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AN ACT relating to education; updating the signatories to the Western Regional Education Compact; changing the name of the Office of the Western Regional Education Compact to the Nevada Office of the Western Interstate Commission for Higher Education; revising provisions relating to the powers and duties of the Nevada State Commissioners and the Nevada Office; revising provisions relating to financial support received by participants enrolled in programs under the terms of the Compact; revising provisions relating to certain accounts administered by the Nevada Office; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law authorizes the execution of the Western Regional Education Compact for the purpose of the State of Nevada cooperating with other western states in the formation of the Western Interstate Commission for Higher Education. (NRS 397.010) Under the terms of the Compact, Nevada residents may participate in programs that provide financial support to assist them in attending colleges and universities located within the states and territories that are signatories to the Compact. (NRS 397.020) **Sections 6-8** of this bill update the Compact to include the U.S. Pacific Territories and Freely Associated States which became a signatory to the Compact in 2016.

The Compact creates the Western Interstate Commission for Higher Education, consisting of three Commissioners from each state or territory that is a signatory to the Compact, and requires the Commission to establish and maintain an office (Compact Office) within one of the compacting states. (NRS 397.020) Existing law requires the Governor to appoint the three Commissioners from the State of Nevada. (NRS 397.020, 397.030) In furtherance of the Compact, the Office of the Western Regional Education Compact is created under existing law within the Office of the Governor. Existing law requires the Governor to appoint a Director of this Office and authorizes the Director to employ staff. (NRS 223.700) **Section 24** of this bill changes the name of the Office of the Western Regional Education Compact to the Nevada Office of the Western Interstate Commission for Higher Education to distinguish it from the Compact Office. **Sections 10 and 24** of this bill revise the responsibility for certain powers and duties in existing law related to the Compact.

Existing law generally authorizes the three Nevada State Commissioners to delegate authority to carry out their powers and duties at a meeting held in accordance with the Open Meeting Law. (NRS 397.030) **Section 9** of this bill specifically authorizes the Commissioners to delegate to an officer or employee of the Nevada Office the authority to enter into an agreement that will be binding on the Nevada Office. **Sections 17 and 28** of this bill remove redundant provisions of existing law authorizing the Commissioners to delegate authority to perform certain duties. (NRS 397.064, 397.0655, 397.067)

Existing law authorizes the Western Interstate Commission for Higher Education to apply for and accept grants for certain purposes related to the Compact. (NRS 397.0557) **Section 12** of this bill specifically authorizes the



Nevada Office to apply for and accept grants, gifts and donations and **section 15** of this bill prescribes the deposit and use of this money.

Existing law establishes two accounts to be used by the Nevada State Commissioners to pay certain administrative expenses and dues. (NRS 397.050, 397.062) **Section 28** abolishes one of the duplicative accounts. (NRS 397.050) **Section 15** revises the name of the remaining account.

Existing law provides for two programs under the Compact: (1) one program administered by the Nevada Office, which requires participants to practice in a health professional shortage area or an area with a medically underserved population in this State after graduation; and (2) one program administered by the Compact Office, which requires participants to practice the profession in which they were certified in this State after graduation. (NRS 397.060, 397.0617, 397.0645) **Section 13** of this bill revises the process for selecting participants for programs administered by the Compact Office by: (1) removing the requirement that the Nevada State Commissioners review and certify a list of Nevada applicants to the Compact Office; and (2) instead requiring the Nevada State Commissioners to compile a list of such applicants and transmit the list to the Compact Office. **Sections 11 and 13** of this bill remove reference to the term "contract place" with respect to both programs.

