
SENATE BILL NO. 159—SENATOR RAWSON

FEBRUARY 18, 2003

Referred to Committee on Human Resources and Facilities

SUMMARY—Deletes authority of Western Interstate Commission for Higher Education to adopt certain regulations. (BDR 34-924)

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

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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 education; deleting the authority of the Western Interstate Commission for Higher Education to adopt certain regulations; revising certain references to the members of the Commission from the State of Nevada; and providing other matters properly relating thereto.

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

- 1 **Section 1.** 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 successor is appointed and qualified , but the successor's term
9 expires 4 years ~~from~~ *after* the legal date of expiration of the term
10 of his 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.



1 **Sec. 2.** NRS 397.050 is hereby amended to read as follows:
2 397.050 1. Money to carry out the provisions of this chapter
3 must be provided by direct legislative appropriation from the State
4 General Fund and must be accounted for in the Western Regional
5 Higher Education Compact Account which is hereby created.

6 2. The money in the Account may be used by the *three Nevada*
7 *State* Commissioners appointed pursuant to NRS 397.030:

8 (a) To pay dues to the Western Interstate Commission for
9 Higher Education.

10 (b) To meet necessary administrative expenses.

11 **Sec. 3.** NRS 397.055 is hereby amended to read as follows:

12 397.055 1. Whenever the *three Nevada State* Commissioners
13 appointed pursuant to NRS 397.030 are unable to provide contract
14 places for Nevada residents in graduate or professional schools
15 pursuant to contractual agreements authorized by Article 8 of the
16 Compact, or the cost of attending a school within the region is
17 excessive, they may enter into contractual agreements with the
18 governing authority of any educational institution offering
19 accredited graduate and professional education outside the region of
20 the Compact or with any state outside the region.

21 2. The terms and conditions of any such agreements must
22 adhere to the same standards which are observed in the selection of
23 contract places for Nevada residents in graduate or professional
24 schools within the region.

25 **Sec. 4.** NRS 397.060 is hereby amended to read as follows:

26 397.060 The three *Nevada State* Commissioners , ~~from the~~
27 ~~State of Nevada,~~ acting jointly, shall:

28 1. Choose from among Nevada residents who apply, and have
29 at least 1 year's residence in this state immediately before applying
30 for the program, those most qualified for contract places; and

31 2. Certify them to receiving institutions.

32 **Sec. 5.** NRS 397.0615 is hereby amended to read as follows:

33 397.0615 Financial support provided to a student who is
34 chosen by the three *Nevada State* Commissioners ~~from the State of~~
35 ~~Nevada~~ to receive such support from the Western Interstate
36 Commission for Higher Education must be provided in the form of a
37 support fee. Except as otherwise provided in NRS 397.0617, 25
38 percent of the support fee is a loan that the student must repay with
39 interest pursuant to NRS 397.063 or 397.064, as appropriate.
40 Seventy-five percent of the support fee is a stipend that the student
41 is not required to repay, except as otherwise provided in
42 NRS 397.0653.

43 **Sec. 6.** NRS 397.0617 is hereby amended to read as follows:

44 397.0617 1. The provisions of this section apply only to
45 support fees received by a student on or after July 1, 1997.



1 2. The three *Nevada State* Commissioners , ~~from the State of~~
2 ~~Nevada,~~ acting jointly, may require a student who is certified to
3 study to practice in a profession which could benefit a medically
4 underserved area of this state, as that term is defined by the Officer
5 of Rural Health of the University of Nevada School of Medicine, to
6 practice in such an area or to practice in an area designated by the
7 Secretary of Health and Human Services:

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

10 (b) Pursuant to 42 U.S.C. § 254e, as a health professional
11 shortage area,
12 as a condition to receiving a support fee.

13 3. If a person agrees to practice in a medically underserved
14 area of this state pursuant to subsection 2 for at least 2 years, the
15 three *Nevada State* Commissioners , ~~from the State of Nevada,~~
16 acting jointly, may forgive the portion of the support fee designated
17 as the loan of the person.

