

SENATE BILL NO. 76—COMMITTEE ON EDUCATION

(ON BEHALF OF THE NEVADA SYSTEM
OF HIGHER EDUCATION)

PREFILED DECEMBER 20, 2014

Referred to Committee on Education

SUMMARY—Revises provisions governing the Western Interstate Commission for Higher Education. (BDR 34-320)

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 higher education; updating the Western Regional Higher Education Compact; authorizing the Nevada State Commissioners to adopt regulations to carry out the provisions of the Compact and to delegate certain functions; amending the requirements for allocation and forgiveness of stipends provided by the Nevada Office of the Western Interstate Commission for Higher Education; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the participation of the State of Nevada in the Western Interstate Commission for Higher Education. (Chapter 397 of NRS) Under the terms of the Western Regional Higher Education Compact, Nevada residents may participate in programs that provide financial support to assist them in attending colleges and universities located within the 16 states and territories that are signatories to the Compact.

Sections 1 and 2 of this bill update the Compact to include states and territories that have been added to the Compact after 1969. **Section 3** of this bill authorizes the three Nevada State Commissioners to: (1) adopt regulations to carry out the provisions of chapter 397 of NRS; and (2) delegate authority to carry out the provisions of chapter 397 of NRS. **Section 5** of this bill authorizes the Commissioners to choose and certify applicants for certain programs administered by the Nevada and regional offices of the Commission.

Existing law authorizes the three Nevada State Commissioners to require a person to practice in a medically underserved area to qualify to receive support fees, and allow such a person to qualify for loan forgiveness under certain circumstances. (NRS 397.0617) **Section 7** of this bill allows participants seeking



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education and training in certain medical professions to qualify for loan forgiveness if their practice after graduation serves certain medically underserved "populations" as well as medically underserved "areas" within the State. **Section 7** also modifies and caps the permissible amount of loan forgiveness. **Sections 4 and 6-18** of this bill make conforming changes within chapter 397 of NRS.

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

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

As used in this chapter, "state" means a state, territory or possession of the United States, the District of Columbia or the Commonwealth of the Northern Mariana Islands.

Sec. 2. NRS 397.020 is hereby amended to read as follows:
397.020 The form and contents of such Compact shall be substantially as provided in this section and the effect of its provisions shall be interpreted and administered in conformity with the provisions of this chapter:

Western Regional Higher Education Compact

The contracting states do hereby agree as follows:

ARTICLE 1

WHEREAS, The future of this Nation and of the Western States is dependent upon the quality of the education of its youth; and

WHEREAS, Many of the Western States individually do not have sufficient numbers of potential students to warrant the establishment and maintenance within their borders of adequate facilities in all of the essential fields of technical, professional, and graduate training, nor do all the states have the financial ability to furnish within their borders institutions capable of providing acceptable standards of training in all of the fields mentioned above; and

WHEREAS, It is believed that the Western States, or groups of such states within the region, cooperatively can provide acceptable and efficient educational facilities to meet the needs of the region and of the students thereof;

Now, therefore, the States of Alaska, Arizona, California, Colorado, *Hawaii*, Idaho, Montana, Nevada, New Mexico, *North Dakota*, Oregon, *South Dakota*, Utah, Washington ~~[H]~~ and Wyoming, and ~~[Hawaii]~~ *the Commonwealth of the Northern Mariana Islands* do hereby covenant and agree as follows:



ARTICLE 2

Each of the compacting states pledges to each of the other compacting states faithful cooperation in carrying out all the purposes of this compact.

ARTICLE 3

The compacting states hereby create the Western Interstate Commission for Higher Education, hereinafter called the commission. Said commission shall be a body corporate of each compacting state and an agency thereof. The commission shall have all the powers and duties set forth herein, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states.

ARTICLE 4

The commission shall consist of three resident members from each compacting state. At all times one commissioner from each compacting state shall be an educator engaged in the field of higher education in the state from which the commissioner is appointed.

