

Chapter SPS 62

REGULATION OF SCHOOLS AND SPECIALTY SCHOOLS

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Note: Chapter RL 62 was created as an emergency rule effective 5-26-89. Chapter RL 62 was renumbered chapter SPS 62 under s. 13.92 (4) (b) 1., Stats., Register November 2011 No. 671.

SPS 62.01 Required contents for school and specialty school catalogs. A school or specialty school catalog or bulletin shall contain:

(1) Identifying data, including volume number, dates of publication and reprinting.

(2) Name of school or specialty school and its governing body and officials.

(3) A calendar showing dates of instruction for each course and vacation periods.

(4) The school or specialty school policy and regulations regarding specific entrance and graduation requirements for each course.

(5) The school or specialty school policy and regulations governing enrollment dates, leave, absences, tardiness, make-up work, and interruption or suspension for unsatisfactory work or attendance, and the conditions under which a student dismissed or suspended for unsatisfactory progress, conduct, or attendance may resume the course of instruction.

(6) The school's or specialty school's policy and regulations governing standards of progress required of the student, the grading system of the school or specialty school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, and a description of the probationary period, if any, as well as a description of the student progress records kept by the school or specialty school and furnished to the students.

(7) The school or specialty school policy and regulations governing student conduct and conditions of dismissal for unsatisfactory conduct.

(8) A detailed description of charges for tuition and a schedule of fees for student activities, laboratory fees, rentals, deposits and all other charges which are referred to or included in the contract. The school's or specialty school's refund policy shall be fully described in the catalog or bulletin.

(9) An outline for each course describing the subject of the course, the type of work or skill to be learned, the length of the course and the number of credits or clock hours to be earned towards licensing eligibility. In addition, the school or specialty school shall disclose any requirements imposed by the school or specialty school for graduation which exceed minimums required by the state to be eligible for the licensure examination. If graduation is required before a student is eligible to take the licensure examination, the catalog or bulletin shall so state.

(10) A statement of the school or specialty school policy and regulations under which it will grant credit for hours of previous education and training.

(11) A description of the school or specialty school placement services and other resources made available to assist students.

(12) A description of the surety bond under s. SPS 61.06 and an explanation of how a student may make a claim on the bond.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90; correction in (12) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671.

SPS 62.02 Required contents for student contracts with schools and specialty schools. A contract between a school or specialty school and a student shall contain:

(1) Complete identifying information of both the school or specialty school and the student, including the address of the school or specialty school location and its administrative offices; and the name, local address and permanent address of the student. Other identifying information may be included.

(2) A statement of the total cost and the unit costs of the contract for which the student will be responsible, including tuition, all fees, and the charges for books, materials, and equipment.

(3) A detailed statement of obligations of the school or specialty school to the student.

(4) A clear reference identifying the specific edition of the school's or specialty school's catalog or bulletin which was given to the student to provide the student with information about the school or specialty school prior to entering into the contract with the school or specialty school.

(5) The anticipated starting and ending dates for the student's course of instruction.

(6) A clear statement of the educational requirements for licensing in s. 454.06, Stats., and any requirements for graduation from the school or specialty school which exceed the requirements for eligibility to take the state licensing examination, and whether graduation from the school or specialty school is required before the student will be allowed to take the state licensing examination.

(7) A clear, simple description of the rules, policies, regulations and laws governing the rights and responsibilities of the school or specialty school and the student or enrollee in regard to any loans, financial aid, or credit extended to or on behalf of the student or enrollee by or through the school or specialty school. To the extent the details are known at the time the contract is signed, the description shall include the details of the amount of any loan, financial aid, or credit extended to or on behalf of the student or enrollee by or through the school or specialty school, and the nominal and effective interest rate, the payment terms, the default provisions, and the defenses to default, which are or may be applicable to the loan, financial aid or credit extended. When any details of an enrollee's financial aid package are not known at the time the contract is signed, the contract shall identify those details which remain to be determined, and what effect, if any, the

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final determination of those details will have on the enrollee's contract.

(8) A clear statement of the refund policy used by the school or specialty school.