Existing law requires the Western Interstate Commission for Higher Education to provide financial support to a participant enrolled in a program in the form of a support fee, certain portions of which are designated as either: (1) a loan that the participant is required to repay; or (2) a stipend that the participant is not required to repay unless he or she does not meet certain requirements after graduation. (NRS 397.0615) **Section 14** of this bill removes the requirement that a portion of the support fee be designated as a loan, thereby requiring that any financial support provided to a participant be provided in the form of a stipend which the participant is not required to repay unless he or she does not meet certain requirements after graduation. **Section 16** of this bill makes a conforming change by specifying that the Nevada State Commissioners must use money in the Nevada Office of the Western Interstate Commission for Higher Education's Loan and Stipend Fund solely to provide stipends to participants. **Sections 17 and 22** of this bill also make conforming changes by providing that certain requirements apply if a stipend received by a participant is converted to a loan as a result of the participant's failure to meet the requirements after graduation. **Section 17** also requires the Nevada State Commissioners to adopt regulations governing the repayment of loans. **Section 28** makes a conforming change to eliminate certain requirements in existing law related to repayment of loans. (NRS 397.067)

Existing law prescribes a process to award repayment of a stipend received by a participant in a program administered by the Nevada Office. (NRS 397.0617) Existing law also prescribes a separate, similar process to avoid repayment of a stipend received by a participant in a program administered by the Compact Office. (NRS 397.0645-397.0653) **Section 18** of this bill combines these two processes into a single process that applies to participants in programs administered by either office. **Sections 20, 21 and 28** of this bill make conforming changes as a result of the combination of these processes. (NRS 397.0617, 397.0653, 397.0685, 397.069)

Existing law requires the Nevada State Commissioners to assess a default charge against a participant who received a stipend to participate in a program administered by the Nevada Office if the participant does not meet certain requirements after graduation. (NRS 397.0617) **Section 18** authorizes the Nevada State Commissioners to assess a default charge against a participant who received a stipend to participate in a program administered by the Compact Office.



**Section 19** of this bill eliminates certain penalties that existing law authorizes the Nevada State Commissioners to impose on a participant for failure to comply with regulations adopted by the Nevada State Commissioners. (NRS 397.068)

**Section 28** eliminates the authority in existing law for the Nevada State Commissioners to require: (1) a recipient to acquire certain insurance as security for a stipend or loan; or (2) that a financially responsible person agree to be jointly liable with the recipient for the repayment of the stipend or loan. (NRS 397.066) **Section 28** also eliminates certain obsolete provisions in existing law relating to the repayment of stipends received before July 1, 1995. (NRS 397.065)

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 397 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this act.

**Sec. 2.** *As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 397.005 and sections 3, 4 and 5 of this act have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Compact” means the Western Regional Education Compact set forth in NRS 397.020.*

**Sec. 4.** *“Nevada Office” means the Nevada Office of the Western Interstate Commission for Higher Education created by NRS 223.700.*

**Sec. 5.** *“Participant” means a person who receives a stipend from the Western Interstate Commission for Higher Education to participate in a program administered by the Nevada Office or the office of the Western Interstate Commission for Higher Education established pursuant to Article 7 of the Compact.*

**Sec. 6.** NRS 397.005 is hereby amended to read as follows:

397.005 ~~[As used in this chapter, “state”]~~ *“State” means a state, territory or possession of the United States, the District of Columbia ~~for the Commonwealth of the Northern Mariana Islands,~~ and the U.S. Pacific Territories and Freely Associated States.*

**Sec. 7.** NRS 397.010 is hereby amended to read as follows:

397.010 1. The Governor is hereby authorized and directed to execute a compact on behalf of this state with each or all of the ~~[13 western states]~~ *16 members of the Western Interstate Commission for Higher Education* for the purpose of cooperating with such states in the formation of a Western Interstate Commission for Higher Education.



2. Notice of intention to withdraw from such Compact shall be executed and transmitted by the Governor.

**Sec. 8.** NRS 397.020 is hereby amended to read as follows:

397.020 The form and contents of such compact shall be substantially as provided in this section and the effect of its provisions shall be interpreted and administered in conformity with the provisions of this chapter:

## **Western Regional Education Compact**

The contracting states do hereby agree as follows:

### **ARTICLE 1**

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

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

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

Now, therefore, the States of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming ~~† and the Commonwealth of the Northern Mariana Islands~~ *and the U.S. Pacific Territories and Freely Associated States* do hereby covenant and agree as follows:

