

Chapter EAB 2

APPROVAL OF SCHOOLS

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History: Chapter EAB 2 as it existed on December 31, 1972 was repealed and new chapter EAB 2 was created, Register, December, 1972, No. 204, effective January 1, 1973.

EAB 2.01 Definitions. In this chapter and the following chapters, the following terms shall have the designated meanings:

(1) "Board" means the state of Wisconsin educational approval board.

(2) "Course" means an organized unit of subject matter in which instruction is offered within a given period of time or which covers a specified amount of related subject matter.

(3) "Course of instruction" means a series of classroom or correspondence courses having a unified purpose which lead to a diploma or degree or to an occupational or vocational objective.

(4) "School" means any individual, partnership, association, or corporation or any combination thereof operating a private trade, correspondence, business or technical school not excepted under s. 38.51 (9), Stats., which maintains, advertises or conducts any course or course of instruction for profit or a tuition charge.

(5) "Solicitor" means a person employed by or representing a school either located within or outside this state who, in places other than the actual business premises of the school, personally attempts to secure the enrollment of a student in such school, whether or not the intended result of such direct contact is the actual signing of an enrollment agreement.

(6) "Teaching location" means the area and facilities, including any office, classroom, meeting room, laboratory, or other location, designated for use by a school, but does not include a location used solely for the recruitment of students.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73; cr. (6), Register, June, 1984, No. 342, eff. 7-1-84.

EAB 2.02 Approval of schools and courses of instruction. (1) APPROVAL REQUIRED. No school may:

(a) Solicit students unless the school is approved by the board.

(b) Advertise, offer or teach any course of instruction unless the school and that course of instruction are approved by the board.

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(c) Deny enrollment to any student, or make any distinction or classification of students, solely on account of sex, race, color, or creed.

(d) Use a location as a teaching location unless that location is approved by the board as a teaching location of the school.

(2) **INVESTIGATION AND INSPECTION.** Upon application, the board or its duly authorized representative shall investigate and inspect schools doing business within this state, whether located within or outside this state, and courses of instruction offered by these schools, and the board shall approve schools and courses of instruction meeting its requirements and standards and complying with its rules.

(3) **RENEWAL OF APPROVAL.** (a) Except as provided in par. (b), a school approved to operate or do business in the state shall, after June 30 but no later than September 1 of each year, apply for renewal of approval on forms furnished by the board and shall submit with the forms the fee required by s. EAB 2.11 (3).

(b) A school need not apply for renewal of approval in the calendar year in which the school paid in full the fees required by s. EAB 2.11 (2).

(3) **ANNUAL APPROVAL.** Approval shall be given on an annual basis only. Approval of schools which had been granted prior to the effective date of these rules shall expire September 1, 1973 unless revoked according to the procedures set forth herein. Three months prior to the expiration of a school's current approval, request must be made to the board for re-approval. Such re-approval may be based on the quarterly reports filed by the school with the board as required by s. 38.51 (10), Stats., or the board may require submission of a new application as required in s. EAB 2.05.

(4) **REVOCAION OF APPROVAL.** (a) Upon a determination by the board that there has been a failure to maintain the standards or to continue to comply with the rules or meet the requirements for approval, approval of the school or the course of instruction shall be revoked.

(b) Refusal by a school to allow reasonable inspection, or to supply information after written request therefor by the executive secretary or failure to comply with any and all of these rules shall be grounds for revocation of approval.

(5) **NOTICE OF WITHHOLDING OF APPROVAL OR OF REVOCATION OF APPROVAL.** Notice of withholding of approval or of the revocation of approval of a school or course of instruction shall be sent by certified mail, return receipt requested, to the last address of the school involved. Withholding or revocation of approval of the school or course of instruction shall be effective 10 days after the notice of revocation has been mailed to the school.

(6) **HEARING.** Any school whose legal rights, duties, or privileges are directly affected by an action of the executive committee, its duly authorized representative, or the board may request a hearing to contest the action taken. Such a hearing must be requested within 10 days of the effective date of the action taken. If a hearing is requested it will be held within a reasonable time after receipt of the request. Notice of such hearing shall be sent to the school 10 days prior to the date of such hearing, giving the school notice of date, time and place.

