ASSEMBLY BILL NO. 484—COMMITTEE ON EDUCATION

(ON BEHALF OF THE OFFICE OF FINANCE IN THE OFFICE OF THE GOVERNOR)

MARCH 27, 2017

Referred to Committee on Education

SUMMARY—Revises provisions relating to the Commission on Postsecondary Education. (BDR 34-912)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility. Effect on the State: Executive Budget.

EXPLANATION - Matter in bolded italics is new; matter between brackets fomitted material; is material to be omitted.

AN ACT relating to education; eliminating the position of Administrator of the Commission on Postsecondary Education and providing for the assumption of the powers and duties of the Administrator by the Deputy Administrator of the Employment Security Division of Department of Employment, Training Rehabilitation; revising the composition Commission; authorizing the Director of the Department to accept certain federal money for use in workforce development and adult education programs; relocating the Commission within the Division; providing for the appointment and authority of the Deputy Administrator; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Commission on Postsecondary Education is an independent body, responsible for licensing and regulating certain academic, vocational, technical and business schools and privately owned colleges and universities. (NRS 394.099, 394.383, 394.415) The Administrator of the Commission serves as its Executive Secretary and is responsible for executing or supervising the execution of the policies and regulations of the Commission, subject to its direction and control. (NRS 394.385, 394.411)





Section 39 of this bill relocates the Commission within the Employment Security Division of the Department of Employment, Training and Rehabilitation. Section 44 of this bill provides for the appointment by the Division's Administrator of a Deputy Administrator, who replaces the Administrator of the Commission and, pursuant to sections 1-36 of this bill, generally has all the powers and duties presently vested in the Administrator of the Commission. However, section 44 provides that the Deputy Administrator works under the supervision of and serves at the pleasure of the Administrator of the Division as an unclassified employee. **Section 8** makes a conforming change.

The Commission presently consists of seven members appointed by the Governor, including two members who are representatives of the general public. (NRS 394.383, 394.385) Sections 6 and 44 make the Deputy Administrator an ex officio member of the Commission, and section 7 reduces, from two to one, the number of public representatives serving on the Commission.

Notwithstanding the other provisions of this bill, section 49 of this bill authorizes the current Administrator of the Commission, who is a classified employee, to serve in the position of Deputy Administrator as a classified or unclassified employee, at his or her election, while he or she remains in that position.

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

Section 1. Chapter 394 of NRS is hereby amended by adding thereto a new section to read as follows:

"Deputy Administrator" means the Deputy Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation.

Sec. 2. NRS 394.005 is hereby amended to read as follows:

394.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 394.006 to 394.112, inclusive, and section 1 of this act have the meanings ascribed to them in those sections.

Sec. 2.5. NRS 394.006 is hereby amended to read as follows: 394.006 A postsecondary educational institution "accredited" if [it]:

- 1. It has met the standards required by an accrediting body recognized by the United States Department of Education H; or
- The United States Department of Education recognizes it 16 17 as accredited.
 - **Sec. 3.** NRS 394.024 is hereby amended to read as follows:

19 394.024 "Commissioner" means any member of the 20 Commission on Postsecondary Education 21 Administrator.1

22 **Sec. 4.** NRS 394.026 is hereby amended to read as follows:

394.026 "Confidential" means information that is subject to 23 disclosure only to: 24 25

1. The Attorney General;



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- A member of the Commission or its staff; or
- 2 As deemed appropriate by the **Deputy** Administrator, a 3 person responsible for reviewing the curriculum or financial records 4 of a postsecondary educational institution. 5
 - **Sec. 5.** NRS 394.160 is hereby amended to read as follows:
 - 394.160 1. Any person who has the duty, in a private school, college or university in this state, of giving instruction in the Constitution of the United States and the Constitution of the State of Nevada must show, by examination or credentials showing college, university or normal school study, satisfactory evidence of adequate knowledge of the origin, history, provisions and principles of the Constitution of the United States and the Constitution of the State of Nevada.
 - The Superintendent with respect to a private school or the **Deputy** Administrator with respect to a private college or university may grant a reasonable time for compliance with the terms of this section.
 - Sec. 6. NRS 394.383 is hereby amended to read as follows:
 - 394.383 1. The Commission on Postsecondary Education, consisting of [seven] the Deputy Administrator and six members appointed by the Governor, is hereby created.
 - The *appointed* members of the Commission are entitled to receive a salary of not more than \$80, as fixed by the Commission, for each day's attendance at a meeting of the Commission.
 - While engaged in the business of the Commission, each *appointed* member [and employee] of the Commission is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.
 - **Sec. 7.** NRS 394.385 is hereby amended to read as follows:
 - 394.385 1. The Governor shall appoint:
 - (a) One member who is a representative of the State Board. [of Education.
 - (b) Two members who are knowledgeable in the field of education, but not persons representing postsecondary educational institutions, or colleges established or maintained under the laws of this State.
 - (c) Two members who representatives of private are postsecondary educational institutions.
 - (d) [Two members] One member who [are representatives] is a representative of the general public and [are] is not associated with the field of education.
 - The Commission shall designate a Chair. [The Administrator is the Executive Secretary. The Commission may meet regularly at least four times each year at such places and times as may be specified by a call of the Chair or majority of the Commission. The



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Commission shall prescribe regulations for its own management. Four members of the Commission constitute a quorum which may exercise all the authority conferred upon the Commission.

