



# State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

## Appendix H ... segment III



### 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.



MON 1/26  
State of Wisconsin  
2015 - 2016 LEGISLATURE



LRB-1173/3

ARG:cjs:rs

stays

in  
1/24

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

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

d-note

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.

Insert ANAC

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

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

1           **SECTION 1.** 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 <sup>authorized</sup> 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

(7m) (c) 5. and

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(11) (d), shall be credited to this 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 (h) with respect to whether 90 percent, or all, of the fees are credited to the appropriation. Was it your intent that 90 percent, or all, of the fee under created s. 440.52 (7m) (c) be credited to this 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)?~~

5 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.

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

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

12 SECTION 7. 38.50 (title) of the statutes is repealed.

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

16 440.52 (1) (e) 8. Schools accredited by accrediting agencies recognized by the  
17 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~~ <sup>authorizing</sup> ~~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~~ <sup>authorization</sup> ~~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

insert  
4-8  
7

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.~~ <sup>or (b.m)</sup> 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:

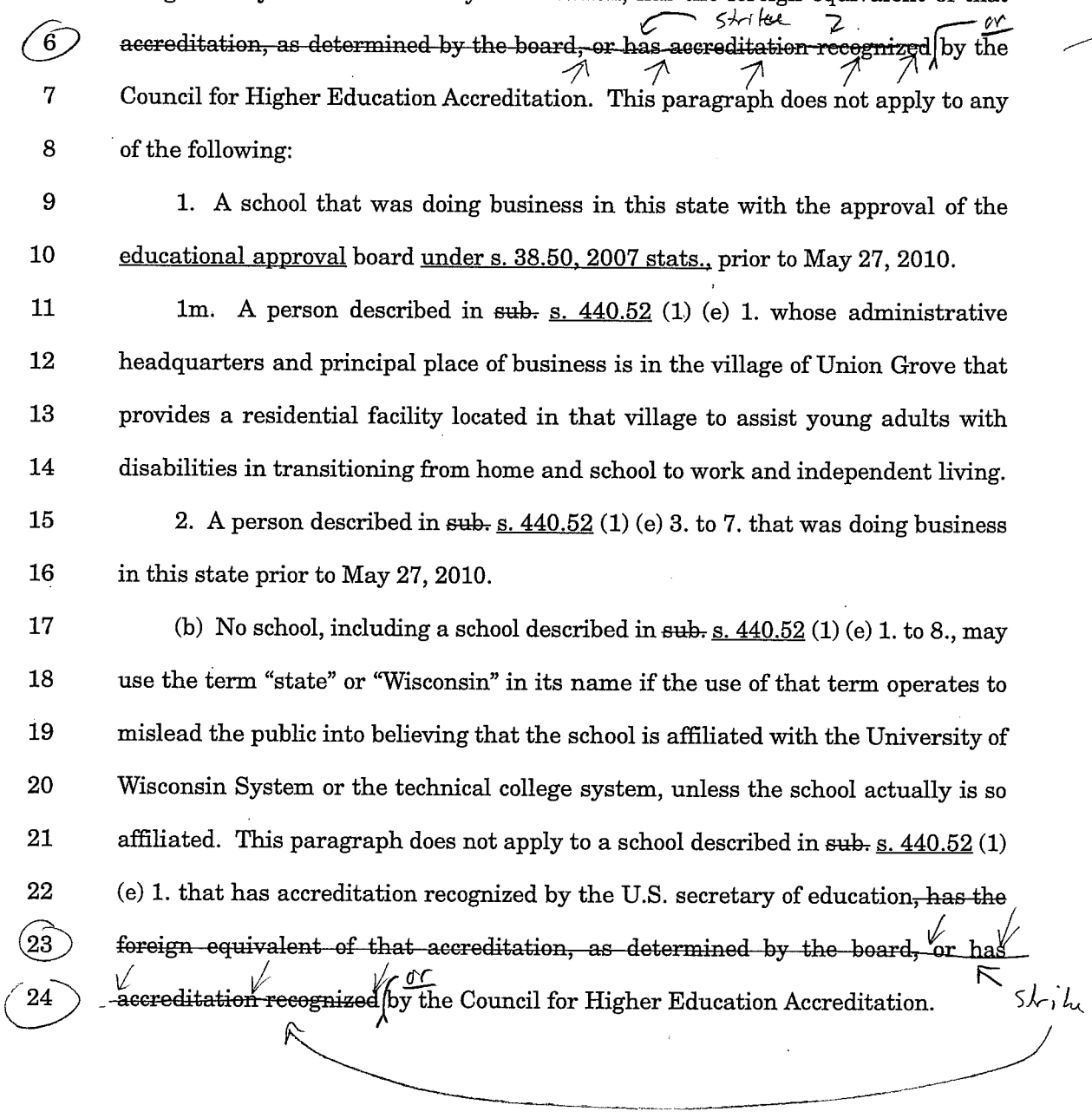
9           1. A school that was doing business in this state with the approval of the  
 10 educational approval board under s. 38.50, 2007 stats., prior to May 27, 2010.

