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# NEVADA

## FINAL GRADING ANALYSIS

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OVERALL SCORE: **341.5/700 POINTS (49%)**  
LETTER GRADE: **F**

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### I. OVERSIGHT BODY: **62.5/100 POINTS**

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A. IS THERE A STATUTORILY CREATED OVERSIGHT BODY  
THAT IS PUBLICLY ACCOUNTABLE?  
**47.5/60 POINTS**

Element	Points Available	Points Awarded
1. Oversight body is a multi-member board, commission, or panel created by statute	10	10
2. Oversight body was statutorily created specifically to oversee private postsecondary institutions	10	0
3. Multi-member board, commission, or panel is the ultimate decision maker (as opposed to a single person, like the head of a department or director)	10	10
4. Oversight body can engage in rulemaking	10	10
5. Oversight body's meetings must be open to the public	5	5
6. Oversight body's meetings must allow public comment	5	2.5
7. Oversight body can initiate investigations	5	5
8. Oversight body can impose penalties for violations	5	5
<b>Total Points</b>	<b>60</b>	<b>47.5</b>

**Explanation:**

The seven-member Commission on Postsecondary Education licenses all postsecondary institutions (public, private, for-profit, not-for-profit, career and degree). (Nev. Rev. Stat. Ann. § 394.383, §394.415, §394.421.) The Commission is charged with oversight of postsecondary institutions, which are defined as “an academic, vocational, technical, home study, business, professional or other school, college or university that is privately owned, or any person offering postsecondary education if he or she is not licensed as a postsecondary educational institution in this state by a federal or another state agency; charges tuition, requires or requests donations or receives any consideration from a student for any portion of the instruction, including written or audiovisual material; educates or trains persons who are not his or her employees; and educates or trains, or claims or offers to educate or train, students in a program leading toward employment at a beginning or advanced level, educational credentials, credits that are intended to be applied toward an educational credential awarded in another state which does not

require the person to obtain a majority of the credits required in that state, or preparation for examinations for initial licensing in a profession or vocation. (Nev. Rev. Stat. Ann. § 394.099.)

The Commission has authority to engage in rulemaking. (Nev. Rev. Stat. Ann. § 394.411.) The Administrator is the executive secretary of the Commission and is charged with conducting investigations. (Nev. Rev. Stat. Ann. § 394.430.) The Commission has the authority to impose penalties, including revocation of licenses and imposition of fines where appropriate. (Nev. Rev. Stat. Ann. § 394.510.) Commission meetings are subject to Nevada’s open meetings law, and must allow public comment under specified circumstances. (Nev. Rev. Stat. Ann. § 241.020.) The state receives partial credit because Nevada law gives the Commission some discretion, outside of circumstances specified in statute, to allow public comment.

**B. STATUTE-SPECIFIED MEMBERSHIP:**

**1. TO WHAT EXTENT ARE LIMITATIONS PLACED ON FOR-PROFIT MEMBERSHIP ON THE OVERSIGHT BODY?**

**10/25 POINTS**

Explicit prohibition on for-profit majority and no possibility of a majority of the quorum	Explicit prohibition on for-profit majority	Discouraged	No prohibition specified, but not discouraged	For-profit majority mandated
25 Points	20 Points	10 Points	0 Points	-5 points

**Explanation:**

Nevada requires the governor to appoint Commission members. Membership must include one member who is a representative of the State Board of Education; 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 Nevada; two members who are representatives of private postsecondary educational institutions; and two members who are representatives of the general public and are not associated with the field of education. (Nev. Rev. Stat. Ann. § 394.385.)

Though Nevada law requires that two members of the Commission be representatives of private postsecondary institutions, the statutorily required make-up discourages a majority of members with for-profit affiliation because, while there is not language explicitly prohibiting a for-profit affiliated majority, it would not be possible for more than three members of the seven-member commission to represent for-profit interests (if the representative of the State Board of Education was affiliated in some way with a for-profit). Thus, it is possible for members with for-profit affiliation to make up a majority of the quorum in some narrow circumstances.