The commissioners from each state shall be appointed by the governor thereof as provided by law in such state. Any commissioner may be removed or suspended from office as provided by the law of the state from which the commissioner shall have been appointed.

The terms of each commissioner shall be four years; provided, however, that the first three commissioners shall be appointed as follows: one for two years, one for three years, and one for four years. Each commissioner shall hold office until his or her successor shall be appointed and qualified. If any office becomes vacant for any reason, the governor shall appoint a commissioner to fill the office for the remainder of the unexpired term.

ARTICLE 5

Any business transacted at any meeting of the commission must be by affirmative vote of a majority of the whole number of compacting states.

One or more commissioners from a majority of the compacting states shall constitute a quorum for the transaction of business.

Each compacting state represented at any meeting of the commission is entitled to one vote.



ARTICLE 6

The commission shall elect from its number a chair and a vice chair, and may appoint, and at its pleasure dismiss or remove, such officers, agents, and employees as may be required to carry out the purpose of this compact; and shall fix and determine their duties, qualifications and compensation, having due regard for the importance of the responsibilities involved.

The commissioners shall serve without compensation, but shall be reimbursed for their actual and necessary expenses from the funds of the commission.

ARTICLE 7

The commission shall adopt a seal and bylaws and shall adopt and promulgate rules and regulations for its management and control.

The commission may elect such committees as it deems necessary for the carrying out of its functions.

The commission shall establish and maintain an office within one of the compacting states for the transaction of its business and may meet at any time, but in any event must meet at least once a year. The chair may call such additional meetings and upon the request of a majority of the commissioners of three or more compacting states shall call additional meetings.

The commission shall submit a budget to the governor of each compacting state at such time and for such period as may be required.

The commission shall, after negotiations with interested institutions, determine the cost of providing the facilities for graduate and professional education for use in its contractual agreements throughout the region.

On or before the fifteenth day of January of each year, the commission shall submit to the governors and legislatures of the compacting states a report of its activities for the preceding calendar year.

The commission shall keep accurate books of account, showing in full its receipts and disbursements, and said books of account shall be open at any reasonable time for inspection by the governor of any compacting state or the designated representative of the governor. The commission shall not be subject to the audit and accounting procedure of any of the compacting states. The commission shall provide for an independent annual audit.



ARTICLE 8

It shall be the duty of the commission to enter into such contractual agreements with any institutions in the region offering graduate or professional education and with any of the compacting states as may be required in the judgment of the commission to provide adequate services and facilities of graduate and professional education for the citizens of the respective compacting states. The commission shall first endeavor to provide adequate services and facilities in the fields of dentistry, medicine, public health, and veterinary medicine, and may undertake similar activities in other professional and graduate fields.

For this purpose the commission may enter into contractual agreements:

(a) With the governing authority of any educational institution in the region, or with any compacting state, to provide such graduate or professional educational services upon terms and conditions to be agreed upon between contracting parties, and

(b) With the governing authority of any educational institution in the region or with any compacting state to assist in the placement of graduate or professional students in educational institutions in the region providing the desired services and facilities, upon such terms and conditions as the commission may prescribe.

It shall be the duty of the commission to undertake studies of needs for professional and graduate educational facilities in the region, the resources for meeting such needs, and the long-range effects of the compact on higher education; and from time to time to prepare comprehensive reports on such research for presentation to the Western Governors' Conference and to the legislatures of the compacting states. In conducting such studies, the commission may confer with any national or regional planning body which may be established. The commission shall draft and recommend to the governors of the various compacting states, uniform legislation dealing with problems of higher education in the region.

For the purposes of this compact the word "region" shall be construed to mean the geographical limits of the several compacting states.

ARTICLE 9

The operating costs of the commission shall be apportioned equally among the compacting states.



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ARTICLE 10

This compact shall become operative and binding immediately as to those states adopting it whenever five or more of the states of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, Alaska, and Hawaii have duly adopted it prior to July 1, 1953. This compact shall become effective as to any additional states or territory adopting thereafter at the time of such adoption.