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~~ <sup>authorized</sup> 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~~ <sup>authorized</sup> 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~~ <sup>authorized</sup> 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~~ <sup>authorized</sup> 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~~ <sup>authorized</sup> 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~~ <sup>authorized</sup> 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~~ <sup>authorized</sup> 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).

*authorized*

*and other*

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.

NO STRIKE

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:

NO  
STRIKE

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.~~

NO  
STRIKE

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**

(B) and other

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

Insert  
13-23

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

*authorized*

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~~ <sup>authorized</sup> 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.

¶ (a) On the effective date of this paragraph

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 <sup>paragraph</sup> subsection, are transferred to the appropriation account under  
25 section ~~20.115 (8) (ks)~~ of the statutes

, as affected by this act

20.142 (3) (g)

insert  
17-25 →

\*\*\*\*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.

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**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.

(END)

d-note

**2015-2016 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1173/3ins  
ARG:.....

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**INSERT ANAL:**

(no P) Under the bill, DFIPS must, upon application, issue written authorization to a proprietary school if the school meets requirements established by rule by DFIPS. One requirement is that the school must have accreditation recognized by the federal Department of Education or by the Council for Higher Education Accreditation.

3

4

**INSERT 4-8:**

5

(no P) , and any other private school seeking funding under 20 USC 1070 to 1099d,

6

7

**INSERT 13-23:**

8

440.52 (7m) AUTHORIZATION OF SCHOOLS. (a) In this subsection, "proprietary

9

school" means a private trade, correspondence, business, or technical school or any

10

other private school seeking funding under 20 USC 1070 to 1099d.

11

(b) Upon application, the department shall issue written authorization to a

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proprietary school doing business within this state if the requirements established

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by rule under par. (c) are satisfied. ✓

14

(c) The rules required under sub. (3) shall include rules related to providing

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authorization under this subsection and revoking authorization previously

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provided. The rules shall include all of the following:

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1. Criteria or standards for providing authorization, which must include a

18

requirement that the school has accreditation recognized by the U.S. secretary of

19

education or recognized by the Council for Higher Education Accreditation.

20

2. The period for which the department's authorization is valid, which period

21

may be no longer than 4 years.

1           3. Criteria or standards, and a procedure, for revoking authorization  
2 previously provided, which must allow revocation if the school has lost the  
3 accreditation specified in subd. 1.

4           4. Criteria or standards, and a procedure, for a school to regain authorization  
5 after its authorization has been revoked.

6           5. The fees to be paid to the department for authorization under this subsection.  
7 Fees collected under this subdivision shall be sufficient to cover all costs that the  
8 department incurs in authorizing proprietary schools under this subsection.

9           (d) A school issued authorization by the department under par. (b) shall  
10 promptly notify the department if it loses the accreditation specified in par. (c) 1.  
11 within the period of authorization.

