

SENATE BILL NO. 215—SENATORS FORD, KIHUEN, SPEARMAN,
ATKINSON, PARKS; DENIS, MANENDO AND WOODHOUSE

MARCH 5, 2015

JOINT SPONSORS: ASSEMBLYMEN KIRKPATRICK, BENITEZ-
THOMPSON, ELLIOT ANDERSON, CARLTON, THOMPSON;
ARAUJO, BUSTAMANTE ADAMS, CARRILLO, DIAZ, FLORES,
JOINER, MUNFORD, NEAL, OHRENSCHALL, SPIEGEL,
SPRINKLE AND SWANK

Referred to Committee on Education

SUMMARY—Makes various changes relating to student loans.
(BDR 18-933)

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

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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 student loans; requiring the Director of the Department of Business and Industry to develop and carry into effect a program to provide loans to residents of this State to refinance certain student loans; authorizing the issuance of revenue bonds to pay the cost of the program; requiring the Director to compile and disseminate certain information about private lending institutions that make student loans to residents of this State; requiring the Director to prepare informational material relating to student loans, and providing for the distribution of that material by postsecondary educational institutions; requiring the Director to prepare reports relating to the amount of indebtedness incurred for student loans by students attending educational institutions in this State; requiring postsecondary educational institutions in this State to provide certain financial information to persons who apply for admission to those institutions; repealing provisions relating to an existing student loan program that is assigned to the State Board of Education for administration; and providing other matters properly relating thereto.



* S B 2 1 5 *

Legislative Counsel's Digest:

Section 2 of this bill requires the Director of the Department of Business and Industry to develop and carry into effect a program under which residents of this State may obtain loans to refinance certain loans for educational expenses. To pay the cost of the program, **section 3** of this bill authorizes the Director to issue or request the issuance of revenue bonds in the manner provided by the State Securities Law.

Section 4 of this bill requires the Director to compile and make available to the public information about the rates of interest and repayment requirements and policies of private lending institutions that regularly make student loans to residents of this State. **Section 4** also requires that those institutions be ranked according to the rate of interest charged for such loans and the degree to which their repayment requirements and policies are determined to be more favorable or less favorable to borrowers.

Section 5 of this bill requires the Director to prepare informational material relating to student loans for students and prospective students of postsecondary educational institutions. **Section 5** requires that a copy of this material be provided by each institution of the Nevada System of Higher Education and each postsecondary educational institution licensed by the Commission on Postsecondary Education to each person who applies for admission to the institution.

Section 6 of this bill requires the Director annually to compile and analyze certain information relating to the average amount of indebtedness incurred for student loans by students attending postsecondary educational institutions in this State and nationally, and report the results of that analysis to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature.

Sections 9 and 15 of this bill require, respectively, that each private postsecondary educational institution operating in this State and each institution of the Nevada System of Higher Education provide to each applicant for admission to the institution information about the costs of attending the institution, student loans that are available to students attending the institution and the amount of indebtedness that will be incurred if student loans are used to pay all the costs of attendance.

Section 18 of this bill repeals the provisions relating to a student loan program that is assigned to the State Board of Education for administration.

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

Section 1. Chapter 232 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. 1. *The Director shall develop and carry into effect a program under which residents of this State may obtain loans to refinance qualified education loans. In carrying out the program, the Director may make, undertake commitments to make and participate with private lending institutions in the making of loans to refinance qualified education loans. The criteria for eligibility to participate in the program must be substantially similar to the criteria used by private lending institutions in this State to*



1 *determine whether a person qualifies for an unsecured personal*
2 *loan at a market rate of interest.*

3 2. *The rate of interest on loans made pursuant to the program*
4 *must be as low as practicable, but sufficient to pay the cost of the*
5 *program, including, without limitation, the repayment of bonds*
6 *issued pursuant to section 3 of this act, and provide an appropriate*
7 *reserve, as determined by the Director.*

8 3. *No loan may be made pursuant to the program to which*
9 *the provisions of 11 U.S.C. § 523(a)(8) are not applicable.*

10 4. *As used in this section, "qualified education loan" has the*
11 *meaning ascribed to it in 26 U.S.C. § 221(d)(1).*