(7) **CONDUCT OF HEARINGS.** All hearings shall be presided over by one or more members of the board or such hearing examiner as may be designated by the board.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73; am. (1), Register, June, 1984, No. 342, eff. 7-1-84; r. and recr. (3), Register, May, 1987, No. 377, eff. 7-1-87.

EAB 2.03 Approval of schools prior to operation. (1) CRITERIA. Approval of schools planned or proposed for operation within the state may be made by the board upon application as provided by s. EAB 2.05 which gives evidence that the planned or proposed school meets approval requirements. Purchase or rental of physical facilities, materials, and equipment and hiring of instructional staff need not be accomplished prior to consideration of approval if the proposed physical facilities, materials, and equipment are fully described, the qualifications of instructor positions have been clearly stated, and such descriptions and qualifications, if carried out in practice, would meet the criteria for approval as set forth in s. EAB 2.06.

(2) **PERIOD OF INITIAL APPROVAL.** A school not yet in operation may be approved for a period of operation not to exceed 6 months. Prior to beginning the second month of operation, the school shall submit to the board full descriptions of physical space, materials, and equipment in use and qualifications of instructional staff currently employed.

(3) The criteria of sub. (1) and the period of initial approval of sub. (2) shall apply to the addition of another course of instruction to the offerings of a currently approved school.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.

EAB 2.04 Schools operating in more than one location. (1) DEFINITION. A school is deemed to operate in more than one location when any of its instructional facilities are located more than 30 miles from any other instructional facilities of the school or its address of record with the board, or when any distinction in name is used by the school in its advertising, catalog, or contracts to identify the separate location of the school.

(2) **APPROVAL.** Schools operating in more than one location may be approved as one school with several specified locations when:

(a) All locations to be included in the approval meet the criteria for approval, and;

(b) The information required by the board to be submitted on and with the application for approval has been supplied for each location, and;

(c) All locations to be included in the approval are directly controlled by a single individual, partnership, association, or corporation, and that the controlling entity, in making application to the board, agrees to indemnify all persons suffering loss or damage as the result of the controlled subsidiary's failure to fulfill any contractual obligation for educational services or failure to comply with these regulations.

(3) **BONDING.** The bonds required by ss. EAB 2.07 and 3.04 shall not be required of each location of a school approved as provided in sub. (2) if the bonds furnished specifically are made to apply to all locations and names identified in the application.

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(4) **SOLICITOR'S PERMITS.** If a school has been approved as one school with several locations, only one solicitor's permit per solicitor shall be required to solicit for all locations of the school included in the approval.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.

EAB 2.05 Application for approval. (1) No school shall be approved unless it shall make application, through its officers or an owner, upon forms to be provided by the board, and unless said application shall be accompanied by:

(a) A copy of all enrollment applications the school anticipates using in Wisconsin; meeting the requirements of ch. EAB 5;

(b) A statement of its cancellation and settlement policy meeting the minimum requirements set out in ch. EAB 7;

(c) A school catalog or bulletin containing:

1. Identifying data, such as volume number and/or date of publication.
2. Name of school and its governing body and officials.
3. A calendar showing the legal and scheduled holidays, vacation periods, and the beginning and ending date of each term or semester.
4. School policy and regulations regarding enrollment dates and specific entrance requirements for each course.
5. School policy and regulations relative to leave, absences, tardiness, class cuts, make-up work, and interruption for unsatisfactory work or attendance.
6. School policy and regulation relative to standards of progress required of the student, the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, and a description of the probationary period, if any. Also, conditions of re-entrance for those students dismissed for unsatisfactory progress and statement regarding progress records kept by the school and furnished the students.
7. School policy and regulation governing student conduct and conditions of dismissal for unsatisfactory conduct.
8. Charges for tuition and schedule of fees for student activities, laboratory, rentals, deposits and all other charges.
9. An outline for each course for which approval is requested, showing subject or units of work, type of work or skill to be learned, approximate time and clock hours to be spent on each subject or course, and disclosure of any further training known, or which should reasonably be known by the school, which would usually be required of a student to secure initial employment consistent with the vocational objective for which the course is represented to prepare the student.
10. Policy and regulation of the school relative to granting credit for previous education and training.