12           (e) With respect to any school authorized by the department under par. (b) or  
13 for which the department has a pending application for authorization, the  
14 department shall do all of the following:

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

21           **SECTION 1.** 440.52 (11) (bm) of the statutes is created to read:

22           440.52 (11) (bm) If a school operating in this state proposes to discontinue its  
23 operations or is in imminent danger of discontinuing its operations, the school shall  
24 give notice to the department. Upon receiving this notice, if the department  
25 determines that the student records of the school are in danger of being destroyed,

1       secreted, mislaid, or otherwise made unavailable to the persons who are the subjects  
2       of those student records or the authorized representatives of those persons, the  
3       department may take possession of those student records if those student records  
4       have not already been taken into possession under par. (b) 2. ✓

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**INSERT 17-25:**

<sup>#</sup>  
    (b) After the effective date of this paragraph but no later than January 31, 2016,  
    the secretary of administration shall transfer the unencumbered balance in the  
    appropriation account under section 20.142 (3) (g) of the statutes, as affected by this  
    act, related to consumer protection functions under section 100.67 of the statutes, as  
    created by this act, as determined by the secretary of administration, to the  
    appropriation account under section 20.115 (8) (ks) of the statutes.

*replace  
typed letter  
with auto letter*

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1173/3dn  
ARG

January 16, 2015

- date -

g's

ATTN: Andrew Potts and Bryan Kirschbaum

This draft has been inserted into LRB-0807/P4.

Current s. 38.50 (2) refers to "private trade, correspondence, business, and technical schools." Current s. 38.50 (10) refers to "proprietary schools," without definition. Continuing to use these different terms is confusing. It is unclear in the current statutes whether these terms are meant to reference the same or different schools. I believe this uncertainty should be resolved since the applicable provisions are already being so significantly modified. I therefore included a definition of "proprietary school" in created s. 440.52 (7m) (a). Please advise if the definition is not consistent with your intent. If the definition is acceptable, perhaps it would be preferable to move the definition into s. 440.52 (1) and replace "private trade, correspondence, business, and technical schools, and any other private school seeking funding under 20 USC 1070 to 1099d," in s. 440.52 (2) with the term "proprietary school."

In preparing this redraft, I was uncertain whether: 1) the only criteria for authorization of a proprietary school is that it has accreditation recognized by the U.S. secretary of education or recognized by the Council for Higher Education Accreditation, or 2) DFIPS can establish by rule criteria in addition to that under 1). The draft incorporates the second approach. Please advise if this is not consistent with your intent.

In created s. 440.52 (11) (bm), I was also uncertain whether you intended to include the language appearing in that provision (modeled on language in current s. 38.50 (11) (b) 1.) that reads "if the department determines that the student records of the school are in danger of being destroyed, secreted, mislaid, or otherwise made unavailable ...."

Aaron R. Gary  
Senior Legislative Attorney  
(608) 261-6926  
aaron.gary@legis.wisconsin.gov

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1173/3dn  
ARG:cjs:rs

January 26, 2015

ATTN: Andrew Potts and Bryan Kirschbaum

This draft has been inserted into LRB-0807/P4.

Current s. 38.50 (2) refers to "private trade, correspondence, business, and technical schools." Current s. 38.50 (10) refers to "proprietary schools," without definition. Continuing to use these different terms is confusing. It is unclear in the current statutes whether these terms are meant to reference the same or different schools. I believe this uncertainty should be resolved since the applicable provisions are already being so significantly modified. I therefore included a definition of "proprietary school" in created s. 440.52 (7m) (a). Please advise if the definition is not consistent with your intent. If the definition is acceptable, perhaps it would be preferable to move the definition into s. 440.52 (1) and replace "private trade, correspondence, business, and technical schools, and any other private school seeking funding under 20 USC 1070 to 1099d," in s. 440.52 (2) with the term "proprietary school."