- 3. Any Commissioner may be removed by the Governor if, in the opinion of the Governor, the Commissioner is guilty of malfeasance in office or neglect of duty.
 - **Sec. 8.** 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 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 *Deputy* Administrator shall execute, direct or supervise all administrative, technical and procedural activities for which the *Deputy* Administrator is responsible in accordance with the policies and regulations of the Commission . [and subject to the Commission's direction and control.]
 - **Sec. 9.** NRS 394.415 is hereby amended to read as follows:
- 394.415 Except as otherwise provided in NRS 397.060, the Commission is the sole authority for licensing a postsecondary educational institution. Any person who operates or claims to operate such an institution must be licensed by the Commission. The *Deputy* Administrator may require any person who operates or claims to operate such an institution to furnish information which will allow the Commission to determine whether a license is required.
 - **Sec. 10.** NRS 394.430 is hereby amended to read as follows:
 - 394.430 1. The *Deputy* Administrator shall:
- (a) Receive and investigate applications for a license and applications to add a new vocational program or a new degree.
 - (b) Receive, investigate and act upon:
- (1) Applications for an agent's permit, renewal of a license or agent's permit or authorization for the employment of agents; and
 - (2) Changes in ownership or requirements for a degree.
- (c) Recommend to the Commission whether licensing is required.
 - 2. The *Deputy* Administrator may:
- (a) With the approval of the Commission, negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the *Deputy* Administrator the agreements are or will be helpful in effectuating the purposes of NRS 394.383 to 394.560, inclusive. Nothing contained in any reciprocity agreement may limit the powers, duties and responsibilities of the *Deputy* Administrator independently to investigate or act upon any application for a license to operate a postsecondary educational institution, or an application for issuance





or renewal of any agent's permit, or with respect to the enforcement of any provision of this chapter, or any regulation promulgated pursuant to it.

- (b) Investigate, on the *Deputy* Administrator's own initiative or in response to any complaint lodged with the *Deputy* Administrator, any person subject to, or reasonably believed by the *Deputy* Administrator to be subject to, the Commission's jurisdiction. During an investigation the *Deputy* Administrator may:
- (1) Subpoena any persons, books, records or documents pertaining to the investigation;
- (2) Require answers in writing under oath to questions prepared by the *Deputy* Administrator or the Commission; and

(3) Administer an oath or affirmation to any person.

- → A subpoena issued by the *Deputy* Administrator may be enforced by any district court of this state.
 - (c) Exercise other powers implied but not enumerated in this section that are necessary in order to carry out the *Deputy* Administrator's duties.
 - **Sec. 11.** NRS 394.440 is hereby amended to read as follows:
 - 394.440 1. The **Deputy** Administrator may request from any department, division, board, bureau, commission or other agency of the State, and the latter agency shall provide at no cost, any information which it possesses or expert witnesses whom it employs that will enable the **Deputy** Administrator to exercise properly his or her powers and perform his or her duties. If the witness or information is requested to aid the Commission in deciding whether to issue or renew a license or to allow a postsecondary educational institution to add new programs or degrees, the **Deputy** Administrator may require the institution making the application to pay to the witness the per diem allowance and travel expenses allowed for state officers and employees generally.
 - 2. If no agency of the State possesses the information or expert knowledge which the Commission finds is necessary to a determination of whether an applicant for the issuance or renewal of a license has complied with the minimum standards prescribed by the Commission pursuant to law, the Commission may consult with persons outside State Government who have the requisite expert knowledge, and may require that the necessary cost of such consultation be paid by the institution whose application is under consideration.
 - **Sec. 12.** NRS 394.441 is hereby amended to read as follows:

394.441 A postsecondary educational institution shall:

1. Provide students and other interested persons with a catalog or brochure containing information describing the programs offered, objectives of the program, length of the program, schedule of





tuition, fees and all other charges and expenses necessary for completion of the course of study, policies concerning cancellations and refunds, an explanation of the Account for Student Indemnification and other material facts concerning the institution and the program or course of instruction that are likely to affect the decision of the student to enroll therein, together with any other disclosures specified by the *Deputy* Administrator or defined in the regulations of the Commission. The information must be provided before enrollment.

- 2. Provide each student who satisfactorily completes the training with appropriate educational credentials indicating:
- (a) That the course of instruction or study has been satisfactorily completed by the student; and
- (b) If the training does not lead to a degree, the number of hours of instruction or credits required of the student to complete the training.
- 3. Unless otherwise authorized by the Commission, maintain adequate records at the licensed facility to reflect the attendance, progress and performance of each student at the facility.
- 4. Provide each student with a copy of the agreement to enroll, dated and signed by the student or the student's guardian and an officer of the institution.
- 5. For each program offered at the institution that does not lead to a degree, collect and maintain information concerning:
- (a) The number of students enrolled in the program and the number and names of students who have obtained employment in related fields, with their locations of placement;
 - (b) The number of:

- (1) Students enrolled in the program;
- (2) Students who have graduated from the program; and
- (3) Graduates who have obtained employment in fields related to the instruction offered in the program, with the average compensation of such graduates; or
- (c) For each such program offered to prepare students for a licensing examination:
 - (1) The number of students enrolled in the program;
- (2) The number of such students who have graduated from the program; and
- (3) The number of such graduates who have passed the examination.
- 6. Select, from the information collected pursuant to subsection 5, the information relating to any 6-month period within the 18-month period preceding its next date for enrollment. The information for the period selected must be set forth in written form and posted conspicuously at the institution.





