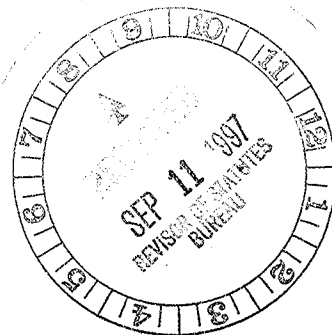


Clearinghouse Rule 97-035



STATE OF WISCONSIN

EDUCATIONAL APPROVAL BOARD

I, Joseph L. Davis (Executive Secretary) of the

Educational Approval Board

and custodian of the official records, certify that the annexed rules, relating to

the oversight and licensing of post-secondary schools, were duly approved and adopted by this board on May 19, 1997.

I further certify that this copy has been compared by me with the

original on file in this board and that it is

true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto
set my hand and affixed the official
seal of the Educational Approval Board at
310 Price Place in the city of Madison, this
3d day of September, 1997.

A handwritten signature in cursive script that reads "Joseph L. Davis".

CR 97-035

The Wisconsin Educational Approval Board proposes an order to repeal §§ EAB 1.06 through 1.08; 1.11 and 1.12; 1.16; 1.21; 1.28 (NOTE); 1.30; 1.45; 1.485; 4.03; 4.04 (1) (a) through (f); 4.04 (3); 4.05 (1) (a) through (d); 4.07 (1); 4.07 (3) (a) and (b); 4.07 (5); 4.07 (7); 4.07 (8) (a) through (d); 4.08 (5); 4.10; 5.02 (1) (a) through (f); 5.02 (5); 5.02 (7); 5.03 (3); 5.04; 5.05 (1) and (2); 5.06 (3); 5.06 (6); 5.06 (8); 5.07 (3); 5.09; 5.10 (2); 5.11 (1); 5.11 (3) (c) and (e) through (g); 5.11 (4) (c) 1 through 5 and (5); 5.11 (8); 5.11 (9) (a) through (f) and (10); 5.12; 6.01 (Definitions); 6.03 (2) (a) through (c); 8.05 through 8.11; 8.12 (3) and (4); 9.05 (2); 10.02 (1) (Applicable); 10.025; 10.04; to renumber §§ EAB 1.02; 1.03; 1.10; 1.17 and 1.18; 1.20; 1.27 and 1.28; 1.33; 1.34; 1.38; 1.42; 1.44; 1.46; 1.50; 1.51; 1.52; 1.54; 1.55; Chapter 4; 4.02 through 4.06; 4.06 (3); 4.07 and 4.08; Chapter 5; 5.02 and 5.03; 5.03 (2); 5.05 and 5.06; 5.06 (7); 5.065; 5.065 (3m); 5.07 and 5.08; 5.10 and 5.11; 5.11 (2); 5.11 (3) (b) and (d); 5.11 (3) (i); 5.11 (6); 5.11 (11); 6.05; 8.12 through 8.14; 10.02 (5); 10.05; to renumber and amend §§ EAB 1.19; 1.24; 1.26; 1.29; 1.36; 1.39; 1.395; 1.40; 1.47 through 1.49; 4.01; 4.015; 4.03 (3) through (5); 4.06 (4); 4.07 (6); 4.07 (8); 4.08 (1) through (4); 5.02 (3) and (4); 5.05 (1); 5.06 (4) through (7); 5.065 (4) and (5); 5.07 (2); 5.11 (2); 5.11 (3) (a); 5.11 (3) (h); 5.11 (4); 5.11 (4) (b) and (c); 5.11 (7); 5.11 (9); 5.11 (12) and (13); 6.02 through 6.04; 8.07; 10.02 (2) through (4); 10.02 (6); to amend §§ EAB 4.02 (1) through (3); 4.03 (1); 4.04; 4.04 (2); 4.05 (1) through (3); 4.06 (1); 4.07 (1) through (4); 4.08 (2) through (4); 5.02 (1) and (2); 5.02 (6); 5.03 (1) and (2); 5.06 (1) and (2); 5.065 (1) through (3); 5.07 (1); 5.07 (4) and (5); 5.08 (1) and (2); 5.10 (1); 5.11 (3) (c); 5.11 (3) (e); 5.11 (4) (a); 5.11 (7) (c) and (d); Chapter 6; 8.01 and 8.02; 8.03 (1) through (3); 8.04; 8.12 (3); 9.01; 9.02 (2) (c); 9.03 (2); 9.04; Chapter 10; 10.01; 10.03; 10.05 (1); to create §§ EAB 1.01; 1.01 (4); 1.01 (7); 1.01 (20); 1.02 (37); 4.01 (1); 4.03 (1) and (2); 4.08; 4.10 (2) (d); 5.02 (3); 5.06 (5); 5.06 (7); 5.07 (1); 5.07 (2); 5.11 (4) (B); Chapter 7; 7.01 through 7.04; 8.05; 8.06; 8.07 (3); 9.04 (1), relating to approving and licensing schools and programs, setting fees, advertising, setting bond levels, defining tuition refund policy and procedures, outlining complaints procedures, mandating records retention and all matters related to the oversight of approved postsecondary educational institutions.

FINAL RULE DRAFT

This final rule report is submitted to the Revisor of Statutes for publication in the Wisconsin Administrative Register.

Submitted by:

Joseph L. Davis, Executive Secretary
Educational Approval Board
310 Price Place
P. O. Box 7874
Madison, WI 53707

Text of proposed rule

Under the authority vested in the state of Wisconsin, educational approval board, by §§. 38.51 (3), (7), (8) and (10) (a), (b), (c), Stats., the educational approval board proposes an order to amend rules interpreting §§ 38.51 (3), (7), (8) and (10), (a), (b), (c), Stats., relating to the oversight of various categories of postsecondary school.

SECTION 1. EAB 1.01 is created to read:

EAB 1.01 Definitions

SECTION 2. EAB 1.02 is renumbered EAB (1).

SECTION 3. EAB 1.06 through 1.08 are repealed.

SECTION 4. EAB 1.03 is renumbered EAB 1.01 (2).

SECTION 5. EAB 1.10 is renumbered EAB 1.01 (3).

SECTION 6. EAB 1.11 and 1.12 are repealed.

SECTION 7. EAB 1.16 is repealed.

SECTION 8. EAB 1.01(4) is created to read:

EAB 1.01 (4) Degree. "Degree" means a designation, including associate, bachelor, master or doctor which signifies satisfactory completion of a program of study beyond the secondary school level, but does not include a certificate or diploma.

SECTION 9. EAB 1.17 and 1.18 are renumbered EAB 1.01 (5) and EAB 1.01 (6).

SECTION 10. EAB 1.01 (7) is created to read:

(7) Distance Education. "Distance Education" means instruction provided by means other than face-to-face student to teacher interaction; including video, computer-based, and correspondence instruction.

SECTION 11. EAB 1.19 is renumbered EAB 1.01 (8) and amended to read:

(8) Enrollment agreement. "Enrollment agreement" means a document by which a student contracts to enroll in a ~~subject~~ school or program.

SECTION 12. EAB 1.20 is renumbered EAB 1.01 (9).

SECTION 13. EAB 1.21 is repealed.

SECTION 14. EAB 1.24 is renumbered EAB 1.01 (10) and amended to read:

(10) Gross annual school revenues. "Gross annual school revenues" means the total revenues recognized in the school's method of accounting during the past fiscal year from the sale of goods and services to Wisconsin students, unreduced by any costs of the sales. It includes all revenues from tuition, ~~and~~ fees, ~~and charges for~~ books, supplies and equipment ~~., whether the sources of those revenues were Wisconsin students or sponsors of Wisconsin students. It~~ and includes revenues from room and board charges to Wisconsin students required to use room and board facilities which the school provided. It also includes all revenues from contracts with third parties to provide school goods and services to Wisconsin students or groups of Wisconsin students, such as job training partnership act contracts, or contracts with employers to provide training to their employes.

SECTION 15. EAB 1.01 (11) is created to read:

(11) Hour. "Hour" means either 50 or 60 minutes as determined by a school's policies.

SECTION 16. EAB 1.26 is renumbered EAB 1.01 (12) and amended to read:

(12) Inactive. "Inactive" means the ~~board-recognized~~ status of a school which is not currently soliciting enrollments, advertising for students, or providing instruction, ~~but which continues to provide non-instructional services to former students to whom the school is obligated.~~

SECTION 17. EAB 1.27 and EAB 1.28 are renumbered EAB 1.01 (13) and EAB 1.01 (14).

