

**PROPOSED REGULATION OF THE NEVADA STATE**  
**COMMISSIONERS OF THE WESTERN INTERSTATE**  
**COMMISSION FOR HIGHER EDUCATION**

**LCB File No. R188-22**

August 10, 2023

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

AUTHORITY: §§ 1-6, 11, 12 and 18, NRS 397.020, 397.030 and 397.040; § 7, NRS 397.020, 397.030, 397.040 and 397.060; §§ 8 and 10, NRS 397.020, 397.030, 397.040, 397.064 and 397.0645; §§ 9 and 15-17, NRS 397.020, 397.030, 397.040 and 397.0645; § 13, NRS 397.020, 397.030, 397.040, 397.0645 and 397.0685; § 14, NRS 397.020, 397.030, 397.040, 397.0645 and 397.069.

A REGULATION relating to the Western Interstate Commission for Higher Education; defining certain terms relating to the Commission and the Western Regional Education Compact; establishing requirements to participate in certain programs; establishing a default charge for noncompliance with certain requirements relating to a stipend; providing the manner in which to apply for a reduction of certain amounts owed; providing the manner in which to appeal the imposition of a fine or expulsion from certain programs; revising provisions governing the period of required practice for certain programs; establishing provisions for the repayment of certain loans; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes the execution of the Western Regional Education Compact for the purpose of this State cooperating with certain other western states in the formation of the Western Interstate Commission for Higher Education. (NRS 397.010) Under the terms of the Compact, residents of this State may participate in programs that provide financial support to assist them in attending colleges and universities located within the states and territories that are signatories to the Compact. (NRS 397.020) The Compact: (1) creates the Commission, which consists of three Commissioners from each state or territory that is a signatory to the Compact; and (2) requires the Commission to establish and maintain an office within one of the compacting states. (NRS 397.020) Existing law: (1) creates the Nevada Office of the Commission (the "Nevada Office"), which consists of the three Commissioners from this State and a Director; and (2) requires the three Commissioners from this State to appoint the Director of the Nevada Office. (NRS 397.030) Existing law requires a participant who receives a stipend, or a stipend which is converted to a loan pursuant to the Compact and existing law, to repay the stipend or loan, unless the participant meets certain requirements, including, without limitation,

to practice the profession for which the degree, certificate or similar credential was awarded for a certain period of time in this State. (NRS 397.0645, as amended by section 1 of Senate Bill No. 342, chapter 445, Statutes of Nevada 2021, at page 2730) Existing law requires the three Commissioners from this State to adopt regulations governing: (1) the repayment of loans, including, without limitation, the period allowed for repayment and the minimum amount that may be repaid in installment; (2) the reduction of the period of required practice in the profession for which the degree, certificate or similar credential was awarded to a participant; and (3) authorized exemptions or extensions from the required practice obligation. (NRS 397.064, 397.0685, 397.069) Existing law also authorizes the three Commissioners from this State to adopt other regulations as necessary to effectuate the purposes of the Compact. (NRS 397.030) Existing law authorizes the three Commissioners from this State to take disciplinary action against a participant who fails to comply with the existing law and regulations, including, without limitation, by imposing fines or expulsion from the program for which the participant received a stipend. (NRS 397.068)

**Sections 3-6, 11 and 12** of this regulation define and interpret certain terms relating to the Compact and enforcement of the related provisions of existing law and regulations. **Section 2** of this regulation makes a conforming change to indicate the proper placement of **sections 3-6** in the Nevada Administrative Code. **Section 7** of this regulation establishes certain criteria which a participant must meet to participate in a program administered by the Nevada Office. **Section 8** of this regulation establishes a 10 percent default charge to be assessed against a participant who fails to comply with certain requirements and the stipend of the participant is consequently converted to a loan which must be repaid. **Section 9** of this regulation authorizes a participant to apply for a reduction of the amount owed if the participant has partially completed the required period of practice in a rural area of this State or as an employee of this State. **Section 10** of this regulation prescribes the process by which a participant may appeal the imposition of a fine or expulsion from a program.