(9) A clear statement of conditions the school or specialty school considers to be breach of the contract, and a description of the possible remedies to be pursued against the student.

(10) Notice that an enrollee has the right to cancel the contract until midnight of the third business day following receipt by the enrollee of a notice of right to cancel. In this paragraph, "business day" has the meaning given under s. 421.301 (6), Stats.

(a) The notice shall be printed in letters of not less than 12-point boldface type under the caption: "ENROLLEE'S RIGHT TO CANCEL" and read as follows:

You may cancel this agreement by mailing or delivering a notice to (insert name and mailing address of agent of school or specialty school) **before midnight of the third business day after you signed this agreement. "Business day" means any calendar day except Saturday and Sunday, and except the following business holidays: New Year's Day, Martin Luther King Jr.'s Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving and Christmas. If you wish, you may use this page as that written notice by writing "I hereby cancel" and adding your name and address. A duplicate of this page is provided to you by the school for your records.**

(b) If the principal language of the enrollee is other than English, the school or specialty school shall give the enrollee written notice of the right to cancel in English and in the principal language of the enrollee.

(c) The school or specialty school shall deliver 2 copies of the notice of a right to cancel after the enrollee has signed the enrollment contract, but not before.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90.

SPS 62.03 Deceptive trade names prohibited. (1)

No school or specialty school shall use a trade or business name, label, insignia, or designation which has the capacity and tendency or effect of misleading or deceiving prospective students with respect to the nature of the school or specialty school, its accreditation, programs of instruction or methods of teaching, or any other material fact.

(a) A school or specialty school shall not falsely represent directly or by implication through the use of a trade or business name or in any other manner that it is part of or connected with a branch, bureau, or agency of the United States government, or any state or local government or civil service commission.

(b) A school or specialty school shall not falsely represent directly or by implication through the use of a trade or business name or in any other manner that it is affiliated with or otherwise connected with a public or private religious or charitable organization, or any public or private college, university, or other institution of higher education.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90.

SPS 62.04 Deceptive sales practices prohibited.

(1) No school or specialty school shall engage in any deceptive sales practices. The term "deceptive sales practice" includes, but is not limited to:

(a) The use of "help wanted" or other employment columns in a newspaper or other publication to contact prospective students in such a manner as to lead such prospective students into the belief that a job is offered.

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(b) The use of "blind" advertisements or sales literature to attract prospective students when the advertisements or literature fails to set forth that courses of instruction or other educational services are being offered for sale.

(c) The making of false or deceptive statements or representations or any statements or representations which have the tendency or capacity to mislead or deceive students, prospective students, or the public regarding actual or probable earnings or opportunities in any field or vocation. It is an unfair and deceptive sales practice to represent or imply in any way that persons employed in a particular field or position earn a stated income or that persons completing a training course will earn the stated income or "up to" the stated income unless:

1. The salary or income is equal to or less than the average salary or income of persons employed in the indicated field or position for less than 5 years and the advertisement or representation indicates the basis for calculation of the average salary or income; and,

2. The advertisement or representation also states clearly and conspicuously that no guarantee is made that a person who purchases the advertised services will earn the stated salary or income, unless the guarantee is actually offered by the school or specialty school.

(d) The making of false or deceptive statements or representations, or any statements or representations which have the tendency or capacity to mislead or deceive prospective students, students, or the public regarding any opportunities in any vocation or field of activity as a result of the completion of any given course of instruction or educational service.

(e) The use of terms or titles such as "registrar", "counselor", "advisor", or words of similar import to describe or refer to a school's or specialty school's salesmen, agents, representatives, or other employees in a manner which misrepresents the training, qualifications, experience, status, or position of the person to whom reference is made.

(f) The use of any illustration in any catalog, sales literature, or otherwise which tends to convey a false impression of the size, importance, location, or facilities of a school or specialty school.

(g) The making of any false or deceptive statement or representation which has the capacity or tendency to deceive or mislead any prospective student, student, or the public regarding the amount or nature or terms of a prospective student's or student's financial obligation to the school or specialty school or any third party as a result of any agreement between the prospective student or student, or on behalf of a prospective student or student, and the school or specialty school.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90.

