

CHAPTER.....

AN ACT relating to education; deleting the authority of the Western Interstate Commission for Higher Education to adopt certain regulations; revising certain references to the members of the Commission from the State of Nevada; and providing other matters properly relating thereto.

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

Section 1. NRS 397.030 is hereby amended to read as follows:

397.030 1. In furtherance of the provisions contained in the Compact, there must be three Commissioners from the State of Nevada, appointed by the Governor.

2. The qualifications and terms of the *three Nevada State* Commissioners must be in accordance with Article 4 of the Compact. A *Nevada State* Commissioner shall hold office until his successor is appointed and qualified , but the successor's term expires 4 years ~~from~~ *after* the legal date of expiration of the term of his predecessor.

3. Any *Nevada State* Commissioner may be removed from office by the Governor upon charges and after a hearing.

4. The term of any *Nevada State* Commissioner who ceases to hold the required qualifications terminates when a successor is appointed.

Sec. 2. NRS 397.050 is hereby amended to read as follows:

397.050 1. Money to carry out the provisions of this chapter must be provided by direct legislative appropriation from the State General Fund and must be accounted for in the Western Regional Higher Education Compact Account which is hereby created.

2. The money in the Account may be used by the *three Nevada State* Commissioners appointed pursuant to NRS 397.030:

(a) To pay dues to the Western Interstate Commission for Higher Education.

(b) To meet necessary administrative expenses.

Sec. 3. NRS 397.055 is hereby amended to read as follows:

397.055 1. Whenever the *three Nevada State* Commissioners appointed pursuant to NRS 397.030 are unable to provide contract places for Nevada residents in graduate or professional schools pursuant to contractual agreements authorized by Article 8 of the Compact, or the cost of attending a school within the region is excessive, they may enter into contractual agreements with the governing authority of any educational institution offering accredited graduate and professional education outside the region of the Compact or with any state outside the region.

2. The terms and conditions of any such agreements must adhere to the same standards which are observed in the selection of contract places for Nevada residents in graduate or professional schools within the region.

Sec. 4. NRS 397.060 is hereby amended to read as follows:

397.060 The three *Nevada State* Commissioners , ~~{from the State of Nevada,}~~ acting jointly, shall:

1. Choose from among Nevada residents who apply, and have at least 1 year's residence in this state immediately before applying for the program, those most qualified for contract places; and

2. Certify them to receiving institutions.

Sec. 5. NRS 397.0615 is hereby amended to read as follows:

397.0615 Financial support provided to a student who is chosen by the three *Nevada State* Commissioners ~~{from the State of Nevada}~~ to receive such support from the Western Interstate Commission for Higher Education must be provided in the form of a support fee. Except as otherwise provided in NRS 397.0617, 25 percent of the support fee is a loan that the student must repay with interest pursuant to NRS 397.063 or 397.064, as appropriate. Seventy-five percent of the support fee is a stipend that the student is not required to repay, except as otherwise provided in NRS 397.0653.

Sec. 6. NRS 397.0617 is hereby amended to read as follows:

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

2. The three *Nevada State* Commissioners , ~~{from the State of Nevada,}~~ acting jointly, may require a student who is certified to study to practice in a profession which could benefit a medically underserved area of this state, as that term is defined by the Officer of Rural Health of the University of Nevada School of Medicine, to practice in such an area or to practice in an area designated by the Secretary of Health and Human Services:

(a) Pursuant to 42 U.S.C. § 254c, as containing a medically underserved population; or

(b) Pursuant to 42 U.S.C. § 254e, as a health professional shortage area,
as a condition to receiving a support fee.

3. If a person agrees to practice in a medically underserved area of this state pursuant to subsection 2 for at least 2 years, the three *Nevada State* Commissioners , ~~{from the State of Nevada,}~~ acting jointly, may forgive the portion of the support fee designated as the loan of the person.

4. If a person returns to this state but does not practice in a medically underserved area of this state pursuant to subsection 2 for at least 2 years, the three *Nevada State* Commissioners , ~~{from the State of Nevada,}~~ acting jointly, shall assess a default charge in an

amount not less than three times the portion of the support fee designated as the loan of the person, plus interest.

5. As used in this section, a "profession which could benefit a medically underserved area of this state" includes, without limitation, dentistry, physical therapy, pharmacy and practicing as a physician assistant.