### **ARTICLE 2**

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



### ARTICLE 3

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

### ARTICLE 4

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

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

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

### ARTICLE 5

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

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

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



## ARTICLE 6

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

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

## ARTICLE 7

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

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

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

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

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

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

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



## ARTICLE 8

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

For this purpose the commission may enter into contractual agreements:

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

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

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

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

## ARTICLE 9

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



## ARTICLE 10

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

## ARTICLE 11

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

## ARTICLE 12

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

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

Any such defaulting state may be reinstated by: (a) performing all acts and obligations upon which it has heretofore defaulted, and





(b) application to and the approval by a majority vote of the commission.

**Sec. 9.** NRS 397.030 is hereby amended to read as follows:

397.030 1. In furtherance of the provisions contained in the Compact, there must be three Commissioners from the State of Nevada, appointed by the Governor to serve ~~in the Office of~~ *on* the Western ~~Regional~~ *Interstate Commission for Higher Education* ~~Compact~~ created by ~~NRS 223.700.~~ *the Compact.*

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

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

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

5. ~~The~~ *Except as otherwise provided in subsection 6, the* three Nevada State Commissioners, acting jointly, may:

(a) Adopt regulations as necessary to carry out the provisions of this chapter. ~~;~~ ~~and~~

(b) At a meeting held in accordance with the provisions of chapter 241 of NRS, delegate to an officer or employee of the Nevada Office ~~of the Western Interstate Commission for Higher Education~~ the authority to undertake any actions authorized or required by the provisions of this chapter, ~~except that~~ *including, without limitation, the authority to enter into an agreement that will be binding on the Nevada Office.*

6. *The three Nevada State Commissioners may not delegate the authority to enter into* any agreement that will be binding on the *Western Interstate Commission for Higher Education. Any agreement that will be binding on the Western Interstate Commission for Higher Education* must be approved by ~~the~~ *that* Commission.

**Sec. 10.** NRS 397.040 is hereby amended to read as follows:

397.040 1. All officers of the State are hereby authorized and directed to do all things falling within their respective provinces and jurisdiction necessary or incidental to the carrying out of the Compact in every particular, it being hereby declared to be the policy of this state to perform and carry out the Compact and to accomplish the purposes thereof.



2. All officers, bureaus, departments and persons of and in the State Government or administration of the State are hereby authorized and directed at convenient times and upon request of the ~~[Commission]~~ *Nevada Office* to furnish the ~~[Commission]~~ *Nevada Office* with information and data possessed by them and to aid the ~~[Commission]~~ *Nevada Office* by any means lying within their legal rights.

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

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

2. The terms and conditions of any such agreements must adhere to the same standards which are observed in the selection of ~~[contract places for Nevada residents in graduate or professional schools within the region.]~~ *participants.*

**Sec. 12.** NRS 397.0557 is hereby amended to read as follows:

397.0557 The ~~[Western Interstate Commission for Higher Education]~~ *Nevada Office* may apply for and accept ~~[grants. Upon receipt of sufficient grants, the Commission, or the three Nevada State Commissioners, acting jointly, may enter into binding agreements to purchase additional contract places for Nevada residents in graduate or professional schools within the region. The provisions of NRS 397.060 apply to the selection and certification of applicants to fill any contract place purchased pursuant to this section. The provisions of NRS 397.0615, 397.0645 and 397.0653 do not apply to financial support provided to a participant pursuant to this section. The terms and conditions of repayment, if any, must be set forth fully in a contract between the participant and the grantor.]~~ *any grant, gift or donation.*

**Sec. 13.** NRS 397.060 is hereby amended to read as follows:

397.060 The three Nevada State Commissioners, acting jointly:

1. Shall:

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



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

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

~~—3. Shall review and certify the]~~

(b) *Compile* a list of Nevada applicants for programs administered by the ~~[Regional Office]~~ *office* of the Western Interstate Commission for Higher Education ~~[~~

~~—4.] established pursuant to Article 7 of the Compact and transmit the list to that office.~~

