconsin System or the technical college system, unless the school actually is so  
21   affiliated. This paragraph does not apply to a school described in ~~sub. s. 440.52~~ (1)  
22   (e) 1. that has accreditation recognized by the U.S. secretary of education, ~~has the~~  
23   ~~foreign equivalent of that accreditation, as determined by the board,~~ or has  
24   accreditation recognized by the Council for Higher Education Accreditation.

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**INSERT 11-7:**

\*\*\*\*NOTE: As instructed, I eliminated the reference to foreign equivalent of accreditation as determined by DFIPS in current s. 38.50 (12) (a) (intro.) and (b) but not in current s. 38.50 (13) (a) 2. a., just above. Please advise if you intended the latter reference to be removed as well.

**INSERT 11-16:**

- × SECTION 8. 38.50 (13) (a) 2. b. of the statutes is repealed.
- × SECTION 9. 38.50 (13) (a) 2. e. of the statutes is repealed.
- × SECTION 10. 38.50 (13) (d) of the statutes is repealed.

**INSERT 18-12:**

*not*

CERTIFICATION OF SCHOOLS. (a) Upon application, the department shall certify a proprietary school if the school has accreditation recognized by the U.S. secretary of education or recognized by the Council for Higher Education Accreditation.

(b) The department shall issue written certification to any school certified by the department under par. (a).

(c) The department shall promulgate rules to establish the fees paid to the department for certification under this subsection. Fees collected under this paragraph shall be sufficient to cover all costs that the department incurs in certifying proprietary schools under this subsection.



State of Wisconsin  
2015 - 2016 LEGISLATURE

by 1030 please



stays

LRB-1173/2

ARG:cjs:rs

stays

DOA:.....Kirschbaum, BB0410 – Elimination of Educational Approval Board  
and transfer of functions to DFIPS and DATCP

**FOR 2015-2017 BUDGET – NOT READY FOR INTRODUCTION**

do NOT gen

1 AN ACT ...; relating to: the budget.

---

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**OTHER EDUCATIONAL AND CULTURAL AGENCIES**

Under current law, the Educational Approval Board (EAB), which is attached to the TCS Board, inspects and approves private trade, correspondence, business, and technical schools. The EAB also issues permits to, and regulates, persons who solicit students for enrollment in these schools. The EAB also performs certain functions related to the preservation of student records at closed schools. The EAB also has certain consumer protection functions related to deceptive practices involving institutions of higher education.

This bill eliminates the EAB. The bill eliminates some current functions of the EAB, transfers some functions to a new agency, the Department of Financial Institutions and Professional Standards (DFIPS), and transfers some functions to DATCP. Under the bill, DFIPS must certify, upon application, proprietary schools having accreditation recognized by the federal Department of Education or by the Council for Higher Education Accreditation, but has no other role in approving proprietary schools. The EAB's record preservation functions are also transferred to DFIPS. Certain consumer protection functions of the EAB are transferred to DATCP.

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.** 15.07 (5) (i) of the statutes is repealed.

2           **SECTION 2.** 15.406 (6) (a) 1. of the statutes is amended to read:

3           15.406 (6) (a) 1. Six massage therapists or bodywork therapists licensed under  
4 ch. 460 who have engaged in the practice of massage therapy or bodywork therapy  
5 for at least 2 years preceding appointment. One member appointed under this  
6 subdivision shall be a representative of a massage therapy or bodywork therapy  
7 school ~~approved~~ certified by the educational approval board under ~~s. 38.50~~  
8 department of financial institutions and professional standards under s. 440.52.  
9 One member appointed under this subdivision shall be a representative of a massage  
10 therapy or bodywork therapy program offered by a technical college in this state. No  
11 other members appointed under this subdivision shall be directly or indirectly  
12 affiliated with a massage therapy or bodywork therapy school or program.

13           **SECTION 3.** 15.945 of the statutes is repealed.

14           **SECTION 4.** 20.165 (1) (g) of the statutes is renumbered 20.142 (3) (g) and  
15 amended to read:

16           20.142 (3) (g) *General program operations, professional licensure.* The  
17 amounts in the schedule for the professional licensing, ~~rule making~~, and regulatory  
18 functions of the department under chs. 440 to 480, other than the licensing,  
19 rule-making, and credentialing functions of the medical examining board and the  
20 affiliated credentialing boards attached to the medical examining board and except  
21 for preparing, administering, and grading examinations. Ninety percent of all

no 9 Was it your intent that 90 percent, or all, of the fee under created s. 440.52 (7m)(c) be credited to this appropriation?