(d) A description of the school's placement services;

(e) A copy of all advertising recently used or reasonably expected to be used in Wisconsin by the school;

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(f) A current balance sheet and income statement audited and certified by an independent auditor or C.P.A. (Said balance sheet and income statement may be submitted for a parent corporation that has agreed to indemnify Wisconsin residents for any loss resulting from the failure of the subsidiary to fulfill its obligations for educational services or failure to comply with these rules);

(g) A surety bond as required by s. EAB 2.07;

(h) A description of the school's location, buildings, and equipment;

(i) A list of faculty members indicating their education, preparation and experience; and

(j) Any other information required by the board so that the school and its courses of instruction may be evaluated according to the criteria set forth in s. EAB 2.06.

(2) The board may, at its discretion, require substantiation of any representations made by the school in soliciting students and proof that course of instruction is capable of preparing a student for employment in the field in which the school purports that the training is designed to do.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.

EAB 2.06 Criteria for approval of schools and courses of instruction. (1) CONTENT AND INSTRUCTION. (a) The content, length, and instruction of courses and courses of instruction shall be consistent in quality with similar courses and courses of instruction in public schools or private schools with standards which have been examined by the board and are deemed to be acceptable.

(b) The administrators and instructors of the school shall have suitable educational qualifications and experience, and be of good reputation and character.

(c) The school shall have a sufficient number of instructors for its courses and courses of instruction to provide adequate student-teacher relationships.

(d) The course of instruction will be of value in preparing students for employment in the vocational field for which it was designed.

(e) The course of instruction is capable of qualifying students for employment in a vocational position if it is represented to do so.

(2) **FACILITIES.** The school shall have adequate space, suitable and sufficient equipment, and sufficient and appropriate instructional materials to carry out its program. Said facilities shall be consistent in quality with similar facilities in public schools or private schools with facilities which have been examined by the board and are deemed acceptable.

(3) **STUDENT SERVICE.** (a) The school shall provide to each student a catalog meeting the requirements of s. EAB 2.05 (1) (c) prior to or upon the student making application for enrollment.

(b) The school shall keep records of attendance, progress and grades.

(c) The school shall make reports periodically to each student of his progress in his courses.

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(4) **ADVERTISING.** All advertising and promotional materials shall be consistent with the requirements set forth in ch. EAB 4.

(5) **REFUND POLICY.** The school's policy for refund of unused portions of tuition, fees and other charges if a student does not enter a course or course of instruction or withdraws or is discontinued therefrom must provide for refunds which are at least equal to the board's established minimum standards as set forth in ch. EAB 7.

(6) **COMBINATION COURSES.** Courses of instruction consisting of both resident and correspondence instruction in which the completion of the correspondence part is a prerequisite for starting the resident part, or vice versa, and for which a charge is made, will not be approved unless a separate charge is made for each part which separate charge is equitable in relation to the actual relative costs of instruction including overhead as are incurred by the school.

(7) The school must be shown to be in sound financial condition to the satisfaction of the board.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.

EAB 2.07 Surety bond. (1) Before any school will be given approval, the school must provide the board with a surety bond in the amount of \$25,000 executed by the applicant as principal and by a surety company qualified and authorized to do business in the state of Wisconsin as surety.

(2) The surety bond shall be conditioned to provide indemnification to any student or enrollee or his parent, or guardian, or sponsor suffering loss or damage as a result of any fraud or misrepresentation used in procuring his enrollment, violation of chs. EAB 1 through 7, or as a result of the student being unable to complete the course or courses because the school failed to perform its contractual obligations with such student, or as a result of the student being refused a tuition refund to which the student is entitled under ch. EAB 7. Such indemnification under the surety bond to any or all students, or parents, or guardians, or sponsors shall, in no case, exceed the advanced tuition, book fees, supply fees, or equipment fees paid or liable to be paid for by said student or students or any such parent, or guardian, or sponsor, and regardless of the number of years that a school's bond is in force, the aggregate liability of the surety bond shall, in no event, exceed the penal sum of the bond. The surety bond may be continuous.