2. May enter into any reciprocity agreement, including, without limitation, the State Authorization Reciprocity Agreement ~~[]~~ *as implemented by the Western Interstate Commission for Higher Education*, for the purpose of authorizing a postsecondary educational institution that is located in another state or territory of the United States to provide distance education to residents of this State if the requirements contained in the agreement for authorizing a postsecondary educational institution that is located in another state or territory of the United States to provide distance education to residents of this State are substantially similar to the requirements for licensure of a postsecondary educational institution by the Commission on Postsecondary Education pursuant to NRS 394.383 to 394.560, inclusive. As used in this subsection, “postsecondary educational institution” has the meaning ascribed to it in NRS 394.099.

**Sec. 14.** NRS 397.0615 is hereby amended to read as follows:

397.0615 Financial support provided to ~~[an applicant who is chosen by the three Nevada State Commissioners to receive such support from the Western Interstate Commission for Higher Education]~~ *a participant* must be provided in the form of a ~~[support fee. Except as otherwise provided in NRS 397.0617, 25 percent of the support fee is a loan that the recipient must repay with interest pursuant to NRS 397.063 or 397.064, as appropriate. Seventy five percent of the support fee is a]~~ stipend that the ~~[recipient]~~ *participant* is not required to repay, except as otherwise provided in NRS ~~[397.0653.]~~ **397.0645.**



**Sec. 15.** NRS 397.062 is hereby amended to read as follows:

397.062 1. There is hereby created an account in the State General Fund entitled the *Nevada Office of the Western Interstate Commission for Higher Education's Account* . ~~for Administrative Expenses.~~ Any money received by the three Nevada State Commissioners as the proceeds of any penalty , ~~for~~ appropriated or authorized from the State General Fund for the purposes of carrying out the provisions of this chapter *or pursuant to NRS 397.0557* must be deposited in this Account.

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

(a) Pay miscellaneous expenses incurred in administering the *Nevada Office of the Western Interstate Commission for Higher Education's Loan and Stipend Fund*; ~~and~~

(b) Pay expenses incurred in collecting money due the State from a loan ~~for a stipend granted from the Western Interstate Commission for Higher Education's Loan and Stipend Fund.~~

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

~~(a) made pursuant to NRS 397.064;~~

(c) Pay dues to the Western Interstate Commission for Higher Education; and

~~(b) (d) Pay administrative expenses of the Nevada Office . of the Western Interstate Commission for Higher Education.~~

**Sec. 16.** NRS 397.063 is hereby amended to read as follows:

397.063 1. All ~~contributions from participants~~ *money received as payment for a loan made pursuant to NRS 397.064* must be accounted for in the *Nevada Office of the Western Interstate Commission for Higher Education's Loan and Stipend Fund* which is hereby created as an enterprise fund.

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

~~(a) Loans to; and~~

~~(b) Contractual arrangements for educational services and facilities for;~~

~~residents of Nevada who are certified to attend graduate or professional schools in accordance with the provisions of this chapter.~~

~~3. Loans from the Western Interstate Commission for Higher Education's Loan and Stipend Fund before July 1, 1985, and loans~~



~~made to students classified as continuing students before July 1, 1985, must be made upon the following terms:~~

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

~~—(b) Each participant receiving a loan must repay the loan with interest following the termination of the participant's education or completion of the participant's internship in accordance with the following schedule:~~

~~—(1) Within 5 years for loans which total less than \$10,000.~~

~~—(2) Within 8 years for loans which total \$10,000 or more but less than \$20,000.~~

~~—(3) Within 10 years for loans which total \$20,000 or more.~~

~~—(c) No participant's loan may exceed 50 percent of the student fees for any academic year.] *stipends to participants.*~~

**Sec. 17.** NRS 397.064 is hereby amended to read as follows:  
397.064 ~~[Loans]~~

*1. If a stipend received* from the *Nevada Office of the* Western Interstate Commission for Higher Education's Loan and Stipend Fund ~~[to participants who enter the program on or after July 1, 1985.]~~ *is converted into a loan pursuant to NRS 397.0645, the loan* must be made upon the following terms:

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

~~—2. Except as otherwise provided in NRS 397.0617, each participant receiving a loan must repay the loan with interest following the termination of the participant's education or completion of the participant's internship for which the loan is made.~~

~~—3. The loan must be repaid in monthly installments over the period allowed, as set forth in subsection 4, with the first installment due 1 year after the date of the termination of the participant's education or the completion of the participant's internship for which the loan is made. The amounts of the installments may not be less than \$50 and may be calculated to allow a smaller payment at the beginning of the repayment period, with each succeeding payment gradually increasing so that the total amount due will have been paid within the period allowed for repayment.~~



~~—4. The three Nevada State Commissioners, acting jointly, shall, or shall delegate to the Director of the Nevada Office of the Western Interstate Commission for Higher Education the power to, schedule the repayment within the following periods:~~

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

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

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

~~—5. A participant's loan may not exceed 50 percent of the student fees for any academic year.~~

~~—6.] (b) A delinquency charge may be assessed on any installment delinquent 10 days or more in an amount that must be established by the three Nevada State Commissioners, acting jointly. [The Nevada State Commissioners, acting jointly, may delegate to the Director of the Nevada Office of the Western Interstate Commission for Higher Education the authority to establish an appropriate delinquency charge pursuant to this subsection.~~

~~—7.] (c) The reasonable costs of collection and attorney's fees may be recovered in the event of delinquency.~~

*2. The three Nevada State Commissioners, acting jointly, shall adopt regulations governing the repayment of loans, including, without limitation, the period allowed for the repayment and the minimum amount of money that may be repaid in an installment.*

**Sec. 18.** NRS 397.0645 is hereby amended to read as follows:

397.0645 1. A participant ~~[who receives from the Western Interstate Commission for Higher Education a stipend governed by the provisions of NRS 397.065 or 397.0653]~~ must repay *received by the participant* unless the participant ~~[practices,]~~ :

*(a) Graduates with a degree, certificate or similar credential in the area for which the participant received the stipend.*

*(b) Except as otherwise provided in NRS 397.0685, practices, in Nevada, the profession [in] for which [the participant was certified:*

~~—(a) For 3 years, if the participant entered the program before July 1, 1985;~~

~~—(b) For] the degree, certificate or similar credential was awarded for 1 year for each year the participant receives a stipend . [if the participant enters the program after June 30, 1985; or]~~

~~(c) [For 1 year for each 9 months the participant receives a stipend, if the participant enters the program after June 30, 1985,~~



~~and is enrolled in an accelerated program that provides more than 1 academic year of graduate and professional education in 9 months;~~  
~~→] Except as otherwise provided in NRS 397.069:~~

*(1) Commences the participant's practice obligation within 1 year after the completion or termination of the education, internship or residency for which the participant received the stipend.*

*(2) Completes the participant's practice obligation within 5 years after the completion or termination of the ~~[participant's]~~ education, internship or residency for which the participant ~~[receives]~~ received the stipend.*

*(d) Reports the participant's practice status annually to the Nevada Office on forms provided by the Nevada Office.*

*(e) Maintains the participant's permanent residence in the State of Nevada throughout the period of the participant's practice obligation. For purposes of this paragraph:*

*(1) Merely owning a residence in this State does not satisfy the requirement that a participant must maintain a permanent residence in this State.*

*(2) A participant who leaves the State for a limited period of time without forming the intent of changing the participant's permanent residence is not considered to have moved the participant's residence.*

*(f) If the participant received the stipend to participate in a program administered by the Nevada Office, completes the practice required by paragraph (b) of subsection 1 in a health professional shortage area or an area with a medically underserved population in this State.*

*2. ~~[The]~~ Except as otherwise provided in subsection 3, if a participant does not meet the requirements prescribed in subsection 1, the three Nevada State Commissioners, acting jointly : ~~[, may adopt regulations which:]~~*