1 moneys received under chs. 440 to 480, except ch. 448 and ss. 440.03 (13), 440.05 (1)  
2 (b), and, less \$10 of each renewal fee received under s. 452.12 (5); all moneys  
3 transferred from the appropriation under par. (i); and all moneys received under s.  
4 ss. 440.055 (2) and 440.52 (10) (c) 4. and (11) (d), shall be credited to this  
5 appropriation.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

X

\*\*\*\*NOTE: This appropriation is cut-and-pasted from LRB-0807/P2. The amendment in the appropriation retains the substance of s. 20.292 (2) (g), (gm), and (i) with respect to whether 90 percent, or all, of the fees are credited to the appropriation.

\*\*\*\*NOTE: Do you want changes made in the text of this appropriation? I'm not sure that the former EAB's functions are "professional licensing" and I'm also not sure that the text of the appropriation captures all of the functions being transferred from EAB to DFIPS. Will some of the former EAB's functions be funded under DFIPS's general program appropriation under s. 20.142 (1) (a)?

6 SECTION 5. 20.292 (2) of the statutes is repealed.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

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

8 29.506 (7m) (a) The department shall issue a taxidermy school permit to a  
9 person who applies for the permit; who, on August 15, 1991, holds a valid  
10 taxidermist permit issued under this section; and who, on August 15, 1991, operates  
11 a taxidermy school approved by the educational approval board under s. 38.50 38.51,  
12 1989 stats.

13 SECTION 7. 38.50 (title) of the statutes is repealed.

14 SECTION 8. 38.50 (1) (intro.), (b), (c), (d) and (e) of the statutes are renumbered  
15 440.52 (1) (intro.), (b), (c), (d) and (e), and 440.52 (1) (e) 8., as renumbered, is amended  
16 to read:

17 440.52 (1) (e) 8. Schools accredited by accrediting agencies recognized by the  
18 board department.



1           **SECTION 9.** 38.50 (1) (a) of the statutes is repealed.

2           **SECTION 10.** 38.50 (1) (f) of the statutes is repealed.

3           **SECTION 11.** 38.50 (1) (g) of the statutes is repealed.

4           **SECTION 12.** 38.50 (2) of the statutes is renumbered 440.52 (2) and amended  
5 to read:

6           440.52 (2) **RESPONSIBILITIES.** The ~~board~~ department shall protect the general  
7 public by ~~inspecting and approving~~ certifying private trade, correspondence,  
8 business, and technical schools doing business within this state, whether located  
9 within or outside this state, ~~changes of ownership or control of the schools, teaching~~  
10 ~~locations used by the schools, and courses of instruction offered by the schools and~~  
11 ~~regulate the soliciting of students for correspondence or classroom courses and~~  
12 ~~courses of instruction offered by the schools~~ that seek certification from the state.

13           **SECTION 13.** 38.50 (3) of the statutes is renumbered 440.52 (3) and amended  
14 to read:

15           440.52 (3) **RULE-MAKING POWER.** The ~~board~~ department shall promulgate rules  
16 and establish standards necessary to administer this section.

17           **SECTION 14.** 38.50 (5) of the statutes is repealed.

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

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

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

21           **SECTION 18.** 38.50 (11) of the statutes is renumbered 440.52 (11), and 440.52  
22 (11) (b) 1., (c) and (d), as renumbered, are amended to read:

23           440.52 (11) (b) 1. If a school operating in this state discontinues its operations,  
24 proposes to discontinue its operations, or is in imminent danger of discontinuing its  
25 operations as determined by the ~~board~~ department, if the student records of the

1 school are not taken into possession under subd. 2., and if the board department  
2 determines that the student records of the school are in danger of being destroyed,  
3 secreted, mislaid, or otherwise made unavailable to the persons who are the subjects  
4 of those student records or the authorized representatives of those persons, the board  
5 department may take possession of those student records.