- **Sec. 13.** NRS 394.443 is hereby amended to read as follows: 394.443 A postsecondary educational institution shall:
- 1. Post in a conspicuous place a notice supplied by the *Deputy* Administrator stating that grievances may be submitted to the *Deputy* Administrator for resolution.
- 2. Issue a receipt to all students, and retain a copy, for all money paid to the institution.
- 3. Submit an annual report to the Commission on forms it supplies. The report must include, without limitation, the annual income received by the institution from tuition.

Sec. 14. NRŠ 394.447 is hereby amended to read as follows:

394.447 Accreditation may be accepted as evidence of compliance with the minimum standards established by the Commission, or the *Deputy* Administrator may require further evidence and make further investigation as in the judgment of the *Deputy* Administrator or the judgment of the Commission are necessary. Accreditation may be accepted as evidence of compliance only as to the portion or program of an institution accredited by the agency if the institution as a whole is not accredited. Upon request by the *Deputy* Administrator, the institution shall submit copies of all written materials in its possession relating to its accreditation. Except as otherwise provided in NRS 239.0115, the *Deputy* Administrator shall keep the materials confidential.

Sec. 15. NRS 394.449 is hereby amended to read as follows:

394.449 1. Each postsecondary educational institution shall have a policy for refunds which at least provides:

- (a) That if the institution has substantially failed to furnish the training program agreed upon in the enrollment agreement, the institution shall refund to a student all the money the student has paid.
- (b) That if a student cancels his or her enrollment before the start of the training program, the institution shall refund to the student all the money the student has paid, minus 10 percent of the tuition agreed upon in the enrollment agreement or \$150, whichever is less, and that if the institution is accredited by a regional accrediting agency recognized by the United States Department of Education, the institution may also retain any amount paid as a nonrefundable deposit to secure a position in the program upon acceptance so long as the institution clearly disclosed to the applicant that the deposit was nonrefundable before the deposit was paid.
- (c) That if a student withdraws or is expelled by the institution after the start of the training program and before the completion of more than 60 percent of the program, the institution shall refund to





the student a pro rata amount of the tuition agreed upon in the enrollment agreement, minus 10 percent of the tuition agreed upon in the enrollment agreement or \$150, whichever is less.

- (d) That if a student withdraws or is expelled by the institution after completion of more than 60 percent of the training program, the institution is not required to refund the student any money and may charge the student the entire cost of the tuition agreed upon in the enrollment agreement.
- 2. If a refund is owed pursuant to subsection 1, the institution shall pay the refund to the person or entity who paid the tuition within 15 calendar days after the:
 - (a) Date of cancellation by a student of his or her enrollment;
- (b) Date of termination by the institution of the enrollment of a student;
- (c) Last day of an authorized leave of absence if a student fails to return after the period of authorized absence; or
 - (d) Last day of attendance of a student,
- → whichever is applicable.

- 3. Books, educational supplies or equipment for individual use are not included in the policy for refund required by subsection 1, and a separate refund must be paid by the institution to the student if those items were not used by the student. Disputes must be resolved by the *Deputy* Administrator for refunds required by this subsection on a case-by-case basis.
 - 4. For the purposes of this section:
- (a) The period of a student's attendance must be measured from the first day of instruction as set forth in the enrollment agreement through the student's last day of actual attendance, regardless of absences.
- (b) The period of time for a training program is the period set forth in the enrollment agreement.
- (c) Tuition must be calculated using the tuition and fees set forth in the enrollment agreement and does not include books, educational supplies or equipment that is listed separately from the tuition and fees.
 - **Sec. 16.** NRS 394.455 is hereby amended to read as follows:
- 394.455 1. The Commission shall not issue a license to operate an unaccredited institution which grants degrees until the institution has been evaluated by the Commission. Each existing or new institution must be evaluated at least once, but the Commission may require subsequent evaluations.
- 2. The Chair of the Commission shall appoint a panel of evaluators for each institution composed of representatives of institutions or businesses that are directly affected by the program and persons who significantly contribute to the evaluation because





of special knowledge. The *Deputy* Administrator shall accompany the panel as an observer.

- 3. One hundred and twenty days before the meeting of the Commission at which the issuance or renewal of a license will be considered, the panel of evaluators shall present to the *Deputy* Administrator and to the institution a report specifying the extent to which the institution meets the standards established by the Commission, and recommending:
 - (a) Issuance or renewal of the license with no qualifications;
 - (b) Issuance of a provisional license; or
 - (c) Revocation of the license.