ARTICLE 11

This compact may be terminated at any time by consent of a majority of the compacting states. Consent shall be manifested by passage and signature in the usual manner of legislation expressing such consent by the legislature and governor of such terminating state. Any state may at any time withdraw from this compact by means of appropriate legislation to that end. Such withdrawal shall not become effective until two years after written notice thereof by the governor of the withdrawing state accompanied by a certified copy of the requisite legislative action is received by the commission. Such withdrawal shall not relieve the withdrawing state from its obligations hereunder accruing prior to the effective date of withdrawal. The withdrawing state may rescind its action of withdrawal at any time within the two-year period. Thereafter, the withdrawing state may be reinstated by application to and the approval by a majority vote of the commission.

ARTICLE 12

If any compacting state shall at any time default in the performance of any of its obligations assumed or imposed in accordance with the provisions of this compact, all rights, privileges and benefits conferred by this compact or agreements hereunder, shall be suspended from the effective date of such default as fixed by the commission.

Unless such default shall be remedied within a period of two years following the effective date of such default, this compact may be terminated with respect to such defaulting state by affirmative vote of three-fourths of the other member states.

Any such defaulting state may be reinstated by: (a) performing all acts and obligations upon which it has heretofore defaulted, and (b) application to and the approval by a majority vote of the commission.



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1 **Sec. 3.** NRS 397.030 is hereby amended to read as follows:

2 397.030 1. In furtherance of the provisions contained in the
3 Compact, there must be three Commissioners from the State of
4 Nevada, appointed by the Governor.

5 2. The qualifications and terms of the three Nevada State
6 Commissioners must be in accordance with Article 4 of the
7 Compact. A Nevada State Commissioner shall hold office until his
8 or her successor is appointed and qualified, but the successor's term
9 expires 4 years after the legal date of expiration of the term of his or
10 her predecessor.

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

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

16 **5. *The three Nevada State Commissioners, acting jointly,***
17 ***may:***

18 ***(a) Adopt regulations as necessary to carry out the provisions***
19 ***of this chapter; and***

20 ***(b) Delegate to an officer or employee of the Nevada Office of***
21 ***the Western Interstate Commission for Higher Education the***
22 ***authority to undertake any actions authorized or required by the***
23 ***provisions of this chapter.***

24 **Sec. 4.** NRS 397.0557 is hereby amended to read as follows:

25 397.0557 The Western Interstate Commission for Higher
26 Education may apply for and accept grants. Upon receipt of
27 sufficient grants, the Commission , ***or the three Nevada State***
28 ***Commissioners, acting jointly,*** may enter into binding agreements
29 to purchase additional contract places for Nevada residents in
30 graduate or professional schools within the region. The provisions
31 of NRS 397.060 apply to the selection and certification of ~~students~~
32 ***applicants*** to fill any contract place purchased pursuant to this
33 section. The provisions of NRS 397.0615, 397.0645 and 397.0653
34 do not apply to financial support provided to a ~~student~~ ***participant***
35 pursuant to this section. The terms and conditions of repayment, if
36 any, must be set forth fully in a contract between the ~~student~~
37 ***participant*** and the grantor.

38 **Sec. 5.** NRS 397.060 is hereby amended to read as follows:

39 397.060 The three Nevada State Commissioners, acting jointly:

40 1. Shall:

41 (a) Choose from among Nevada residents who apply ~~for~~ ***for a***
42 ***program administered by the Nevada Office of the Western***
43 ***Interstate Commission for Higher Education,*** and have at least 1
44 year's residence in this state immediately before applying for the
45 program, those most qualified for contract places; and



(b) Certify them to receiving institutions ~~[]~~ *or locations at which an applicant will practice his or her profession.*

2. *Shall choose from among the applicants, for a program administered by the Nevada Office of the Western Interstate Commission for Higher Education, who apply for a support fee of 100 percent stipend for practice in certain professions and locations, and who lack at least 1 year of residence in this State immediately before applying for the program, those most qualified for contract places.*

3. *Shall review and certify the list of Nevada applicants for programs administered by the Regional Office of the Western Interstate Commission for Higher Education, which list is prepared by the Regional Office.*

4. 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. As used in this subsection, "postsecondary educational institution" has the meaning ascribed to it in NRS 394.099.