**2. IS THE OVERSIGHT BODY MANDATED TO INCLUDE AT LEAST ONE CONSUMER ADVOCATE?**

**0/10 POINTS**

Yes	No
10 Points	0 Points

**Explanation:**

Nevada law does not require the inclusion of a consumer advocate member on the Commission.

3. ARE THE MEMBERS APPOINTED BY A PUBLICLY ACCOUNTABLE OFFICIAL OR ELECTED IN A GENERAL ELECTION?

**5/5 POINTS**

All	Majority	Half	Minority	None
5 Points	3 Points	2.5 Points	1 Point	0 Points

**Explanation:**

The governor appoints all seven members of the commission. (Nev. Rev. Stat. Ann. § 394.383.)

**II. STATE OVERSIGHT—EFFICACY: 45.5/100 POINTS**

A. DOES THE STATE REQUIRE ONSITE REVIEW OF PRIVATE POSTSECONDARY INSTITUTIONS?

**1/10 POINTS**

Mandatory onsite reviews			Discretionary	None
Every 2 years or less	Every 3-5 years	Over 5 years	Discretion to conduct onsite reviews	No review specified
10 Points	8 Points	5 Points	3 Points	0 1 Point

**Explanation:**

Nevada receives one point here because the state requires inspection of an institution only where a provisional license has been issued, and there is no requirement that these inspections occur at regular intervals. Additionally, Nevada requires that the Administrator “investigate an applicant if necessary”; this may include an onsite inspection, but there is nothing in Nevada law that mandates regular onsite inspections. (Nev. Rev. Stat. Ann. § 394.460.)

B. DOES THE STATE REQUIRE UNANNOUNCED INSPECTIONS FOR ONSITE REVIEWS?

**0/5 POINTS**

Required unannounced visits	Discretion to do unannounced visits	No indication or prohibition on unannounced visits
5 Points	3 Points	0 Points

**Explanation:**

Nevada law does not require or authorize unannounced inspections for onsite reviews.

**C. DOES THE STATE REQUIRE REGULAR REVIEWS OF PRIVATE POSTSECONDARY APPROVAL TO OPERATE?**

**20/20 POINTS**

Mandatory		Discretionary		None
Every 2 years or less	Every 3-5 years	Over 5 years	Discretion to conduct onsite reviews	Over 6 years or none
<b>20 Points</b>	15 Points	10 Points	5 Points	0 Points

**Explanation:**

The term of a postsecondary school license cannot exceed 2 years. The Administrator of the Commission reviews and investigates, where appropriate, renewal applications. (Nev. Rev. Stat. Ann. § 394.460.)

**D. DO THE CRITERIA FOR RENEWAL OF AUTHORIZATION MANDATE A REVIEW OF FACTORS ESSENTIAL TO ACADEMIC AND ETHICAL INTEGRITY?**

**4.5/20 POINTS**

8 of 8	7 of 8	6 of 8	5 of 8	4 of 8	3 of 8	2 of 8	1 of 8	0 of 8
20 Points	17.5 Points	15 Points	12.5 Points	10 Points	7.5 Points	5 Points	<del>2.5</del> <b>4.5 Points</b>	0 Points

Element	
Admission requirements	<b>D</b>
Graduation requirements	<b>M</b>
Placement rate	
Completion rate (or graduation rate)	
Advertising practices	
Cohort default rate	
Accreditation status	<b>D</b>
Financial aid policies	

*M=Mandatory; D=Discretionary*

**Explanation:**

While initial licensure of an institution requires a more comprehensive review, Nevada law requires institutions to submit the following for license renewal: a statement which verifies each program of instruction offered by the licensee and which includes, without limitation, the title of the program, the length of the program in hours of instruction or credit hours, the total tuition and fees for the completion of the program, and the name of the academic instructor responsible for the program; a copy of the licensee's current catalog or brochure; a description of each program of instruction for which there has been a substantial change since the immediately preceding grant or renewal of the license; verification of the financial stability of the applicant; and an affidavit or power of attorney to the Commission or its staff to substantiate the specific information contained in the verification of the financial stability.