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

11 (d) The board department or association shall preserve a student record that  
12 comes into the possession of the board department or association under par. (b) 1. or  
13 2. and shall keep the student record confidential as provided under 20 USC 1232g  
14 and 34 CFR part 99. A student record in the possession of the board department is  
15 not open to public inspection or copying under s. 19.35 (1). Upon request of the person  
16 who is the subject of a student record or an authorized representative of that person,  
17 the board department or association shall provide a copy of the student record to the  
18 requester. The board department or association may charge a fee for providing a copy  
19 of a student record. The fee shall be based on the administrative cost of taking  
20 possession of, preserving, and providing the copy of the student record. All fees  
21 collected by the board department under this paragraph shall be credited to the  
22 appropriation account under s. ~~20.292 (2) (i)~~ 20.142 (3) (g).

23 **SECTION 19.** 38.50 (12) of the statutes is renumbered 100.67 (12), and 100.67  
24 (12) (a) and (b), as renumbered, are amended to read:

1           100.67 (12) (a) No person that holds itself out to the public in any way as a  
2 legitimate institution of higher education may use the term “college” or “university”  
3 in the person’s name unless the person provides an educational program for which  
4 the person awards an associate or higher degree and the person has accreditation  
5 recognized by the U.S. secretary of education, ~~has the foreign equivalent of that~~  
6 ~~accreditation, as determined by the board,~~ or has accreditation recognized by the  
7 Council for Higher Education Accreditation. This paragraph does not apply to any  
8 of the following:

9           1. A school that was doing business in this state with the approval of the  
10 educational approval board under s. 38.50, 2007 stats., prior to May 27, 2010.

11           1m. A person described in ~~sub. s. 440.52~~ (1) (e) 1. whose administrative  
12 headquarters and principal place of business is in the village of Union Grove that  
13 provides a residential facility located in that village to assist young adults with  
14 disabilities in transitioning from home and school to work and independent living.

15           2. A person described in ~~sub. s. 440.52~~ (1) (e) 3. to 7. that was doing business  
16 in this state prior to May 27, 2010.

17           (b) No school, including a school described in ~~sub. s. 440.52~~ (1) (e) 1. to 8., may  
18 use the term “state” or “Wisconsin” in its name if the use of that term operates to  
19 mislead the public into believing that the school is affiliated with the University of  
20 Wisconsin System or the technical college system, unless the school actually is so  
21 affiliated. This paragraph does not apply to a school described in ~~sub. s. 440.52~~ (1)  
22 (e) 1. that has accreditation recognized by the U.S. secretary of education, ~~has the~~  
23 ~~foreign equivalent of that accreditation, as determined by the board,~~ or has  
24 accreditation recognized by the Council for Higher Education Accreditation.

1           **SECTION 20.** 38.50 (13) (title), (a) (intro.), 1., 2. (intro.), a., c. and d., 3. and 4.,  
2 (b) and (c) of the statutes are renumbered 100.67 (13) (title), (a) (intro.), 1., 2. (intro.),  
3 a., c. and d., 3. and 4., (b) and (c), and 100.67 (13) (a) 2. a. and c., as renumbered, are  
4 amended to read:

5           100.67 (13) (a) 2. a. Has accreditation recognized by the U.S. secretary of  
6 education; has the foreign equivalent of that accreditation, as determined by the  
7 board department of financial institutions and professional standards; or has  
8 accreditation recognized by the Council for Higher Education Accreditation.

      \*\*\*\*NOTE: As instructed, I eliminated the reference to foreign equivalent of  
accreditation as determined by DFIPS in current s. 38.50 (12) (a) (intro.) and (b) but not  
in current s. 38.50 (13) (a) 2. a., just above. Please advise if you intended the latter  
reference to be removed as well.

9           c. Operates in this state and is a school described in sub. s. 440.52 (1) (e) 1. to  
10 8.

11           **SECTION 21.** 38.50 (13) (a) 2. b. of the statutes is repealed.

12           **SECTION 22.** 38.50 (13) (a) 2. e. of the statutes is repealed.

13           **SECTION 23.** 38.50 (13) (d) of the statutes is repealed.

14           **SECTION 24.** 45.20 (1) (d) of the statutes is amended to read:

15           45.20 (1) (d) “Tuition,” when referring to the University of Wisconsin System,  
16 means academic fees and segregated fees; when referring to the technical colleges,  
17 means “program fees” and “additional fees” as described in s. 38.24 (1m) and (1s); and  
18 when referring to a high school, a school that is approved under s. 45.03 (11), or a  
19 proprietary school that is ~~approved~~ certified under s. ~~38.50~~ 440.52, means the charge  
20 for the courses for which a person is enrolled.