- 4. The institution's response to the report must be received in the office of the *Deputy* Administrator no later than 90 days before the meeting at which the license will be considered.
- 5. If the institution's response shows progress toward meeting the standards, or if the response furnishes information which indicates that the standards are being adhered to, the representatives of the panel of evaluators shall review the institution again to verify the response and incorporate it into their report. The panel of evaluators shall make a final report to the *Deputy* Administrator no later than 45 days before the meeting at which the license will be considered.
- 6. The **Deputy** Administrator may recommend that the Commission accept the evaluation or that it reject the report. If the Commission rejects the panel's recommendation, it shall record the specific reason for doing so in its minutes.
 - **Sec. 17.** NRS 394.460 is hereby amended to read as follows:
- 394.460 1. Each person required to be licensed as a postsecondary educational institution by the Commission or each postsecondary educational institution requesting to add a new program or degree or to renew a license must apply to the *Deputy* Administrator, upon forms provided by the *Deputy* Administrator. The application must be accompanied by the required fees. The institution's curriculum and financial statement are confidential except as otherwise provided in NRS 239.0115 or unless, in the opinion of the Commission, they militate against the issuance of a license.
- 2. After review of the application, any other information required by the *Deputy* Administrator and the report of the panel of evaluators, and an investigation of the applicant if necessary, the Commission shall grant or deny a license or grant a provisional license for a term specified by the Commission. Before the expiration of a provisional license, the *Deputy* Administrator shall inspect the institution, or the Commission may require the appointment of a panel of evaluators to inspect the institution, and





recommend whether to revoke or continue the provisional license or to grant an unqualified license. The Commission may accept or reject the recommendation.

- 3. The license must state at least the following information:
- (a) The date of issuance, effective date and term of the license.
- (b) The correct name, address and owner of the institution.
- (c) The approved degrees or occupational subjects.
- (d) Any limitation considered necessary by the Commission.
- 4. The term for which a license is given must not exceed 2 years. The license must be posted in a conspicuous place.
- 5. The license must be issued to the owner or governing body of the institution and is nontransferable. If a change in ownership of the institution occurs, the owner to whom the license was issued shall inform the *Deputy* Administrator, and the new owner or governing body must, within 10 days after the change in ownership, apply for an approval of the change of ownership. If it fails to do so, the license terminates.
- 6. Within 10 days after a change of location or an addition of buildings or other facilities, the institution must file a notice of the change with the *Deputy* Administrator.
- 7. At least 60 days before the expiration of a license, the institution must complete and file with the *Deputy* Administrator an application for renewal of its license.
 - **Sec. 18.** NRS 394.463 is hereby amended to read as follows:
- 394.463 1. The institution shall pay the per diem allowance and travel expenses allowed for state officers and employees generally [.] to the members of the panel of evaluators [.] and the **Deputy** Administrator [and employees of the Commission] during their inspections of the institution and to the member of the panel who attends the meeting of the Commission at which the license is discussed. The institution shall also pay the cost of preparing and printing the report of the panel.
- 2. Each claim for reimbursement of these expenses must be submitted to the *Deputy* Administrator within 30 days after they are incurred. The *Deputy* Administrator shall verify the claim and forward it to the institution. Within 30 days after its receipt, the institution shall issue a negotiable instrument which is payable to the claimant and send it to the *Deputy* Administrator, who shall send it to the claimant.
 - **Sec. 19.** NRS 394.465 is hereby amended to read as follows:
- 394.465 1. Except as otherwise provided in subsection 6, before a postsecondary educational institution employs or contracts with a person:
 - (a) To occupy an instructional position;





- (b) To occupy an administrative or financial position, including a position as school director, personnel officer, counselor, admission representative, solicitor, canvasser, surveyor, financial aid officer or any similar position; or
 - (c) To act as an agent for the institution,

- → the applicant must submit to the **Deputy** Administrator the information set forth in subsection 2.
 - 2. The applicant must submit to the *Deputy* Administrator:
- (a) A complete set of fingerprints taken by a law enforcement agency and written permission authorizing the *Deputy* Administrator to submit the applicant's fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the *Deputy* Administrator deems necessary; or
- (b) Written verification, on a form prescribed by the *Deputy* Administrator, stating that the fingerprints of the applicant were taken and directly forwarded electronically or by another means to the Central Repository and that the applicant has given written permission to the law enforcement agency or other authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the *Deputy* Administrator deems necessary.
 - 3. The *Deputy* Administrator may:
- (a) Unless the applicant's fingerprints are directly forwarded pursuant to paragraph (b) of subsection 2, submit those fingerprints to the Central Repository for submission to the Federal Bureau of Investigation and to such other law enforcement agencies as the **Deputy** Administrator deems necessary; and
- (b) Request from each such agency any information regarding the applicant's background as the *Deputy* Administrator deems necessary.
- 4. Except as otherwise provided in NRS 239.0115, the *Deputy* Administrator shall keep the results of the investigation confidential.
 - 5. The applicant shall pay the cost of the investigation.
- 6. An applicant is not required to satisfy the requirements of this section if the applicant:
 - (a) Is licensed by the Superintendent of Public Instruction;
 - (b) Is an employee of the United States Department of Defense;
- (c) Is a member of the faculty of an accredited postsecondary educational institution in another state who is domiciled in a state other than Nevada and is present in Nevada for a temporary period to teach at a branch of that accredited institution;





- (d) Is an instructor who provides instruction from a location outside this State through a program of distance education for a postsecondary educational institution licensed by the Commission who previously underwent an investigation of his or her background and the *Deputy* Administrator determines that an additional investigation is not necessary; or
- (e) Has satisfied the requirements of subsection 1 within the immediately preceding 5 years.
- 7. As used in this section, "distance education" means instruction delivered by means of video, computer, television, or the Internet or other electronic means of communication, or any combination thereof, in such a manner that the person supervising or providing the instruction and the student receiving the instruction are separated geographically.

