

Chapter SPS 61

LICENSING OF SCHOOLS AND SPECIALTY SCHOOLS

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Note: Chapter RL 61 was created as an emergency rule effective 5–26–89. Chapter RL 61 was renumbered chapter SPS 61 under s. 13.92 (4) (b) 1., Stats., Register November 2011 No. 671.

SPS 61.01 License period. All licenses issued under subch. VI of ch. 440, Stats., shall be renewed on or before April 1 of each odd-numbered year.

History: Register, December, 1989, No. 408, eff. 1–1–90; CR 15–028: am. Register September 2015 No. 717, eff. 10–1–15.

SPS 61.03 Application requirements for an initial license. (1) An application for initial licensure as a school, or for an additional location of a school, shall be made by the owner of the school on the form provided by the department, and shall be submitted with the fee required by s. 440.62 (2) (a), Stats. The department shall grant or deny the license application within 45 business days following receipt of the application. A separate application shall be made for each location and contain all of the following information:

Note: Fees established by the department pursuant to s. 440.03 (9), Stats., are posted on the department's website, at www.dps.wisconsin.gov. The renewal fees for all other credentials are noted in the related statutes or rules.

(a) The names and addresses of all owners. If the owner is a corporation, a copy of the articles of incorporation and most recent annual report filed with the secretary of state, together with a list of the names and addresses of the incorporators, officers, directors, and shareholders of the corporation shall be submitted. No identification is required of any shareholder owning or controlling fewer than 10% of the shares of the corporation. If the owner is a partnership, the names and addresses of all partners and a copy of the partnership agreement.

(b) A statement that a certified public accountant has completed financial statements, consisting of a balance sheet, a profit and loss statement, and a cash flow statement, and that a copy of those statements will be made available for inspection by the department on request at any time. The department may require an audit of the finances of a school, at the applicant's expense, if the licensing application contains information which reasonably gives rise to concern that the school is not financially sound or is not otherwise stable.

(c) A detailed floor plan of the premises to be used by the school which identifies the site of the school and includes a description of fixtures and equipment.

(d) A list of the names and addresses of all schools of any description whatsoever currently or previously owned or operated by any of the owners of the school applying for licensure. If the owner of the school applying for licensure is a corporation or partnership, a list of the names and addresses of all schools of any description whatsoever which are currently or were previously owned or operated by any of the incorporators, officers, directors, or shareholders of the corporation or partners. No report is required for any shareholder owning or controlling fewer than 10% of the shares of the corporation.

(e) For every school required to be listed by par. (d), a detailed statement with all pertinent details indicating:

1. Whether the school was ever denied accreditation by any accrediting agency;

2. Whether the school was ever denied a license or had a license suspended, limited, restricted, or revoked;

3. Whether the school was ever subject to any form of receivership; and,

4. Whether the school was ever the subject of or named in any lawsuit alleging fraud, misrepresentation or any violation of law.

(f) A copy of the printer's proof of the catalog or bulletin described in s. SPS 62.01.

(g) A copy of any contract form used by the school or which the school intends to use in enrolling students.

(h) A list of the names and applicable license or certificate numbers of the instructors the school has hired to provide practical and theory instruction to its students.

(i) The number of students anticipated to be enrolled during the license period.

(j) The name and Wisconsin address of a designated agent upon whom any process, notice, demand or other document may be served.

(2) An application for initial licensure as a specialty school, or for an additional location of a specialty school, may be made for any establishment at which no more than one person will be trained at any time, and for which training no tuition will be charged. The application shall be made by the owner of the specialty school on the form provided by the department. The department shall grant or deny the license application within 45 days of receipt of the application. A separate application shall be made for each location and contain all of the following information:

(a) The names and addresses of all owners. If the owner is a corporation, a copy of the articles of incorporation and most recent annual report filed with the secretary of state, together with a list of the names and addresses of the incorporators, officers, directors, and shareholders of the corporation shall be submitted. No identification is required of any shareholder owning or controlling fewer than 10% of the shares of the corporation; if the owner is a partnership, the names and addresses of all partners and a copy of the partnership agreement.