Sec. 6. NRS 397.0615 is hereby amended to read as follows:

397.0615 Financial support provided to ~~[a—student]~~ *an applicant* who is chosen by the three Nevada State Commissioners 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]~~ *recipient* 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]~~ *recipient* is not required to repay, except as otherwise provided in NRS 397.0653.

Sec. 7. 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]~~ *participant* on or after July 1, 1997.

2. The three Nevada State Commissioners, acting jointly, may require a ~~[student]~~ *participant* who is certified ~~[to study]~~ to practice in a profession which could benefit a medically underserved area *or population* of this State, as ~~[that term is]~~ *those terms are* defined by



1 the ~~[Officer of Rural Health]~~ *Office of Statewide Initiatives* of the
2 University of Nevada School of Medicine, to practice in such an
3 area *or with such a population*, or to practice in an area designated
4 by the Secretary of Health and Human Services:

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

7 (b) Pursuant to 42 U.S.C. § 254e, as a health professional
8 shortage area,

9 ➔ as a condition to receiving a support fee.

10 3. ~~[If a person]~~ *The three Nevada State Commissioners,*
11 *acting jointly, may forgive the portion of the support fee*
12 *designated as the stipend of a participant if that participant* agrees
13 to practice in a medically underserved area *or with a medically*
14 *underserved population* of this State pursuant to subsection 2 for ~~[at~~
15 ~~least 2 years, the three Nevada State Commissioners, acting jointly,~~
16 ~~may forgive the portion of the support fee designated as the loan of~~
17 ~~the person.]~~ *a period of time equal to the lesser of:*

18 (a) *One year for each year the participant receives a support*
19 *fee; or*

20 (b) *One year for each 9 months the participant receives a*
21 *support fee and is enrolled in an accelerated program that*
22 *provides more than 1 academic year of graduate and professional*
23 *education in 9 months,*

24 ➔ *but in no case for a period of time more than 2 years.*

25 4. *For a participant to qualify for forgiveness pursuant to*
26 *subsection 3, the participant must complete the relevant practice*
27 *within 5 years after the completion or termination of the*
28 *participant's education, internship or residency for which the*
29 *participant received the support fee.*

30 5. If a ~~[person]~~ *participant* returns to *or remains in* this State
31 but does not practice in a medically underserved area *or with a*
32 *medically underserved population* of this State pursuant to
33 ~~[subsection 2 for at least 2 years.]~~ *subsections 2, 3 and 4,* the three
34 Nevada State Commissioners, acting jointly, shall ~~[assess]~~ :

35 (a) *Assess* a default charge in an amount not less than three
36 times ~~[the portion of]~~ the support ~~[fee designated as the loan of the~~
37 ~~person.]~~ *fees,* plus interest ~~[;]~~ ; and

38 (b) *Convert the portion of the support fee designated as the*
39 *stipend into a loan to be repaid in accordance with NRS 397.064*
40 *from the first day of the term for which the participant received*
41 *the support fee.*

42 ~~[5.]~~ 6. As used in this section, a “profession which could
43 benefit a medically underserved area *or population* of this State”
44 includes, without limitation, dentistry, physical therapy, pharmacy



1 and practicing as a physician assistant licensed pursuant to chapter
2 630 or 633 of NRS.

3 **Sec. 8.** NRS 397.062 is hereby amended to read as follows:

4 397.062 1. There is hereby created an account in the State
5 General Fund entitled the Western Interstate Commission for Higher
6 Education's Account for ~~[Miscellaneous]~~ *Administrative* Expenses.
7 Any money received by the three Nevada State Commissioners as
8 the proceeds of any penalty or appropriated or authorized *from the*
9 *State General Fund* for the purposes of ~~[this section]~~ *carrying out*
10 *the provisions of this chapter* must be deposited in this Account.