SECTION 18. EAB 1.28 NOTE is repealed.

SECTION 19. EAB 1.29 is renumbered EAB 1.01 (15) and amended to read;

(15) Lesson. "Lesson" means a single unit in a ~~correspondence subject or program, at the conclusion of which the school requires the student to complete an evaluative instrument such as a test or other written exercise.~~

SECTION 20. EAB 1.30 is repealed.

SECTION 21. EAB 1.33 is renumbered EAB 1.01 (16).

SECTION 22. EAB 1.34 is renumbered EAB 1.01 (17).

SECTION 23. EAB 1.36 is renumbered EAB 1.01 (18) and amended to read:

(18) Program. "Program" means ~~a course of instruction~~ an organized unit of subject matter in which instruction is offered within a given time and which leads to a certificate, diploma or degree, or to an occupational, educational or vocational objective.

SECTION 24. EAB 1.38 is renumbered EAB 1.01 (19)

SECTION 25. EAB 1.01 (20) is created to read:

(20) Representative. "Representative" means an individual employed by or representing a school who, in places other than the school, attempts to secure student enrollments.

SECTION 26. EAB 1.39 is renumbered (21) and amended to read:

(21) Resident ~~program~~ instruction. "Resident ~~program~~ instruction" means a program which a school offers at a teaching location.

SECTION 27. EAB 1.395 is renumbered EAB 1.01 (22) and amended to read:

(22) Revised program. "Revised program" means any approved program in which the school proposes to increase or decrease the hours or credits by less more than 25% from the approved length of the program, change less more than 25% of the approved content of the program, or change the content of the program as the result of changes to the occupational licensing requirements of an agency of this state.

SECTION 28. EAB 1.40 is renumbered EAB 1.01 (23) and amended to read:

(23) School. "School" means any person who maintains, advertises or conducts in Wisconsin any postsecondary ~~subject or program for profit or a tuition charge~~ and who is not excepted under s. 38.51 (9), Stats.

SECTION 29. EAB 1.42 is renumbered EAB 1.01 (24).

SECTION 30. EAB 1.44 is renumbered EAB 1.01 (25).

SECTION 31. EAB 1.45 is repealed.

SECTION 32. EAB 1.46 is renumbered EAB 1.01 (26).

SECTION 33. EAB 1.47 is renumbered EAB 1.01 (27) and amended to read:

(27) Student. "Student" means ~~a natural person~~ an individual who has pursued, is pursuing, or has stated an intent to pursue any ~~subject or~~ program which a school offers.

SECTION 34. EAB 1.48 is renumbered EAB 1.01 (28) and amended to read:

(28) Subject. "Subject" means instructional material in a course program.

SECTION 35. EAB 1.485 is repealed.

SECTION 36. EAB 1.49 is renumbered EAB 1.01 (29) and amended to read:

(29) Teaching location. "Teaching location" means the area and facilities, ~~including any office, classroom, meeting room, laboratory, shop or range,~~ used or designated for instructional use by a school.

SECTION 37. EAB 1.50 is renumbered EAB 1.01 (30).

SECTION 38. EAB 1.51 is renumbered EAB 1.01 (31).

SECTION 39. EAB 1.52 is renumbered EAB 1.01 (32).

SECTION 40. EAB 1.01 (33) is created to read:

(33) Unearned tuition. "Unearned Tuition" means that portion of tuition, fees and other charges paid to a school for which a student has not yet received instruction.

SECTION 41. EAB 1.54 is renumbered EAB 1.01 (34).

SECTION 42. EAB 1.55 is renumbered EAB 1.01 (35).

SECTION 43. EAB Chapter 4 is renumbered Chapter EAB 5.

CHAPTER EAB 5

UNFAIR TRADE PRACTICES IN ADVERTISING AND
PROMOTIONAL MATERIAL

SECTION 44. EAB 4.01 is renumbered EAB 5.01 and amended to read:

5.01 General principles. Each school shall maintain high ethical standards in the conduct of its operations, solicitation of its students, and in its advertising and promotional material. The use of any unfair, substandard, fraudulent or deceptive trade practice or ~~the making or causing to be made~~ any false, misleading or deceptive ~~statement- statements~~ in any advertising or promotional material which ~~has the tendency or capacity to mislead or deceive students, prospective students, or the public~~ shall be cause for the refusal or revocation of approval.

SECTION 45. EAB 4.015 is renumbered EAB 5.015 and amended to read:

5.105 Definitions. Within this chapter, "school" includes the school and its officers, agents and representatives ~~and solicitors~~.

SECTION 46. EAB 4.02 is renumbered EAB 5.02.

SECTION 47. EAB 4.02 (1), (2), (3) are is renumbered EAB 5.02 (1), (2), (3) and amended to read:

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

(2) A school shall not falsely represent ~~directly or by implication through the use of a trade or business name or in any other manner that:~~

(a) It is a part of or connected with the federal or state ~~a branch, bureau, or agency of the United States government, or of any state, or civil service commission;~~

(b) It is ~~affiliated with or otherwise~~ connected with public or private religious or charitable ~~organization~~ organizations or any public or private university, college or other institution of higher learning;

(c) It is an employment agency or ~~that it is~~ an employment agent or authorized training facility for ~~another~~ an industry or member of such industry, or otherwise ~~deceptively~~ conceal the fact that it is a school.

(3) If a school conducts its instruction wholly by correspondence or home study, ~~it shall disclose a clear and conspicuous disclosure should be made in immediate conjunction with its trade or business name that it is a correspondence or home study school. No school conducting its instruction wholly by correspondence or home study shall use the words "college" or "university" in conjunction with its name. This rule shall not apply to those schools approved prior to September 1, 1973.~~

SECTION 48. EAB 4.03 is renumbered EAB 5.03.

SECTION 49. EAB 4.03 (1) is renumbered EAB 5.03 (1) and amended to read:

(1) A school shall not falsely represent ~~directly or indirectly the extent or nature of~~ any approval ~~the school~~ it may have received from a state agency or the extent

or nature of its accreditation by a nationally recognized accrediting agency, or association.

SECTION 50. EAB 4.03 (2) is repealed.

SECTION 51. EAB 4.03 (3), (4), (5) are renumbered EAB 5.03 (2), (3), (4) and amended to read:

(2) A school shall not falsely represent ~~directly or by implication~~ that students successfully completing a program ~~course or program of instruction~~ may transfer credit therefor to an accredited institution of higher education ~~unless such is in fact true.~~

(3) A school shall not falsely represent ~~directly or by implication~~ that a ~~course of instruction~~ program has been approved by a particular industry, or that successful completion thereof qualifies the student for admission to a labor union, or similar organization, or apprenticeship program, or for the receipt of a state or federal license to perform certain functions, ~~unless such is the fact.~~

(4) A school shall not falsely represent ~~directly or by implication~~ that its ~~courses~~ programs are recommended by a third-party ~~vocational counselors, high schools, colleges, educational organizations, employment agencies, or members or officials of a particular industry, or that it has been the subject of unsolicited testimonials or endorsements from former students or anyone else unless such is the fact. Testimonials or endorsements which do not accurately reflect current practices of the school, or current conditions or employment opportunities in the industry or occupation to which the training pertains, should not be used.~~

SECTION 52. EAB 4.04 is renumbered EAB 5.04.

SECTION 53. EAB 4.04 (1) is renumbered EAB 5.04 (1) and amended to read:

(1) A school shall not falsely represent ~~directly or indirectly in any manner the size, location, facilities or equipment of its school or the number or educational qualifications of its faculty and other personnel.~~ A school shall not: in its advertising materials its size, location, facilities, equipment, or the number of years of educational experience and the qualifications of its faculty.

SECTION 54. EAB 4.04 (1) (a) through (f) are repealed.

SECTION 55. EAB 4.04 (2) is renumbered EAB 5.04 (2) and amended to read:

(2) A school shall not represent ~~directly or indirectly~~ that it is a nonprofit organization unless it submits evidence that it has secured status as a non-profit organization from the United States internal revenue service.

SECTION 56. EAB 4.04 (3) is repealed.

SECTION 57. EAB 4.05 is renumbered EAB 5.05.

SECTION 58. EAB 4.05 (1) is renumbered EAB 5.05 (1) and amended to read:

(1) A school shall not falsely represent ~~the nature or extent of any its prerequisites it has established for enrollment in a course or program of instruction program.~~ It shall not:

SECTION 59. EAB 4.05 (1) (a) through (d) are repealed.