12 **Sec. 3.** 1. *To pay the cost of the program created pursuant*
13 *to section 2 of this act, the Director may borrow money or*
14 *otherwise become obligated, and may provide evidence of those*
15 *obligations by issuing or requesting the State Board of Finance to*
16 *issue revenue bonds in the manner provided by the State Securities*
17 *Law.*

18 2. *Any bonds issued pursuant to this section and*
19 *administrative expenses related to the bonds are payable solely*
20 *from revenues pledged or available for their repayment. This*
21 *limitation must be plainly stated on the face of the bonds.*

22 **Sec. 4.** 1. *The Director shall identify each private lending*
23 *institution that regularly makes student loans to residents of this*
24 *State. For each such lending institution, the Director shall obtain*
25 *and analyze information relating to the rate of interest currently*
26 *charged by the lending institution and its repayment requirements*
27 *and policies as they relate to student loans available to residents of*
28 *this State.*

29 2. *Based upon the analysis of the information described in*
30 *subsection 1, the Director shall compile and maintain a list of the*
31 *private lending institutions identified by the Director, ranking*
32 *them as far as practicable according to the rate of interest charged*
33 *by each lending institution and the repayment requirements and*
34 *policies of each lending institution as they relate to student loans*
35 *available to residents of this State. Those lending institutions*
36 *charging a lower rate of interest and having repayment*
37 *requirements and policies that are determined by the Director to*
38 *be more favorable to borrowers must be ranked more highly than*
39 *competing lending institutions. The Director shall post the list*
40 *developed pursuant to this subsection on the Internet website of*
41 *the Department, identifying the five lending institutions that are*
42 *most highly ranked and the five lending institutions that are lowest*
43 *ranked. The Director shall update the list not less frequently than*
44 *every 30 days.*



Sec. 5. 1. *The Director shall prepare informational material for students or prospective students on the terms and conditions of student loans and the responsibilities of a borrower with respect to a student loan. The material must include information about available repayment plans for student loans, strategies for managing debt, options for the prepayment of student loans and the consequences of defaulting on a student loan.*

2. Each institution of the Nevada System of Higher Education and each postsecondary educational institution licensed by the Commission on Postsecondary Education shall:

(a) Provide a copy of the material prepared by the Director pursuant to this section to each person who applies for admission to the educational institution;

(b) Obtain from each such person a written acknowledgment of receipt of the material;

(c) Retain a copy of the acknowledgment in its records for not less than 10 years; and

(d) Provide a copy of the acknowledgment, upon request, to any private lending institution described in subsection 3.

3. Except as otherwise provided in this subsection, a private lending institution operating pursuant to a license or other authority granted by the Commissioner of Financial Institutions, an institution of the Nevada System of Higher Education or a postsecondary educational institution licensed by the Commission on Postsecondary Education shall not process an application for a student loan or collect any fees for such an application until it has requested and received a copy of the acknowledgment described in subsection 2. If the application is approved and a loan is made, a copy of the acknowledgment must be retained in the loan file. The provisions of this subsection do not apply to a federally funded, federally insured or federally guaranteed student loan for which counseling is required by 20 U.S.C. § 1092.

Sec. 6. 1. *On or before January 15 of each year, each institution of the Nevada System of Higher Education and each postsecondary educational institution licensed by the Commission on Postsecondary Education shall prepare and submit to the Director a report setting forth the average amount of indebtedness incurred for student loans during the last preceding calendar year by students attending the educational institution.*

2. The Director shall:

(a) Compile and analyze the information reported pursuant to subsection 1 to determine the statewide average amount of indebtedness incurred for student loans during the last preceding



calendar year by students attending the institutions described in subsection 1;

(b) Compare the amount determined pursuant to paragraph (a) to the national average amount of indebtedness incurred for student loans during the last preceding calendar year by students attending postsecondary educational institutions in the United States;

(c) Compare the amount determined pursuant to paragraph (a) to the statewide average amount of indebtedness incurred for student loans during the last preceding calendar year by students attending postsecondary educational institutions in the state with the lowest ratio of statewide average amount of indebtedness incurred for student loans to the lowest quintile of per capita income during that year; and

(d) On or before March 15 of each year, prepare and submit a report of the results of the analysis required by paragraph (a) and the comparisons required by paragraphs (b) and (c) to:

(1) The Governor; and

(2) The Director of the Legislative Counsel Bureau for transmittal to the Legislature.