Sec. 7. NRS 397.062 is hereby amended to read as follows:

397.062 1. There is hereby created an account in the State General Fund entitled the Western Interstate Commission for Higher Education's Account for Miscellaneous Expenses. Any money received by the three *Nevada State* Commissioners ~~{from the State of Nevada}~~ as the proceeds of any penalty or appropriated or authorized for the purposes of this section must be deposited in this Account.

2. The three *Nevada State* Commissioners, ~~{from the State of Nevada,}~~ acting jointly, shall administer the Account and the money in the Account must be used to:

(a) Pay miscellaneous expenses incurred in administering the Western Interstate Commission for Higher Education's Fund for Student Loans; and

(b) Pay expenses incurred in collecting money due the State from a student loan or a stipend granted from the Western Interstate Commission for Higher Education's Fund for Student Loans.

Sec. 8. NRS 397.063 is hereby amended to read as follows:

397.063 1. All contributions from students must be accounted for in the Western Interstate Commission for Higher Education's Fund for Student Loans which is hereby created as an enterprise fund.

2. The three *Nevada State* Commissioners, ~~{from the State of Nevada,}~~ acting jointly, shall administer the Fund and the money in the Fund must be used solely to provide:

(a) Loans to; and

(b) Contractual arrangements for educational services and facilities for,

residents of Nevada who are certified to attend graduate or professional schools in accordance with the provisions of the Western Regional Higher Education Compact.

3. Loans from the Western Interstate Commission for Higher Education's Fund for Student Loans, before July 1, 1985, and loans made to students classified as continuing students before July 1, 1985, must be made upon the following terms:

(a) All student loans must bear interest at 5 percent per annum from the date when the student receives the loan.

(b) Each student receiving a loan must repay the loan with interest following the termination of his education or completion of his internship in accordance with the following schedule:

- (1) Within 5 years for loans which total less than \$10,000.
- (2) Within 8 years for loans which total \$10,000 or more but less than \$20,000.
- (3) Within 10 years for loans which total \$20,000 or more.
- (c) No student loan may exceed 50 percent of the student fees for any academic year.

Sec. 9. NRS 397.064 is hereby amended to read as follows:

397.064 Loans, from the Western Interstate Commission for Higher Education's Fund for Student Loans, to students who enter the program on or after July 1, 1985, must be made upon the following terms:

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

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

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

4. The three *Nevada State* Commissioners, ~~from the State of Nevada,~~ acting jointly, shall, or shall delegate to the Director of the Western Interstate Commission for Higher Education the power to, schedule the repayment within the following periods:

- (a) Five years for loans which total less than \$10,000.
- (b) Eight years for loans which total \$10,000 or more but less than \$20,000.
- (c) Ten years for loans which total \$20,000 or more.

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

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

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

Sec. 10. NRS 397.0645 is hereby amended to read as follows:

397.0645 1. A student who receives from the Western Interstate Commission for Higher Education a stipend governed by the provisions of NRS 397.065 or 397.0653 must repay all state

contributions for the stipend unless he practices, in Nevada, the profession which he was certified to study:

- (a) For 3 years, if he entered the program before July 1, 1985;
- (b) For 1 year for each academic year he receives a stipend, if he enters the program after June 30, 1985; or
- (c) For 1 year for each 9 months he receives a stipend, if he enters the program after June 30, 1985, and is enrolled in an accelerated program that provides more than 1 academic year of graduate and professional education in 9 months, within 5 years after the completion or termination of his education, internship or residency for which he receives the stipend.

2. The three *Nevada State* Commissioners, ~~{from the State of Nevada,}~~ acting jointly, may adopt regulations which:

(a) Reduce the period of required practice for a person who practices his profession in a rural area of this state or as an employee of this state.

(b) Extend the time for completing the required practice beyond 5 years for a person who is granted an extension because of hardship.

3. If the period for the required practice is only partially completed, the Commission may give credit towards repayment of the stipend for the time the person practiced his profession as required.

Sec. 11. NRS 397.0655 is hereby amended to read as follows:

397.0655 The three *Nevada State* Commissioners ~~{from the State of Nevada,}~~ may, by regulation, delegate to the Director of the Western Interstate Commission for Higher Education the authority to negotiate the terms of repayment, including how and when payments will be made on loans or stipends in default. The *three Nevada State* Commissioners may not delegate the authority to reduce the principal balance owing.

Sec. 12. NRS 397.066 is hereby amended to read as follows:

397.066 The three *Nevada State* Commissioners, ~~{from the State of Nevada,}~~ acting jointly, may require:

1. A student to acquire, as security for a stipend or student loan, insurance on his life and on his health or against his disability, or both.