SECTION 60. EAB 4.05 (2) is renumbered EAB 5.05 (2) and amended to read:

(2) A school shall not falsely represent that the lack of a high school education or prior training or experience ~~is not a handicap or impediment to~~ will not reduce the likelihood of successful completion of a course program.

SECTION 61. EAB 4.05 (3) is renumbered EAB 5.05 (3) and amended to read:

(3) A school shall ~~endeavor to establish the qualifications which an applicant should have to assimilate successfully the subject matter of the course. Applicants should be informed of these prerequisites, and those who are not so qualified should not be enrolled~~ not enroll a student when it is clear that the student is unlikely to complete a program of study, or is unlikely to qualify for employment in the field for which the education is designed, unless this fact is disclosed to the student in the writing (See s. EAB 9.04).

SECTION 62. EAB 4.06 is renumbered EAB 5.06.

SECTION 63. EAB 4.06 (1) is renumbered EAB 5.06 (1) and amended to read:

(1) A school ~~school's~~ shall ~~not issue a degree, diploma, certificate of completion, or any similar document~~ must accurately describe ~~of similar import, which misrepresents directly or indirectly the subject matter, substance or content of the course of study program or any other material fact concerning the course for which it was awarded or the accomplishments of the student to whom it was awarded.~~

SECTION 64. EAB 4.06 (3) is renumbered EAB 5.06 (2).

SECTION 65. EAB 4.06 (4) is renumbered EAB 5.06 (3) and amended to read:

(3) A school shall ~~not~~ only offer high school courses ~~unless~~ if such courses are substantially equivalent to those offered by a ~~resident~~ secondary school approved by the State Superintendent of Public Instruction, and ~~unless~~ the student is informed by means of a clear and conspicuous disclosure in writing prior to his the student's enrollment, that the school cannot guarantee or

otherwise control the recognition which will be accorded such ~~courses~~ programs by institutions of higher education, other schools or by prospective employers, and that the degree to which such courses are recognized is a matter solely within the discretion of those agencies.

SECTION 66. EAB 4.07 is renumbered EAB 5.07.

SECTION 67. EAB 4.07 (1) is repealed.

SECTION 68. EAB 5.07 (1) is created to read:

(1) DECEPTIVE "HELP WANTED" ADVERTISING. A school shall not use "help wanted" advertising, or other techniques ~~to convey the impression that it is an employment agency or agent, or offering jobs in a way to conceal that it is an educational institution.~~

SECTION 69. EAB 4.07 (2) is renumbered EAB 5.07 (2) and amended to read:

(2) BLIND ADVERTISING. ~~The~~ A school shall not use of "blind" advertisements or sales literature which conceals the fact that a program for fee is being offered to attract prospective students when such advertisements or literature fail to set forth that courses of instruction or other educational services are being offered for sale is deemed a deceptive and unfair trade practice.

SECTION 70. EAB 4.07 (3) is renumbered EAB 5.07 (3) and amended to read:

(3) FALSE REPRESENTATION AS TO EARNINGS. ~~The making of~~ A school shall not make false or deceptive statements or representations or any statement or representation which has have the tendency or capacity to mislead or deceive students, prospective students, or the public regarding actual or probable earnings or opportunities in any vocation or field of activity ~~is an unfair trade~~

~~practice. It is unfair and deceptive practice for a school or person subject to this rule to represent or imply in advertising or otherwise that persons employed in a particular position earn a stated salary or income or that persons completing the training course will earn the stated salary or income or "up to" the stated salary or income unless:~~

SECTION 71. EAB 4.07 (3) (a) and (b) are repealed.

SECTION 72. EAB 4.07 (4) is renumbered EAB 5.07 (4) and amended to read:

~~(4) MISREPRESENTATION FALSE REPRESENTATION OF OPPORTUNITY. The making of A school shall not make false, untrue, or deceptive statements or representations or any statement or representation which has have the tendency or capacity to mislead or deceive students, prospective 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 is an unfair and deceptive trade practice. Whenever reference is made to a course in accounting or law, there must be affirmative disclosure of the fact that the successful completion of the course will not entitle the student to take the Wisconsin C.P.A. examination or the Wisconsin bar examination of a program.~~

SECTION 73. EAB 4.07 (5) is repealed.

SECTION 74. EAB 4.07 (6) is renumbered EAB 5.07 (5) and amended to read:

~~(5) In obtaining leads to prospective students, a school shall not represent A school shall not falsely claim that it is conducting a talent hunt, contest, or similar test, unless such is the fact and such representation is accompanied by a clear and conspicuous disclosure of the industry member's name and address and the~~

~~fact that it is a school if such is not apparent from its name. An industry member which conducts a talent hunt, contest, or similar test among the prospective students should keep accurate records concerning the results thereof.~~

SECTION 75. EAB 4.07 (7) is repealed.

SECTION 76. EAB 4.07 (8) is renumbered EAB 5.07 (6) and amended to read:

(6) FALSE REPRESENTATIONS AS TO THE STUDENT'S OBLIGATION TO PAY. ~~The making of~~ A school shall not make false or deceptive statements or representations or any statement or representation which has the tendency to deceive students or prospective students regarding the amount or nature of the student's financial obligation to the school or to third parties. ~~is an unfair trade practice. Unfair trade practices under this subsection shall include but not be limited to the following:~~

SECTION 77. EAB 4.07 (8) (a) through (d) are repealed.

SECTION 78. EAB 4.08 is renumbered 5.08.

SECTION 79. EAB 4.08 (1) through (4) are renumbered EAB 5.08 (1) through (4) and amended to read:

(1) The school name and address and, if different from the address, the teaching location of the school.

(2) The fact that the school is offering educational services or vocational training for sale, ~~if not apparent from the context of the advertising or promotional material.~~

(3) The total cost of the program or term, if the school makes in that material any representations as to the cost of the program or term.

(4) Whether any endorsements or recommendations in that material are paid testimonials ~~if in fact the school paid consideration for the testimonials.~~

SECTION 80. EAB 4.08 (5) is repealed.

SECTION 81. EAB 4.10 is repealed.

SECTION 82. EAB Chapter 5 is renumbered Chapter EAB 4.

CHAPTER EAB 4

APPROVAL OF SCHOOLS

SECTION 83. EAB 5.02 is renumbered EAB 4.01.

SECTION 84. EAB 5.02 (1)^(intro.)(a) through (f) are repealed.

SECTION 85. EAB 4.01 (1) is created to read:

(1) APPROVAL REQUIRED. A school shall not operate, conduct business, offer any program, advertise or enroll students unless it has been approved or determined to be exempt.

SECTION 86. EAB 5.02 (2) is renumbered 4.01 (2) amended to read:

(2) INVESTIGATION AND INSPECTION. Upon application, the board ~~or its duly authorized representative~~ or staff shall investigate and evaluate ~~inspect~~ schools doing business within this state, whether located within or outside this state, and ~~courses of instruction~~ programs offered by these schools, and ~~the board shall approve schools and~~ programs ~~courses of instruction meeting its requirements and standards and complying with its rules~~ including schools with branches in more than one location.

SECTION 87. EAB 4.01 (3) is created to read:

(3) COMPLIANCE. After a school is approved, it shall immediately report any significant changes in its program, facilities, finances or personnel.

SECTION 88. EAB 5.02 (3) is renumbered EAB 4.01 (4) and amended to read:

(4) RENEWAL OF APPROVAL. (a) Except as provided in par. (b), a school approved to operate or do business in this state shall, after June 30 but no later than September 1 of each year, apply for renewal of approval on forms ~~which the board furnishes~~ board forms and shall submit ~~with the forms~~ the appropriate fee ~~which s. EAB 5.11 (3) requires.~~

SECTION 89. EAB 5.02 (4) is renumbered EAB 4.01 (5) and amended to read:

(5) REVOCATION OF APPROVAL. (a) ~~Upon a determination by the board that there has been a failure~~ 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~~ shall result in revocation of either school or program approval, or both. Notice of withholding or revocation of approval of a school or program shall be sent by certified mail, return receipt requested, to the last address of the school involved.

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

SECTION 90. EAB 5.02 (5) is repealed.

SECTION 91. EAB 5.02 (6) is renumbered EAB 4.01 (6) amended to read:

(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~~ a board or staff action 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.

SECTION 92. EAB 5.02 (7) is repealed.

SECTION 93. EAB 5.03 is renumbered EAB 4.02.