Sec. 7. NRS 232.505 is hereby amended to read as follows:

232.505 As used in NRS 232.505 to 232.845, inclusive, *and sections 2 to 6, inclusive, of this act*, unless the context requires otherwise:

1. "Department" means the Department of Business and Industry.

2. "Director" means the Director of the Department.

3. "Postsecondary educational institution" or "educational institution" means a postsecondary educational institution as defined in NRS 394.099. The term also includes any public school, college or university described in that section.

4. "Private lending institution" or "lending institution" means any private entity that itself or through an affiliate makes available student loans to pay for or finance the expenses of attending a postsecondary educational institution.

5. "Student loan" means a loan issued by a private lending institution or a postsecondary educational institution to pay for or finance the expenses of attending a postsecondary educational institution.

Sec. 8. NRS 232.520 is hereby amended to read as follows:

232.520 The Director:

1. Shall appoint a chief or executive director, or both of them, of each of the divisions, offices, commissions, boards, agencies or other entities of the Department, unless the authority to appoint such a chief or executive director, or both of them, is expressly vested in



1 another person, board or commission by a specific statute. In
2 making the appointments, the Director may obtain lists of qualified
3 persons from professional organizations, associations or other
4 groups recognized by the Department, if any. The chief of the
5 Consumer Affairs Division is the Commissioner of Consumer
6 Affairs, the chief of the Division of Financial Institutions is the
7 Commissioner of Financial Institutions, the chief of the Housing
8 Division is the Administrator of the Housing Division, the chief of
9 the Manufactured Housing Division is the Administrator of the
10 Manufactured Housing Division, the chief of the Real Estate
11 Division is the Real Estate Administrator, the chief of the Division
12 of Insurance is the Commissioner of Insurance, the chief of the
13 Division of Industrial Relations is the Administrator of the Division
14 of Industrial Relations, the chief of the Office of Labor
15 Commissioner is the Labor Commissioner, the chief of the Taxicab
16 Authority is the Taxicab Administrator, the chief of the Nevada
17 Transportation Authority is the Chair of the Authority, the chief of
18 the Division of Mortgage Lending is the Commissioner of Mortgage
19 Lending and the chief of any other entity of the Department has the
20 title specified by the Director, unless a different title is specified by
21 a specific statute.

22 2. Is responsible for the administration of all provisions of law
23 relating to the jurisdiction, duties and functions of all divisions and
24 other entities within the Department. The Director may, if he or she
25 deems it necessary to carry out his or her administrative
26 responsibilities, be considered as a member of the staff of any
27 division or other entity of the Department for the purpose of budget
28 administration or for carrying out any duty or exercising any power
29 necessary to fulfill the responsibilities of the Director pursuant to
30 this subsection. This subsection does not allow the Director to
31 preempt any authority or jurisdiction granted by statute to any
32 division or other entity within the Department or to act or take on a
33 function that would contravene a rule of court or a statute.

34 3. May:

35 (a) Establish uniform policies for the Department, consistent
36 with the policies and statutory responsibilities and duties of the
37 divisions and other entities within the Department, relating to
38 matters concerning budgeting, accounting, planning, program
39 development, personnel, information services, dispute resolution,
40 travel, workplace safety, the acceptance of gifts or donations, the
41 management of records and any other subject for which a uniform
42 departmental policy is necessary to ensure the efficient operation of
43 the Department.

44 (b) Provide coordination among the divisions and other entities
45 within the Department, in a manner which does not encroach upon



1 their statutory powers and duties, as they adopt and enforce
2 regulations, execute agreements, purchase goods, services or
3 equipment, prepare legislative requests and lease or use office space.

4 (c) Define the responsibilities of any person designated to carry
5 out the duties of the Director relating to financing, industrial
6 development or business support services.