18 4. If a person returns to this state but does not practice in a
19 medically underserved area of this state pursuant to subsection 2 for
20 at least 2 years, the three *Nevada State* Commissioners , ~~from the~~
21 ~~State of Nevada,~~ acting jointly, shall assess a default charge in an
22 amount not less than three times the portion of the support fee
23 designated as the loan of the person, plus interest.

24 5. As used in this section, a “profession which could benefit a
25 medically underserved area of this state” includes, without
26 limitation, dentistry, physical therapy, pharmacy and practicing as a
27 physician assistant.

28 **Sec. 7.** NRS 397.062 is hereby amended to read as follows:

29 397.062 1. There is hereby created an account in the State
30 General Fund entitled the Western Interstate Commission for Higher
31 Education’s Account for Miscellaneous Expenses. Any money
32 received by the three *Nevada State* Commissioners ~~from the State~~
33 ~~of Nevada~~ as the proceeds of any penalty or appropriated or
34 authorized for the purposes of this section must be deposited in this
35 Account.

36 2. The three *Nevada State* Commissioners , ~~from the State of~~
37 ~~Nevada,~~ acting jointly, shall administer the Account and the money
38 in the Account must be used to:

39 (a) Pay miscellaneous expenses incurred in administering the
40 Western Interstate Commission for Higher Education’s Fund for
41 Student Loans; and

42 (b) Pay expenses incurred in collecting money due the State
43 from a student loan or a stipend granted from the Western Interstate
44 Commission for Higher Education’s Fund for Student Loans.



1 **Sec. 8.** NRS 397.063 is hereby amended to read as follows:
2 397.063 1. All contributions from students must be
3 accounted for in the Western Interstate Commission for Higher
4 Education's Fund for Student Loans which is hereby created as an
5 enterprise fund.

6 2. The three *Nevada State* Commissioners, ~~from the State of~~
7 ~~Nevada,~~ acting jointly, shall administer the Fund and the money in
8 the Fund must be used solely to provide:

- 9 (a) Loans to; and
10 (b) Contractual arrangements for educational services and
11 facilities for,
12 residents of Nevada who are certified to attend graduate or
13 professional schools in accordance with the provisions of the
14 Western Regional Higher Education Compact.

15 3. Loans from the Western Interstate Commission for Higher
16 Education's Fund for Student Loans, before July 1, 1985, and loans
17 made to students classified as continuing students before July 1,
18 1985, must be made upon the following terms:

19 (a) All student loans must bear interest at 5 percent per annum
20 from the date when the student receives the loan.

21 (b) Each student receiving a loan must repay the loan with
22 interest following the termination of his education or completion of
23 his internship in accordance with the following schedule:

- 24 (1) Within 5 years for loans which total less than \$10,000.
25 (2) Within 8 years for loans which total \$10,000 or more but
26 less than \$20,000.
27 (3) Within 10 years for loans which total \$20,000 or more.

28 (c) No student loan may exceed 50 percent of the student fees
29 for any academic year.

30 **Sec. 9.** NRS 397.064 is hereby amended to read as follows:

31 397.064 Loans, from the Western Interstate Commission for
32 Higher Education's Fund for Student Loans, to students who enter
33 the program on or after July 1, 1985, must be made upon the
34 following terms:

35 1. All loans must bear interest at 8 percent per annum from
36 the first day of the academic term for which the student received the
37 loan.

38 2. Except as otherwise provided in NRS 397.0617, each
39 student receiving a loan must repay the loan with interest following
40 the termination of his education or completion of his internship for
41 which the loan is made.

42 3. The loan must be repaid in monthly installments over the
43 period allowed, as set forth in subsection 4, with the first installment
44 due 1 year after the date of the termination of his education or the
45 completion of his internship for which the loan is made. The



1 amounts of the installments may not be less than \$50 and may be
2 calculated to allow a smaller payment at the beginning of the
3 repayment period, with each succeeding payment gradually
4 increasing so that the total amount due will have been paid within
5 the period allowed for repayment.

6 4. The three *Nevada State* Commissioners, ~~from the State of~~
7 ~~Nevada,~~ acting jointly, shall, or shall delegate to the Director of the
8 Western Interstate Commission for Higher Education the power to,
9 schedule the repayment within the following periods:

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

11 (b) Eight years for loans which total \$10,000 or more but less
12 than \$20,000.

