

**PROPOSED REGULATION OF THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA**

**2009 –PROPOSED AMENDMENTS TO  
NEVADA ADMINISTRATIVE CODE**

**CHAPTER 353B – COLLEGE SAVINGS PLANS OF NEVADA**

**NEVADA HIGHER EDUCATION PREPAID TUITION PROGRAM**

Chapter 353B of NAC is hereby amended by adding thereto a new section to read as follows:

*NAC 353B. Master Agreement. (NRS 353B.090) The Board will develop a Master Agreement which will contain the provisions of the contract and the Program.*

*NAC 353B. Master Agreement: Contents*

*(NRS 353B.090) The Board will develop a Master Agreement which will contain the provisions of the contract and the Program.*

*1. The Master Agreement will contain:*

- a) The Program's obligations to purchasers and beneficiaries*
- b) The qualifications of purchasers and beneficiaries.*
- c) Requirements for enrollment*
- d) The Plan and payment options*
- e) Methods of payment*
- f) The method for distribution of benefits.*
- g) Provisions for terminations, refunds, contract conversions and amendments;*
- h) An explanation of the operation of the Higher Education Trust Fund;*
- i) General Terms, including but not limited to: arbitration, limited liability, preclusion of the sale of contracts, and other provisions as determined by the Board.*
- j) Fees and penalties.*

*2. The Board will from time to time update the Master Agreement, and amend individual contracts. Any such changes shall be implemented across all contracts affected by the amendment. Purchasers choosing not to be bound by the contract and Master Agreement changes may elect to cancel the contract and receive a refund pursuant to NAC 353B.450.*

Chapter 353B. 210 of NAC is hereby further amended by adding thereto the provisions set forth as sections 4, 5 and 6 of this regulation.

*4. The Board will annually determine benefit payments for semester credit hours to eligible education institutions based on the basic tuition fee of state universities and colleges.*

*5. Out-of state, private and independent institutions of higher education which charge tuition based on class, clock hour or quarterly fees other than the basic fee for semester credit hours, shall be converted to semester credit hours as follows:*

- (a) *Clock Hours: The total clock hours for a semester or trimester program at an eligible educational institution for one year course will be divided by 30 to determine the number of credit hours eligible for disbursement under the plan of the contract.*
- (b) *Quarter Hours: For a quarter hour program the number of clock hours in the program will be divided by 20 to determine the number of credit hours eligible for disbursement under the plan of the contract.*

*6. Payments to any eligible educational institution must be made directly to the institution.*

**Chapter 353B.420 of NAC is hereby further amended by adding thereto a new section to read as follows:**

*3. If the purchaser has paid the total amount due on the contract and no successor owner or estate representative is identified the Board will automatically transfer to the designated qualified beneficiary all of the purchaser's rights and responsibilities. In such event, the Board, without further notice, consent, authorization or otherwise, shall act at the specific direction of the qualified beneficiary, if not a minor. If the qualified beneficiary is a minor, the contract shall not distribute benefits unless the Board receives acceptable documentation that a legal guardian may act on behalf of the qualified beneficiary.*

**Chapter 353B.050 of NAC is hereby amended to read as follows:**

**NAC 353B.050 “Eligible *Educational Institution* [school]” defined.** (NRS 353B.090, 353B.100) “~~[Eligible school]~~ *Eligible Educational Institution*” means a school described in paragraph (g) of subsection 3 of NRS 353B.100. For the purposes of that paragraph, the Board will construe the term “accredited” to mean that a school has been accredited as a postsecondary educational institution by an accrediting body recognized by the United States Department of Education *and be eligible to participate in U.S. Department of Education Federal Student Financial Aid and student loan programs.*

**Chapter 353B.070 is hereby amended to read as follows:**

**NAC 353B.070 “State community college” defined.** (NRS 353B.090) “State community college” means:

1. The [Community] College of Southern Nevada;
2. Western Nevada [Community] College;
3. Truckee Meadows Community College; or
4. Great Basin College.

**Chapter 353B.080 is hereby amended to read as follows:**

**NAC 353B.080 “State university” defined.** (NRS 353B.090) “State university” means:

1. The University of Nevada, Reno; or
2. The University of Nevada, Las Vegas.
3. *Nevada State College.*

**Chapter 353B.090 is hereby amended to read as follows:**

**NAC 353B.090 “Tuition” defined.** (NRS 353B.090) “Tuition” means *the basic tuition fee charged for a semester credit hour at a State community college or State university* ~~[fees]~~

~~required~~ for the enrollment of a full-time student into an eligible *educational institution* ~~[school]~~, except for any amounts charged:

1. To nonresident students only;
2. As fines, application fees, entrance fees, parking fees, technology fees, athletic fees or studio fees, laboratory fees or other fees imposed for specific courses, whether or not charged to all students; and
3. For books, supplies, room or board, whether or not charged to all students.

**Chapter 353B.150 is hereby amended to read as follows:**

**NAC 353B.150 Options for institution of higher education; number of semester hours for which contract may be made.** (NRS 353B.090, 353B.100)

1. A contract may provide for payment from the Trust Fund of the amount of tuition required for the enrollment of a qualified beneficiary into:

(a) A state community college in sufficient classes for a student to earn 60 semester hours of credit;

(b) A state:

(1) Community college in sufficient classes for a student to earn 60 semester hours of credit; and

(2) University in sufficient classes for a student to earn 60 semester hours of credit; or

(c) A state university in sufficient classes for a student:

*(1) To earn 30 semester hours of credit; or*

~~(1)~~(2) To earn 60 semester hours of credit; or

~~(2)~~(3) To earn 120 semester hours of credit.