21           **SECTION 25.** 45.20 (2) (a) 1. of the statutes is amended to read:

22           45.20 (2) (a) 1. The department shall administer a tuition reimbursement  
23 program for eligible veterans enrolling as undergraduates in any institution of

1 higher education in this state, enrolling in a school that is approved under s. 45.03  
2 (11), enrolling in a proprietary school that is ~~approved~~ certified under s. ~~38.50~~ 440.52,  
3 enrolling in a public or private high school, enrolling in a tribal school, as defined in  
4 s. 115.001 (15m), in any grade from 9 to 12, or receiving a waiver of nonresident  
5 tuition under s. 39.47.

6 **SECTION 26.** 45.20 (2) (a) 2. (intro.) of the statutes is amended to read:

7 45.20 (2) (a) 2. (intro.) A veteran who is a resident of this state and otherwise  
8 qualified to receive benefits under this subsection may receive the benefits under  
9 this subsection upon the completion of any correspondence courses or part-time  
10 classroom study from an institution of higher education located outside this state,  
11 from a school that is approved under s. 45.03 (11), or from a proprietary school that  
12 is ~~approved~~ certified under s. ~~38.50~~ 440.52, if any of the following applies:

13 **SECTION 27.** 45.20 (2) (c) 1. of the statutes is amended to read:

14 45.20 (2) (c) 1. A veteran who meets the eligibility requirements under par. (b)  
15 1. may be reimbursed upon satisfactory completion of an undergraduate semester in  
16 any institution of higher education in this state, or upon satisfactory completion of  
17 a course at any school that is approved under s. 45.03 (11), any proprietary school  
18 that is ~~approved~~ certified under s. ~~38.50~~ 440.52, any public or private high school, any  
19 tribal school, as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or  
20 any institution from which the veteran receives a waiver of nonresident tuition  
21 under s. 39.47. Except as provided in par. (e), the amount of reimbursement may not  
22 exceed the total cost of the veteran's tuition minus any grants or scholarships that  
23 the veteran receives specifically for the payment of the tuition, or, if the tuition is for  
24 an undergraduate semester in any institution of higher education, the standard cost

1 of tuition for a state resident for an equivalent undergraduate semester at the  
2 University of Wisconsin–Madison, whichever is less.

3 **SECTION 28.** 45.20 (2) (d) 1. (intro.) of the statutes is amended to read:

4 45.20 (2) (d) 1. (intro.) Subject to subd. 1m., a veteran's eligibility for  
5 reimbursement under this subsection at any institution of higher education in this  
6 state, at a school that is approved under s. 45.03 (11), at a proprietary school that is  
7 ~~approved~~ certified under s. ~~38.50~~ 440.52, at a public or private high school, at a tribal  
8 school, as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or at an  
9 institution where he or she is receiving a waiver of nonresident tuition under s. 39.47  
10 is limited to the following:

11 **SECTION 29.** 45.21 (2) (a) of the statutes is amended to read:

12 45.21 (2) (a) The veteran is enrolled in a training course in a technical college  
13 under ch. 38 or in a proprietary school in the state ~~approved~~ certified by the  
14 ~~educational approval board under s. 38.50~~ department of financial institutions and  
15 professional standards under s. 440.52, other than a proprietary school offering a  
16 4-year degree or 4-year program, or is engaged in a structured on-the-job training  
17 program that meets program requirements promulgated by the department by rule.

18 **SECTION 30.** 71.05 (6) (b) 28. (intro.) of the statutes is amended to read:

19 71.05 (6) (b) 28. (intro.) An amount paid by a claimant for tuition expenses and  
20 mandatory student fees for a student who is the claimant or who is the claimant's  
21 child and the claimant's dependent who is claimed under section 151 (c) of the  
22 Internal Revenue Code, to attend any university, college, technical college or a school  
23 ~~approved~~ certified under s. ~~38.50~~ 440.52, that is located in Wisconsin or to attend a  
24 public vocational school or public institution of higher education in Minnesota under

1 the Minnesota–Wisconsin reciprocity agreement under s. 39.47, calculated as  
2 follows:

3 **SECTION 31.** 71.07 (5r) (a) 2. of the statutes is amended to read:

4 71.07 (5r) (a) 2. “Course of instruction” has the meaning given in s. ~~38.50~~ 440.52  
5 (1) (c).

