

SENATE BILL NO. 357—SENATOR WIENER

MARCH 19, 2007

Referred to Committee on Human Resources and Education

**SUMMARY**—Authorizes the Board of Regents of the University of Nevada to administer a loan forgiveness program for students enrolled in certain educational programs at the Nevada System of Higher Education. (BDR 34-72)

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

~

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

**AN ACT** relating to education; authorizing the Board of Regents of the University of Nevada to administer a loan forgiveness program for students enrolled within the Nevada System of Higher Education in certain educational programs designated as high need by the Board of Regents; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1     **Sections 2-8** of this bill authorize the Board of Regents of the University of  
2 Nevada to administer a loan forgiveness program for students enrolled in an  
3 educational program that has been designated as a high needs area.

1     WHEREAS, The members of the 74th Session of the Nevada  
2 Legislature hereby recognize the need to ensure that an adequate,  
3 well-trained workforce is available to meet the immediate and future  
4 needs of the residents and employers of this State; and

5     WHEREAS, An evaluation of the immediate and projected  
6 workforce needs of this State would provide valuable information  
7 pertaining to the existing shortages and anticipated shortages in the  
8 workforce of this State; and

9     WHEREAS, The Department of Employment, Training and  
10 Rehabilitation collects data and makes projections pertaining to the  
11 available workforce, the workforce needs, industries and



\* S B 3 5 7 \*

1 occupations in this State, and other agencies and organizations  
2 collect similar data and information; and

3 WHEREAS, The members of the 74th Session of the Nevada  
4 Legislature hereby urge the Board of Regents of the University of  
5 Nevada to use the projections and data that are available from the  
6 Department of Employment, Training and Rehabilitation and other  
7 agencies and organizations in identifying which educational  
8 programs offered by the Nevada System of Higher Education would  
9 strengthen Nevada's economy and the general welfare of its  
10 residents; and

11 WHEREAS, The Nevada System of Higher Education is in a  
12 unique position to offer those educational programs to students  
13 enrolled in the System and to thereby assist in alleviating the  
14 existing shortages and anticipated shortages in the workforce needs;  
15 and

16 WHEREAS, The members of the 74th Session of the Nevada  
17 Legislature hereby encourage the Board of Regents of the  
18 University of Nevada to collaborate with persons with experience in  
19 economic forecasting, economic development, labor, business and  
20 education to assist the Board of Regents in evaluating the workforce  
21 needs of this State and offering educational programs to meet those  
22 needs; and

23 WHEREAS, The Board of Regents plays a vital role in ensuring  
24 that an adequate, well-trained workforce is available to meet the  
25 growing demands of the residents and employers of this State; now,  
26 therefore,

27  
28 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
29 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:  
30

31 **Section 1.** Chapter 396 of NRS is hereby amended by adding  
32 thereto the provisions set forth as sections 2 to 8, inclusive, of this  
33 act.

34 **Sec. 2. 1. *The Board of Regents or its designee may***  
35 ***annually:***

36 ***(a) Evaluate the immediate workforce needs of employers in***  
37 ***this State and existing shortages in the workforce;***

38 ***(b) Make a 5-year projection of the workforce needs of***  
39 ***employers in this State and the anticipated shortages in the***  
40 ***workforce; and***

41 ***(c) Make a 10-year projection of the workforce needs of***  
42 ***employers in this State and the anticipated shortages in the***  
43 ***workforce.***

44 **2. *In carrying out subsection 1, the Board of Regents may***  
45 ***review any studies, reports or data available from the Department***



1 of Employment, Training and Rehabilitation or any other agency  
2 or organization to determine if certain educational programs  
3 offered by the System would assist in alleviating a workforce  
4 shortfall or anticipated shortfall in this State. The Board of  
5 Regents may designate such an educational program as a high  
6 needs area for purposes of sections 2 to 8, inclusive, of this act.

7 **Sec. 3.** 1. The Board of Regents may administer, directly or  
8 through a designated officer or employee of the System, a program  
9 to provide loans for tuition, fees, books and living expenses to  
10 students who are enrolled in an educational program of the  
11 System that is designated as a high needs area pursuant to section  
12 2 of this act, if applicable.

13 2. Each student to whom a loan is made shall:

14 (a) Be enrolled at the time the loan is made in an educational  
15 program of the System that is designated as a high needs area  
16 pursuant to section 2 of this act;

17 (b) Commit to working in Nevada in the high needs area for  
18 which the student received the loan for not less than 5 consecutive  
19 years after completion of the program;

20 (c) Fulfill all requirements for classification as a full-time  
21 student showing progression towards completion of the program  
22 for which the loan is received; and

23 (d) Maintain at least a 2.00 grade point average in each class  
24 and at least a 2.75 overall grade point average, on a 4.0 grading  
25 scale.