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

14 5. A student loan may not exceed 50 percent of the student fees
15 for any academic year.

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

19 7. The reasonable costs of collection and an attorney's fee may
20 be recovered in the event of delinquency.

21 **Sec. 10.** NRS 397.0645 is hereby amended to read as follows:

22 397.0645 1. A student who receives from the Western
23 Interstate Commission for Higher Education a stipend governed by
24 the provisions of NRS 397.065 or 397.0653 must repay all state
25 contributions for the stipend unless he practices, in Nevada, the
26 profession which he was certified to study:

27 (a) For 3 years, if he entered the program before July 1, 1985;

28 (b) For 1 year for each academic year he receives a stipend, if he
29 enters the program after June 30, 1985; or

30 (c) For 1 year for each 9 months he receives a stipend, if he
31 enters the program after June 30, 1985, and is enrolled in an
32 accelerated program that provides more than 1 academic year of
33 graduate and professional education in 9 months,
34 within 5 years after the completion or termination of his education,
35 internship or residency for which he receives the stipend.

36 2. The three *Nevada State* Commissioners, ~~from the State of~~
37 ~~Nevada,~~ acting jointly, may adopt regulations which:

38 (a) Reduce the period of required practice for a person who
39 practices his profession in a rural area of this state or as an employee
40 of this state.

41 (b) Extend the time for completing the required practice beyond
42 5 years for a person who is granted an extension because of
43 hardship.

44 3. If the period for the required practice is only partially
45 completed, the Commission may give credit towards repayment of



1 the stipend for the time the person practiced his profession as
2 required.

3 **Sec. 11.** NRS 397.0655 is hereby amended to read as follows:
4 397.0655 The three *Nevada State* Commissioners ~~{from the~~
5 ~~State of Nevada}~~ may, by regulation, delegate to the Director of the
6 Western Interstate Commission for Higher Education the authority
7 to negotiate the terms of repayment, including how and when
8 payments will be made on loans or stipends in default. The *three*
9 *Nevada State* Commissioners may not delegate the authority to
10 reduce the principal balance owing.

11 **Sec. 12.** NRS 397.066 is hereby amended to read as follows:
12 397.066 The three *Nevada State* Commissioners , ~~{from the~~
13 ~~State of Nevada,}~~ acting jointly, may require:

14 1. A student to acquire, as security for a stipend or student
15 loan, insurance on his life and on his health or against his disability,
16 or both.

17 2. That a financially responsible person agree to be jointly
18 liable with the recipient for the repayment of the loan or stipend.

19 **Sec. 13.** NRS 397.067 is hereby amended to read as follows:

20 397.067 The three *Nevada State* Commissioners , ~~{from the~~
21 ~~State of Nevada,}~~ acting jointly, may, or may delegate to the
22 Director of the Western Interstate Commission for Higher Education
23 the power to, require, upon notice to a recipient of a loan, that he
24 repay the balance and any unpaid interest on the loan at once if:

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

26 2. The recipient fails to notify the *three Nevada State*
27 Commissioners, within 30 days, of:

28 (a) A change of name or of the address of his home or place of
29 practice; or

30 (b) The termination of his education or completion of his
31 internship for which he receives the loan; or

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

35 **Sec. 14.** NRS 397.068 is hereby amended to read as follows:

36 397.068 A recipient of a loan or a stipend under the program of
37 the Western Interstate Compact for Higher Education shall comply
38 with the regulations adopted by the Commission or the three
39 *Nevada State* Commissioners . ~~{from the State of Nevada,}~~ If he
40 fails so to comply, the three *Nevada State* Commissioners , ~~{from~~
41 ~~the State of Nevada,}~~ acting jointly, may:

42 1. For each infraction, impose a fine of not more than \$200
43 against any recipient in any academic year, and may deny additional
44 money to any student who fails to pay the fine when due;



- 1 2. Increase the portion of any future loan to be repaid by the
- 2 recipient;
- 3 3. Extend the time a recipient is required to practice his
- 4 profession to repay his stipend; and
- 5 4. Expel him from the program.