2. As used in this section, “classes” means classes pursuant to which a student may earn an associate’s degree in 2 years of study or a bachelor’s degree in 4 years of study.

**Chapter 353B.170 is hereby amended to read as follows:**

**NAC 353B.170 Requirements for purchaser and qualified beneficiary.** (NRS 353B.090)

1. The purchaser of a contract may be any person or legal entity other than the qualified beneficiary designated for the contract.

2. At the time of enrollment in the Program, a qualified beneficiary must not yet have:

(a) Completed the ninth grade of school; or

(b) Attained the age of ~~19~~ 18 years.

3. The purchaser of a contract or the qualified beneficiary must be a resident of this State at the time of enrollment in the Program, or the purchaser must hold a degree or certificate from a state university or state community college.

**Chapter 353B of NAC is hereby amended to read as follows:**

**NAC 353B.210 Provision of benefits.** (NRS 353B.090)

1. The Board will not provide any benefits pursuant to a contract:

(a) Earlier than ~~2~~ 3 years after the date the first payment is due from the purchaser pursuant to the contract.

(b) Until:

(1) The purchaser has paid the entire amount due pursuant to the contract, including any outstanding fees and penalties; and

(2) The Board has received:

- (I) The social security number of the qualified beneficiary;
- (II) If the qualified beneficiary enrolls in an eligible ~~[school]~~ *educational institution* that is not a member of the System, at least 60 days' notice of that enrollment; and

**Chapter 353B of NAC is hereby amended to read as follows;**

**NAC 353B.350 Options; method of payment.** (NRS 353B.090, 353B.100) A contract may provide for payment by the purchaser:

- 1. By:
  - (a) Remittance in a lump sum; or
  - (b) Remittances on a monthly basis:
    - (1) For 60 months; or
    - (2) From the time of enrollment in the Program until the qualified beneficiary graduates from high school; and
- 2. Pursuant to:
  - (a) An invoice;
  - (b) Monthly coupons;
  - (c) Payroll deductions;
  - (d) Automatic deductions from a specified account at a financial institution;
  - (e) *Gifts under conditions approved by the Board*; or
  - (f) Any other method approved by the Board.

**Chapter 353B of NAC is hereby by amended to read as follows:**

**NAC 353B.420 Death of purchaser.** (NRS 353B.090) Upon the receipt of a written request signed by a person designated pursuant to NAC 353B.190 or, in the absence of such a designation, by the representative of the estate of the purchaser, *or representative of a qualified beneficiary*, and such documentation as the Board deems adequate to prove that a purchaser has died, the Board will:

- 1. Terminate the contract and provide to the requester, after deducting the total amount of any fees and penalties imposed pursuant to the contract and any payments from the Trust Fund made on behalf of the qualified beneficiary, a refund of the balance of the amount paid by the purchaser pursuant to the contract, with interest on that balance in accordance with the applicable rates established pursuant to NAC 353B.200; or
- 2. If the requester submits the required fee, amend the contract to change the identity of the purchaser.; *or*

**Chapter 353B.430 of NAC is hereby amended by adding thereto a new section to read as follows:**

**NAC 353B.430 Death or disability of qualified beneficiary.** (NRS 353B.090) Upon the receipt of a written request signed by a purchaser and such documentation as the Board deems adequate to prove that the qualified beneficiary has died or become totally disabled, the Board will:

- 1) Terminate the contract and provide to the purchaser, after deducting the total amount of any fees imposed pursuant to the contract, a refund amount with interest on that amount in accordance with the applicable rates established pursuant to NAC 353B.200.

*2) Amend the contract to change the identity of the qualified beneficiary, subject to the pursuant to NAC 353B.210.*

**Chapter 353B.450 of NAC is hereby amended to read as follows;**

**NAC 353B.450 Request by purchaser to terminate contract. (NRS 353B.090)**

1. Upon the receipt of a written request signed by a purchaser to terminate the contract for any reason other than as provided in *NAC 353B.430* and *353B.440*, the Board will terminate the contract and provide to the purchaser, after deducting the total amount of any fees and penalties imposed pursuant to the contract and any payments from the Trust Fund made on behalf of the qualified beneficiary, a refund amount not to exceed the total amount paid by the purchaser pursuant to the contract, with interest on that adjusted amount in accordance with the applicable rates established pursuant to *NAC 353B.200*. The Board will, as soon as practicable following the end of a calendar month, disburse a refund amount to a purchaser who has agreed to accept, in full satisfaction of a refund claim, the refund amount not to exceed the total amount paid by the purchaser pursuant to the contract as of the last business day of the calendar month.

2. The *Board may determine due to actuarial soundness of the Trust Fund to issue refunds at an amount less than 100 percent of the contract payments made by the* purchaser ~~{a contract was purchased before February 1, 2003}~~, a purchaser who wishes to terminate a contract pursuant to subsection 1 may:

(a) Accept a refund amount *determined by the Board*, not to exceed the total amount paid by the purchaser pursuant to the contract, as described in subsection 1; or

(b) If the amount described in paragraph (a) is less than 100 percent of the contract payments made by the purchaser, choose to wait until the market value of the Trust Fund is sufficient to provide a refund equal to 100 percent of the contract payments made by the purchaser.