Sec. 20. NRS 394.470 is hereby amended to read as follows:

- 394.470 1. Each person desiring to solicit or perform the services of an agent in this state must apply to the *Deputy* Administrator upon forms provided by the *Deputy* Administrator. The application must:
- (a) Be accompanied by evidence of the good reputation and character of the applicant;
 - (b) Be in a form prescribed by the *Deputy* Administrator;
- (c) Include a copy of the application for an investigation of the applicant's background by the sheriff;
 - (d) Include the social security number of the applicant; and
- (e) State the name of the institution the applicant intends to represent.
- 2. An agent representing more than one institution must obtain a separate agent's permit for each institution represented, except that if an agent represents institutions having a common ownership, only one agent's permit is required with respect to the institutions.
- 3. If any institution the applicant intends to represent does not have a license to operate in this state, the application must be accompanied by:
- (a) The information required from institutions applying for a license:
- (b) Evidence that the institution meets the criteria established for licensed institutions:
- (c) Evidence of compliance with NRS 394.480 and the payment of the fees required by law; and
 - (d) Evidence that the institution is accredited.
- 4. After a review of the application and other information submitted by the applicant, as required by regulation of the Commission, and any investigation of the applicant the **Deputy**



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Administrator considers appropriate, the *Deputy* Administrator shall grant or deny an agent's permit to the applicant.

- 5. The agent's permit must state in a clear and conspicuous manner at least the following information:
 - (a) The date of issuance, effective date and term of the permit.
 - (b) The correct name and address of the agent.
- (c) The names of the institutions the agent is authorized to represent.
- 6. An agent's permit must not be issued for a term of more than 1 year.
- 7. At least 30 days before the expiration of an agent's permit, the agent must complete and file with the *Deputy* Administrator an application for renewal of the permit. The *Deputy* Administrator shall review and act upon the renewal application as provided in this section for an original application.
 - **Sec. 21.** NRS 394.473 is hereby amended to read as follows:
- 394.473 1. An applicant for the issuance or renewal of an agent's permit shall submit to the *Deputy* Administrator the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.
- 2. The *Deputy* Administrator shall include the statement required pursuant to subsection 1 in:
- (a) The application or any other forms that must be submitted for the issuance or renewal of the agent's permit; or
 - (b) A separate form prescribed by the *Deputy* Administrator.
- 3. An agent's permit may not be issued or renewed by the **Deputy** Administrator if the applicant:
- (a) Fails to submit the statement required pursuant to subsection 1; or
- (b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.
- 4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the *Deputy* Administrator shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.





- **Sec. 22.** NRS 394.474 is hereby amended to read as follows:
- 394.474 1. In addition to any other requirements set forth in this chapter, an applicant for the renewal of an agent's permit must indicate in the application submitted to the *Deputy* Administrator whether the applicant has a state business registration. If the applicant has a state business registration, the applicant must include in the application the business identification number assigned by the Secretary of State upon compliance with the provisions of chapter 76 of NRS.
- 2. An agent's permit may not be renewed by the *Deputy* Administrator if:
 - (a) The applicant fails to submit the information required by subsection 1; or
- (b) The State Controller has informed the *Deputy* Administrator pursuant to subsection 5 of NRS 353C.1965 that the applicant owes a debt to an agency that has been assigned to the State Controller for collection and the applicant has not:
 - (1) Satisfied the debt;

- (2) Entered into an agreement for the payment of the debt pursuant to NRS 353C.130; or
 - (3) Demonstrated that the debt is not valid.
 - 3. As used in this section:
 - (a) "Agency" has the meaning ascribed to it in NRS 353C.020.
 - (b) "Debt" has the meaning ascribed to it in NRS 353C.040.
 - **Sec. 23.** NRS 394.475 is hereby amended to read as follows:
- 394.475 Before a postsecondary educational institution employs agents or contracts with persons to act as agents for the institution, it must apply for and receive from the *Deputy* Administrator authorization for the employment of agents.
 - Sec. 24. 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
 - (a) Postsecondary educational institution initially licensed on or after July 1, 1995, shall file with the *Deputy* 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 *Deputy* 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 *Deputy* 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 *Deputy* 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. 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 *Deputy* 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 *Deputy* 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, the surety shall provide indemnification.

Sec. 25. NRS 394.490 is hereby amended to read as follows:

394.490 1. If the Commission, upon review and consideration of a person required to be licensed or of an application for a license to operate, or the *Deputy* Administrator, upon review and consideration of an application for an agent's permit, for renewal of a license or agent's permit or for authorization to employ agents, determines that the applicant fails to meet the criteria for granting the application, the *Deputy* Administrator shall notify the applicant by certified mail, setting forth the reasons for the denial of the application.

