

SENATE BILL NO. 55—COMMITTEE ON HUMAN RESOURCES AND FACILITIES

PREFILED JANUARY 26, 2001

Referred to Committee on Human Resources and Facilities

SUMMARY—Makes various changes to provisions regarding Western Interstate Commission for Higher Education. (BDR 34-814)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to the Western Interstate Commission for Higher Education; requiring the collection of an application fee to receive financial support from the commission; revising the conditions under which such support may be granted; eliminating the limitation placed on the amount of such support; authorizing money in the commission's fund for student loans to be used for administrative expenses; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 397 of NRS is hereby amended by adding thereto a
2 new section to read as follows:

3 *1. The three commissioners from the State of Nevada, acting jointly,*
4 *shall require the submission of an application fee of \$50 for the*
5 *consideration of each application from a resident of Nevada to*
6 *participate in the program pursuant to this chapter.*

7 *2. The money received pursuant to subsection 1 must be deposited in*
8 *the Western Interstate Commission for Higher Education's fund for*
9 *student loans created pursuant to NRS 397.063.*

10 **Sec. 2.** NRS 397.0617 is hereby amended to read as follows:

11 397.0617 1. The provisions of this section apply only to support fees
12 received by a student on or after July 1, 1997.

13 2. The three commissioners from the State of Nevada, acting jointly,
14 may require a student who is certified to study to practice in a profession
15 which could benefit a medically underserved area of this state, as that term
16 is defined by the officer of rural health of the University of Nevada School
17 of Medicine, to practice in ~~such~~ :

18 (a) *Such* an area or ~~to practice in~~ an area designated by the Secretary
19 of Health and Human Services:



* S B 5 5 R 1 *

1 ~~(a)~~ (1) Pursuant to 42 U.S.C. § 254c, as containing a medically
2 underserved population; or
3 ~~(b)~~ (2) Pursuant to 42 U.S.C. § 254e, as a health professional shortage
4 area ~~;~~ or
5 (b) A facility of the University and Community College System of
6 Nevada,
7 as a condition to receiving a support fee.
8 3. If a person agrees to practice in a ~~medically underserved area of~~
9 ~~location in~~ this state pursuant to :
10 (a) Paragraph (a) of subsection 2 for at least 2 years ~~;~~ or
11 (b) Paragraph (b) of subsection 2 for at least 4 years,
12 the three commissioners from the State of Nevada, acting jointly, may
13 forgive the portion of the support fee designated as the loan of the person.
14 4. If a person returns to this state but does not practice in a ~~medically~~
15 ~~underserved area of~~ ~~location in~~ this state pursuant to :
16 (a) Paragraph (a) of subsection 2 for at least 2 years ~~;~~ or
17 (b) Paragraph (b) of subsection 2 for at least 4 years,
18 the three commissioners from the State of Nevada, acting jointly, ~~shall~~
19 may assess a default charge in an amount not less than three times the
20 portion of the support fee designated as the loan of the person, plus
21 interest.
22 5. As used in this section, a "profession which could benefit a
23 medically underserved area of this state" includes, without limitation,
24 dentistry, physical therapy, pharmacy and practicing as a physician's
25 assistant.
26 **Sec. 3.** NRS 397.063 is hereby amended to read as follows:
27 397.063 1. All contributions from students must be accounted for in
28 the Western Interstate Commission for Higher Education's fund for student
29 loans which is hereby created as a special revenue fund.
30 2. The three commissioners from the State of Nevada, acting jointly,
31 shall administer the fund, and the money in the fund must be used solely to
32 : ~~provide:~~
33 (a) *Meet necessary administrative expenses; and*
34 (b) *Provide:*
35 (1) Loans to; and
36 ~~(b)~~ (2) Contractual arrangements for educational services and facilities
37 for,
38 residents of Nevada who are certified to attend graduate or professional
39 schools in accordance with the provisions of the Western Regional Higher
40 Education Compact.
41 3. Loans from the Western Interstate Commission for Higher
42 Education's fund for student loans, before July 1, 1985, and loans made to
43 students classified as continuing students before July 1, 1985, must be
44 made upon the following terms:
45 (a) All student loans must bear interest at 5 percent per annum from the
46 date when the student receives the loan.
47 (b) Each student receiving a loan must repay the loan with interest
48 following the termination of his education or completion of his internship
49 in accordance with the following schedule:



* S B 5 5 R 1 *

- 1 (1) Within 5 years for loans which total less than \$10,000.
2 (2) Within 8 years for loans which total \$10,000 or more but less than
3 \$20,000.

- 4 (3) Within 10 years for loans which total \$20,000 or more.

5 (c) No student loan may exceed 50 percent of the student fees for any
6 academic year.

7 **Sec. 4.** NRS 397.064 is hereby amended to read as follows:

8 397.064 Loans, from the Western Interstate Commission for Higher
9 Education's fund for student loans, to students who enter the program on or
10 after July 1, 1985, must be made upon the following terms:

11 1. All loans must bear interest at 8 percent per annum from the first
12 day of the academic term for which the student received the loan.

13 2. Except as otherwise provided in NRS 397.0617, each student
14 receiving a loan must repay the loan with interest following the termination
15 of his education or completion of his internship for which the loan is made.

16 3. The loan must be repaid in monthly installments over the period
17 allowed, as set forth in subsection 4, with the first installment due 1 year
18 after the date of the termination of his education or the completion of his
19 internship for which the loan is made. The amounts of the installments may
20 not be less than \$50 and may be calculated to allow a smaller payment at
21 the beginning of the repayment period, with each succeeding payment
22 gradually increasing so that the total amount due will have been paid
23 within the period allowed for repayment.

24 4. The three commissioners from the State of Nevada, acting jointly,
25 shall, or shall delegate to the director of the Western Interstate Commission
26 for Higher Education the power to, schedule the repayment within the
27 following periods:

28 (a) Five years for loans which total less than \$10,000.

29 (b) Eight years for loans which total \$10,000 or more but less than
30 \$20,000.

31 (c) Ten years for loans which total \$20,000 or more.

32 5. ~~A student loan may not exceed 50 percent of the student fees for~~
33 ~~any academic year.~~

34 ~~6.~~ A delinquency charge may be assessed on any installment delinquent
35 10 days or more in the amount of 8 percent of the installment or \$4,
36 whichever is greater, but not more than \$15.

37 ~~7.~~ 6. The reasonable costs of collection and an attorney's fee may be
38 recovered in the event of delinquency.

39 **Sec. 5.** NRS 397.0605 is hereby repealed.

40 **Sec. 6.** The repeal of NRS 397.0605 pursuant to section 5 of this act
41 does not affect any agreement entered into pursuant to NRS 397.0605
42 before July 1, 2001.



* S B 5 5 R 1 *

- 1 **Sec. 7.** This act becomes effective on July 1, 2001.

TEXT OF REPEALED SECTION

NRS 397.0605 Regulations regarding condition of placement of student in educational program for physicians' assistants. The provisions of NRS 397.0615, 397.0645 and 397.0653 to the contrary notwithstanding, the Western Interstate Commission for Higher Education may adopt regulations which require as a condition of placement of a student in an educational program for physicians' assistants and receipt of the related financial support that the student submit to the director of the Western Interstate Commission for Higher Education:

1. A written statement from a licensed provider of health care who practices his profession in a rural area of this state that he agrees to employ the student for the term necessary to fulfill the requirements of NRS 397.0645 upon the completion of the student's education, examination and licensure.

2. A written statement from the student that in lieu of repayment of all state contributions for the stipend he received he will practice his profession in a rural area of this state in accordance with the schedule set forth in subsection 1 of NRS 397.0645.