*(a) ~~[Reduce the period of required practice for a participant who practices his or her profession in a rural area, a health professional shortage area, a medically underserved area or an area with a medically underserved population of this state as described in NRS 397.0617, or as an employee of this state in accordance with NRS 397.0685.]~~ Shall convert the stipend into a loan to be repaid in accordance with NRS 397.064 from the first day of the term for which the participant received the stipend.*

*(b) ~~[Extend the time for completing the required practice beyond 5 years for a]~~ Shall assess a default charge against the participant ~~[who is granted an extension because of hardship.]~~ if the participant*



*received the stipend to participate in a program administered by the Nevada Office.*

*(c) May assess a default charge against the participant if the participant received the stipend to participate in a program administered by the office of the Western Interstate Commission for Higher Education established pursuant to Article 7 of the Compact.*

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

4. *As used in this section:*

(a) *“Area with a medically underserved population” means an area:*

*(1) Designated as such by the United States Secretary of Health and Human Services pursuant to 42 U.S.C. § 254c; and*

*(2) Which meets any additional requirements prescribed by the Nevada Department of Health and Human Services.*

(b) *“Health professional shortage area” means a geographic area:*

*(1) Designated as such by the United States Secretary of Health and Human Services pursuant to 42 U.S.C. § 254c; and*

*(2) Which meets any additional requirements prescribed by the Nevada Department of Health and Human Services.*

**Sec. 19.** NRS 397.068 is hereby amended to read as follows:

397.068 A ~~[recipient of a loan or a stipend under the program of the Western Regional Education Compact]~~ *participant* shall comply with ~~[the]~~ *any requirements prescribed by* regulations adopted by the ~~[Commission or the]~~ three Nevada State Commissioners. If the ~~[recipient]~~ *participant* fails ~~[so]~~ to comply, the three Nevada State Commissioners, acting jointly, may:

1. For each infraction, impose a fine of not more than \$200 against any ~~[recipient]~~ *participant* in any academic or practicing year, and may deny additional money to any participant who fails to pay the fine when due; *and*

2. ~~[Increase the portion of any future loan to be repaid by the recipient;~~

~~—3. Extend the time a recipient is required to practice the recipient’s profession to repay the recipient’s stipend; and~~

~~—4.]~~ Expel the ~~[recipient]~~ *participant* from the program ~~[.]~~ *for which the participant received the stipend.*





**Sec. 20.** NRS 397.0685 is hereby amended to read as follows:  
397.0685

1. *A participant may petition the three Nevada State Commissioners for a reduction of the period of required practice prescribed by paragraph (b) of subsection 1 of NRS 397.0645.*

2. The three Nevada State Commissioners, acting jointly, may, after receiving a written ~~[application]~~ *petition* stating the reasons therefor, reduce the period of required practice ~~[for the repayment of a stipend under NRS 397.0645 if the applicant:~~

~~—(a) Has had at least 1 continuous year of practice of the applicant's profession in this state, and practices the applicant's profession in a rural area, a health professional shortage area, a medically underserved area or an area with a medically underserved population of this state. The applicant's practice in the area must be equal to at least half of the total time spent by the applicant in the applicant's professional practice, and not less than 20 hours per week;~~

~~—(b) Practices the applicant's profession as a full time employee of the State of Nevada and has been employed by the State for at least 1 continuous year immediately before the applicant's application;~~

~~—2. Any claim as to practice must be verified.] in accordance with the regulations adopted pursuant to subsection 3.~~

3. *The three Nevada State Commissioners, acting jointly, shall adopt regulations to carry out the provisions of this section.*

**Sec. 21.** NRS 397.069 is hereby amended to read as follows:

397.069 1. *A participant may petition the three Nevada State Commissioners for:*

*(a) An exemption from the requirement prescribed by subparagraph (1) of paragraph (c) of subsection 1 of NRS 397.0645.*

*(b) An extension of the period for completing the required practice prescribed by subparagraph (2) of paragraph (c) of subsection 1 of NRS 397.0645.*