7 4. May, within the limits of the financial resources made
8 available to the Director, promote, participate in the operation of,
9 and create or cause to be created, any nonprofit corporation,
10 pursuant to chapter 82 of NRS, which he or she determines is
11 necessary or convenient for the exercise of the powers and duties of
12 the Department. The purposes, powers and operation of the
13 corporation must be consistent with the purposes, powers and duties
14 of the Department.

15 5. For any bonds which the Director is otherwise authorized to
16 issue, may issue bonds the interest on which is not exempt from
17 federal income tax or excluded from gross revenue for the purposes
18 of federal income tax.

19 6. May, except as otherwise provided by specific statute, adopt
20 by regulation a schedule of fees and deposits to be charged in
21 connection with the programs administered by the Director pursuant
22 to chapters 348A and 349 of NRS. Except as otherwise provided by
23 specific statute, the amount of any such fee or deposit must not
24 exceed 2 percent of the principal amount of the financing.

25 7. May designate any person within the Department to perform
26 any of the duties or responsibilities, or exercise any of the authority,
27 of the Director on his or her behalf.

28 8. May negotiate and execute agreements with public or private
29 entities which are necessary to the exercise of the powers and duties
30 of the Director or the Department.

31 9. May establish a trust account in the State Treasury for
32 depositing and accounting for money that is held in escrow or is on
33 deposit with the Department for the payment of any direct expenses
34 incurred by the Director in connection with any bond programs
35 administered by the Director. The interest and income earned on
36 money in the trust account, less any amount deducted to pay for
37 applicable charges, must be credited to the trust account. Any
38 balance remaining in the account at the end of a fiscal year may be:

39 (a) Carried forward to the next fiscal year for use in covering the
40 expense for which it was originally received; or

41 (b) Returned to any person entitled thereto in accordance with
42 agreements or regulations of the Director relating to those bond
43 programs.

44 *10. May adopt regulations to carry out the provisions of*
45 *sections 2 to 6, inclusive, of this act.*



Sec. 9. Chapter 394 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each postsecondary educational institution shall provide to each applicant for admission to the institution and, if the applicant is a minor, to the parent or guardian of the applicant, information about:

(a) The total annual cost of attending the institution, including, without limitation, the cost of tuition, fees, books, materials and room and board;

(b) The approximate or, if known, the actual total amount of any financial aid that the applicant will receive from the institution;

(c) The approximate or, if known, the actual total amount of indebtedness that the applicant will incur over a period of 4 years if all the costs described in paragraph (a) are paid with student loans, and the monthly payment that will be required to pay that indebtedness; and

(d) Current interest rates and repayment plans for student loans that are available to students attending the institution and the rate of default on student loans among students who have left the institution during the immediately preceding 10 years.

2. Each postsecondary educational institution shall create a link on its Internet website to the list of private lending institutions posted pursuant to section 4 of this act by the Director of the Department of Business and Industry.

Sec. 10. NRS 394.411 is hereby amended to read as follows:

394.411 1. The Commission shall adopt regulations governing the administration of NRS 394.383 to 394.560, inclusive, *and section 9 of this act* and may adopt such other regulations as are proper or necessary for the execution of the powers and duties conferred upon it by law.

2. The Administrator shall execute, direct or supervise all administrative, technical and procedural activities for which the Administrator is responsible in accordance with the policies and regulations of the Commission and subject to the Commission's direction and control.

Sec. 11. NRS 394.480 is hereby amended to read as follows:

394.480 1. Notwithstanding the provisions of NRS 100.065 to the contrary, each:

(a) Postsecondary educational institution initially licensed on or after July 1, 1995, shall file with the Administrator a surety bond in the amount of \$10,000 or in a greater amount determined by the Commission for the period of the initial license to operate, including any provisional period.



(b) Postsecondary educational institution or other entity which is authorized to employ one or more agents in this State shall file with the Administrator a surety bond in the amount of \$10,000 or in a greater amount determined by the Commission for the period of the agent's permit.

(c) Postsecondary educational institution that poses a financial risk to the students who are enrolled in the institution, as determined by the Commission, shall file with the Administrator a surety bond in the amount of \$10,000 or in a greater amount determined by the Commission for a period that the Commission determines is appropriate.

(d) Postsecondary educational institution that files for a change of ownership shall file with the Administrator a surety bond in the amount of \$10,000 or in a greater amount determined by the Commission for the period of the initial license to operate issued to the new owner, including any provisional period.