Existing regulations authorize a participant to apply for: (1) a reduction of the period of required practice; (2) an extension of the period for completing the required practice; (3) an extension of the period for the repayment of a loan or stipend; and (4) a reduction of the principal balance of a loan or stipend because of hardship. (NAC 397.020, 397.030, 397.050, 397.060) **Sections 13-16** of this regulation revise the process for such applications by adding requirements for a participant to include supporting documentation with any such application. **Section 13** also adds a requirement that a reduction of the period of required practice may be granted for good cause. **Sections 14 and 15** of this regulation remove the requirement that each extension of the period to complete a period of required practice or repay a loan or stipend must be not longer than 2 years, thus authorizing the Commissioners from this State to grant longer extensions. **Section 17** of this regulation requires the Commissioners from this State to establish the interest rate and certain other terms for the repayment of a stipend that is converted to a loan. **Section 18** of this regulation repeals provisions governing the period of time required to complete required practice for a participant who agrees to practice in a medically underserved area of this State, thus making such a participant subject to existing law and regulations which govern all participants.

**Section 1.** Chapter 397 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this regulation.

*Sec. 2. As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 397.010 and sections 3 to 6, inclusive, of this regulation have the meanings ascribed to them in those sections.*

*Sec. 3. "Director" means the Director of the Nevada Office appointed by the Commission pursuant to NRS 397.030.*

*Sec. 4. "Essential field" means an occupation defined as an essential field by the Commission pursuant to the Compact.*

*Sec. 5. "Stipend" means the financial support that is provided to a participant pursuant to NRS 397.0615.*

*Sec. 6. "Rural area" has the meaning ascribed to it in 42 U.S.C. § 1490.*

*Sec. 7. To be eligible for participation in a program administered by the Nevada Office, an applicant must:*

- 1. Have resided in this State for not less than 1 year before applying for the program;*
- 2. Be admitted to or enrolled in a regionally accredited program that prepares a participant to work in an essential field in this State;*
- 3. Have the intent to practice in an essential field in this State; and*
- 4. Submit to the Nevada Office any documentation deemed necessary by the Nevada Office to determine, by clear and convincing evidence, that the applicant satisfies the requirements of subsections 1, 2 and 3.*

*Sec. 8. If a participant does not meet the requirements prescribed by NRS 397.0645, as amended by section 1 of Senate Bill No. 342, chapter 445, Statutes of Nevada 2021, at page 2730, the Commission shall:*

*1. Convert the stipend into a loan pursuant to NRS 397.0645 to be repaid in accordance with NRS 397.064; and*

*2. Assess a default charge which is equal to 10 percent of the total amount of the stipend.*

**Sec. 9.** *1. To apply for a decrease of the amount owed under a stipend that is converted to a loan pursuant to NRS 397.0645 due to partial completion of the required practice, a participant must submit a petition to the Commission in writing after having practiced for not less than 1 year in the profession for which the participant was awarded the degree, certificate or similar credential. The petition must contain the reasons and any supporting documentation for requesting the reduction.*

*2. The practice must have been:*

*(a) In a rural area of this State with at least one-half of the overall practice time of the participant having been in the rural area; or*

*(b) As a full-time employee of this State who has been continuously employed by this State for not less than 1 year.*

*3. If the Commission grants a petition pursuant to this section, the Commission will reduce the amount owed in proportion to the amount of required practice which has been completed.*

*4. If the Commission denies a petition pursuant to this section, the petitioner may appeal to the Commission by submitting a request for an appeal in writing not later than 10 days after his or her receipt of the notice of denial.*

**Sec. 10.** *1. To apply for a reduction of any fine or fines imposed pursuant to NRS 397.068, a participant must submit a petition to the Commission in writing, which must contain the reasons and any supporting documentation for requesting the reduction.*

2. *To appeal an expulsion from a program pursuant to NRS 397.068, a participant must submit a petition to the Commission in writing, which must contain the reasons and any supporting documentation for the appeal.*

Sec. 11. NAC 397.010 is hereby amended to read as follows:

397.010 ~~As used in this chapter, unless the context otherwise requires, “commissioners”~~  
“*Commission*” means the *Commission consisting of* three persons appointed *by the Governor pursuant to NRS 397.030* to represent Nevada on the Western Interstate Commission for Higher Education ~~acting jointly~~ *and to govern the Nevada Office.*

Sec. 12. NAC 397.018 is hereby amended to read as follows:

397.018 For the purposes of NRS 397.060, “residence” means the physical presence of a ~~person~~ *participant* within this State. If a ~~person~~ *participant* leaves this State with the intention in good faith to return without delay and continue his or her residence, the time of such absence is not considered in determining the fact of residence.