6 **Sec. 15.** NRS 397.0685 is hereby amended to read as follows:
7 397.0685 1. The three *Nevada State* Commissioners, ~~from~~
8 ~~the State of Nevada,~~ acting jointly, may, after receiving a written
9 application stating the reasons therefor, reduce the period of
10 required practice for the repayment of a stipend under NRS
11 397.0645 if the applicant:

12 (a) Has had at least 1 continuous year of practice of his
13 profession in this state, and practices his profession in a rural area of
14 this state. The applicant's practice in the rural area must be equal to
15 at least half of the total time spent by the applicant in his
16 professional practice, and not less than 20 hours per week.

17 (b) Practices his profession as a full-time employee of the State
18 of Nevada and has been employed by the State for at least 1
19 continuous year immediately before his application.

20 2. Any claim as to practice must be verified.

21 **Sec. 16.** NRS 397.069 is hereby amended to read as follows:
22 397.069 1. The three *Nevada State* Commissioners, ~~from~~
23 ~~the State of Nevada,~~ acting jointly, may after receiving an
24 application stating the reasons therefor, grant an extension of the
25 period for the repayment of a loan or a stipend under the program in
26 case of hardship arising out of the individual circumstances of a
27 recipient. The extension must be for a period that will reasonably
28 alleviate that hardship.

29 2. Applications for extensions must be filed within the time
30 prescribed by regulation of the three *Nevada State* Commissioners,
31 ~~from the State of Nevada,~~ acting jointly.

32 **Sec. 17.** NRS 397.0695 is hereby amended to read as follows:
33 397.0695 A person obligated to repay a student loan may, as
34 determined by the three *Nevada State* Commissioners, ~~from the~~
35 ~~State of Nevada,~~ acting jointly, receive credit towards payment of
36 the loan for professional services provided without compensation to
37 the State or any of its political subdivisions.

38 **Sec. 18.** NRS 353.357 is hereby amended to read as follows:
39 353.357 1. If the three *Nevada State* Commissioners ~~from~~
40 ~~the State of Nevada~~ on the Western Interstate Commission for
41 Higher Education, acting jointly, determine that current claims
42 against the Western Interstate Commission for Higher Education's
43 Fund for Student Loans created pursuant to NRS 397.063 exceed the
44 amount of money available in the Fund to pay the claims because of
45 a delay in the receipt of revenue due the Fund, the *three Nevada*



1 *State* Commissioners may request from the Director of the
2 Department of Administration a temporary advance from the State
3 General Fund to the Western Interstate Commission for Higher
4 Education's Fund for Student Loans for the payment of authorized
5 expenses.

6 2. If the Director of the Department of Administration
7 approves a request made pursuant to subsection 1, he shall notify the
8 State Controller and the Fiscal Analysis Division of the Legislative
9 Counsel Bureau of that approval. The State Controller shall draw his
10 warrant upon receipt of the approval by the Director of the
11 Department of Administration.

12 3. An advance from the State General Fund is limited to 50
13 percent of the revenue expected to be received by the Western
14 Interstate Commission for Higher Education's Fund for Student
15 Loans in the current fiscal year from any source other than
16 legislative appropriation.

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

21 **Sec. 19.** NRS 397.0605 is hereby repealed.

22 **Sec. 20.** This act becomes effective on July 1, 2003.

TEXT OF REPEALED SECTION

397.0605 Regulations regarding condition of placement of student in educational program for physician assistant. The provisions of NRS 397.0615, 397.0645 and 397.0653 to the contrary notwithstanding, the Western Interstate Commission for Higher Education may adopt regulations which require as a condition of placement of a student in an educational program for physician assistants and receipt of the related financial support that the student submit to the Director of the Western Interstate Commission for Higher Education:

1. A written statement from a licensed provider of health care who practices his profession in a rural area of this state that he agrees to employ the student for the term necessary to fulfill the requirements of NRS 397.0645 upon the completion of the student's education, examination and licensure.

2. A written statement from the student that in lieu of repayment of all state contributions for the stipend he received he



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will practice his profession in a rural area of this state in accordance with the schedule set forth in subsection 1 of NRS 397.0645.

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