2. That a financially responsible person agree to be jointly liable with the recipient for the repayment of the loan or stipend.

Sec. 13. NRS 397.067 is hereby amended to read as follows:

397.067 The three *Nevada State* Commissioners, ~~{from the State of Nevada,}~~ acting jointly, may, or may delegate to the Director of the Western Interstate Commission for Higher Education the power to, require, upon notice to a recipient of a loan, that he repay the balance and any unpaid interest on the loan at once if:

- 1. An installment is not paid within 30 days after it is due;

2. The recipient fails to notify the *three Nevada State* Commissioners, within 30 days, of:

(a) A change of name or of the address of his home or place of practice; or

(b) The termination of his education or completion of his internship for which he receives the loan; or

3. The recipient fails to comply with any other requirement or perform any other obligation he is required to perform pursuant to any agreement under the program.

Sec. 14. NRS 397.068 is hereby amended to read as follows:

397.068 A recipient of a loan or a stipend under the program of the Western Interstate Compact for Higher Education shall comply with the regulations adopted by the Commission or the three *Nevada State* Commissioners . ~~{from the State of Nevada.}~~ If he fails so to comply, the three *Nevada State* Commissioners , ~~{from the State of Nevada.}~~ acting jointly, may:

1. For each infraction, impose a fine of not more than \$200 against any recipient in any academic year, and may deny additional money to any student who fails to pay the fine when due;

2. Increase the portion of any future loan to be repaid by the recipient;

3. Extend the time a recipient is required to practice his profession to repay his stipend; and

4. Expel him from the program.

Sec. 15. NRS 397.0685 is hereby amended to read as follows:

397.0685 1. The three *Nevada State* Commissioners , ~~{from the State of Nevada.}~~ acting jointly, may, after receiving a written application stating the reasons therefor, reduce the period of required practice for the repayment of a stipend under NRS 397.0645 if the applicant:

(a) Has had at least 1 continuous year of practice of his profession in this state, and practices his profession in a rural area of this state. The applicant's practice in the rural area must be equal to at least half of the total time spent by the applicant in his professional practice, and not less than 20 hours per week.

(b) Practices his profession as a full-time employee of the State of Nevada and has been employed by the State for at least 1 continuous year immediately before his application.

2. Any claim as to practice must be verified.

Sec. 16. NRS 397.069 is hereby amended to read as follows:

397.069 1. The three *Nevada State* Commissioners , ~~{from the State of Nevada.}~~ acting jointly, may after receiving an application stating the reasons therefor, grant an extension of the period for the repayment of a loan or a stipend under the program in case of hardship arising out of the individual circumstances of a

recipient. The extension must be for a period that will reasonably alleviate that hardship.

2. Applications for extensions must be filed within the time prescribed by regulation of the three *Nevada State* Commissioners, ~~{from the State of Nevada,}~~ acting jointly.

Sec. 17. NRS 397.0695 is hereby amended to read as follows:

397.0695 A person obligated to repay a student loan may, as determined by the three *Nevada State* Commissioners, ~~{from the State of Nevada,}~~ acting jointly, receive credit towards payment of the loan for professional services provided without compensation to the State or any of its political subdivisions.

Sec. 18. NRS 353.357 is hereby amended to read as follows:

353.357 1. If the three *Nevada State* Commissioners ~~{from the State of Nevada}~~ on the Western Interstate Commission for Higher Education, acting jointly, determine that current claims against the Western Interstate Commission for Higher Education's Fund for Student Loans created pursuant to NRS 397.063 exceed the amount of money available in the Fund to pay the claims because of a delay in the receipt of revenue due the Fund, the *three Nevada State* Commissioners may request from the Director of the Department of Administration a temporary advance from the State General Fund to the Western Interstate Commission for Higher Education's Fund for Student Loans for the payment of authorized expenses.

2. If the Director of the Department of Administration approves a request made pursuant to subsection 1, he shall notify the State Controller and the Fiscal Analysis Division of the Legislative Counsel Bureau of that approval. The State Controller shall draw his warrant upon receipt of the approval by the Director of the Department of Administration.

3. An advance from the State General Fund is limited to 50 percent of the revenue expected to be received by the Western Interstate Commission for Higher Education's Fund for Student Loans in the current fiscal year from any source other than legislative appropriation.

4. Any money that is temporarily advanced from the State General Fund pursuant to subsection 2 must be repaid by August 31 following the end of the fiscal year in which the temporary advance is made.

Sec. 19. NRS 397.0605 is hereby repealed.

Sec. 20. This act becomes effective on July 1, 2003.