(3) Any student may file with the board a duly verified claim of fraud or misrepresentation used in procuring his enrollment or of enrollment procured as a result of any fraud or misrepresentation in the school's application for the approval against a school. The board may consider such claim after 10 days' written notice by certified mail, return receipt requested, to such school of said complaint giving time and place of hearing thereon and if such claim is found to be correct and due to the claimant, and if the board or its executive secretary cannot effect a settlement by persuasion and conciliation, the board shall make a demand upon the principal on such bond and the surety thereon, and if not paid shall bring an action on such bond in any court of record within the state of Wisconsin.

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(4) A surety on said bond may be released therefrom after said surety shall have made a written notice thereof directed to the board at least 30 days prior to said release.

(5) The bonding requirements set forth in this section may be increased or reduced in the sole discretion of the board upon a determination that it is inadequate or excessive in relation to the risk of economic loss to which Wisconsin residents are exposed in the case of any particular school.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.

EAB 2.08 Agent for service of process. (1) All schools seeking approval from the board must furnish the board with the name and Wisconsin address of a designated agent upon whom any process, notice, or demand may be served. The executive secretary of the educational approval board may be appointed for this purpose.

(2) If during any period a school approved by the board fails to appoint or maintain in this state an agent for service of process, such failure shall be cause for revocation of approval.

(3) Nothing herein contained shall limit or affect the right to serve any process, notice or demand required or permitted by law to be served upon a foreign corporation in any other manner now or hereafter permitted by law.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.

EAB 2.09 Investigation and review. (1) **PERIODIC REVIEW.** The board or its duly authorized representative shall investigate and review all approved schools and courses of instruction. The method of review shall be determined by the board in each case, and generally will consist of such of the following as it deems appropriate to the particular situation:

(a) Consideration of information available from the following: federal trade commission, better business bureaus, the Wisconsin department of justice—office of consumer protection, other state or other official approval agencies, local school officials or interested persons.

(b) Review of the quarterly reports and statements from the school involved.

(c) Conferences with officials or representatives of the school involved or with interested persons including former students or parents of former students.

(d) Public hearing respecting the course of instruction under review with adequate written notice of the holding thereof to the school offering the course of instruction.

(e) Investigation by visitation of the school involved.

(2) **UPON COMPLAINT.** In addition to investigation upon its own initiative, the board may investigate any school and its courses or courses of instruction upon receipt of a complaint from an interested person.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.

EAB 2.10 List of approved schools and courses of instruction. (1) **DISTRIBUTION.** A directory of approved schools and courses of instruction shall be distributed by the board to all approved schools and to others upon

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request. Cumulative supplements to such directory bringing it up to date by showing additions and removals subsequent to the distribution of the directory shall be distributed by the board from time to time. The directory shall be brought up to date by distribution of a new directory of approved schools and courses of instruction whenever the changes from the last directory are sufficient therefor.

(2) **CURRENT LISTING.** The board shall at all times maintain as a part of its official records a complete listing of the schools and courses of instruction which are currently approved by it. The current list of approved schools and courses of instruction shall be maintained at the office of the executive secretary of the board.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.

EAB 2.11 Application and renewal fees. (s. 38.51 (10) (b), Stats.) (1) APPLICABILITY. The fees listed in this section shall apply:

(a) For renewals of school approval, to any application for renewal of an approval which expires on or after July 1, 1987.

(b) For all other applications, to applications which the board receives on or after July 1, 1987.

(2) **APPLICATION FEES FOR INITIAL SCHOOL APPROVAL.** A school which is not approved to operate or do business in the state and which is applying for approval shall pay a fee of \$200, plus:

(a) A fee for each course of instruction the school wishes to advertise, offer or teach in the state, as provided in sub. (4); and

(b) A fee for each teaching location, other than the main location of the school as listed on the application for approval, which the school wishes to use in the state, as provided in sub. (5).

(3) **ANNUAL FEES FOR RENEWAL OF SCHOOL APPROVAL.** (a) Except as provided in par. (b), a school approved to operate or do business in the state shall, after June 30 but no later than September 1 of each year, pay an annual fee of \$200.

(b) A school need not pay the annual fee otherwise required by par. (a) in the calendar year in which the school paid in full the fees required by sub. (2).

(4) **APPLICATION FEE FOR APPROVAL OF COURSES OF INSTRUCTION.** A school shall pay an application fee of \$300 when applying for approval of a course of instruction.

