

Assembly Bill No. 169—Assemblymen Considine, Watts, Anderson;  
Brown-May and Marzola

CHAPTER.....

AN ACT relating to higher education; establishing provisions relating to recruitment activities of certain institutions of higher education; requiring certain institutions of higher education to provide certain information to students; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law establishes the Commission on Postsecondary Education within the Employment Security Division of the Department of Employment, Training and Rehabilitation to license privately owned institutions of higher education which are located in Nevada and, with certain exceptions, branches of public or private institutions of higher education of another state which are located in Nevada. (NRS 394.383, 394.415) Under existing law, institutions licensed by the Commission are required to have a policy for refunds that requires the institution to refund a student all the money that the student has paid if the institution has substantially failed to furnish a training program agreed upon in an enrollment agreement. (NRS 394.449) **Section 1.6** of this bill defines when an institution has substantially failed to furnish a training program.

**Section 1** of this bill: (1) prohibits a postsecondary educational institution from engaging in recruiting activities in certain circumstances; and (2) authorizes a postsecondary educational institution to engage in recruiting activities at certain locations.

Existing law sets forth various requirements for postsecondary educational institutions, including, without limitation, providing students with a catalog or brochure of information related to the institution and a copy of the agreement to enroll in the institution. (NRS 394.441) **Section 1.3** of this bill sets forth additional requirements for postsecondary educational institutions, which include, without limitation: (1) requiring a postsecondary educational institution to provide a current and complete copy of a catalog or brochure to a student before signing an agreement to enroll; (2) various requirements for an agreement to enroll; (3) including a disclosure page or prominent link to the disclosure page on the main page of the Internet website of the postsecondary educational institution; and (4) including a statement indicating where a person can access the complaint policy of the postsecondary educational institution.

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

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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:

***A postsecondary educational institution:***



*1. Shall not engage in recruiting activities where prospective students cannot reasonably be expected to make informed decisions regarding enrollment.*

*2. May engage in recruiting activities at a center for employment opportunities operated by or with the support of the local, state or Federal Government and with the permission of the center for employment opportunities.*

**Sec. 1.3.** NRS 394.441 is hereby amended to read as follows:

394.441 **1.** A postsecondary educational institution shall:

~~[(1)]~~ **(a)** Provide students and other interested persons with a *current and complete* 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 Administrator or defined in the regulations of the Commission. The information must be provided before ~~[enrollment.]~~ *signing an agreement to enroll.*

~~[(2)]~~ **(b)** Provide each student who satisfactorily completes the training with appropriate educational credentials indicating:

~~[(a)]~~ **(1)** That the course of instruction or study has been satisfactorily completed by the student; and

~~[(b)]~~ **(2)** 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)]~~ **(c)** 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)]~~ **(d)** Provide each student with a *current and complete* copy of the agreement to enroll, dated and signed by the student or the student's guardian and an officer of the institution ~~[(4)]~~, *which must:*

**(1)** *Include a statement that the student or the student's guardian and the officer of the institution have reviewed each section of the agreement and had the opportunity to ask questions;*

**(2)** *Be printed in at least 10-point font; and*

**(3)** *Include a cancellation policy that:*

**(I)** *Provides that an agreement to enroll may be cancelled not later than 3 days after signing the agreement; and*

**(II)** *Contains clear language explaining the process to cancel an agreement to enroll.*



~~15.1~~ (e) For each program offered at the institution that does not lead to a degree, collect and maintain information concerning:

~~1(a)~~ (I) 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;

~~1(b)~~ (2) The number of:

~~1(1)~~ (I) Students enrolled in the program;

~~1(2)~~ (II) Students who have graduated from the program;

and

~~1(3)~~ (III) Graduates who have obtained employment in fields related to the instruction offered in the program, with the average compensation of such graduates; or

~~1(e)~~ (3) For each such program offered to prepare students for a licensing examination:

~~1(1)~~ (I) The number of students enrolled in the program;

~~1(2)~~ (II) The number of such students who have graduated from the program; and

~~1(3)~~ (III) The number of such graduates who have passed the examination.

~~16.1~~ (f) Select, from the information collected pursuant to ~~subsection 5.1~~ *paragraph (e)*, 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.

*(g) Include a disclosure page or prominent link to the disclosure page on the main page of the Internet website of the postsecondary educational institution.*

*(h) Include a statement indicating where a person can access the complaint policy of the postsecondary educational institution in the catalog or brochure of the institution or on the main page of the Internet website of the postsecondary educational institution.*

*2. The Commission shall adopt regulations imposing a fine against a postsecondary educational institution that fails to comply with paragraph (g) of subsection 1.*

**Sec. 1.6.** 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 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.

*5. As used in this section, "substantially failed to furnish" includes cancelling or changing a training program agreed upon in the enrollment agreement without:*

*(a) Offering the student a fair chance to complete the same program or another program with a demonstrated possibility of placement equal to or higher than the possibility of placement of the program in which the student is enrolled within approximately the same period at no additional cost; or*

*(b) Obtaining the written agreement of the student to the specified changes and a statement that the student is not being coerced or forced into accepting the changes,*

*↳ unless the cancellation or change of a program is in response to a change in the requirements to enter an occupation.*

**Sec. 2.** (Deleted by amendment.)