6 **SECTION 32.** 71.07 (5r) (a) 6. b. of the statutes is amended to read:

7 71.07 (5r) (a) 6. b. A school ~~approved~~ certified under s. ~~38.50~~ 440.52, if the  
8 delivery of education occurs in this state.

9 **SECTION 33.** 71.28 (5r) (a) 2. of the statutes is amended to read:

10 71.28 (5r) (a) 2. “Course of instruction” has the meaning given in s. ~~38.50~~ 440.52  
11 (1) (c).

12 **SECTION 34.** 71.28 (5r) (a) 6. b. of the statutes is amended to read:

13 71.28 (5r) (a) 6. b. A school ~~approved~~ certified under s. ~~38.50~~ 440.52, if the  
14 delivery of education occurs in this state.

15 **SECTION 35.** 71.47 (5r) (a) 2. of the statutes is amended to read:

16 71.47 (5r) (a) 2. “Course of instruction” has the meaning given in s. ~~38.50~~ 440.52  
17 (1) (c).

18 **SECTION 36.** 71.47 (5r) (a) 6. b. of the statutes is amended to read:

19 71.47 (5r) (a) 6. b. A school ~~approved~~ certified under s. ~~38.50~~ 440.52, if the  
20 delivery of education occurs in this state.

21 **SECTION 37.** 100.67 of the statutes is created to read:

22 **100.67 Private trade, correspondence, business, and technical schools.**

23 (1) DEFINITIONS. In this section, unless the context clearly requires otherwise:

24 (b) “Course” has the meaning given in s. 440.52 (1) (b).

25 (c) “Course of instruction” has the meaning given in s. 440.52 (1) (c).

1 (d) “Person” has the meaning given in s. 440.52 (1) (d).

2 (e) “School” has the meaning given in s. 440.52 (1) (e).

3 (2) RESPONSIBILITIES. The department shall protect the general public by  
4 investigating complaints and potential violations related to this section and s.  
5 440.52.

6 (3) RULE-MAKING POWER. The department may promulgate rules and establish  
7 standards necessary to administer this section.

8 **SECTION 38.** 111.335 (1) (cx) of the statutes is amended to read:

9 111.335 (1) (cx) Notwithstanding s. 111.322, it is not employment  
10 discrimination because of conviction record to refuse to employ or license, or to bar  
11 or terminate from employment or licensure, any individual who has been convicted  
12 of any offense under s. ~~38.50~~ 100.67 (13) (c).

13 **SECTION 39.** 125.04 (5) (a) 5. of the statutes is amended to read:

14 125.04 (5) (a) 5. Have successfully completed within the 2 years prior to the  
15 date of application a responsible beverage server training course at any location that  
16 is offered by a technical college district and that conforms to curriculum guidelines  
17 specified by the technical college system board or a comparable training course ~~that~~  
18 ~~is approved by the department or the educational approval board.~~ This subdivision  
19 does not apply to an applicant who held, or who was an agent appointed and approved  
20 under sub. (6) of a corporation or limited liability company that held, within the past  
21 2 years, a Class “A”, “Class A” or “Class C” license or a Class “B” or “Class B” license  
22 or permit or a manager’s or operator’s license.

23 **SECTION 40.** 125.17 (6) (a) (intro.) of the statutes is amended to read:

24 125.17 (6) (a) (intro.) Except as provided in par. (b), no municipal governing  
25 body may issue an operator’s license unless the applicant has successfully completed



1 a responsible beverage server training course at any location that is offered by a  
2 technical college district and that conforms to curriculum guidelines specified by the  
3 technical college system board or a comparable training course, which may include  
4 computer-based training and testing, ~~that is approved by the department or the~~  
5 ~~educational approval board~~, or unless the applicant fulfills one of the following  
6 requirements:

7 **SECTION 41.** 134.66 (2m) (b) of the statutes is amended to read:

8 134.66 (2m) (b) Paragraph (a) does not apply to an agent, employee, or  
9 independent contractor who has received the training described in par. (a) as part of  
10 a responsible beverage server training course or a comparable training course, as  
11 described in s. 125.04 (5) (a) 5., that was successfully completed by the agent,  
12 employee, or independent contractor. The department of health services shall make  
13 the training program developed or approved by that department under par. (a)  
14 available to the technical college system board, and that board shall include that  
15 training program or a comparable training program approved by that department  
16 in the curriculum guidelines specified by that board under s. 125.04 (5) (a) 5. The  
17 department of health services shall also make the training program developed or  
18 approved by that department under par. (a) available to any provider of a comparable  
19 training course, as described in s. 125.04 (5) (a) 5., on request, ~~and the department~~  
20 ~~of revenue or the educational approval board may approve a comparable training~~  
21 ~~course under s. 125.04 (5) (a) 5. only if that training course includes the training~~  
22 ~~program developed or approved by the department of health services under par. (a)~~  
23 ~~or a comparable training program approved by that department.~~

24 **SECTION 42.** 182.028 of the statutes is amended to read:

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

14           **SECTION 43.** Subchapter V (title) of chapter 440 [precedes 440.51] of the  
15 statutes is amended to read:

16   **CHAPTER 440**

17   **SUBCHAPTER V**

18   **PEDDLERS; PRIVATE SCHOOLS**

19           **SECTION 44.** 440.52 (title) of the statutes is created to read:

20           **440.52 (title) Private trade, correspondence, business, and technical**  
21 **schools.**

22           **SECTION 45.** 440.52 (7m) of the statutes is created to read:

23           **440.52 (7m) CERTIFICATION OF SCHOOLS.** (a) Upon application, the department  
24 shall certify a proprietary school if the school has accreditation recognized by the

1 U.S. secretary of education or recognized by the Council for Higher Education  
2 Accreditation.

3 (b) The department shall issue written certification to any school certified by  
4 the department under par. (a).

5 (c) The department shall promulgate rules to establish the fees paid to the  
6 department for certification under this subsection. Fees collected under this  
7 paragraph shall be sufficient to cover all costs that the department incurs in  
8 certifying proprietary schools under this subsection.

9 (d) With respect to any school certified by the department or for which the  
10 department has a pending application for certification under this subsection, the  
11 department shall do all of the following:

- 12 1. Fulfill any obligation of this state specified in 20 USC 1099a.
- 13 2. Cooperate with any accrediting agency or association recognized by the  
14 federal secretary of education as meeting the criteria established under 20 USC  
15 1099b, and with the federal secretary of education, with respect to certification or  
16 recertification under 20 USC 1099c of any school for purposes of the school's  
17 participation in programs of the federal department of education.

18 **SECTION 46.** 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 therapy ~~approved by the educational approval board under s. 38.50~~ that meets the  
21 requirements under s. 460.095 or completed a training program approved by the  
22 affiliated credentialing board under the rules promulgated under s. 460.04 (2) (b).

23 **SECTION 47.** 944.21 (8) (b) 3. a. of the statutes is amended to read:

24 944.21 (8) (b) 3. a. Is a technical college, is a school ~~approved~~ certified by the  
25 ~~educational approval board under s. 38.50~~ department of financial institutions and

1 professional standards under s. 440.52, or is a school described in s. ~~38.50~~ 440.52 (1)  
2 (e) 6., 7. or 8.; and

3 **SECTION 48.** 948.11 (4) (b) 3. a. of the statutes is amended to read:

4 948.11 (4) (b) 3. a. Is a technical college, is a school ~~approved~~ certified by the  
5 ~~educational approval board under s. 38.50~~ department of financial institutions and  
6 professional standards under s. 440.52, or is a school described in s. ~~38.50~~ 440.52 (1)  
7 (e) 6., 7. or 8.; and

8 **SECTION 49.** 995.55 (1) (b) of the statutes is amended to read:

9 995.55 (1) (b) “Educational institution” means an institution of higher  
10 education, as defined in s. 108.02 (18); a technical college established under s. 38.02;  
11 a school, as defined in s. ~~38.50~~ 440.52 (11) (a) 2.; a public school, as described in s.  
12 115.01 (1); a charter school, as defined in s. 115.001 (1); a private school, as defined  
13 in s. 115.001 (3r); or a private educational testing service or administrator.

14 **SECTION 9143. Nonstatutory provisions; Technical College System.**

15 (1) ELIMINATION OF EDUCATIONAL APPROVAL BOARD AND TRANSFER OF FUNCTIONS.

16 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and  
17 liabilities of the educational approval board, other than those related to consumer  
18 protection functions, as determined by the secretary of administration, become the  
19 assets and liabilities of the department of financial institutions and professional  
20 standards. The assets and liabilities of the educational approval board related to  
21 consumer protection functions become the assets and liabilities of the department  
22 of agriculture, trade and consumer protection.