(5) **APPLICATION FEE FOR APPROVAL OF TEACHING LOCATIONS.** A school shall pay an application fee of \$40 when applying for approval of a teaching location.

(6) **CHANGE OF OWNERSHIP OR CONTROL.** (a) Approval of a school terminates at the time when the ownership or control of the school changes from that indicated on the most recent application the school filed with the board.

(b) An approved school shall notify the board of any proposed change of ownership or control.

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(c) The prospective owner or owners shall submit to the board prior to the effective date of the transfer an application reflecting the change of ownership or control. The application shall be accompanied by a fee of \$150, plus:

1. A fee, as provided in sub. (4), for each course of instruction listed on the application which, at the time the school files the application, is not approved by the board; and

2. A fee, as provided in sub. (5), for each teaching location listed on the application which, at the time the school files the application, is not approved by the board as a teaching location of the school.

(d) A school may request an interpretation from the board as to the application of this subsection to a contemplated change of ownership or control.

Note: A person who desires to apply for initial approval of a school, renewal of approval of a school, approval of a teaching location, or approval of a school after a change of ownership or control may obtain any of the following forms by writing the Educational Approval Board at P.O. Box 7874, Madison, WI 53707, or by telephoning (608) 266-1996.

EAB form 1.01, APPLICATION FOR INITIAL SCHOOL APPROVAL UNDER WIS. STATS. S. 38.51

EAB form 1.07, APPLICATION FOR RENEWAL OF SCHOOL APPROVAL UNDER WIS. STATS. S. 38.51

EAB form 1.08, APPLICATION FOR SCHOOL APPROVAL UNDER WIS. STATS. S. 38.51 AFTER A CHANGE OF OWNERSHIP OR CONTROL

EAB form 1.09, APPLICATION FOR APPROVAL OF A TEACHING LOCATION UNDER WIS. STATS. S. 38.51

Form EAB 1.11, Application for Approval, Course of Instruction, Wis. Stats. s. 38.51.

(7) FEES NOT REFUNDABLE. The fees paid under this section are not refundable unless the board determines that the fees were paid in error.

(8) REAPPLICATIONS. A school which reapplies for approval of the school, a course of instruction, or a teaching location for which the board has denied approval shall again pay the fees specified in this section.

(9) WAIVER OF FEES. The board may in its sole discretion waive, in whole or in part, fees otherwise payable by schools for reinstatement of approval which has been revoked or has expired, if the board determines that a re-evaluation of the school's courses of instruction is unnecessary.

History: Cr. Register, September, 1976, No. 249, eff. 10-1-76; am. Register, November, 1980, No. 299, eff. 12-1-80; am. (1), renum. (4) to be (6) and (7) and am., renum. (5) to be (8), (6) to be (5) and am., cr. (4), Register, June, 1984, No. 342, eff. 7-1-84; renum. (6) to (8) to be (7) to (9), am (1) to (5), Register, May, 1987, No. 377, eff. 7-1-87.

EAB 2.12 Period for handling applications. (1) The board shall review and make a determination on an application within the following time periods:

(a) For initial school approval, within 70 business days after receiving the application.

(b) For approval of a course of instruction, within 70 business days after receiving the application.

(c) For approval of a teaching location, within 25 business days after receiving the application.

(d) For approval after a change of ownership or control, within 60 business days after receiving the application.

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(2) An application for initial school approval shall, for purposes of s. EAB 2.11 and this section, be considered received when the board has received:

(a) All information and materials necessary to complete the school application, and

(b) All information and materials necessary to complete the application for at least one course of instruction proposed for the school.

(3) An application for approval of a course of instruction, a teaching location, or a change of ownership or control shall, for purposes of s. EAB 2.11 and this section, be considered received when the board has received all information and materials required to complete the application.

(4) The time period for handling an application shall end when the board grants an approval or notifies the applicant in writing that the approval has not been granted because criteria specified by statute, or administrative rule, or both have not been met.

(5) The board's failure to review and make a determination on an application within the time period specified in this section does not relieve any person from the obligation to secure approval from the board nor affect in any way the board's authority to interpret the requirements for approval or to grant or deny approval.

History: Cr. Register, May, 1987, No. 377, eff. 7-1-87.