SECTION 94. EAB 5.03 (1) is renumbered EAB 4.02 (1) and amended to read:

(1) CRITERIA. ~~Approval of schools~~ Schools planned or proposed for operation ~~within the state may be made by the board~~ can be approved upon application as provided by s. EAB ~~5.05~~ 4.05 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 5.06.~~

SECTION 95. EAB 5.03 (2) is renumbered EAB 4.02 (2).

SECTION 96 EAB 5.03 (3) is repealed.

SECTION 97. EAB 5.04 is repealed.

SECTION 98. EAB 5.05 is renumbered EAB 4.03.

SECTION 99. EAB 5.05 (1) and (2) are repealed.

SECTION 100. EAB 4.03 (1) is created to read:

Application for approval. (1) No school shall be approved unless it makes application, through its officers or an owner, upon board forms. An application for approval shall include, at a minimum:

- (a) Mission of the school;
- (b) Bylaws and regulations established for the school's governance and operation;
- (c) A description of the degrees and programs offered, including learning outcomes;
- (d) A copy of the enrollment agreement, if any, the school anticipates using in Wisconsin; meeting the requirements of ch. EAB 6;
- (e) A statement of its cancellation policy meeting the minimum requirements set out in ch. EAB 8;
- (f) A description of the school's placement services;
- (g) A copy of all advertising recently used or reasonably expected to be used in Wisconsin by the school;
- (h) A current balance sheet and income statement using board forms;
- (i) A surety bond as required by s. EAB 4.07;
- (j) A description of the school's location, buildings, and equipment;

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

(l) Documentation that applicable fire, safety, and health codes are met at schools and teaching locations (except for public school buildings).

(m) A statement that the school provides equal opportunity for all persons regardless of age, race, creed, disability, sex, religion, sexual preference, or political affiliation.

(n) Any other information so that the school and its programs may be evaluated according to the criteria set forth in s. EAB 4.06.

SECTION 101. EAB 4.03 (2) is created to read:

(2) Each application shall be accompanied by a school catalog or bulletin containing at a minimum:

(a) Volume number and date of publication.

(b) Name of school and its governing body and officials.

(c) A calendar showing holidays, vacation periods, and the beginning and ending date of each term or semester.

(d) A mission statement.

(e) A description of the educational program, listing degrees and majors offered and a brief description of entrance and completion requirements.

(f) School policy and regulations regarding attendance, leave, absences, tardiness, standards of progress policy, grading policy, rules of conduct and a policy for handling student complaints.

(g) A description of the school's self-evaluation process.

(h) A schedule of tuition, fees, other charges and refund policy.

(i) A description of the school's placement services.

SECTION 102. EAB 5.06 is renumbered EAB 4.04.

SECTION 103. EAB 5.06 (1) is renumbered EAB 4.04 (1) and amended to read:

(1) CONTENT AND INSTRUCTION. (a) ~~The content, length, and instruction of courses and courses of instruction shall be consistent in quality with program, curriculum and instruction must be of such quality, content and length as may reasonably and adequately achieve the stated objective for which offered and comparable to similar courses and courses of instruction programs in public approved 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~~ ratios.

~~(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.~~

(d) The approval of programs, which are innovative and not comparable to currently approved private or public programs, shall be based on demonstrable

quality and documented labor market needs, a description of the program development process and evidence of third-party review.

SECTION 104. EAB 5.06 (2) is renumbered EAB 4.04 (2) and amended to read:

(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.~~

SECTION 105. EAB 5.06 (3) is repealed.

SECTION 106. EAB 5.06 (4) is renumbered EAB 4.04 (3) and amended to read:

(3) ADVERTISING. All advertising and promotional materials shall be consistent with the requirements set forth in ch. EAB-4 5.

SECTION 107. EAB 5.06 (5) is renumbered 4.04 (4) and amended to read:

(4) REFUND POLICY. The school's school shall have a 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 8.

SECTION 108. EAB 4.04 (5) is created to read:

(5) ACCESS. (a) A school may not deny enrollment to any student, or make any distinction or classification of students, solely on account of sex, race or creed.

(b) A school must make reasonable accommodations for students and employes with disabilities.

SECTION 109. EAB 5.06 (6) is repealed.

SECTION 110. EAB 5.06 (7) is renumbered EAB 4.04 (6) and amended to read:

(6) FINANCIAL STABILITY. The school must be shown to be in sound financial condition ~~to the satisfaction of the board.~~

SECTION 111. EAB 4.04 (7) and (8) are created to read:

(7) OUTCOMES AND EVALUATION. (a) A school shall have procedures to evaluate its educational programs, improve instruction and review overall operations.

(b) Evaluations shall include student, alumni and employer feedback on the effectiveness of the curriculum.

(c) The school shall provide annual enrollment information, using its definitions, delineating number of dropouts, completers, graduates and employed.

(8) DISTANCE EDUCATION. Distance education, home study and correspondence programs must be comparable in content, faculty and resources to those offered in residency and include provision for periodic student-to-faculty interaction.

SECTION 112. EAB 5.06 (8) is repealed.

SECTION 113. EAB 5.065 is renumbered EAB 4.05.

SECTION 114. EAB 5.065 (1) is renumbered EAB 4.05 (1) and amended to read:

(1) A school may measure a ~~resident program and the subjects within the program~~ in degree credits if:

(a) ~~The board has approved the program~~ was approved as a degree program; ~~or~~

~~(b) The board school has approved one or more degree programs for the school and all subjects within the program transfer to one or more of the degree programs at the school.~~

SECTION 115. EAB 5.065 (2) is renumbered EAB 4.05 (2) and amended to read:

(2) A school may measure a resident program and the subjects within the program in vocational credits if the board has program was approved measurement in vocational credits for the program.

SECTION 116. EAB 5.065 (3) is renumbered EAB 4.05 (3) amended to read:

(3) A school which seeks approval to offer a new or ~~substantially~~ revised program on a credit basis shall:

(a) Pay the fee specified in s. EAB ~~5.11~~ 4.11 (4);

(b) Specify on the application for approval whether the school uses quarter or semester credits;

(c) Specify on the application for approval whether the school desires to use degree credits or vocational credits; and

(d) Meet the requirements of ss. EAB ~~5.05~~ 4.05, ~~5.06~~ 4.06, ~~5.07~~ 4.07 and ~~5.08~~ 4.08.

SECTION 117. EAB 5.065 (3m) is renumbered EAB 4.05 (4) and amended to read:

(4) A school which seeks approval to ~~offer a revised program on a credit basis or to convert an approved program from clock hours or contact hours to credits~~ shall:

- (a) Pay the fee specified in s. EAB ~~5.11~~ 4.11 (5);
- (b) Specify on the application for approval whether the school uses quarter or semester credits;
- (c) Specify on the application for approval whether the school desires to use degree credits or vocational credits; and
- (d) Meet the requirements of ss. EAB ~~5.05~~ 4.05, ~~5.06~~ 4.06, ~~5.07~~ 4.07 and ~~5.08~~ 4.08.

SECTION 118. EAB 5.065 (4) is renumbered EAB 4.05 (5) and amended to read:

(5) In addition to meeting the requirements in sub. (3) or ~~(3m)~~ (4) as appropriate, a school which seeks approval of a ~~resident program or subject~~ measured on a quarter credit basis shall:

- (a) Award one quarter credit for no fewer than 10 ~~contact~~ hours of lecture, plus 20 hours of outside preparation or the equivalent.
- (b) Award one quarter credit for no fewer than 20 ~~contact~~ hours of laboratory work plus necessary outside preparation.
- (c) Award one quarter credit for no fewer than 30 ~~clock~~ hours of shop.
- (d) Award one quarter credit for no fewer than 30 ~~clock~~ hours of off-campus practical training such as a residency, externship, internship, or practicum.

SECTION 119. EAB 5.065 (5) is renumbered EAB 4.05 (6) and amended to read:

(6) In addition to meeting the requirements in sub. (3) or ~~(3m)~~ (4) as appropriate, a school which seeks approval of a resident program or subject measured on a semester credit basis shall:

(a) Award one semester credit for no fewer than 15 ~~contact~~ hours of lecture, plus 30 hours of outside preparation or the equivalent.

(b) Award one semester credit for no fewer than 30 ~~contact~~ hours of laboratory work plus necessary outside preparation.

(c) Award one semester credit for no fewer than 45 ~~clock~~ hours of shop.

(d) Award one semester credit for no fewer than 45 ~~clock~~ hours of off-campus practical training such as a residency, externship, internship, or practicum.

SECTION 120. EAB 5.07 is renumbered EAB 4.06.