In preparing this redraft, I was uncertain whether: 1) the only criteria for authorization of a proprietary school is that it has accreditation recognized by the U.S. secretary of education or recognized by the Council for Higher Education Accreditation, or 2) DFIPS can establish by rule criteria in addition to that under 1). The draft incorporates the second approach. Please advise if this is not consistent with your intent.

In created s. 440.52 (11) (bm), I was also uncertain whether you intended to include the language appearing in that provision (modeled on language in current s. 38.50 (11) (b) 1.) that reads "if the department determines that the student records of the school are in danger of being destroyed, secreted, mislaid, or otherwise made unavailable ...."

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State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-1173/3  
ARG:cjs:rs

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

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

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, upon application, issue written authorization to a proprietary school if the school meets requirements established by rule by DFIPS. One requirement is that the school must have accreditation recognized by the federal Department of Education or by the Council for Higher Education Accreditation. 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~~ authorized 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

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 (7m) (c) 5. and (11) (d), shall be credited to this  
5 appropriation.

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

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.

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

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

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

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

24 440.52 (2) **RESPONSIBILITIES.** The ~~board~~ department shall protect the general  
25 public by ~~inspecting and approving~~ authorizing private trade, correspondence,

1     ~~business, and technical schools, and any other private school seeking funding under~~  
2     ~~20 USC 1070 to 1099d, doing business within this state, whether located within or~~  
3     ~~outside this state, changes of ownership or control of the schools, teaching locations~~  
4     ~~used by the schools, and courses of instruction offered by the schools and regulate the~~  
5     ~~soliciting of students for correspondence or classroom courses and courses of~~  
6     ~~instruction offered by the schools that seek authorization from the state.~~

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

9             440.52 (3) **RULE-MAKING POWER.** The ~~board~~ department shall promulgate rules  
10     and establish standards necessary to administer this section.

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

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

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

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

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

17            440.52 (11) (b) 1. If a school operating in this state discontinues its operations,  
18     proposes to discontinue its operations, or is in imminent danger of discontinuing its  
19     operations as determined by the ~~board~~ department, if the student records of the  
20     school are not taken into possession under subd. 2., and if the ~~board~~ department  
21     determines that the student records of the school are in danger of being destroyed,  
22     secreted, mislaid, or otherwise made unavailable to the persons who are the subjects  
23     of those student records or the authorized representatives of those persons, the ~~board~~  
24     department may take possession of those student records.

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

6 (d) The ~~board~~ department or association shall preserve a student record that  
7 comes into the possession of the ~~board~~ department or association under par. (b) ~~1. or~~  
8 ~~2. or (bm)~~ and shall keep the student record confidential as provided under 20 USC  
9 1232g and 34 CFR part 99. A student record in the possession of the ~~board~~  
10 department is not open to public inspection or copying under s. 19.35 (1). Upon  
11 request of the person who is the subject of a student record or an authorized  
12 representative of that person, the ~~board~~ department or association shall provide a  
13 copy of the student record to the requester. The ~~board~~ department or association may  
14 charge a fee for providing a copy of a student record. The fee shall be based on the  
15 administrative cost of taking possession of, preserving, and providing the copy of the  
16 student record. All fees collected by the ~~board~~ department under this paragraph  
17 shall be credited to the appropriation account under s. ~~20.292 (2) (i)~~ 20.142 (3) (g).

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

20 100.67 (12) (a) No person that holds itself out to the public in any way as a  
21 legitimate institution of higher education may use the term “college” or “university”  
22 in the person’s name unless the person provides an educational program for which  
23 the person awards an associate or higher degree and the person has accreditation  
24 recognized by the U.S. secretary of education, ~~has the foreign equivalent of that~~  
25 ~~accreditation, as determined by the board, or has accreditation recognized or~~ by the

1 Council for Higher Education Accreditation. This paragraph does not apply to any  
2 of the following:

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

5 1m. A person described in ~~sub. s. 440.52~~ (1) (e) 1. whose administrative  
6 headquarters and principal place of business is in the village of Union Grove that  
7 provides a residential facility located in that village to assist young adults with  
8 disabilities in transitioning from home and school to work and independent living.