SPS 62.05 Admission of unqualified students prohibited.

No school or specialty school may admit any applicant as a student who does not have a high school diploma or General Educational Development ("GED") certificate unless that applicant passes a nationally recognized, standardized, or industry developed test, subject to criteria developed by an appropriate accrediting association, measuring the applicant's aptitude to successfully complete the program for which the applicant has applied.

Note: This testing requirement is drawn from the "ability to benefit" criteria of 20 USC 1091 (d).

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90.

SPS 62.06 Negotiability of promissory instruments. (1)

Every assignee of an enrollment agreement takes the enrollment agreement subject to all claims and defenses of the student or successors in interest under the enrollment agreement.

(2) No school or specialty school may enter into any enrollment agreement in which the student waives the right to assert against the school or specialty school or any assignee any claim or defense the student may have against the school or specialty school. Any provision in an enrollment agreement by which the student agrees to a waiver is void.

(3) (a) No school or specialty school may use a promissory note or instrument, other than a check, unless it bears the following statement in contrasting boldface type: This is an enrollment agreement instrument and is non-negotiable. Every holder takes the enrollment agreement subject to all other claims and defenses of the maker or obligor.

(b) Compliance with requirements of federal and state statutes, regulations and rules governing the form of notice of preservation of consumers' claims and defenses shall be deemed to satisfy the requirements of par. (a).

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90.

SPS 62.07 Refund standards. (1) FULL REFUND. A school's or specialty school's refund policy shall provide for a full refund of all money paid by a student, except for a non-refundable application fee of no more than \$10, if:

(a) The student cancels the enrollment agreement or enrollment application within 3 business days after receipt of notice of acceptance from the school or specialty school; or

(b) The student was accepted for enrollment but was unqualified for entrance; or

(c) The student's enrollment was procured as the result of any written or oral misrepresentations made by the school or specialty school or its agents.

(2) PARTIAL REFUND. (a) In this subsection, "percentage of enrollment time" means the number of class days elapsed from the start of the student's attendance until the student's last date of attendance divided by the total number of class days required to complete the course of instruction.

(b) If, for any reason, a student withdraws or is dismissed by the school or specialty school prior to the commencement of classes, the charge may not exceed 15% of the total cost of the course of instruction or \$100, whichever is less.

(c) If, for any reason, a student withdraws or is dismissed by the school or specialty school after the commencement of classes, the school's or specialty school's refund policy may not permit any charge to the student which exceeds \$150 plus the amount shown on the "Partial Refund Chart," in Table 62.07 (2). In no case may the charge to the student exceed the total cost of the course of instruction.

TABLE 62.07 (2) PARTIAL REFUND CHART

| PERCENTAGE OF ENROLLMENT TIME | | MAXIMUM PERCENTAGE OF TOTAL COST OF COURSE OF INSTRUCTION MAY BE CHARGED |
|-------------------------------|-----------------------|--|
| GREATER THAN | LESS THAN OR EQUAL TO | |
| 0% | 5% | 20% |
| 5 | 10 | 30 |
| 10 | 15 | 40 |
| 15 | 25 | 45 |
| 25 | 50 | 70 |
| 50 | 100 | 100 |

Note: Schools and specialty schools are encouraged to adopt a policy wherein the refund to the student may exceed amounts set forth above when mitigating circumstances are in evidence.

(3) EQUIPMENT FEES. A school or specialty school shall reimburse the cost of the unused equipment or supplies that a stu-

dent was required to purchase as a condition of enrollment or continued participation in the course of instruction to a student who, for any reason, withdraws or is dismissed by the school or specialty school and who, within 15 days of withdrawal or dismissal, tenders for reimbursement the equipment and supplies in their original condition.

(4) SCHOOL CLOSING. If a school or specialty school closes or terminates a program and no longer offers instruction in a program in which a person is enrolled, the person shall be entitled to a pro rata refund of the total cost of the course of instruction. No such refund may defeat any person's claim to indemnification to which he or she is otherwise entitled under the bond required by s. SPS 61.06.