- 2. The **Deputy** Administrator may grant to an applicant for renewal an extension of time to eliminate the reasons recited in the denial letter if:
- (a) The applicant has demonstrated his or her desire to meet the criteria; and
- (b) The *Deputy* Administrator reasonably believes that the applicant can correct the deficiencies within the extension period.
- 3. If the *Deputy* Administrator denies an application for an agent's permit, or an application for renewal, the *Deputy* Administrator shall notify the institution the agent represented or sought to represent, setting forth the reasons for the denial.

Sec. 26. 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, or regulations adopted pursuant to those sections, or has failed to comply with a lawful order of the Commission. The *Deputy* 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 **Deputy** 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 **Deputy** Administrator reasonably believes that the holder has violated the provisions of NRS 394.383 to 394.560, inclusive, or regulations adopted pursuant thereto. Before action is taken, the **Deputy** 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 **Deputy** Administrator shall notify, by certified mail, the institution the agent represented in addition to the agent and any other parties to any hearing.

Sec. 27. NRS 394.515 is hereby amended to read as follows:

394.515 1. If the **Deputy** Administrator receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of an agent's permit, the **Deputy** Administrator shall deem the permit issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the **Deputy** Administrator receives a letter issued to the holder of the permit by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the permit has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

2. The *Deputy* Administrator shall reinstate an agent's permit that has been suspended by a district court pursuant to NRS 425.540 if the *Deputy* Administrator receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose permit was suspended stating that the person whose permit was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

Sec. 28. 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, or regulations adopted pursuant thereto, may file with the *Deputy* Administrator a verified complaint against the institution, its agent, or both. The complaint must set forth the alleged violation and contain other information as required by regulations of the Commission. A complaint may also be filed by a Commissioner or the Attorney General or initiated by the *Deputy* Administrator.

2. The **Deputy** Administrator shall investigate any verified complaint and may, at his or her discretion, attempt to effectuate a settlement by arbitration, mediation or negotiation. The **Deputy** Administrator may also consult with the applicable accrediting body to resolve the complaint. If a settlement cannot be reached, the





Deputy Administrator shall render a decision and notify each party of the decision and the reasons for it by certified mail to his or her last known address. Either party may request a hearing before the Commission by notifying the **Deputy** Administrator by certified mail within 15 days after the decision was mailed to the party. The hearing must be held at the next meeting of the Commission in the geographical area convenient to the parties. If a hearing is not requested, the decision of the **Deputy** Administrator is final.

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

Sec. 29. NRS 394.530 is hereby amended to read as follows:

394.530 If the Commission or the **Deputy** Administrator determines that irreparable injury would result from putting into immediate effect a final action or penalty, the Commission or **Deputy** Administrator, as appropriate, shall postpone the effective date of the action pending review.

NRS 394.540 is hereby amended to read as follows: Sec. 30.

394.540 1. The fees imposed pursuant to this section must be collected by the **Deputy** Administrator and deposited in the State Treasury to the credit of the State General Fund, and no fees so collected are subject to refund.

The fees are: 2

(a) For a new license.....\$2,000

(b) For an application by an unlicensed out-ofstate educational institution to employ agents in this



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1	(c) For a change of ownership	\$1,000
2	(d) For approval of an alcohol awareness	
3	program	500
4	(e) To add a new degree or vocational program	500
5	(f) For an initial agent's permit	200
6	(g) For the renewal of an agent's permit	200
7	(h) For a transcript of an academic record which	
8	is in the possession of the Deputy Administrator	
	pursuant to NRS 394.550	5

- 3. In addition, the *Deputy* Administrator shall collect from each licensed postsecondary educational institution a fee of \$4 for each student from which the institution has received tuition or registration fees. The institution shall collect this fee from each such student at the time of the student's initial enrollment with the institution. On or before the first day of January, April, July and October, the institution shall transmit to the *Deputy* Administrator the fees collected pursuant to this subsection during the preceding quarter. The *Deputy* Administrator shall deposit the fees so transmitted with the State Treasurer for credit to the State General Fund.
 - **Sec. 31.** NRS 394.545 is hereby amended to read as follows: 394.545 1. A driving school:
- (a) Must be located more than 200 feet from any office of the Department of Motor Vehicles;
- (b) Must have the equipment necessary to instruct students in the safe operation of motor vehicles and maintain the equipment in a safe condition; and
 - (c) Must have insurance in at least the following amounts:
- (1) For bodily injury to or death of two or more persons in one crash, \$40,000; and
 - (2) For damage to property in any one crash, \$10,000.
- 2. The Department of Motor Vehicles may review and approve or disapprove any application to issue, renew or revoke a license for a driving school. The Department of Motor Vehicles may, at any time, inspect a licensed driving school and may recommend that its license be suspended or revoked. The *Deputy* Administrator shall investigate and recommend to the Commission the appropriate action.
 - **Sec. 32.** NRS 394.550 is hereby amended to read as follows:
- 394.550 If any postsecondary educational institution operating in this state discontinues or proposes to discontinue its operation, the chief administrative officer of the institution shall file with the **Deputy** Administrator original or true copies of all academic records of the institution specified by regulations of the Commission. The records must include, as a minimum, academic information





customarily required by colleges when considering students for transfer or advanced study; and, as a separate document, the academic record of each former student. If the *Deputy* Administrator establishes the likelihood that academic records of an institution discontinuing its operations are in danger of being destroyed, secreted, mislaid or otherwise made unavailable to the Commission, the *Deputy* Administrator may obtain a court order permitting the seizure of such records. The *Deputy* Administrator shall receive and maintain a file of such records in the *Deputy* Administrator's possession.