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

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

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

23 100.67 (13) (a) 2. a. Has accreditation recognized by the U.S. secretary of  
24 education; ~~has the foreign equivalent of that accreditation, as determined by the~~

1 heard; or has accreditation recognized by the Council for Higher Education  
2 Accreditation.

3 c. Operates in this state and is a school described in ~~sub. s. 440.52~~ (1) (e) 1. to  
4 8.

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

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

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

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

9 45.20 (1) (d) “Tuition,” when referring to the University of Wisconsin System,  
10 means academic fees and segregated fees; when referring to the technical colleges,  
11 means “program fees” and “additional fees” as described in s. 38.24 (1m) and (1s); and  
12 when referring to a high school, a school that is approved under s. 45.03 (11), or a  
13 proprietary school that is ~~approved~~ authorized under s. ~~38.50~~ 440.52, means the  
14 charge for the courses for which a person is enrolled.

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

16 45.20 (2) (a) 1. The department shall administer a tuition reimbursement  
17 program for eligible veterans enrolling as undergraduates in any institution of  
18 higher education in this state, enrolling in a school that is approved under s. 45.03  
19 (11), enrolling in a proprietary school that is ~~approved~~ authorized under s. ~~38.50~~  
20 440.52, enrolling in a public or private high school, enrolling in a tribal school, as  
21 defined in s. 115.001 (15m), in any grade from 9 to 12, or receiving a waiver of  
22 nonresident tuition under s. 39.47.

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

24 45.20 (2) (a) 2. (intro.) A veteran who is a resident of this state and otherwise  
25 qualified to receive benefits under this subsection may receive the benefits under

1 this subsection upon the completion of any correspondence courses or part-time  
2 classroom study from an institution of higher education located outside this state,  
3 from a school that is approved under s. 45.03 (11), or from a proprietary school that  
4 is ~~approved~~ authorized under s. ~~38.50~~ 440.52, if any of the following applies:

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

6 45.20 (2) (c) 1. A veteran who meets the eligibility requirements under par. (b)  
7 1. may be reimbursed upon satisfactory completion of an undergraduate semester in  
8 any institution of higher education in this state, or upon satisfactory completion of  
9 a course at any school that is approved under s. 45.03 (11), any proprietary school  
10 that is ~~approved~~ authorized under s. ~~38.50~~ 440.52, any public or private high school,  
11 any tribal school, as defined in s. 115.001 (15m), that operates any grade from 9 to  
12 12, or any institution from which the veteran receives a waiver of nonresident tuition  
13 under s. 39.47. Except as provided in par. (e), the amount of reimbursement may not  
14 exceed the total cost of the veteran's tuition minus any grants or scholarships that  
15 the veteran receives specifically for the payment of the tuition, or, if the tuition is for  
16 an undergraduate semester in any institution of higher education, the standard cost  
17 of tuition for a state resident for an equivalent undergraduate semester at the  
18 University of Wisconsin–Madison, whichever is less.

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

20 45.20 (2) (d) 1. (intro.) Subject to subd. 1m., a veteran's eligibility for  
21 reimbursement under this subsection at any institution of higher education in this  
22 state, at a school that is approved under s. 45.03 (11), at a proprietary school that is  
23 ~~approved~~ authorized under s. ~~38.50~~ 440.52, at a public or private high school, at a  
24 tribal school, as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or



1 at an institution where he or she is receiving a waiver of nonresident tuition under  
2 s. 39.47 is limited to the following:

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

4 45.21 (2) (a) The veteran is enrolled in a training course in a technical college  
5 under ch. 38 or in a proprietary school in the state ~~approved~~ authorized by the  
6 ~~educational approval board under s. 38.50~~ department of financial institutions and  
7 professional standards under s. 440.52, other than a proprietary school offering a  
8 4-year degree or 4-year program, or is engaged in a structured on-the-job training  
9 program that meets program requirements promulgated by the department by rule.