SECTION 121. EAB 5.07 (1) is renumbered EAB 4.06 (1) and amended to read:

~~(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. As a condition of obtaining and retaining approval, a school must provide a surety bond on a board form in an amount equal to 125% of its highest point of unearned tuition from Wisconsin residents and provide coverage for each representative of \$2,000 as specified in s. EAB 10.02.~~

SECTION 122. EAB 4.06 (2) is created to read:

(2) The bond shall be executed by the school as principal and by a surety company qualified and authorized to do business in the state of Wisconsin as a surety.

SECTION 123. EAB 5.07 (2) is renumbered 4.06 (3) and amended to read:

(3) 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~~ false representation used in procuring his enrollment, violation of chs. EAB 3 through 8, 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 8. 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.

SECTION 124. EAB 5.07 (3) is repealed.

SECTION 125. EAB 5.07 (4) is renumbered EAB 4.06 (4).

SECTION 126. EAB 5.07 (5) is EAB 4.06 (5) and amended to read:

(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, upon evidence of a stable fiscal history, satisfactory completion and placement rates,

accreditation by a recognized accrediting body and other such stability criteria as the schools may offer for board review. Schools shall have the opportunity to present their case for lowering the bond level either to staff or the board.

SECTION 127. EAB 5.08 is renumbered EAB 4.07.

SECTION 128. EAB 5.08 (1) and (2) are renumbered EAB 4.07 (1) and (2) and amended to read:

(1) All schools seeking approval ~~from the board~~ must furnish ~~the board with~~ provide 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.

SECTION 129. EAB 5.09 is repealed.

SECTION 130. EAB 4.08 is created to read:

Investigation and review. (1) PERIODIC REVIEW. The board shall investigate and ~~review~~ evaluate all approved schools and programs. The method of review shall include:

(a) Information from the following: federal trade commission, better business bureaus, the Wisconsin department of justice, other state or other official approval agencies, local school officials or interested persons.

(b) Review of 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) Investigation by visitation of the school involved.

(2) COMPLAINTS. In addition to investigation upon its own initiative, the board may investigate any school and its programs upon receipt of a complaint from an interested person.

(a) A student with a complaint against a school shall make a reasonable effort to resolve the complaint directly with the school.

(b) The board shall conduct an investigation upon receipt of a written complaint filed within one year after the student's last recorded date of attendance;

1. If preliminary findings indicate a violation(s), the board shall attempt, through mediation to bring about a settlement;

2. If no agreement is reached, the board shall conduct a hearing and the school may be subject to summary suspension of its approval;

3. If a complaint charging fraud or false representation used in procuring a student's enrollment is upheld and if a settlement cannot be reached, the board shall make a demand upon the school's bond and if not paid shall bring action in any court in the state of Wisconsin.

SECTION 131. EAB 5.10 is renumbered EAB 4.09.

SECTION 132. EAB 5.10 (1) is renumbered EAB 4.09 (1) and amended to read:

(1) DISTRIBUTION. A directory of approved schools and ~~courses of instruction programs~~ shall be distributed by the board to all approved schools and to others upon 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.~~

SECTION 133. EAB 5.10 (2) is repealed.

SECTION 134. EAB 5.11 is renumbered EAB 4.10.

SECTION 135. EAB 5.11 (1) is repealed.

SECTION 136. EAB 5.11 (2) is renumbered EAB 4.10 (1) and amended to read:

(1) FEES FOR INITIAL SCHOOL APPROVAL. (a) A school which is not approved to operate or do business in this state and which is applying for approval shall pay a fee of:

1. ~~\$1,500~~ 2,000, if the school is applying for approval of one program which does not lead to a degree.
2. ~~\$2,000~~ 2,500, if the school is applying for approval of one program which leads to an associate degree.
3. ~~\$2,800~~ 3,300, if the school is applying for approval of one program which leads to a baccalaureate degree.
4. ~~\$3,400~~ 3,900, if the school is applying for approval of one program which leads to a master's degree.
5. ~~\$4,600~~ 5,100, if the school is applying for approval of one program which leads to a doctoral degree.

(b) If the school is applying for approval of more than one program, the school shall pay the highest applicable fee specified in par. (a), plus the fee specified in sub. (4) for each additional program for which the school requests approval.

(c) If the school is applying for approval of additional teaching locations ~~in addition to the main location listed on the application for approval~~, the school shall pay, in addition to the fee specified in par. (a), the fee specified in sub. (6) for each teaching location.

(d) ~~The board shall reduce the fees specified in par. (a)~~ shall be reduced by 50% of the program fee specified in sub. (4) (a) for a program of the same level if all of the following conditions are met:

1. The school making application for approval of the program is incorporated in a state other than Wisconsin, has its main campus outside Wisconsin, and offers in Wisconsin only programs leading to a baccalaureate or higher degree.

2. The school presents written evidence of authorization from its home state to offer the program and degree which it desires to offer to Wisconsin residents. The evidence which the school submits to meet this requirement shall include unabridged copies of all findings and program reviews which the home state authorizing agency completed regarding the program.

3. If the school is requesting authorization to enroll Wisconsin residents in a program which it offers in a state other than its home state, the school presents written evidence of program and degree authorization from the state in which the program is offered. The evidence which the school submits to meet this

requirement shall include unabridged copies of all findings and program reviews which the state authorizing agency completed regarding the program.

4. The school presents written evidence that it is accredited by an accrediting agency recognized by the U. S. department of education to offer the program and degree which it desires to offer to Wisconsin residents. The evidence which the school submits to meet this requirement shall include unabridged copies of all self-studies which the school submitted to the accrediting agency and unabridged copies of all findings and reviews which the accrediting agency completed regarding the program.

5. The school presents written evidence that its home state gives similar Wisconsin schools at least an equivalent fee reduction in comparable licensing and oversight fees. The evidence which the school submits to meet this requirement shall include a copy of the applicable statutory and regulatory language from the home state.

SECTION 137. EAB 5.11 (3) (a) is renumbered EAB 4.10 (2) (a) and amended to read:

(2) FEES FOR RENEWAL OF SCHOOL APPROVAL. (a) ~~The board may renew the~~ Renewal of approval of a school shall not be for not more than one calendar year. Except as provided in par. (b), a school applying for renewal of approval shall pay ~~an application fee~~ renewal fees in payments as provided in pars. (c) and (d).

SECTION 138. EAB 5.11 (3) (b) is renumbered EAB 4.10 (2) (b)

SECTION 139. EAB 5.11 (3) (c) is repealed.

SECTION 140. EAB 5.11 (3) (d) is renumbered EAB 4.10 (2) (c).

SECTION 141. EAB 5.11 (3) (e) through (g) are repealed.

SECTION 142. EAB 4.10 (2) (d) is created to read:

(d) Licensed schools shall pay annual renewal fees in two parts.

1. Each licensed school shall make a first payment, in the amount of \$500, no later than September 1 prior to the calendar year for which the school is applying for renewal of approval. Each licensed school shall make a second renewal payment, in the amount determined as provided in subd. 2 through 4 no later than March 1 of the calendar year for which the school is applying for renewal of approval.

2. The EAB shall levy a second renewal fee based on licensed schools' adjusted gross annual revenues and set the fee multiplier for two year periods at a time.

3. The fee shall be in the form of multiplier equal to the percentage of all schools' total adjusted gross annual revenue needed to equal the cost of regulating schools subject to s. 38.51 (10), Stats., less revenue from all other fees.

4. The multiplier derived in subd. 3 shall be applied to each school's adjusted gross annual revenue to determine its second renewal payment.

SECTION 143. EAB 5.11 (3) (h) is renumbered EAB 4.10 (2) (e) and amended to read:

(e) If a school fails or refuses to provide ~~the board with~~ reliable financial information by with which to ~~the board may~~ determine the amount of the second payment, the board may revoke the approval of the school or may use other means to compare the school with other schools by size, estimate the adjusted

gross annual revenues of the school and require a second payment based on the estimated adjusted gross annual revenues of the school. The board may also request the department of justice or any district attorney to take action under any other applicable provision of law.

SECTION 144. EAB 5.11 (3) (i) is renumbered EAB 4.10 (2) (f).

SECTION 145. EAB 5.11 (4) is renumbered EAB 4.10 (3) and amended to read:

(3) FEES FOR APPROVAL OF NEW OR SUBSTANTIALLY REVISED PROGRAMS.