Sec. 33. NRS 394.553 is hereby amended to read as follows:

394.553 1. The Account for Student Indemnification is hereby created in the State General Fund. The existence of the Account does not create a right in any person to receive money from the Account. The *Deputy* Administrator shall administer the Account in 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, 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 *Deputy* 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. 34. NRS 394.557 is hereby amended to read as follows:

- 394.557 1. Except as otherwise provided in subsection 2, each postsecondary educational institution licensed in this state shall pay to the *Deputy* Administrator a fee of \$5 for each student the institution initially enrolls in a program for which the student pays a tuition or registration fee. On or before January 1, April 1, July 1 and October 1 of each year, each institution shall transmit to the *Deputy* Administrator the fees required by this subsection for the immediately preceding quarter. The *Deputy* Administrator shall deposit the money in the State Treasury for credit to the Account for Student Indemnification.
- 2. The *Deputy* Administrator shall notify each postsecondary educational institution licensed in this state if the balance in the Account is \$250,000 or more. If the balance in the Account is \$250,000 or more, a postsecondary educational institution is not required to pay the fee required by subsection 1. If the balance in the Account subsequently falls below \$250,000, the *Deputy* Administrator shall notify each postsecondary educational institution licensed in this state that the fee must be paid until the balance in the Account is \$250,000 or more.

Sec. 35. NRS 394.610 is hereby amended to read as follows:

394.610 Unless a specific penalty is otherwise provided, a person who willfully violates the provisions of NRS 394.005 to [394.550,] 394.560, inclusive, and section 1 of this act is guilty of a gross misdemeanor. Each day's failure to comply with the provisions of these sections is a separate offense.

Sec. 36. NRS 394.630 is hereby amended to read as follows:

- 394.630 A person, firm, association, partnership or corporation shall not award, bestow, confer, give, grant, convey or sell to another person a degree or honorary degree upon which is inscribed, in any language, the word "associate," "bachelor," "baccalaureate," "master," "doctor" or "fellow," or any abbreviation thereof, unless it is a school, academy, institute, community college, junior college, college, university or other educational organization or entity located in the State of Nevada or operating from a place of business in this state that offers courses of instruction or study wherein credits may be earned toward an academic or professional degree in a field of endeavor beyond the secondary school level, and:
 - 1. Is accredited: or
- 2. Has filed and kept current with appropriate amendments, in the office of the *Deputy* Administrator, an affidavit by each president of two separate accredited colleges or universities stating that the majority of the course credits offered by the unaccredited





institution are generally acceptable or transferable to the accredited college or university which each president represents.

Sec. 37. Chapter 232 of NRS is hereby amended by adding thereto the provisions set forth as sections 38 and 39 of this act.

- Sec. 38. 1. The Director may accept, and adopt regulations or establish policies for the disbursement of, money appropriated by any Act of Congress and apportioned to the State of Nevada for use in connection with the workforce development and adult education programs of this State.
- 2. In accepting the benefits of the Acts of Congress referred to in subsection 1, the State of Nevada agrees to comply with all of their provisions and observe all of their requirements.
- Sec. 39. The Employment Security Division of the Department consists of the Administrator of the Division and the Commission on Postsecondary Education.
 - **Sec. 40.** NRS 232.900 is hereby amended to read as follows:
- 232.900 As used in NRS 232.900 to 232.960, inclusive, *and sections 38 and 39 of this act*, unless the context otherwise requires:
- 1. "Department" means the Department of Employment, Training and Rehabilitation.
 - 2. "Director" means the Director of the Department.
 - **Sec. 41.** NRS 232.920 is hereby amended to read as follows: 232.920 The Director:
 - 1. Shall:

- (a) Organize the Department into divisions and other operating units as needed to achieve the purposes of the Department;
 - (b) Upon request, provide the Director of the Department of Administration with a list of organizations and agencies in this State whose primary purpose is the training and employment of persons with disabilities:
 - (c) Except as otherwise provided by a specific statute, direct the divisions to share information in their records with agencies of local governments which are responsible for the collection of debts or obligations if the confidentiality of the information is otherwise maintained under the terms and conditions required by law; and
 - (d) Provide the employment and wage information to the Board of Regents of the University of Nevada for purposes of the reporting required of the Board of Regents by subsection 4 of NRS 396.531.
 - 2. Is responsible for the administration, through the divisions of the Department, of the provisions of NRS 394.383 to 394.560, inclusive, 426.010 to 426.720, inclusive, 426.740, 426.790 and 426.800, and chapters 612 and 615 of NRS, and all other provisions of law relating to the functions of the Department and its divisions, but is not responsible for the professional line activities of the





divisions or other operating units except as otherwise provided by specific statute.