(b) A statement that a certified public accountant has completed financial statements, consisting of a balance sheet, a profit and loss statement, and a cash flow statement, and that the statements will be made available for inspection by the department on request at any time. The department may require an audit of the finances of a specialty school, at the applicant's expense, if the licensing application contains information which reasonably gives rise to concerns that the specialty school is not financially sound or is not otherwise stable.

(c) A list of the names and addresses of all schools of any description whatsoever currently or previously owned or operated by any of the owners of the specialty school applying for licensure. If the owner of the specialty school applying for licensure is a corporation or partnership, a list of the names and addresses of all schools of any description whatsoever which are currently or were previously owned or operated by any of the incorporators, officers, directors, or shareholders of the corporation or partners.

No report is required for any shareholder owning or controlling fewer than 10% of the shares of the corporation

(d) A list of the names and applicable license or certificate numbers of the managers the specialty school has hired to provide practical and theory instruction to its students.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90; correction in (1) (f) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 15-028: am. (1) (intro.) Register September 2015 No. 717, eff. 10-1-15.

SPS 61.04 Application requirements for license renewal. (1) Application for the renewal of a license for a school or specialty school shall be filed on or before April 1 of each odd-numbered year. The department shall grant or deny the application for license renewal within 45 business days following receipt of the application.

(2) A renewal application shall be filed together with the fee required by s. 440.62 (2) (a), Stats., and shall contain the following information:

(a) All the information required for an initial license under s. SPS 61.03;

(b) A copy of every advertisement used by the school or specialty school in the 12 months preceding the date of the application for license renewal, including the script for every radio or television advertisement;

(c) The number of students currently enrolled in the school or specialty school and the number anticipated to be enrolled during the license period; and,

(d) A statement that a certified public accountant has completed financial statements, consisting of a balance sheet, a profit and loss statement, and a cash flow statement, for the school or specialty school, and that the report is on file at the school or specialty school and will be available for inspection by the department on request at any time during regular business hours. The department may require an audit of the finances of a school or specialty school, at the applicant's request, if the licensing application contains information which reasonably gives rise to concerns that the school or specialty school is not financially sound or is not otherwise stable.

Note: Renewal fees established by the department pursuant to s. 440.03 (9), Stats., are posted on the department's website, at www.dps.wisconsin.gov. The renewal fees for all other credentials are noted in the related statutes or rules.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90; correction in (2) (intro.), (a) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 15-028: am. (1), (2) Register September 2015 No. 717, eff. 10-1-15.

SPS 61.05 Application requirements for reinstatement of an expired license. To apply for reinstatement of a license expired for one year or longer, the owner of a school or specialty school shall file an application for an initial license. To apply for reinstatement of a license expired for less than one year, the owner of a school or specialty school shall file an application for renewal, as required by s. SPS 61.04, together with the application fee and late fee required by s. 440.62 (2) (a), Stats. The department shall grant or deny the application for reinstatement within 45 business days of receiving the application. The application shall include the following additional material:

Note: Fees established by the department pursuant to s. 440.03 (9), Stats., are posted on the department's website, at www.dps.wisconsin.gov. The renewal fees for all other credentials are noted in the related statutes or rules.

(1) The dates on which any form of instruction was provided to students at the school or specialty school applying for license reinstatement during the period following the expiration of the license to the time the application for reinstatement is filed.

(2) The names and addresses of the instructors who provided any instruction to any student at the school or specialty school during the period following expiration of the license, the names and addresses of the students in attendance during the period following expiration of the license, and the number of hours of training

in each topic each named student received during the period following expiration of the license.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90; correction in (intro.) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 15-028: am. (intro.) Register September 2015 No. 717, eff. 10-1-15.

SPS 61.06 Requirements for surety bonds.

(1) **BOND REQUIREMENT.** Before the department issues or renews a license for any school or specialty school, the school or specialty school shall provide the department with a surety bond acceptable to the department and executed by the applicant as principal and by a surety company qualified and authorized to do business in the state of Wisconsin.