23 (b) *Tangible personal property.* On the effective date of this paragraph, all  
24 tangible personal property, including records, of the educational approval board,  
25 other than property related to consumer protection functions, as determined by the

1 secretary of administration, is transferred to the department of financial institutions  
2 and professional standards. Property related to consumer protection functions is  
3 transferred to the department of agriculture, trade and consumer protection.

4 (c) *Pending matters.* Any matter pending with the educational approval board  
5 on the effective date of this paragraph, other than one related to the board's  
6 consumer protection functions, as determined by the secretary of administration, is  
7 transferred to the department of financial institutions and professional standards.  
8 Any matter related to the board's consumer protection functions is transferred to the  
9 department of agriculture, trade and consumer protection. All materials submitted  
10 to or actions taken by the board are considered as having been submitted to or taken  
11 by the department of financial institutions and professional standards or the  
12 department of agriculture, trade and consumer protection, as applicable.

13 (d) *Contracts.* All contracts entered into by the educational approval board in  
14 effect on the effective date of this paragraph remain in effect and are transferred to  
15 the department of financial institutions and professional standards, except that  
16 those related to the board's consumer protection functions are transferred to the  
17 department of agriculture, trade and consumer protection. The department of  
18 financial institutions and professional standards or the department of agriculture,  
19 trade and consumer protection, as applicable, shall carry out any obligations under  
20 those contracts unless modified or rescinded by that department to the extent  
21 allowed under the contract.

22 (e) *Rules and orders.*

23 1. All rules promulgated by the educational approval board in effect on the  
24 effective date of this subdivision remain in effect until their specified expiration  
25 dates or until amended or repealed by the department of financial institutions and

1 professional standards or the department of agriculture, trade and consumer  
2 protection, as applicable. The secretary of administration shall determine which  
3 rules of the board become those of the department of financial institutions and  
4 professional standards and which rules become those of the department of  
5 agriculture, trade and consumer protection.

6 2. All orders issued by the educational approval board in effect on the effective  
7 date of this subdivision remain in effect until their specified expiration dates or until  
8 modified or rescinded by the department of financial institutions and professional  
9 standards or the department of agriculture, trade and consumer protection, as  
10 applicable. The secretary of administration shall determine which orders of the  
11 board become those of the department of financial institutions and professional  
12 standards and which orders become those of the department of agriculture, trade  
13 and consumer protection.

14 (f) *Secretary to resolve transition disagreements.* In the case of disagreement  
15 among or between the educational approval board, the department of financial  
16 institutions and professional standards, and the department of agriculture, trade  
17 and consumer protection with respect to any matter specified in this subsection, the  
18 secretary of administration shall determine the matter and shall develop a plan for  
19 an orderly transfer.

20 **SECTION 9243. Fiscal changes; Technical College System.**

21 (1) TRANSFERS FROM EDUCATIONAL APPROVAL BOARD. The unencumbered balances  
22 in the appropriation accounts under section 20.292 (2) (g), 2013 stats., section 20.292  
23 (2) (gm), 2013 stats., and section 20.292 (2) (i), 2013 stats., immediately before the  
24 effective date of this subsection, are transferred to the appropriation account under  
25 section 20.115 (8) (ks) of the statutes.

\*\*\*\*NOTE: As requested, this draft transfers the unencumbered balances of the EAB appropriations to DATCP's appropriation under s. 20.115 (8) (ks), which reads: "State services. All moneys received from other state agencies for the costs of the services performed for those state agencies, to provide those services." I have not amended s. 20.115 (8) (ks). Although the funds are transferred, I don't know that s. 20.115 (8) (ks) provides any expenditure authority for these funds, much less expenditure authority for consumer protection purposes.

1           **SECTION 9452. Effective dates; Other.**

2           (1) ELIMINATION OF EDUCATIONAL APPROVAL BOARD. This act takes effect on  
3           January 1, 2016, or on the day after publication, whichever is later.

\*\*\*\*NOTE: This draft will be combined with the DFIPS draft, LRB-0807, and will have the same effective date as that draft. When the drafts are combined, a list of affected sections will be generated and placed in an effective date provision in section 9452.