- 3. May employ, within the limits of legislative appropriations, such staff as is necessary for the performance of the duties of the Department.
- **Sec. 42.** Chapter 612 of NRS is hereby amended by adding thereto the provisions set forth as sections 43 and 44 of this act.
 - Sec. 43. "Deputy Administrator" means the Deputy Administrator of the Division.
 - Sec. 44. 1. The Commission on Postsecondary Education is administered by the Deputy Administrator, who is appointed by and serves at the pleasure of the Administrator.
 - 2. Subject to the provisions of NRS 394.383 to 394.560, inclusive, the Deputy Administrator:
 - (a) Is in the unclassified service of the State.
 - (b) Serves ex officio as a member of the Commission.
 - (c) Has full administrative authority with respect to the operation and functions of the Commission, subject to the administrative supervision of the Administrator.
 - (d) Shall devote his or her entire time and attention to the business of his or her office and shall not pursue any other business or occupation or hold any other office of profit.
- (e) Is responsible for the administration of the provisions of this section, NRS 394.383 to 394.560, inclusive, and all other provisions of law relating to the functions of the Commission.
 - **Sec. 45.** NRS 612.015 is hereby amended to read as follows:
- 612.015 As used in this chapter, unless the context clearly requires otherwise, the words and terms defined in NRS 612.016 to 612.200, inclusive, *and section 43 of this act* have the meanings ascribed to them in those sections.
 - **Sec. 46.** NRS 612.220 is hereby amended to read as follows:

612.220 The Administrator:

- 1. Shall administer this chapter.
- 2. Is responsible for the administration, through the Deputy Administrator and the Commission on Postsecondary Education, of the provisions of NRS 394.383 to 394.560, inclusive.
 - 3. Has power and authority to adopt, amend or rescind such rules and regulations, to employ, in accordance with the provisions of this chapter, such persons, make such expenditures, require such reports, make such investigations, and take such other action as the Administrator deems necessary or suitable to that end.
 - [3.] 4. Shall determine his or her own organization and methods of procedure for the Division in accordance with the provisions of this chapter.





- **Sec. 47.** NRS 612.230 is hereby amended to read as follows:
- 612.230 1. For the purpose of ensuring the impartial selection of personnel on the basis of merit, the Administrator shall fill all positions in the Division, except the **[post]** posts of Administrator **[,]** and Deputy Administrator, from registers prepared by the Division of Human Resource Management of the Department of Administration, in conformity with such rules, regulations and classification and compensation plans relating to the selection of personnel as may be adopted or prescribed by the Administrator.
- 2. The Administrator shall select all personnel either from the first five candidates on the eligible lists as provided in this chapter, or from the highest rating candidate within a radius of 60 miles of the place in which the duties of the position will be performed. The Administrator may fix the compensation and prescribe the duties and powers of such personnel, including such officers, accountants, attorneys, experts, and other persons as may be necessary in the performance of the duties under this chapter, and may delegate to any such person such power and authority as the Administrator deems reasonable and proper for its effective administration.
- 3. The Administrator shall classify positions under this chapter and shall establish salary schedules and minimum personnel standards for the positions so classified. The Administrator shall devise and establish fair and reasonable regulations governing promotions, demotions and terminations for cause in accordance with such established personnel practices as will tend to promote the morale and welfare of the organization.
- 4. The Administrator may grant educational leave stipends to officers and employees of the Division if all of the cost of the educational leave stipends may be paid from money of the Federal Government
- Sec. 48. The term of the member of the Commission on Postsecondary Education:
- 1. Appointed pursuant to paragraph (d) of subsection 1 of NRS 394.385;
 - 2. Who is incumbent on June 30, 2017; and
 - 3. Whose term, but for this section, would otherwise have expired first after that date,
 - → expires on June 30, 2017.
 - **Sec. 49.** Notwithstanding any provision of this act to the contrary, the Administrator of the Commission on Postsecondary Education who is incumbent on June 30, 2017:
 - 1. May be appointed Deputy Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation pursuant to section 44 of this act;





- 2. If so appointed, is entitled to remain in the classified service or serve in the unclassified service of the State, at his or her election, until he or she vacates the position of Deputy Administrator; and
- 3. If so appointed, has all the powers and duties vested in the Deputy Administrator by the provisions of this act or as otherwise provided by law.
- Sec. 50. The Legislative Counsel shall, in preparing the Nevada Revised Statutes or any supplements to the Nevada Administrative Code, use the authority set forth in subsection 10 of NRS 220.120 to change appropriately the name of any agency, officer or instrumentality of the State whose name is changed or whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate agency, officer or instrumentality.
 - Sec. 51. NRS 394.007 is hereby repealed.
- **Sec. 52.** 1. This section and sections 48 and 49 of this act become effective upon passage and approval.
- 2. Sections 1 to 47, inclusive, and 50 and 51 of this act become effective on July 1, 2017.

TEXT OF REPEALED SECTION

394.007 "Administrator" defined. "Administrator" means the Administrator of the Commission on Postsecondary Education.





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