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

11 71.05 (6) (b) 28. (intro.) An amount paid by a claimant for tuition expenses and  
12 mandatory student fees for a student who is the claimant or who is the claimant's  
13 child and the claimant's dependent who is claimed under section 151 (c) of the  
14 Internal Revenue Code, to attend any university, college, technical college or a school  
15 ~~approved~~ authorized under s. ~~38.50~~ 440.52, that is located in Wisconsin or to attend  
16 a public vocational school or public institution of higher education in Minnesota  
17 under the Minnesota-Wisconsin reciprocity agreement under s. 39.47, calculated as  
18 follows:

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

20 71.07 (5r) (a) 2. "Course of instruction" has the meaning given in s. ~~38.50~~ 440.52  
21 (1) (c).

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

23 71.07 (5r) (a) 6. b. A school ~~approved~~ authorized under s. ~~38.50~~ 440.52, if the  
24 delivery of education occurs in this state.

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

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

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

4           71.28 (5r) (a) 6. b. A school ~~approved~~ authorized under s. ~~38.50~~ 440.52, if the  
5 delivery of education occurs in this state.

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

7           71.47 (5r) (a) 2. “Course of instruction” has the meaning given in s. ~~38.50~~ 440.52  
8 (1) (c).

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

10          71.47 (5r) (a) 6. b. A school ~~approved~~ authorized under s. ~~38.50~~ 440.52, if the  
11 delivery of education occurs in this state.

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

13          **100.67 Private trade, business, technical, and other schools. (1)**

14          **DEFINITIONS.** In this section, unless the context clearly requires otherwise:

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

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

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

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

19          **(2) RESPONSIBILITIES.** The department shall protect the general public by  
20 investigating complaints and potential violations related to this section and s.  
21 440.52.

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

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

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

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

6           125.04 (5) (a) 5. Have successfully completed within the 2 years prior to the  
7           date of application a responsible beverage server training course at any location that  
8           is offered by a technical college district and that conforms to curriculum guidelines  
9           specified by the technical college system board or a comparable training course that  
10          is approved by the department ~~or the educational approval board~~. This subdivision  
11          does not apply to an applicant who held, or who was an agent appointed and approved  
12          under sub. (6) of a corporation or limited liability company that held, within the past  
13          2 years, a Class “A”, “Class A” or “Class C” license or a Class “B” or “Class B” license  
14          or permit or a manager’s or operator’s license.

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

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

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

1           134.66 (2m) (b) Paragraph (a) does not apply to an agent, employee, or  
2 independent contractor who has received the training described in par. (a) as part of  
3 a responsible beverage server training course or a comparable training course, as  
4 described in s. 125.04 (5) (a) 5., that was successfully completed by the agent,  
5 employee, or independent contractor. The department of health services shall make  
6 the training program developed or approved by that department under par. (a)  
7 available to the technical college system board, and that board shall include that  
8 training program or a comparable training program approved by that department  
9 in the curriculum guidelines specified by that board under s. 125.04 (5) (a) 5. The  
10 department of health services shall also make the training program developed or  
11 approved by that department under par. (a) available to any provider of a comparable  
12 training course, as described in s. 125.04 (5) (a) 5., on request, and the department  
13 of revenue ~~or the educational approval board~~ may approve a comparable training  
14 course under s. 125.04 (5) (a) 5. only if that training course includes the training  
15 program developed or approved by the department of health services under par. (a)  
16 or a comparable training program approved by that department.

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

18           **182.028 School corporations.** Any corporation formed for the establishment  
19 and maintenance of schools, academies, seminaries, colleges or universities or for the  
20 cultivation and practice of music shall have power to enact bylaws for the protection  
21 of its property, and provide fines as liquidated damages upon its members and  
22 patrons for violating the bylaws, and may collect the same in tort actions, and to  
23 prescribe and regulate the courses of instruction therein, and to confer such degrees  
24 and grant such diplomas as are usually conferred by similar institutions or as shall  
25 be appropriate to the courses of instruction prescribed, ~~except that no corporation~~

1 ~~shall operate or advertise a school that is subject to s. 38.50 (10) without complying~~  
2 ~~with the requirements of s. 38.50.~~ Any stockholder may transfer his or her stock to  
3 the corporation for its use; and if the written transfer so provides the stock shall be  
4 perpetually held by the board of directors with all the rights of a stockholder,  
5 including the right to vote.