(e) Postsecondary educational institution may be required by the Commission to file a new or supplementary bond in an amount and for a period determined appropriate by the Commission if the Commission determines that the current bond filed by the institution is insufficient to cover all claims, accrued or contingent, against the institution.

2. The bond required of a postsecondary educational institution pursuant to subsection 1 must be executed by the entity that owns the institution as principal, by a surety company as surety and by a licensed insurance agent residing in this State. The bond must be payable to the State of Nevada and must be conditioned to provide indemnification to any student, enrollee or his or her parent or guardian determined by the Commission to have suffered damage as a result of any act by the postsecondary educational institution that is a violation of NRS 394.383 to 394.560, inclusive **H**, and **section 9 of this act**. The bonding company shall provide indemnification upon receipt of written notice of the determination by the Commission. The bond may be continuous, but regardless of the duration of the bond the aggregate liability of the surety does not exceed the penal sum of the bond.

3. A surety on any bond filed pursuant to this section may be released after the surety gives 30 days' written notice to the Administrator, but the release does not discharge or otherwise affect any claim filed by a student, enrollee or his or her parent or guardian for damage resulting from any act of the postsecondary educational institution or agent alleged to have occurred while the bond was in effect, or for an institution's ceasing operations during the term for which tuition had been paid while the bond was in force.



4. A license or an agent's permit is suspended by operation of law when the institution or agent is no longer covered by a surety bond as required by this section. The Administrator shall give the institution or agent, or both, at least 20 days' written notice before the release of the surety, to the effect that the license or permit will be suspended by operation of law until another surety bond is filed in the same manner and amount as the bond being terminated.

5. If any student is entitled to a refund from an institution pursuant to any provision of NRS 394.383 to 394.560, inclusive, *and section 9 of this act*, the surety shall provide indemnification.

Sec. 12. NRS 394.510 is hereby amended to read as follows:

394.510 1. The Commission may impose an administrative fine of not more than \$10,000 against a licensee, revoke a license, or make a license conditional after its issuance, if the Commission reasonably believes that the holder has violated the provisions of NRS 394.383 to 394.560, inclusive, *and section 9 of this act* or regulations adopted pursuant to those sections, or has failed to comply with a lawful order of the Commission. The Administrator shall notify the institution of the reasons for the action by certified mail to its last known address, 20 days before the meeting of the Commission at which the action will be considered.

2. If the Commission revokes a license, the institution shall cease its operations and granting degrees and shall refund to each enrolled student the cost of the student's current course or program.

3. The Administrator may impose an administrative fine of not more than \$10,000 against an institution or agent, revoke an agent's permit, or make a permit conditional after its issuance, if the Administrator reasonably believes that the holder has violated the provisions of NRS 394.383 to 394.560, inclusive, *and section 9 of this act* or regulations adopted pursuant thereto. Before action is taken, the Administrator shall notify the holder by certified mail of facts or conduct that warrant the impending action and advise the holder that if a hearing is desired it must be requested within 10 days after receipt of the notice letter. If no hearing is requested within the prescribed period the action becomes final.

4. If an agent is fined or the agent's permit is revoked or conditions imposed, the Administrator shall notify, by certified mail, the institution the agent represented in addition to the agent and any other parties to any hearing.

Sec. 13. NRS 394.520 is hereby amended to read as follows:

394.520 1. Until 1 year after the last date of attendance or date on which the damage occurred, whichever is later, a person claiming damage as a result of any act by a postsecondary educational institution or its agent, or both, that is a violation of NRS 394.383 to 394.560, inclusive, *and section 9 of this act* or



1 regulations adopted pursuant thereto, may file with the
2 Administrator a verified complaint against the institution, its agent,
3 or both. The complaint must set forth the alleged violation and
4 contain other information as required by regulations of the
5 Commission. A complaint may also be filed by a Commissioner or
6 the Attorney General or initiated by the Administrator.