(5) REFUND DEADLINE. A school or specialty school shall make any refunds due to a student or enrollee within 30 days of the date the school or specialty school dismisses the student or enrollee or receives notice of withdrawal, or of the school or specialty school closing.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90; correction in (4) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671.

SPS 62.08 Disclosure of information to the department. Within 10 days of any request by the department, a school or specialty school shall furnish the department with any information requested concerning the school's or specialty school's facilities, curricula, instructors, registration and enrollment policies, enrollment rosters, student training hours and contracts, financial records, tuition and other charges, refund policies and policies concerning the negotiability of promissory instruments received in payment of tuition and other charges.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90.

SPS 62.09 Inspection of facilities and records. A school or specialty school shall permit the department to inspect its facilities and its records at any time during the school's or specialty school's regular business hours upon the request of a representative of the department.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90.

SPS 62.10 Specialty topic instruction privileges and requirements for schools of cosmetology. A licensed school of cosmetology may offer a specialty training program in aesthetics or in manicuring, or both, without being licensed as a specialty school or paying license fees beyond those required to maintain licensure as a school of cosmetology.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90; EmR1302: emerg., eff. 2-14-13; CR 13-026: am. Register October 2013 No. 694, eff. 11-1-13.

SPS 62.11 Prohibited conduct and discipline. (1) No owner, director, officer, shareholder, or managing employee of any school or specialty school may permit or engage in any of the following conduct:

(a) Holding classes without a current license for the school or specialty school.

(b) Engaging in false, misleading, or deceptive advertising, recruitment of students, enrollment procedures, or record keeping practices.

(c) Falsifying or misrepresenting any information on any application for an initial or renewal license.

(d) Being convicted of any crime involving fraud or other circumstances which substantially relate to the operation of a school or specialty school.

(e) Allowing an unlicensed person to provide practical instruction to any student.

(f) Harassing or discriminating against any enrollee or student

because of age, race, creed, color, ancestry, national origin, marital status, sex, or sexual orientation.

(g) Violating subch. V of ch. 440, Stats., or ch. 454, Stats., or this chapter in the operation of a school or specialty school or establishment associated with a school or specialty school.

(h) Engaging in any promises or threats to students or employees of a school, specialty school, or establishment associated with a school or specialty school to obtain sexual or social contact or anything of value.

(i) Distributing or using school or specialty school student catalogs or contracts which do not comply with this chapter.

(j) Engaging in any conduct which could reasonably be detrimental to the health, safety, or welfare of the public, or the students or staff of any school, specialty school, or establishment associated with a school or specialty school.

(k) Failing to comply with the terms of any contract with a student of the school or specialty school.

(L) Holding classes, except for structured salon visits and instruction for individual student needs or industry trends, at any location other than that identified in the school's or specialty school's latest application for licensure.

(m) Denying the department the opportunity to inspect, or obstructing the department in the inspection of, the school's or specialty school's facilities or records at any time during regular business hours.

(n) Using any deceptive trade name, contrary to s. SPS 62.03.

(o) Engaging in any deceptive sales practices, contrary to s. SPS 62.04.

(2) The department may limit, suspend, or revoke the license of any school or specialty school whose owner, director, officer, shareholder, or managing employee permits or participates in any of the conduct prohibited by this rule, except that no school or specialty school shall be disciplined for the action of only one shareholder who owns or controls fewer than 10% of the shares of the corporation owning the school or specialty school.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90; am. (1) (L), Register, September, 2000, No. 537, eff. 10-1-00; correction in (1) (n), (o) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671.

SPS 62.12 Forfeitures to the department. In addition to or in lieu of discipline imposed against any school or specialty school pursuant to s. SPS 62.07, and in addition to any costs assessed pursuant to s. 440.22, Stats., the department may assess a forfeiture of not less than \$100 nor more than \$5,000 for each violation of s. SPS 62.07. All forfeitures shall be paid to the department. In any case in which the department assesses both a forfeiture pursuant to this section and costs pursuant to s. 440.22, Stats., payments received by the department shall be applied first to the costs assessed.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90; correction made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671.