11 2. The three Nevada State Commissioners, acting jointly, shall
12 administer the Account and the money in the Account must be used
13 to:

14 (a) Pay miscellaneous expenses incurred in administering the
15 Western Interstate Commission for Higher Education's *Loan and*
16 *Stipend* Fund ; ~~[for Student Loans;]~~ and

17 (b) Pay expenses incurred in collecting money due the State
18 from a ~~[student]~~ loan or a stipend granted from the Western
19 Interstate Commission for Higher Education's *Loan and Stipend*
20 Fund . ~~[for Student Loans.]~~

21 3. *The money in the Account may be used by the three*
22 *Nevada State Commissioners, acting jointly, to:*

23 (a) *Pay dues to the Western Interstate Commission for Higher*
24 *Education; and*

25 (b) *Pay administrative expenses of the Nevada Office of the*
26 *Western Interstate Commission for Higher Education.*

27 **Sec. 9.** NRS 397.063 is hereby amended to read as follows:

28 397.063 1. All contributions from ~~[students]~~ *participants*
29 must be accounted for in the Western Interstate Commission for
30 Higher Education's *Loan and Stipend* Fund ~~[for Student Loans]~~
31 which is hereby created as an enterprise fund.

32 2. The three Nevada State Commissioners, acting jointly, shall
33 administer the Fund, and the money in the Fund must be used solely
34 to provide:

35 (a) Loans to; and

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

38 ↪ residents of Nevada who are certified to attend graduate or
39 professional schools in accordance with the provisions of ~~[the~~
40 ~~Western Regional Higher Education Compact.]~~ *this chapter.*

41 3. Loans from the Western Interstate Commission for Higher
42 Education's *Loan and Stipend* Fund ~~[for Student Loans.]~~ before
43 July 1, 1985, and loans made to students classified as continuing
44 students before July 1, 1985, must be made upon the following
45 terms:



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

(b) Each ~~{student}~~ *participant* receiving a loan must repay the loan with interest following the termination of the ~~{student's}~~ *participant's* education or completion of the ~~{student's}~~ *participant's* 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}~~ *participant's* loan may exceed 50 percent of the student fees for any academic year.

Sec. 10. NRS 397.064 is hereby amended to read as follows:

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

1. All loans must bear a competitive interest rate, which must be established by the three Nevada State Commissioners, acting jointly, from the first day of the ~~{academic}~~ term for which the ~~{student}~~ *participant* received the loan. The three Nevada State Commissioners, acting jointly, may delegate to the Director of the *Nevada Office of the* Western Interstate Commission for Higher Education the authority to establish the interest rate pursuant to this section.

2. Except as otherwise provided in NRS 397.0617, each ~~{student}~~ *participant* receiving a loan must repay the loan with interest following the termination of the ~~{student's}~~ *participant's* education or completion of the ~~{student's}~~ *participant's* 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 the ~~{student's}~~ *participant's* education or the completion of the ~~{student's}~~ *participant's* 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, acting jointly, shall, or shall delegate to the Director of the *Nevada Office 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}~~ *participant's* 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 an amount that must be established by the three Nevada State Commissioners, acting jointly. The Nevada State Commissioners, acting jointly, may delegate to the Director of the *Nevada Office of the* Western Interstate Commission for Higher Education the authority to establish an appropriate delinquency charge pursuant to this subsection.

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

Sec. 11. NRS 397.0645 is hereby amended to read as follows:

397.0645 1. A ~~{student}~~ *participant* 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 the ~~{student}~~ *participant* practices, in Nevada, the profession *in* which ~~{he or she}~~ *the participant* was certified : ~~{to study:}~~

(a) For 3 years, if the ~~{student}~~ *participant* entered the program before July 1, 1985;

(b) For 1 year for each ~~{academic}~~ year the ~~{student}~~ *participant* receives a stipend, if ~~{he or she}~~ *the participant* enters the program after June 30, 1985; or

(c) For 1 year for each 9 months the ~~{student}~~ *participant* receives a stipend, if ~~{he or she}~~ *the participant* 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 the ~~{student's}~~ *participant's* education, internship or residency for which ~~{he or she}~~ *the participant* receives the stipend.