7 2. The Administrator shall investigate any verified complaint
8 and may, at his or her discretion, attempt to effectuate a settlement
9 by arbitration, mediation or negotiation. The Administrator may also
10 consult with the applicable accrediting body to resolve the
11 complaint. If a settlement cannot be reached, the Administrator shall
12 render a decision and notify each party of the decision and the
13 reasons for it by certified mail to his or her last known address.
14 Either party may request a hearing before the Commission by
15 notifying the Administrator by certified mail within 15 days after
16 the decision was mailed to the party. The hearing must be held at the
17 next meeting of the Commission in the geographical area convenient
18 to the parties. If a hearing is not requested, the decision of the
19 Administrator is final.

20 3. If, after consideration of all the evidence presented at a
21 hearing, the Commission finds that a postsecondary educational
22 institution or its agent, or both, are guilty of the violation alleged in
23 the complaint, it shall issue and the Administrator shall serve upon
24 the institution or agent, or both, an order to cease and desist from the
25 violation. If the Commission finds the institution has substantially
26 failed to furnish the instruction or services agreed upon in the
27 agreement to enroll, it shall order the institution to make full
28 restitution to the student of all money paid pursuant to the
29 agreement. If the Commission finds that the institution has
30 substantially furnished the instruction or services agreed upon in the
31 agreement to enroll, but that conditions in the school were
32 sufficiently substandard that it was not reasonable to expect the
33 student to complete the instruction, the Commission shall order the
34 institution to make restitution to the student of one-half the money
35 paid pursuant to the agreement. The Commission may also, as
36 appropriate, based on the Administrator's investigation and the
37 evidence adduced at the hearing, or either of them, institute
38 proceedings to revoke an institution's license or recommend that the
39 Administrator institute proceedings to revoke an agent's permit.

40 **Sec. 14.** NRS 394.553 is hereby amended to read as follows:

41 394.553 1. The Account for Student Indemnification is
42 hereby created in the State General Fund. The existence of the
43 Account does not create a right in any person to receive money from
44 the Account. The Administrator shall administer the Account in
45 accordance with regulations adopted by the Commission.



2. Except as otherwise limited by subsection 3, the money in the Account may be used to indemnify any student or enrollee who has suffered damage as a result of:

(a) The discontinuance of operation of a postsecondary educational institution licensed in this state; or

(b) The violation by such an institution of any provision of NRS 394.383 to 394.560, inclusive, *and section 9 of this act* or the regulations adopted pursuant thereto.

3. If a student or enrollee is entitled to indemnification from a surety bond pursuant to NRS 394.480, the bond must be used to indemnify the student or enrollee before any money in the Account may be used for indemnification.

4. In addition to the expenditures made for indemnification pursuant to subsection 2, the Administrator may use the money in the Account to pay extraordinary expenses incurred to investigate claims for indemnification or resulting from the discontinuance of the operation of a postsecondary educational institution licensed in this state. Money expended pursuant to this subsection must not exceed, for each institution for which indemnification is made, 15 percent of the total amount expended for indemnification pursuant to subsection 2 or \$10,000, whichever is less.

5. No expenditure may be made from the Account if the expenditure would cause the balance in the Account to fall below \$10,000.

6. Interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.

7. The money in the Account does not lapse to the State General Fund at the end of any fiscal year.

Sec. 15. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each university, state college and community college within the System shall provide to each applicant for admission to the college or university, as applicable, and, if the applicant is a minor, to the parent or guardian of the applicant, information about:

(a) The total annual cost of attending the college or university, including, without limitation, the cost of tuition, fees, books, materials and room and board;

(b) The approximate or, if known, the actual total amount of any financial aid that the applicant will receive from the college or university;

(c) The approximate or, if known, the actual total amount of indebtedness that the applicant will incur over a period of 4 years if all the costs described in paragraph (a) are paid with student



loans, and the monthly payment that will be required to pay that indebtedness; and

(d) Current interest rates and repayment plans for student loans that are available to students attending the college or university and the rate of default on student loans among students who have left the college or university during the immediately preceding 10 years.

2. Each university, state college and community college within the System shall create a link on its Internet website to the list of private lending institutions posted pursuant to section 4 of this act by the Director of the Department of Business and Industry.

Sec. 16. NRS 397.060 is hereby amended to read as follows:

397.060 The three Nevada State Commissioners, acting jointly:

1. Shall:

(a) 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

(b) Certify them to receiving institutions.