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

8 **CHAPTER 440**

9 **SUBCHAPTER V**

10 **PEDDLERS; PRIVATE SCHOOLS**

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

12 **440.52 (title) Private trade, business, technical, and other schools.**

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

14 **440.52 (7m) AUTHORIZATION OF SCHOOLS.** (a) In this subsection, “proprietary  
15 school” means a private trade, correspondence, business, or technical school or any  
16 other private school seeking funding under 20 USC 1070 to 1099d.

17 (b) Upon application, the department shall issue written authorization to a  
18 proprietary school doing business within this state if the requirements established  
19 by rule under par. (c) are satisfied.

20 (c) The rules required under sub. (3) shall include rules related to providing  
21 authorization under this subsection and revoking authorization previously  
22 provided. The rules shall include all of the following:

23 1. Criteria or standards for providing authorization, which must include a  
24 requirement that the school has accreditation recognized by the U.S. secretary of  
25 education or recognized by the Council for Higher Education Accreditation.

1           2. The period for which the department's authorization is valid, which period  
2 may be no longer than 4 years.

3           3. Criteria or standards, and a procedure, for revoking authorization  
4 previously provided, which must allow revocation if the school has lost the  
5 accreditation specified in subd. 1.

6           4. Criteria or standards, and a procedure, for a school to regain authorization  
7 after its authorization has been revoked.

8           5. The fees to be paid to the department for authorization under this subsection.  
9 Fees collected under this subdivision shall be sufficient to cover all costs that the  
10 department incurs in authorizing proprietary schools under this subsection.

11           (d) A school issued authorization by the department under par. (b) shall  
12 promptly notify the department if it loses the accreditation specified in par. (c) 1.  
13 within the period of authorization.

14           (e) With respect to any school authorized by the department under par. (b) or  
15 for which the department has a pending application for authorization, the  
16 department shall do all of the following:

17           1. Fulfill any obligation of this state specified in 20 USC 1099a.

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

23           **SECTION 46.** 440.52 (11) (bm) of the statutes is created to read:

24           440.52 (11) (bm) If a school operating in this state proposes to discontinue its  
25 operations or is in imminent danger of discontinuing its operations, the school shall

1 give notice to the department. Upon receiving this notice, if the 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  
5 department may take possession of those student records if those student records  
6 have not already been taken into possession under par. (b) 2.

7 **SECTION 47.** 460.05 (1) (e) 1. of the statutes is amended to read:

8 460.05 (1) (e) 1. Graduated from a school of massage therapy or bodywork  
9 therapy ~~approved by the educational approval board under s. 38.50~~ that meets the  
10 requirements under s. 460.095 or completed a training program approved by the  
11 affiliated credentialing board under the rules promulgated under s. 460.04 (2) (b).

12 **SECTION 48.** 944.21 (8) (b) 3. a. of the statutes is amended to read:

13 944.21 (8) (b) 3. a. Is a technical college, is a school ~~approved~~ authorized by the  
14 ~~educational approval board under s. 38.50~~ department of financial institutions and  
15 professional standards under s. 440.52, or is a school described in s. ~~38.50~~ 440.52 (1)  
16 (e) 6., 7. or 8.; and

17 **SECTION 49.** 948.11 (4) (b) 3. a. of the statutes is amended to read:

18 948.11 (4) (b) 3. a. Is a technical college, is a school ~~approved~~ authorized by the  
19 ~~educational approval board under s. 38.50~~ department of financial institutions and  
20 professional standards under s. 440.52, or is a school described in s. ~~38.50~~ 440.52 (1)  
21 (e) 6., 7. or 8.; and

22 **SECTION 50.** 995.55 (1) (b) of the statutes is amended to read:

23 995.55 (1) (b) "Educational institution" means an institution of higher  
24 education, as defined in s. 108.02 (18); a technical college established under s. 38.02;  
25 a school, as defined in s. ~~38.50~~ 440.52 (11) (a) 2.; a public school, as described in s.