2. The three Nevada State Commissioners, acting jointly, may after receiving ~~[an application]~~ *a written petition* stating the reasons therefor, grant an *exemption to the requirement prescribed by subparagraph (1) of paragraph (c) of subsection 1 of NRS 397.0645 or an* extension of the period for ~~[the repayment of a loan or a stipend under the program in case of hardship arising out of the individual circumstances of a recipient. The extension must be for a period that will reasonably alleviate that hardship.~~



~~—2. Applications for extensions must be filed within the time prescribed by regulation of~~ *completing the required practice prescribed by subparagraph (2) of paragraph (c) of subsection 1 of NRS 397.0645 in accordance with the regulations adopted pursuant to subsection 3.*

3. *The three Nevada State Commissioners, acting jointly [H], shall adopt regulations to carry out the provisions of this section.*

**Sec. 22.** NRS 397.0695 is hereby amended to read as follows:

397.0695 A participant obligated to repay a *stipend that is converted to a loan pursuant to NRS 397.0645* may, as determined by the three Nevada State Commissioners, acting jointly, receive credit towards payment of the loan for professional services provided without compensation to the State or any of its political subdivisions.

**Sec. 23.** NRS 397.070 is hereby amended to read as follows:

397.070 The ~~[Commission]~~ *three Nevada State Commissioners, acting jointly*, shall:

1. Keep accurate accounts of ~~[its]~~ *their* activities ~~[ ]~~ *and the activities of the Nevada Office.*

2. Report to the Governor and the Legislature before September 1 of any year preceding a regular session of the Legislature, setting forth in detail the transactions conducted by ~~[it]~~ *the Commissioners and the Nevada Office* during the biennium ending June 30 of such year.

3. Make recommendations for any legislative action deemed by ~~[it]~~ *the Commissioners to be* advisable, including amendments to the statutes which may be necessary to carry out the intent and purposes of the Compact between the signatory states.

**Sec. 24.** NRS 223.700 is hereby amended to read as follows:

223.700 1. There is hereby created within the Office of the Governor the *Nevada Office of the Western [Regional] Interstate Commission for Higher Education . [Compact.]*

2. The Governor shall propose a budget for the *Nevada Office of the Western [Regional] Interstate Commission for Higher Education . [Compact.]*

3. The Governor shall appoint a Director of the *Nevada Office of the Western [Regional] Interstate Commission for Higher Education . [Compact.]* The Director is in the unclassified service of the State and serves at the pleasure of the Governor.

4. The Director may, within the limits of available money, employ such additional personnel as may be required to carry out the duties of the *Nevada Office of the Western [Regional] Interstate*



*Commission for Higher Education*, ~~[Compact,]~~ who must be in the classified service of the State.

**Sec. 25.** The amendatory provisions of this act do not apply to:

1. Any contract entered into before July 1, 2021, involving a loan made pursuant to NRS 397.063 or 397.064.
2. Any contract involving a stipend received by a participant before July 1, 2021, which:

- (a) The participant must repay pursuant to NRS 397.0653; or
- (b) Is converted into a loan pursuant to NRS 397.0617.

**Sec. 26.** 1. Any administrative regulations adopted by an officer or an agency whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer or agency remain in force until amended by the officer or agency to which the responsibility for the adoption of the regulations has been transferred.

2. Any contracts or other agreements entered into by an officer or agency whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer or agency are binding upon the officer or agency to which the responsibility for the administration of the provisions of the contract or other agreement has been transferred. Such contracts and other agreements may be enforced by the officer or agency to which the responsibility for the enforcement of the provisions of the contract or other agreement has been transferred.

3. Any action taken by an officer or agency whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer or agency remains in effect as if taken by the officer or agency to which the responsibility for the enforcement of such actions has been transferred.

**Sec. 27.** The Legislative Counsel shall:

1. In preparing the reprint and supplements to the Nevada Revised Statutes, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

2. In preparing supplements to the Nevada Administrative Code, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

**Sec. 28.** NRS 397.050, 397.0617, 397.065, 397.0653, 397.0655, 397.066 and 397.067 are hereby repealed.



**Sec. 29.** This act becomes effective on July 1, 2021.

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