26 3. A student is not eligible for a loan pursuant to sections 2 to  
27 8, inclusive, of this act, for any semester in which he receives a  
28 loan pursuant to the provisions of NRS 396.890 to 396.898,  
29 inclusive.

30 4. The Board of Regents shall determine the amount of a  
31 loan, which must not exceed the estimated cost of tuition, fees,  
32 books and living expenses to be enrolled as a full-time student in  
33 the educational program designated as a high needs area at the  
34 campus of the System at which the student is enrolled.

35 5. Any money distributed pursuant to sections 2 to 8,  
36 inclusive, of this act must be distributed among the campuses of  
37 the System in amounts that will allow the same percentage of  
38 eligible students from each educational institution within the  
39 System to receive a loan pursuant to sections 2 to 8, inclusive, of  
40 this act.

41 **Sec. 4.** 1. Each student who receives a loan pursuant to  
42 sections 2 to 8, inclusive, of this act shall repay the loan and  
43 accrued interest pursuant to the terms and conditions of the loan.  
44 The Board of Regents may waive the repayment of the loan if the  
45 student is employed in Nevada in the high needs area for which he



1 received the loan for not less than 5 consecutive years after the  
2 date on which he completes the program in the high needs area.

3 2. Each loan must be made upon the following terms:

4 (a) All loans must bear interest from the date when the student  
5 receives the loan that is equal to the applicable interest rate for a  
6 Federal Direct Stafford Loan made pursuant to 20 U.S.C. § 1078.

7 (b) Except as otherwise provided in subsection 1, all loans  
8 must be repaid in monthly installments over the period allowed  
9 with the first installment due 1 year after the date of the  
10 termination of his education for which the loan is made. The  
11 amounts of the installments must not be less than \$50 and may be  
12 calculated to allow a smaller payment at the beginning of the  
13 period of repayment, with each succeeding payment gradually  
14 increasing so that the total amount due will have been paid within  
15 the period for repayment. The period for repayment of the loans  
16 must be:

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

18 (2) Eight years for loans which total \$10,000 or more, but  
19 less than \$20,000.

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

21 3. The Board of Regents or its designee may, after receiving  
22 an application stating the reasons therefore, grant an extension of  
23 the period for the repayment of a loan in case of hardship arising  
24 out of the individual circumstances of a recipient. The extension  
25 must be for a period that will reasonably alleviate that hardship.  
26 Applications for extensions must be filed within the time  
27 prescribed by regulation of the Board of Regents.

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

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

33 Sec. 5. The Board of Regents or its designee may require:

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

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

39 Sec. 6. The Board of Regents or its designee may require,  
40 upon notice to a recipient of a loan, that he repay the balance and  
41 any unpaid interest on the loan immediately if:

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

43 2. The recipient fails to notify the Board of Regents or its  
44 designee, within 30 days, of:



1       (a) A change of name or of the address of his home or place of  
2       employment; or

3       (b) The termination of the education for which he received the  
4       loan; or

5       3. The recipient fails to comply with any other requirement or  
6       perform any other obligation he is required to perform pursuant to  
7       any agreement with the Board of Regents or its designee.

8       **Sec. 7.** A recipient of a loan made pursuant to sections 2 to 8,  
9       inclusive, of this act shall comply with the regulations adopted by  
10      the Board of Regents. If he fails to comply, the Board of Regents  
11      or its designee may:

12      1. Increase the portion of any future loan to be repaid by the  
13      recipient; and

14      2. Extend the time a recipient is required to be employed in  
15      the high needs area to be eligible for a waiver from repayment of  
16      the loan.

17      **Sec. 8.** The Board of Regents may:

18      1. Receive, invest, disburse and account for all money  
19      received for the program of loans administered pursuant to  
20      sections 2 to 8, inclusive, of this act.

21      2. Adopt regulations:

22      (a) Granting prorated credit towards repayment of a loan if a  
23      person works at least 3 years but less than 5 years in the high  
24      needs area for which the loan was made; and

25      (b) To carry out the provisions of sections 2 to 8, inclusive, of  
26      this act.

27      3. Accept any gifts, grants or donations from any source for  
28      the program of loans.

29      4. Report to the Governor and the Legislature before  
30      September 1 of any year preceding a regular session of the  
31      Legislature, setting forth in detail the transactions conducted by it  
32      to carry out the program of loans administered pursuant to  
33      sections 2 to 8, inclusive, of this act, during the biennium ending  
34      June 30 of such year.

35      5. Promote the program through advertising or other means  
36      designed to ensure public awareness of the program.

37      6. Work in consultation with the Nevada Legislature or other  
38      governmental entity to obtain money to carry out sections 2 to 8,  
39      inclusive, of this act.

40      **Sec. 9.** This act becomes effective on July 1, 2007.