(2) **AMOUNT OF BONDS.** The amount of the bond required shall not be less than reflected in table 61.06, and may be increased if the department determines that a larger bond is required to protect students of the school or specialty school, and their parents, guardians, and sponsors from risk of economic loss. A school which exceeds the enrollment upon which its bonding amount is based shall increase the amount of its bond accordingly. The increased bond shall be filed with the department within 30 days of the day the school first exceeds the enrollment on which its bonding amount is based.

Table 61.06

<u>Anticipated Enrollment</u>	<u>Amount Of Surety Bond</u>
0-50 Students or Enrollees	\$25,000
51-100 Students or Enrollees	\$40,000
Over 100 Students or Enrollees	\$50,000

(3) **CONDITIONS OF BONDS.** (a) The surety bond shall be conditioned to provide indemnification to any student or enrollee of the school or specialty school, or the parent, guardian, or sponsor of such a student or enrollee who suffers any loss or damage as a result of any of the following:

1. Fraud or misrepresentation by the school or specialty school;

2. Violation of any state administrative rule, statute or school policy relating to the licensing or operation of a school or specialty school;

3. A student or enrollee's inability to complete the course or courses of instruction because the school or specialty school failed to perform its contractual obligations to the student or enrollee; or

4. A student or enrollee being refused a tuition refund to which he or she is entitled.

(b) The surety bond shall be conditioned to provide indemnification to the department for the amount of any forfeitures assessed by the department under s. 440.64, Stats.

(c) In no case shall indemnification to any individual student or enrollee, or the parent, guardian, or sponsor of an individual student or enrollee, be less than the greater of either:

1. The total of the advanced tuition, book fees, supply fees, equipment fees, and administration fees paid by or on behalf of the individual student or enrollee; or,

2. The greater of the total of the student loans owed by the student or enrollee as a consequence of enrolling at the school or specialty school, or the total of the direct costs to the student or enrollee to complete and graduate from an equivalent course of instruction at another school or specialty school chosen by the student or enrollee as a substitute for the school or specialty school.

(d) The aggregate liability of the surety shall not exceed the penal sum of the bond, and the surety bond may be continuous.

(4) **CANCELLATION OF SURETY BOND.** A surety on a bond may be released from the bond on 90 days written notice to the secretary of the department. The secretary shall forthwith notify the school or specialty school named as principal on that bond that the

school's or specialty school's license shall be suspended if satisfactory evidence of a replacement bond has not been presented within 15 business days of the date of the secretary's notice to the school or specialty school. A school or specialty school which has its license suspended under this subsection shall provide written notice of the suspension and the reason therefor together with the identifying information of the bond from which the surety has sought release to its students and enrollees within 5 days of the suspension, and shall thereupon cease all operations as a school or specialty school under subch. VI of ch. 440, Stats.

History: Cr. Register, December, 1989, No. 408, eff. 1-1-90; CR 15-028: am. (2), (2) Figure (title), (4) Register September 2015 No. 717, eff. 10-1-15.

SPS 61.07 Change of ownership. Any change of ownership of a school or specialty school shall be reported to the department within 5 calendar days of the change of ownership, on

the form provided by the department, and shall be accompanied by the fee equivalent to the fee for initial licensure and the surety bond required by s. 440.62 (2) (a), Stats. The bond accompanying the change of ownership report shall be in the same form as, and in an amount at least equal to, the bond filed by the previous owners of the school or specialty school. The department shall immediately suspend the license of any school or specialty school for which a change of ownership is reported unless it is accompanied by a surety bond in the specified form and amount, naming the new owners as principals.

Note: Fees established by the department pursuant to s. 440.03 (9), Stats., are posted on the department's website, at www.dsps.wisconsin.gov. The renewal fees for all other credentials are noted in the related statutes or rules.

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; CR 15-028: am. Register September 2015 No. 717, eff. 10-1-15.