1 115.01 (1); a charter school, as defined in s. 115.001 (1); a private school, as defined  
2 in s. 115.001 (3r); or a private educational testing service or administrator.

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

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

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

12 (b) *Tangible personal property.* On the effective date of this paragraph, all  
13 tangible personal property, including records, of the educational approval board,  
14 other than property related to consumer protection functions, as determined by the  
15 secretary of administration, is transferred to the department of financial institutions  
16 and professional standards. Property related to consumer protection functions is  
17 transferred to the department of agriculture, trade and consumer protection.

18 (c) *Pending matters.* Any matter pending with the educational approval board  
19 on the effective date of this paragraph, other than one related to the board's  
20 consumer protection functions, as determined by the secretary of administration, is  
21 transferred to the department of financial institutions and professional standards.  
22 Any matter related to the board's consumer protection functions is transferred to the  
23 department of agriculture, trade and consumer protection. All materials submitted  
24 to or actions taken by the board are considered as having been submitted to or taken



1 by the department of financial institutions and professional standards or the  
2 department of agriculture, trade and consumer protection, as applicable.

3 (d) *Contracts.* All contracts entered into by the educational approval board in  
4 effect on the effective date of this paragraph remain in effect and are transferred to  
5 the department of financial institutions and professional standards, except that  
6 those related to the board's consumer protection functions are transferred to the  
7 department of agriculture, trade and consumer protection. The department of  
8 financial institutions and professional standards or the department of agriculture,  
9 trade and consumer protection, as applicable, shall carry out any obligations under  
10 those contracts unless modified or rescinded by that department to the extent  
11 allowed under the contract.

12 (e) *Rules and orders.*

13 1. All rules promulgated by the educational approval board in effect on the  
14 effective date of this subdivision remain in effect until their specified expiration  
15 dates or until amended or repealed by the department of financial institutions and  
16 professional standards or the department of agriculture, trade and consumer  
17 protection, as applicable. The secretary of administration shall determine which  
18 rules of the board become those of the department of financial institutions and  
19 professional standards and which rules become those of the department of  
20 agriculture, trade and consumer protection.

21 2. All orders issued by the educational approval board in effect on the effective  
22 date of this subdivision remain in effect until their specified expiration dates or until  
23 modified or rescinded by the department of financial institutions and professional  
24 standards or the department of agriculture, trade and consumer protection, as  
25 applicable. The secretary of administration shall determine which orders of the

1 board become those of the department of financial institutions and professional  
2 standards and which orders become those of the department of agriculture, trade  
3 and consumer protection.

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

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

11 (1) TRANSFERS FROM EDUCATIONAL APPROVAL BOARD.

12 (a) On the effective date of this paragraph, the unencumbered balances in the  
13 appropriation accounts under section 20.292 (2) (g), 2013 stats., section 20.292 (2)  
14 (gm), 2013 stats., and section 20.292 (2) (i), 2013 stats., immediately before the  
15 effective date of this paragraph, are transferred to the appropriation account under  
16 section 20.142 (3) (g) of the statutes, as affected by this act.

17 (b) After the effective date of this paragraph but no later than January 31, 2016,  
18 the secretary of administration shall transfer the unencumbered balance in the  
19 appropriation account under section 20.142 (3) (g) of the statutes, as affected by this  
20 act, related to consumer protection functions under section 100.67 of the statutes, as  
21 created by this act, as determined by the secretary of administration, to the  
22 appropriation account under section 20.115 (8) (ks) of the statutes.

\*\*\*\*NOTE: This draft will be combined with the DFIPS draft, LRB-0807, and will  
have the same effective date as that draft.