2. May enter into any reciprocity agreement, including, without limitation, the State Authorization Reciprocity Agreement, for the purpose of authorizing a postsecondary educational institution that is located in another state or territory of the United States to provide distance education to residents of this State if the requirements contained in the agreement for authorizing a postsecondary educational institution that is located in another state or territory of the United States to provide distance education to residents of this State are substantially similar to the requirements for licensure of a postsecondary educational institution by the Commission on Postsecondary Education pursuant to NRS 394.383 to 394.560, inclusive ~~H~~, and *section 9 of this act*. As used in this subsection, "postsecondary educational institution" has the meaning ascribed to it in NRS 394.099.

Sec. 17. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 18. NRS 385.102, 385.104, 385.106, 385.107 and 385.108 are hereby repealed.

Sec. 19. This act becomes effective:

1. Upon passage and approval for the purposes of adopting any regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of this act; and

2. On January 1, 2016, for all other purposes.



TEXT OF REPEALED SECTIONS

385.102 Higher Education Student Loan Program: “Institution of higher education” defined. As used in NRS 385.104, “institution of higher education” means an educational institution which:

1. Admits as regular students only persons having received a certificate of graduation from high school, or the recognized equivalent of such a certificate, or those approved by the Superintendent of Public Instruction for training at a vocational-technical level;

2. Is authorized to provide a program of education beyond high school;

3. Awards a bachelor’s degree or a 2-year degree or certificate of graduation or a certificate of completion of a program beyond high school;

4. Is an institution with full approval of the State of Nevada or the United States Department of Education; and

5. Has recognized accreditation.

385.104 Higher Education Student Loan Program: Establishment; use of money; policies and regulations of State Board.

1. The Higher Education Student Loan Program is hereby established.

2. Money available for the Higher Education Student Loan Program must be used to provide loans to further the educational goals of Nevada residents who are admitted to and attending institutions of higher education.

3. The State Board shall establish policies and may adopt regulations for the administration of the Higher Education Student Loan Program.

385.106 Higher Education Student Loan Program: Administration; powers of State Board.

1. The Superintendent of Public Instruction may administer the Higher Education Student Loan Program and may consult with any public officer or private person in the State who may have an interest in higher education or in the Program. The Superintendent of Public Instruction shall notify the State Board at least 30 days in advance if the Superintendent intends to stop administering the Program.



2. After receiving notice from the Superintendent of Public Instruction that he or she intends to stop administering the Program, but before the Superintendent actually stops administering it, the State Board, with the concurrence of the Governor, shall designate another public agency or private nonprofit organization to administer the Program in a manner which ensures continued access to the Program by postsecondary schools in this State, including all of the institutions of the Nevada System of Higher Education. The designation may authorize assumption of any reserves or liability accruing to an agency or organization engaged in administering the Program or the guarantee of student loans.

3. If the Superintendent of Public Instruction administers the Program, the State Board may:

(a) Negotiate and accept federal and other money appropriated and available to insure loans for student educational purposes under the Program.

(b) Negotiate and enter into such agreements with other agencies as it deems proper for the administration and conduct of the Program.

(c) Accept gifts, grants and contributions from any source that will facilitate and assist the higher education of Nevada residents.

385.107 Higher Education Student Loan Program: Higher Education Student Loan Fund. If the Superintendent of Public Instruction administers the Higher Education Student Loan Program:

1. The money available for the Program must be deposited in the State Treasury for credit to the Higher Education Student Loan Fund which is hereby created as a special revenue fund.

2. Each expenditure from this Fund must be paid as other claims against the State are paid.

385.108 Higher Education Student Loan Program: Withdrawals; records. If the Superintendent of Public Instruction administers the Higher Education Student Loan Program, the Superintendent shall:

1. Certify to the State Controller all withdrawals for purposes of the Program. The State Controller shall then issue a warrant to the State Treasurer in the amount of the certification. The State Treasurer shall disburse that amount in accordance with the warrant.

2. Use the money received for the Higher Education Student Loan Program for that Program.

3. Establish and maintain such records for the Program as are required by good accounting practices.