Sec. 13. NAC 397.020 is hereby amended to read as follows:

397.020 1. To apply for a reduction of the period of required practice ~~as authorized~~  
*prescribed* by ~~paragraph (a) of subsection 2 of~~ NRS 397.0645, *as amended by section 1 of Senate Bill No. 342, chapter 445, Statutes of Nevada 2021, at page 2730*, a ~~person~~ *participant* must submit a petition to the ~~commissioners~~ *Commission* in writing after having practiced continuously for not less than 1 year *in* the profession *for* which the ~~person~~ *participant* was ~~certified to study~~ *awarded the degree, certificate or similar credential*. The petition must contain the reasons *and any supporting documentation* for requesting the reduction.

2. The practice must have been:

(a) In a rural area of this State, with at least one-half of the ~~{person's}~~ overall practice time *of the participant* having been spent in the rural area; or

(b) As a full-time employee of this State ~~{}~~ *who has been continuously employed by this State for not less than 1 year.*

3. *The Commission may grant a reduction of the period of required practice for good cause, including, without limitation, for:*

*(a) Military service;*

*(b) Service in the Peace Corps or the AmeriCorps VISTA program;*

*(c) Participation in the National Health Service Corps Scholarship Program;*

*(d) Continuation of education in the field of study or specialization of the petitioner;*

*(e) Interruption of study due to financial hardship;*

*(f) Illness;*

*(g) Failure to fulfill any professional licensing requirement; or*

*(h) Any other circumstance deemed appropriate by the Commission.*

4. If the ~~{commissioners grant}~~ *Commission grants* a petition submitted pursuant to this section, the ~~{commissioners}~~ *Commission* will reduce the period of required practice by not more than 1 year.

~~{4.}~~ 5. If the ~~{commissioners deny}~~ *Commission denies* a petition submitted pursuant to this section, the petitioner may appeal to the ~~{commissioners}~~ *Commission* by submitting a request for an appeal in writing not later than 10 days after his or her receipt of the notice of denial.

~~{5. As used in this section, "rural area" means any part of this State which is 50 miles or more from the corporate boundaries of the cities of Carson City, Reno or Las Vegas.}~~

**Sec. 14.** NAC 397.030 is hereby amended to read as follows:

397.030 1. To apply for an extension of the period for completing the required practice beyond 5 years as ~~authorized~~ *prescribed* by ~~paragraph (b) of subsection 2 of~~ NRS 397.0645, a ~~person~~ *participant* must submit a petition to the ~~commissioners~~ *Commission* in writing before the period for completion has expired. The petition must contain the reasons *and any supporting documentation* for requesting the extension.

2. The ~~commissioners will~~ *Commission may* grant an extension for good cause, including, without limitation:

- (a) Military service;
- (b) Service in the Peace Corps or the AmeriCorps VISTA program;
- (c) Participation in the National Health Service Corps Scholarship Program;
- (d) Continuation of education in the petitioner's field of study or specialization;
- (e) Interruption of study due to financial hardship;
- (f) Illness;
- (g) Failure to fulfill any professional licensing requirement; or
- (h) Any other circumstance deemed appropriate by the ~~commissioners.~~ *Commission.*

3. ~~An extension granted pursuant to paragraph (g) of subsection 2 must be for not longer than 2 years after the date on which the first professional examination was administered after the graduation of the petitioner from the program for which he or she received state contributions for stipends, except that the person may apply for an additional extension for good cause. Any additional extension must be for not longer than 2 years after the expiration of the prior extension.~~

~~—4.~~ If the ~~{commissioners deny}~~ *Commission denies* a petition submitted pursuant to this section, the petitioner may appeal to the ~~{commissioners}~~ *Commission* by submitting a request for an appeal in writing not later than 10 days after his or her receipt of the notice of denial.

**Sec. 15.** NAC 397.050 is hereby amended to read as follows:

397.050 1. To apply for an extension of the period for the repayment of a ~~{loan or}~~ stipend ~~{as authorized by NRS 397.069,}~~ *that is converted to a loan pursuant to NRS 397.0645*, a ~~{person}~~ *participant* must submit a petition to the ~~{commissioners}~~ *Commission* in writing not later than 120 days after the date on which default on the repayment occurs. The petition must contain the reasons *and any supporting documentation* for requesting the extension.