SECTION 146. EAB 5.11 (4) (a) is renumbered EAB 4.10 (3) (a) amended to read:

(a) When applying for approval of a new or ~~substantially~~ revised program, a school shall pay the following fee:

1. ~~\$900~~ 1,500, if the program for which the school seeks approval does not lead to a degree.
2. ~~\$1,400~~ 2,000, if the program for which the school seeks approval leads to an associate degree.
3. ~~\$2,300~~ 3,000, if the program for which the school seeks approval leads to a baccalaureate degree.
4. ~~\$2,800~~ 3,500, if the program for which the school seeks approval leads to a master's degree.
5. ~~\$3,800~~ 4,500, if the program for which the school seeks approval leads to a doctoral degree.

SECTION 147. EAB 4.10 (3) (b) is created to read:

(b) If a school's ongoing program modifications result in more than a 50% change in program content within 3 years, it shall pay the fee specified in par.

(a).

SECTION 148. EAB 5.11 (4) (b) is renumbered EAB 4.10 (3) (c) and amended to read:

(c) The ~~board shall reduce the fees~~ specified in par. (a) shall be reduced by 25% if the program for which the school requests approval meets all of the following conditions:

1. The program prepares students to meet the occupational licensing requirements of an agency of this state.
2. The agency to which subd. 1. refers has reviewed the program.
3. The agency to which subd. 1. refers has notified the board in writing that successful completion of the program will meet the educational requirements for initial licensure in the occupation.

SECTION 149. EAB 5.11 (4) (c) is repealed.

SECTION 150. EAB 5.11 (4) (c) 1. through 5. and (5) are repealed.

SECTION 151. EAB 5.11 (6) is renumbered EAB 4.10 (4).

SECTION 152. EAB 5.11 (7) is renumbered EAB 4.10 (5) and amended to read:

(5) 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 school's most recent application ~~the school filed with the board under sub-~~ ~~(2) or (3)~~ unless the school files within 10 business days after the change of

ownership or control a complete application for approval after a change of ownership or control under par. (c).

SECTION 153 EAB 5.11 (7) (c) and (d) are EAB renumbered 4.10 (5) (c) and (d) and amended to read:

(c) The school shall submit to the board within ten business days after the change of ownership or control an application reflecting the change of ownership or control and a fee of \$600 1,000.

(d) If a school files an application requesting approval of a change of ownership or control more than 10 business days after the change of ownership or control takes effect, ~~or if the application and its attached materials indicate that the new owner has not assumed the responsibility for refunds due to students and sponsors as of the date of the change of ownership or control or has not agreed to honor enrollment documents signed by students prior to the change of ownership or control,~~ the board shall treat such an application will be considered as an application for initial approval, and the school shall pay the fees specified in sub. (2).

SECTION 154. EAB 5.11 (8) is repealed.

SECTION 155. EAB 5.11 (9) is renumbered EAB 4.10 (6) and amended to read:

(6) ~~FOR AMENDING AN INCOMPLETE APPLICATION.~~ AMENDING FEE A school shall pay a the fee when an application submittal requires amendment or correction. The fee shall be \$200 for errors which require less than four hours of staff work and \$1,000 for corrections which require a day or more of staff work. ~~specified in this subsection each time the school submits any form, materials, documents, or~~

~~information which the rules of the board require as part of an application but which the school failed to provide with the application as originally submitted:~~

SECTION 156. EAB 5.11 (9) (a) through (f) and (10) are repealed.

SECTION 157. EAB 5.11 (11) is renumbered EAB 4.10 (7).

SECTION 158. EAB 5.11 (12) is renumbered EAB 4.10 (8) and amended to read:

(8) REAPPLICATIONS. A school which reapplies for approval of the school, a new or substantially revised program, ~~a revised program,~~ a change in school name, a ~~revised program title,~~ or a teaching location for which the board has was denied approval shall again pay the fees specified in this section.

SECTION 159. EAB 5.11 (13) is renumbered EAB 4.10 (9) and amended to read:

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

Note: A person may obtain a Single Application ~~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.

~~Form EAB 1.01, Application, initial school approval, Wis. stats. s. 38.51~~

~~Form EAB 1.07, Application, renewal of school approval, Wis. stats. s. 38.51~~

~~Form EAB 1.08, Application, school approval after a change of ownership or control, Wis. stats. s. 38.51~~

~~Form EAB 1.09, application for approval, teaching location, Wis. stats. s. 38.51~~

~~Form EAB 1.11, application for approval, course of instruction, Wis. stats. s. 38.51.~~

SECTION 160. EAB 5.12 is repealed.

SECTION 161. Chapter EAB 6 is amended to read:

CHAPTER EAB 6

ENROLLMENT DOCUMENTS

SECTION 161. EAB 6.01 Definitions I is repealed.

SECTION 162 EAB 6.02 is renumbered EAB 6.01 and amended to read:

6.01 Enrollment agreements. (s. 38.51 (7) (f), Stats.)₂ ~~All enrollment agreements used by a school~~ If a school chooses to use an enrollment agreement it shall contain the following:

- (1) The name and address of the school;
- (2) ~~Clear and conspicuous disclosure~~ Disclosure that the enrollment agreement is a legally binding contract upon acceptance of the student by the school unless the student cancels the enrollment agreement ~~during the~~ within 3-business day ~~cancellation period~~ days of acceptance by the school;
- (3) Disclosure of the 3-business-day cancellation privilege;
- (4) The total cost of the ~~course of instruction, or, if the school elects to apply the refund provisions of s. EAB 8.07, the total cost of the term and any application and registration fees which are required to be paid~~ program;

~~(5) The name of the course of instruction, program, the number of hours or units of instruction or lessons and the date the program is to begin and end a description of the course of instruction or a reference to the specific page in the school catalog or bulletin on which a description may be found, the number of hours of classroom instruction in a resident course of instruction, the number of lessons in a correspondence course of instruction and the number of correspondence lessons and the number of hours of classroom instruction in a combination course of instruction;~~

~~(6) Whether the school offers any placement or employment counseling service, and the nature and extent of the service;~~

~~(7) The school's refund policy in compliance with ch. EAB 8; and,~~

~~(8) Disclosure that refunds owing as the result of withdrawal or dismissal after the 3-business-day cancellation period shall be made within 30 calendar days after the school dismisses the student or receives notice of withdrawal and A clear and conspicuous disclosure of truth-in-lending requirements where the tuition is paid in installments.~~

~~(9) Disclosure of each of the following that are appropriate to the course of instruction for which the enrollment agreement is used:~~

~~(a) For a course of instruction with a fixed class schedule, or for the resident portion of a combination course of instruction, that a student who does not attend classes for a period of 10 consecutive class days and who does not give the school, prior to or during that period, an explanation regarding the absences is considered to have withdrawn from school;~~

~~(b) For a course of instruction without a fixed class schedule, or for a course of instruction offered on a lesson-by-lesson basis, that a student who does not attend classes or utilize instructional facilities for a period of 60 consecutive calendar days and who does not give the school, prior to or during that period, an explanation about the absences is considered to have withdrawn from school;~~

~~(c) For a correspondence course of instruction, or for the correspondence portion of a combination course of instruction, that a student who does not submit a lesson for a period of one year and who does not give the school, prior to or during that period, an explanation regarding the inactivity is considered to have withdrawn from school.~~

SECTION 163. EAB 6.03 is renumbered EAB 6.02 and amended to read:

EAB 6.02 Enrollment applications. (s. 38.51 (7) (f), Stats.)

(1) A school may use an enrollment application in lieu of an enrollment agreement.

(2) If a school uses an enrollment application, it must include language providing equal opportunity for all persons regardless of age, race, creed, disability, sex, religion, sexual preference, or political affiliation. ~~the school catalog or bulletin shall contain, in addition to the information required by s. EAB 5.05 (1) (c), the following:~~

^{(e) GLP per. Dr. Davis}
SECTION 164. EAB 6.03 (2) (a) through (c) is repealed.

SECTION 165. EAB 6.04 is renumbered EAB 6.03 and amended to read:

EAB 6.03 Cancellation privilege. (s. 38.51 (7) (e), Stats.) (1) A student shall have the right to cancel an enrollment application or enrollment agreement for a

of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram to

_____ ,

(name _____ of _____ seller)

at _____,

(address _____ of seller's place _____ of business)

not later than _____ midnight _____ of

(date)

Note: Purchase of educational goods and services offered by a school is deemed to take place when written and final acceptance is communicated to the student by the school. If the representative who enrolls you is authorized to grant written acceptance at the time you enroll, and does so, the cancellation period ends at the time specified above. If you have not been accepted in writing at the time you enroll, the cancellation period does not end until midnight of the third business day after the day you receive written acceptance by certified mail from the school.