2. The three Nevada State Commissioners, acting jointly, may adopt regulations which:

(a) Reduce the period of required practice for a ~~{person}~~ *participant* who practices his or her profession in a rural *or medically underserved* area of this state , *or with a medically underserved population as described in NRS 397.0617*, or as an employee of this state ~~{}~~ *in accordance with NRS 397.0685*.

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



3. If the period for the required practice is only partially completed, the ~~Commission~~ *three Nevada State Commissioners, acting jointly*, may give credit towards repayment of the stipend for the time the ~~person~~ *participant* practiced his or her profession as required.

Sec. 12. NRS 397.065 is hereby amended to read as follows:

397.065 1. The provisions of this section apply only to stipends received by a ~~student~~ *participant* before July 1, 1995.

2. Each ~~student~~ *participant* entering the Western Regional Higher Education Compact program after April 23, 1977, must repay all state contributions for stipends which the ~~student~~ *participant* receives from the Western Interstate Commission for Higher Education unless the ~~student~~ *participant* practices, in Nevada, for the period determined pursuant to NRS 397.0645, the profession *in* which ~~he or she~~ *the participant* was certified . ~~to study.~~

3. Stipends granted before July 1, 1985, and stipends granted to ~~students~~ *participants* classified as continuing students before July 1, 1985, must be repaid within the same period established for the repayment of loans in NRS 397.063. Stipends granted before July 1, 1985, and stipends granted to ~~students~~ *participants* classified as continuing students before July 1, 1985, do not bear interest.

4. Stipends granted to ~~students~~ *participants* entering the program on or after July 1, 1985, must be repaid in the same manner, within the same period and at the same rate of interest established for the repayment of loans in NRS 397.064.

Sec. 13. NRS 397.0653 is hereby amended to read as follows:

397.0653 1. The provisions of this section apply only to stipends received by a ~~student~~ *participant* on or after July 1, 1995.

2. Each ~~student~~ *participant* must repay all stipends which the ~~student~~ *participant* receives from the Western Interstate Commission for Higher Education unless the ~~student~~ *participant*:

(a) Practices, in Nevada, for the period determined pursuant to NRS 397.0645, the profession *in* which he or she was certified . ~~to study.~~

(b) Reports ~~this or her~~ *the participant's* practice status annually on forms provided by the Commission.

(c) Except as otherwise approved by the Commission, commences ~~this or her~~ *the participant's* practice obligation within 1 year after completion or termination of the education, internship or residency for which the ~~student~~ *participant* received the stipend.

(d) Maintains ~~this or her~~ *the participant's* permanent residence in the State of Nevada throughout the period of ~~this or her~~ *the participant's* practice obligation. For the purposes of this section, a



1 ~~{person}~~ *participant* who leaves the State for a limited period of
2 time without forming the intent of changing ~~{his-or-her}~~ *the*
3 *participant's* permanent residence is not considered to have moved
4 ~~{his-or-her}~~ *the participant's* residence.

5 (e) Graduates with a degree in the area of study for which the
6 ~~{student}~~ *participant* received the stipend.

7 (f) Completes ~~{his-or-her}~~ *the participant's* practice obligation
8 within the period specified in NRS 397.0645.

9 3. A stipend that must be repaid in accordance with this section
10 must be repaid under the following terms:

11 (a) All stipends must bear interest at 8 percent per annum from
12 the first day of the academic term for which the ~~{student}~~
13 *participant* received the support fee.

14 (b) The balance due must be repaid in monthly installments
15 within the following periods:

16 (1) Five years for stipends which total, including interest,
17 less than \$10,000.

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

20 (3) Ten years for stipends which total, including interest,
21 \$20,000 or more.