2. The ~~{commissioners}~~ *Commission* will grant an extension for good cause, including, without limitation:

- (a) Military service;
- (b) Service in the Peace Corps or the AmeriCorps VISTA program;
- (c) Participation in the National Health Service Corps Scholarship Program;
- (d) Continuation of education in the petitioner's field of study or specialization;
- (e) Interruption of study due to financial hardship;
- (f) Illness;
- (g) Failure to fulfill any professional licensing requirement; or
- (h) Any other circumstance deemed appropriate by the ~~{commissioners.}~~ *Commission.*

3. ~~{An extension granted pursuant to paragraph (g) of subsection 2 must be for not longer than 2 years after the date on which the first professional examination was administered after the graduation of the petitioner from the program for which he or she received state contributions for loans or stipends, except that the person may apply for an additional extension for good cause.}~~



~~Any additional extension must be for not longer than 2 years after the expiration of the prior extension.~~

~~—4.]~~ If the ~~{commissioners deny}~~ *Commission denies* a petition submitted pursuant to this section, the petitioner may appeal to the ~~{commissioners}~~ *Commission* by submitting a request for an appeal in writing not later than 10 days after his or her receipt of the notice of denial.

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

397.060 1. To apply for a reduction of the principal balance of a ~~{loan or}~~ stipend *that is converted to a loan pursuant to NRS 397.0645* because of hardship, a ~~{person}~~ *participant* must submit a petition to the ~~{commissioners}~~ *Commission* in writing. The petition must contain the reasons *and any supporting documentation* for requesting the reduction.

2. If the ~~{commissioners deny}~~ *Commission denies* a petition submitted pursuant to this section, the petitioner may appeal to the ~~{commissioners}~~ *Commission* by submitting a request for an appeal in writing not later than 10 days after his or her receipt of the notice of denial.

**Sec. 17.** NAC 397.070 is hereby amended to read as follows:

397.070 1. ~~{Pursuant to NRS 397.0655, the}~~ *The Commission will, for any stipend that is converted to a loan pursuant to NRS 397.0645:*

*(a) Establish an interest rate not to exceed 8 percent per year; and*

*(b) Schedule the repayment of such a loan for a period:*

*(1) Not to exceed 5 years for a loan that is less than \$10,000;*

*(2) Not to exceed 8 years for a loan that is at least \$10,000 but less than \$20,000; and*

*(3) Not to exceed 10 years for a loan that is \$20,000 or more.*

2. *The* Director of the ~~{Western Interstate Commission for Higher Education}~~ *Nevada Office* may negotiate the terms of repayment of a ~~{loan or}~~ stipend ~~{}~~ *that is converted to a loan*

*pursuant to NRS 397.0645*, including, without limitation, how and when a recipient of *such* a loan ~~for stipend~~ who is in default will be required to make payments.

~~2.~~ 3. If a recipient of a ~~loan or~~ stipend *that is converted to a loan pursuant to NRS 397.0645* is in default of payment for 120 days or more, the Director may coordinate debt collection efforts as the Director deems necessary.

**Sec. 18.** NAC 397.040 is hereby repealed.

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**TEXT OF REPEALED SECTION**

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**397.040 Period to complete required practice in medically underserved area of State; petition for extension.** (NRS 397.020, 397.040, 397.0617)

1. A person who receives a support fee because he or she agrees to practice in a profession in a medically underserved area of this State for at least 2 years pursuant to NRS 397.0617 must complete that practice within 5 years after the person completes or terminates the education, internship or residency for which he or she received the support fee unless an extension is granted pursuant to this section.

2. A person may apply for an extension of the period to complete his or her practice by submitting a petition to the commissioners in writing before the period for completion has expired. The petition must contain the reasons for requesting the extension.

3. The commissioners will grant an extension for good cause, including, without limitation:

(a) Military service;

- (b) Service in the Peace Corps or the AmeriCorps VISTA program;
- (c) Participation in the National Health Service Corps Scholarship Program;
- (d) Continuation of education in the petitioner's field of study or specialization;
- (e) Interruption of study due to financial hardship;
- (f) Illness;
- (g) Failure to fulfill any professional licensing requirement; or
- (h) Any other circumstance deemed appropriate by the commissioners.

4. An extension granted pursuant to paragraph (g) of subsection 3 must be for not longer than 2 years after the date on which the first professional examination was administered after the graduation of the petitioner from the program for which he or she received a support fee, except that the person may apply for an additional extension for good cause. Any additional extension must be for not longer than 2 years after the expiration of the prior extension.

5. If the commissioners deny a petition submitted pursuant to this section, the petitioner may appeal to the commissioners by submitting a request for an appeal in writing not later than 10 days after his or her receipt of the notice of denial.