I hereby cancel this transaction.

(Date)

(Buyer's Signature)

(Buyer's Name - Print)

(Street Address)

(City, State, Zip Code)

(3) Except in those cases where the student is granted written acceptance at the time of application, the school shall send to each student written notice upon the acceptance of the student by the school. ~~The notice of acceptance shall be sent by certified mail. Notice of acceptance is deemed received by the student upon attempted delivery by the United States postal service at the address stated by the student in the enrollment application or enrollment agreement.~~

(4) The student may cancel ~~an enrollment application or enrollment agreement~~ during the 3-business-day period by delivering or mailing a signed written notice to the school at the address set forth in the notice of cancellation privilege.

(5) The notice of cancellation privilege required by sub. (2) shall be attached to, and easily detachable from, the ~~enrollment application or enrollment agreement. if the application or agreement is completed by the student in the presence of a school representative. If a school representative is not present at the time the student completes the application or agreement, the notice of~~

~~cancellation privilege shall be attached to, and easily detachable from, the written notice of acceptance sent by the school.~~

~~(6) If the notice of cancellation privilege required by sub. (2) is not delivered to the student at the time specified in sub. (5), the time allowed for cancellation is extended until midnight of the third business day after the day on which the school furnishes the student with the required notice of cancellation privilege.~~

~~(7) Notice of cancellation, if given by mail, is deemed to be given when it is postmarked not later than the third business day after the day on which the student receives written notice of acceptance. A school may not require that a student mailing notice of cancellation send such notice by certified or registered mail.~~

(6) Notice of cancellation need not take any particular form, and is sufficient if it indicates by any means a written expression of the intention of the student to cancel the enrollment application or enrollment agreement.

(7) The school shall, within 10 business days after receiving notice of cancellation from the student, make any refund owing as a result of the cancellation and arrange for a termination of the student's obligation to pay any sum.

(8) This section shall not be construed to apply to any program ~~course of instruction~~ for which the total cost of the ~~course of instruction~~ is less than \$150 and which is offered in less than 6 class days, provided that the ~~course of instruction~~ program is not one of a sequence of courses of instruction.

SECTION 166. EAB 6.05 is renumbered EAB 6.04.

SECTION 167. Chapter EAB 7 is created to read:

CHAPTER EAB 7

RECORDS

7.01 Student Records. A school shall keep records of attendance, progress, and grades. A school shall periodically report progress to each student.

7.02 Records Retention. Each school shall maintain, for a minimum of six years from graduation or termination, student records that shall include at least the following:

- (1) A copy of the enrollment agreement and other instruments relating to payment for educational services;
- (2) Student information, including student name; permanent or other address at which the student may be reached; records relating to financial payments and refunds; and, record of attendance;
- (3) Date of completion or termination and the reason(s) thereof; and,
- (4) Record of any student grievance and subsequent resolution

7.03 Transcripts. Each school shall provide upon request a transcript to the student who has satisfied all financial obligations currently due and payable to the school. The transcript must provide at least the following:

- (1) Name of the student;
- (2) Title of the program, including total number of credit or hours of instruction received and dates of enrollment;
- (3) Grade record for each course, lesson or unit of instruction and the cumulative grade for the program; and

(4) Explanation of the grading system on the transcript.

7.04 Change in Status. (1) In the event of merger, consolidation, change of ownership, or dissolution of a school, the school owner or designee shall:

(a) Notify the board at the time the decision is made to merge, consolidate, sell, or close, but at a minimum, seventy-two hours before such action;

(b) Submit a plan to provide for the retention and disposition of records. If necessary, the board may seize the records and negotiate for assignment of said records to another school or agency;

(c) Provide a record of the names, addressees and financial records of students currently enrolled whose programs have not been completed; and

(d) Surrender the EAB license.

(2) In the event it appears that the official records of a school discontinuing its operation are in danger of being destroyed, secreted, mislaid or otherwise made unavailable, the board may seek a court order to take possession of the records.

SECTION 168. EAB 8.01 is amended to read:

(1) ~~It shall be the policy of the~~ The board to shall approve only those schools which publish and adhere to refund provisions ~~which are designed to improve the educational quality of the school and are based upon sound educational, as well as economic, principles~~ consistent with the standards below.

(2) The refund standards required by this rule are based upon these principles:

(a) ~~The purchase of educational opportunity to learn through any course of instruction is different from any other kind of purchase because of the number of~~

~~intangibles and unknowns involved in education. As a result, it is common that students~~ Students make numerous "false starts" in their educational programs. ~~These starts are to some degree minimized through good counseling.~~ educations. It is important, ~~however,~~ to preserve for the student the right to a change of mind (recognition of a false start) without too serious a penalty, since this action itself may be important in the student's growth, maturation and learning.

(b) It is the responsibility of the school, through pre-enrollment counseling, to make ~~reasonable~~ reasonably certain before enrollment is completed that the student has the ability to profit from the program ~~course of instruction~~ under consideration. ~~In making a determination regarding the student's ability to profit from a course of instruction, a school may apply criteria such as educational background, success as a high school or post-high school student, practical experience in a related activity, physical ability to engage in the type of employment for which the course of instruction is represented to prepare students, and results of a valid qualifying test.~~

(c) Since it is the responsibility of the school to select its students carefully, charges to the student upon cancellation or withdrawal before the program ~~course of instruction~~ begins should be a smaller portion of the total cost of the course of instruction than upon withdrawal after partial completion.

~~(d) After the course of instruction is begun, the student's responsibility for progress increases with the passage of time and the completion of work. If it is fair to expect the school to select students carefully, it is fair (assuming~~

~~competent instruction) to expect the individual student to bear increasing responsibility for progress. Furthermore, the school's investment in the student's learning increases as the student progresses, and fair and ethical refund standards should encourage the school to invest generously in the instruction of continuing students with adequate safeguard of that investment. Consequently, the refund standards of this rule permit an ever larger portion of the total cost of the course of instruction to be charged as the student progresses through the course of instruction.~~

SECTION 169. EAB 8.02 is amended to read:

8.02 Definitions. ~~The definitions in s. EAB 6.01 shall also apply to this chapter.~~

History: ~~Cr. Register, December, 1980, No. 300, eff. 1-1-81; am. Register, June, 1990, No. 414, eff. 7-1-90. Unit. "Unit" means credits, hours, class days, correspondence lessons, or other approved instructional time periods.~~

SECTION 170. EAB 8.03 (1) through (3) is amended to read:

- (1) The student cancels the enrollment agreement ~~or enrollment application~~ within 3 business days under s. EAB 6.04;
- (2) The student accepted was unqualified, and the school did not secure a disclaimer under s. EAB 9.04;
- (3) The school procured the student's enrollment ~~was procured~~ as the result of any ~~misrepresentations~~ false representations in the written materials used by the school or in oral representations made by or on behalf of the school.

SECTION 171. EAB 8.04 is amended to read:

8.04 No refund in ~~courses of instruction~~ programs which have fixed class schedules, are shorter than 6 class days and cost less than \$150. If for any reason a student withdraws or is dismissed by the school from a ~~course of instruction~~ program which has a fixed class schedule, is shorter than 6 class days, is less than \$150 in total cost and is not one of a sequence of ~~courses of instruction~~ programs, the student is not entitled to any refund, except that the student is entitled to a full refund in the following instances:

- (1) The student accepted was unqualified, and the school did not secure a disclaimer under s. EAB 9.04;
- (2) The student's enrollment was procured as the result of ~~any misrepresentations~~ false representations ~~in the written materials used by the school or in oral representations made by or on behalf of the school.~~

SECTION 172. EAB 8.05 through 8.11 are repealed.

SECTION 173. EAB 8.05 is created to read:

8.05 Partial Refunds. A student who withdraws or is dismissed after attending at least one class or submitting at least one lesson, but before completing 60% of the potential units of instruction in the current enrollment period, shall be entitled to a pro rata refund, as calculated below, less any amounts owed by the student for the current enrollment period, less a one-time application fee of \$100.

- (1) Pro rata refund shall be determined as the number of units remaining after the last unit completed by the student, divided by the total number of units in the enrollment period, rounded downward to the nearest ten percent. Pro rata refund

is the resulting per cent applied to the total tuition and other required costs paid by the student for the current enrollment period.

(2) All efforts will be made to refund prepaid amounts for books, supplies and other charges unless the student has consumed or used those items and they can no longer be used or sold to new students, or returned by the school to the supplier.

(3) Refunds shall be paid within forty days after the effective date of termination.