4

(END)

1/23 Telephone conference with Andy – DOA re LRB-1173/2

p. 3 – 1<sup>st</sup> note: 100% of fee should be credited, not 90%; DFIPS should keep all of fee, since fee is set to cover DFIP's expenses

p. 3 – 2<sup>nd</sup> note: OK as is, no change needed

p. 4, line 7: want to eliminate idea of certification; instead change it to authorization, which is the federal term; change "certifying" to "authorizing"

p. 4, line 8: after "technical schools", add in "and any other school seeking Title IV funding" – will get me exact federal statutory reference for Title IV

p. 4, line 12: again change "certification" to "authorization"

Regarding authorization, need to better define what it is; wants DFIPS to promulgate rules providing additional information about authorization; these rules need to include the following: 1) authorization shall be for no more than 4 years; authorization must be based on accreditation through fed. dept. of education or council for higher education accreditation; 3) a school must notify DFIPS if it loses its accreditation; 4) if school loses accreditation, DFIPS may revoke authorization; 5) DFIPS must specify a way that a school can regain authorization after revocation

p. 4, bill section 18: require school to notify DFIPS if it is in imminent danger; upon notice, DFIPS has discretion to take the records, but it is not required; don't specify penalty for failure to give notice

p. 7, lines 6-7: take out "as determined" to "standards"; presumably DATCP will determine this

p. 11, lines 17-18: keep in "that is approved by the department"; didn't mean to change DOR part; same in bill sections 40 and 41

p. 17, line 25: change 20.115 (8) (ks) to 20.142 (3) (g)

add new fiscal change non-stat: By Jan. 31, 2016, DFIPS would transfer any balances related to consumer protection to DATCP in s. 20.115 (8) (ks) ARG



## Gary, Aaron

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**From:** Potts, Andrew R - DOA <Andrew.Potts@wisconsin.gov>  
**Sent:** Friday, January 23, 2015 5:13 PM  
**To:** Gary, Aaron  
**Cc:** Kirschbaum, Bryan W - DOA  
**Subject:** RE: EAB Draft

Let's go with the highlighted option.

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**From:** Gary, Aaron [mailto:Aaron.Gary@legis.wisconsin.gov]  
**Sent:** Friday, January 23, 2015 4:39 PM  
**To:** Potts, Andrew R - DOA  
**Cc:** Kirschbaum, Bryan W - DOA  
**Subject:** RE: EAB Draft

Andy,

I'm not sure what you want to reference, but I'm doubtful that this is the correct citation.

My understanding is that Title IV is 20 USC 1070 to 1099d. I believe it refers to Title IV of the Higher Education Act of 1965 (P.L. 89-329), and is considered to be 20 USC 1070 et seq (1070 to 1099d).

I believe 20 USC 1099b merely establishes criteria (or gives the federal secretary of education authority to establish criteria) for a federally-recognized accrediting agency or association. I don't believe this is a provision related directly to federal aid for private schools. However, under 20 USC 1099c, schools may be certified or recertified for eligibility to participate in federal programs, including federal aid/student assistance programs. Is it 20 USC 1099c that you want to reference? If so, the reference should probably be something along the lines of "any school seeking certification or recertification under 20 USC 1099c" instead of "any school seeking funding under Title IV". (Or we could say "any school seeking funding under 20 USC 1070 to 1099d")

Also, there won't be a definition of "authorized" or authorization. The parameters you gave me will be set by rule, but they don't work as a definition. Here's how the provision is structured so far:

440.52 (7m) Authorization of schools. (a) Upon application, the department shall issue written authorization to a proprietary school doing business within this state if the requirements established by rule under par. (b) are satisfied.

(b) The department shall promulgate rules establishing criteria or standards for providing authorization under this subsection and for revoking authorization previously provided. These rules shall include all of the following: .....  
[the parameters/requirements you gave me will be added here ...]

Aaron

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**From:** Potts, Andrew R - DOA [mailto:Andrew.Potts@wisconsin.gov]  
**Sent:** Friday, January 23, 2015 3:52 PM  
**To:** Gary, Aaron  
**Subject:** EAB Draft

Here's the title IV reference to use in the definition of authorized: 20 USC 1099b

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**From:** Kirschbaum, Bryan W - DOA  
**Sent:** Friday, January 23, 2015 3:50 PM  
**To:** Potts, Andrew R - DOA  
**Subject:** 20 USC 1099b

***Bryan W. Kirschbaum***

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