22 **Sec. 14.** NRS 397.066 is hereby amended to read as follows:

23 397.066 The three Nevada State Commissioners, acting jointly,
24 may require:

25 1. A ~~{student}~~ *recipient* to acquire, as security for a stipend or
26 ~~{student}~~ loan, insurance on the ~~{student's}~~ *recipient's* life and on
27 the ~~{student's}~~ *recipient's* health or against ~~{his-or-her}~~ *the*
28 *recipient's* disability, or both.

29 2. That a financially responsible person agree to be jointly
30 liable with the recipient for the repayment of the ~~{loan-or}~~ stipend ~~{-}~~
31 *or loan*.

32 **Sec. 15.** NRS 397.067 is hereby amended to read as follows:

33 397.067 The three Nevada State Commissioners, acting jointly,
34 may, or may delegate to the Director of the *Nevada Office of the*
35 Western Interstate Commission for Higher Education the power to,
36 require, upon notice to a recipient of a loan, that the recipient repay
37 the balance and any unpaid interest on the loan at once if:

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

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

41 (a) A change of name or of the address of the recipient's home
42 or place of practice; or

43 (b) The termination of the recipient's education *or practice* or
44 completion of ~~{his-or-her}~~ *the recipient's* internship for which ~~{he-or-}~~
45 ~~{she}~~ *the recipient* receives the loan; or



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

Sec. 16. 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. If the recipient fails so to comply, the three Nevada State Commissioners, acting jointly, may:

1. For each infraction, impose a fine of not more than \$200 against any recipient in any academic ~~{year,}~~ *or practicing year*, and may deny additional money to any ~~{student}~~ *participant* 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-or-her}~~ *the recipient's* profession to repay ~~{his-or-her}~~ *the recipient's* stipend; and

4. Expel the recipient from the program.

Sec. 17. NRS 397.0685 is hereby amended to read as follows:

397.0685 1. The three Nevada State Commissioners, 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-or-her}~~ *the applicant's* profession in this state, and practices ~~{his-or-her}~~ *the applicant's* profession in a rural *or medically underserved* area *or with a medically underserved population* 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-or-her}~~ *the applicant's* professional practice, and not less than 20 hours per week.

(b) Practices ~~{his-or-her}~~ *the applicant's* 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-or-her}~~ *the applicant's* application.

2. Any claim as to practice must be verified.

Sec. 18. NRS 397.0695 is hereby amended to read as follows:

397.0695 A ~~{person}~~ *participant* obligated to repay a ~~{student}~~ loan may, as determined by the three Nevada State Commissioners, 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. 19. NRS 353.357 is hereby amended to read as follows:

353.357 1. If the three Nevada State Commissioners on the Western Interstate Commission for Higher Education, acting jointly,



1 determine that current claims against the Western Interstate
2 Commission for Higher Education's *Loan and Stipend* Fund ~~for~~
3 ~~Student Loans~~ created pursuant to NRS 397.063 exceed the amount
4 of money available in the Fund to pay the claims because of a delay
5 in the receipt of revenue due the Fund, the three Nevada State
6 Commissioners may request from the Director of the Department of
7 Administration a temporary advance from the State General Fund to
8 the Western Interstate Commission for Higher Education's *Loan*
9 *and Stipend* Fund ~~for Student Loans~~ for the payment of authorized
10 expenses.

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

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

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

26 **Sec. 20.** The amendatory provisions of sections 8, 9, 10 and 19
27 of this act amend, respectively, NRS 397.062, 397.063, 397.064 and
28 353.357 and, in part, change the name of the Western Interstate
29 Commission for Higher Education's Fund for Student Loans to the
30 Western Interstate Commission for Higher Education's *Loan and*
31 *Stipend* Fund. Such change to the name of the Fund does not alter
32 any duty or obligation under those sections, or with regard to the
33 Fund, that is in existence on or before July 1, 2015.

34 **Sec. 21.** This act becomes effective on July 1, 2015.