(4) After the student's first period of enrollment, if a student withdraws or is dismissed in a subsequent enrollment period, the school may also retain an administrative fee of 15% of the total cost of a resident program, or \$400, whichever is less.

(5) No refund is required for any student who withdraws or is dismissed after completing 60% of the potential units of instruction in the current enrollment period unless a student withdraws due to mitigating circumstances, which are those that directly prohibit pursuit of a program and which are beyond the student's control.

SECTION 174. EAB 8.06 is created to read:

8.06 Good Faith Effort A school is considered to have made a good faith effort to make a refund, if the student's file contains evidence of the following attempts:

- (1) Certified mail to student's last known address;
- (2) Certified mail to the student's permanent address;
- (3) Certified mail to the address of the student's parent or listed next of kin, if different from the permanent address

SECTION 175. EAB 8.08 through 8.11 are repealed.

SECTION 176. EAB 8.12 is renumbered EAB 8.07.

SECTION 177. EAB 8.12 (3) and 8.12 (4) are repealed.

SECTION 178. EAB 8.07 (3) is created to read:

(3) For students receiving funds under Title IV and Title 38, schools shall comply with applicable federal guidelines for providing constructive notice of an intention to withdraw.

SECTION 179. EAB 8.13 is renumbered EAB 8.08.

SECTION 180. EAB 8.14 is renumbered EAB 8.09.

SECTION 181. EAB 9.01 is amended to read:

9.01 The placement methods define the ~~role of the~~ school's placement function ~~in the private school~~. The offer of placement services to students is optional but when made, standards of performance on the part of the school will be required.

SECTION 182. EAB 9.02 (1) is amended to read:

(1) Student referrals must result from direct contact between the school placement service and prospective employer representatives. ~~A list of employers given graduates in and by itself will not be considered a placement service.~~

SECTION 183. EAB 9.02 (2) (c) is amended to read:

(c) Final placement ~~or other disposition (when this information is available)~~.

SECTION 184. EAB 9.03 (2) is amended to read:

(2) It must be made clear to the student that the placement service provided by the school is offered ~~to him~~ as an assistance in working out ~~his~~ the student's

placement, but is not offered as an assumption of the responsibility for finding the student a job.

SECTION 185. EAB 9.04 is amended to read:

EAB 9.04 Disclaimer. Whenever a school knows or has reason to know that a prospective student is unlikely to successfully complete a ~~course of instruction program~~ or is unlikely to qualify for employment in the vocation or field for which the training is designed to prepare a student, this fact must be affirmatively disclosed to the prospective student. If a prospective student expresses a desire to enroll after such disclosure, a disclaimer may be obtained by the school. A valid disclaimer shall only consist of a statement, separately signed by the student, that the student is fully aware that it is unlikely he or she will be able to successfully complete the ~~course of instruction~~ program and/or fully aware of the improbability or impossibility that he or she will qualify for employment in the vocation or field for which the ~~course~~ program was designed to prepare the student.

SECTION 186. EAB 9.04 (1) is created to read:

(1) This waiver provision does not alleviate a school's responsibility to make reasonable accommodations consistent with the Americans with Disabilities Act.

SECTION 187. EAB 9.05 (2) is repealed.

SECTION 188. EAB Chapter 10 is amended to read:

Chapter EAB 10

REPRESENTATIVES' SOLICITORS' PERMITS

SECTION 189. EAB 10.01 is amended to read:

10.01 No ~~solicitor~~ individual representing any school ~~offering any course or course of instruction shall sell any course or course of instruction or solicit~~ shall secure enrollment of students ~~thereof~~ in this state for a consideration or remuneration, except upon the actual business premises of the school, unless he or she first secures a ~~solicitor's permit from the board~~. If the ~~solicitor~~ individual represents more than one school, a separate permit shall be obtained for each school ~~represented by the solicitor~~. A ~~solicitor's~~ permit shall be valid for one year from the date issued.

SECTION 190. EAB 10.02 (1) Applicable is repealed.

SECTION 191. EAB 10.02 (2) is renumbered EAB 10.02 (1) and amended to read:

(1) ORIGINAL APPLICATION. An individual shall apply for a ~~solicitor's~~ permit on ~~form EAB-2.04~~ board forms and shall submit with the application a \$200 fee and a ~~surety bond acceptable to the board~~ evidence of coverage for that representative of \$2,000 denoted on the school's bond ~~for that solicitor in the sum of \$2,000~~.

The school for which the individual requests a permit shall concur in the individual's application.

SECTION 192. EAB 10.02 (3) is renumbered EAB 10.02 (2) and amended to read:

(2) RENEWAL APPLICATIONS. ~~A solicitor~~ An individual shall apply for renewal of a ~~solicitor's~~ permit on ~~form EAB-2.04~~ board forms and shall submit with the application a \$200 fee and a ~~surety bond acceptable to the board~~ evidence of

~~coverage for that representative of \$2,000 denoted on the school's bond if the solicitor or school has not already furnished a bond for that solicitor which remains in effect. The school for which the individual requested a renewal of a permit shall concur in the individual's application.~~

~~Note: Any school which desires to have its representative apply for an original solicitor's permit or for renewal of a solicitor's permit may obtain form EAB 2.01, Application to Solicit Students in Wisconsin for Private Schools, by writing the Educational Approval Board at P.O. Box 7874, Madison, WI 53707-7874, or by telephoning (608) 266-1996.~~

SECTION 193. EAB 10.02 (4) is renumbered EAB 10.02 (3) and amended to read:

(3) APPROVAL REQUIRED. Before any permit shall be issued to a solicitor, the school to be represented and the courses of instruction program to be sold must be approved by the board.

SECTION 194. EAB 10.02 (5) is renumbered EAB 10.02 (4).

SECTION 195. (6) is renumbered EAB 10.02(5) and amended to read:

(5) AMENDED REVISED APPLICATIONS. (a) An individual or school shall pay a fee of \$25 \$75 each time the individual or school submits any form, materials, documents, or information which the rules of the board require to accompany an application but which the individual or school failed to provide with the application as originally submitted a submittal requires revision or amending.

~~(b) An individual or school shall pay a fee of \$50 each time the individual or school submits any revised form, materials, documents or information to bring an application into compliance with this chapter.~~

SECTION 196. EAB 10.025 is repealed.

SECTION 197. EAB 10.03 is amended to read:

10.03 Enrollment agreement. (1) INFORMATION REQUIRED. Every enrollment agreement used by a solicitor representative ~~to enroll students~~ shall conform to the requirements of the ch. EAB 6.

(2) COPY TO STUDENT. Every solicitor representative shall deliver a copy of the enrollment agreement and two copies of the Notice of Cancellation to each student at the time the agreement is signed.

~~(3) CHANGES IN AGREEMENT. A copy of every enrollment agreement form used by a solicitor shall be furnished by the school to the board 10 days prior to its first use by a solicitor for the enrollment of students.~~

SECTION 198. EAB 10.04 is repealed.

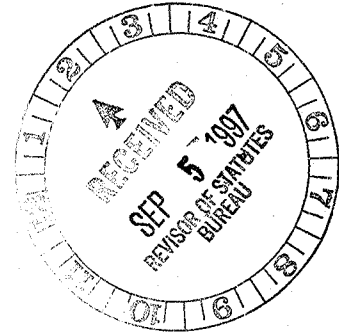
SECTION 199. EAB 10.05 is renumbered EAB 10.04.

SECTION 200. EAB 10.05 (1) is amended to read:

(1) GROUNDS. The board may refuse to issue or renew, or may revoke any solicitor's permit upon one or any combination of the grounds set forth in s. 38.51

(8) (c), Stats.

The rules contained in this order shall take effect on the first day of the second month following publication in final form in the administrative register, as provided by § 227.22 (2) (intro.), Stats.





State of Wisconsin

EDUCATIONAL APPROVAL BOARD

Joseph L. Davis, Ph.D.
Executive Secretary

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September 5, 1997

Mr. Bruce Munson, Revisor of Statutes
131 West Wilson Street - Suite 800
Madison, WI 53703

Dear Mr. Munson:

I am writing this letter to transmit Clearinghouse Rule 97-035 for publication in the Wisconsin Administrative Register. Said rules were submitted to the appropriate legislative committees (assembly Education on 5/27/97 and Senate Education on 5/22/97) and no objections were made. More than 60 days have passed since the submission of the rules and consistent with procedures, they may now be published.

Thank you for your attention to this matter.

Sincerely,


Joseph L. Davis