Nevada law receives partial (discretionary review) credit for items required in the school catalog because schools are required to submit a catalog for review with their application for license renewal.

E. DOES THE STATE’S OVERSIGHT DISTINGUISH BETWEEN FOR-PROFIT AND NONPROFIT POSTSECONDARY INSTITUTIONS?

**0/15 POINTS**

Yes, strongly distinguished	Yes, moderately distinguished	Yes, slightly distinguished	Not distinguished
15 Points	10 Points	5 Points	<b>0 Points</b>

**Explanation:**

Nevada law does not distinguish between private for-profit and nonprofit postsecondary institutions.

F. DOES THE STATE REQUIRE INCREASED OVERSIGHT/SCRUTINY OF PRIVATE POSTSECONDARY INSTITUTIONS BASED ON POOR PERFORMANCE?

**0/10 POINTS**

Yes, mandatory	Yes, mandatory but limited	Yes, discretionary	Yes, discretionary but limited	No
10 Points	7.5 Points	5 Points	2.5 Points	<b>0 Points</b>

**Explanation:**

Nevada law does not explicitly require increased oversight/scrutiny of private postsecondary institutions based on poor performance.

G. DOES STATE LAW INCLUDE ANY SPECIAL PROTECTIONS FOR VETERANS WHO ATTEND PRIVATE POSTSECONDARY INSTITUTIONS?

**20/20 POINTS**

Yes	No
<b>20 Points</b>	0 Points

**Explanation:**

Nevada law specifies that “[a]ny institution licensed by or under the jurisdiction of an agency of government which seeks approval to offer training to veterans or which has been approved for the training of veterans is subject to the regulations of the Commission, if the agency of government has no criteria, or where the criteria are less stringent than that of the Commission. The regulations of the Commission apply to contested cases concerning approval of programs for the training of veterans.” (Nev. Admin. Code 394.375.) In addition, Nevada’s Commission on Postsecondary Education maintains a special page on its website to provide information and assistance to veterans (<http://www.cpe.state.nv.us/CPE%20Vet%20Info.htm>.)

### III. STATE OVERSIGHT—SCOPE AND INCLUSION:

**50/100 POINTS**

#### A. ARE EXEMPTIONS TO STATE OVERSIGHT COVERAGE LIMITED?

**50/100 POINTS**

No exemptions	Few exemptions	Moderate exemptions	Broad exemptions
100 Points	75 Points	<b>50 Points</b>	0 Points

**Explanation:**

Nevada law allows moderate exemptions to oversight requirements. First, it excludes institutions licensed by a federal or other state agency in its definition of postsecondary educational institution. (Nev. Rev. Stat. Ann. § 394.099.) Second, and importantly, accreditation may be accepted as evidence of compliance with the minimum standards established by the Commission, or the Administrator may require further evidence and make further investigation as in the judgment of the Administrator or the judgment of the Commission are necessary. (Nev. Rev. Stat. Ann. § 394.447.) Nevada loses credit because it allows accreditation to be accepted as evidence of compliance with minimum standards. This amounts to a moderate exemption rather than a broad exemption because Nevada leaves to the Commission’s discretion the final determination as to whether or not to accept accreditation as evidence of compliance with minimum requirements and because evidence of accreditation does not exempt a private postsecondary institution from oversight entirely.

### IV. DISCLOSURE REQUIREMENTS: **27.5/100 POINTS**

#### A. ARE INSTITUTIONS REQUIRED TO DISCLOSE INSTITUTIONAL PERFORMANCE MEASURES TO POTENTIAL STUDENTS?

**5/20 POINTS**

Yes, mandatory	Yes, discretionary	None
Fact sheet or equivalent required to be given to students	Fact sheet or equivalent given to students upon request:	No fact sheet required
20 Points	<b>10 5 Points</b>	0 Points

**Explanation:**

Nevada law requires non-degree-granting institutions to maintain information on completion rates, employment rates, and, where a program is offered to prepare students for a licensing exam, exam passage rates. Nevada requires non-degree-granting institutions to select, from the information collected 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.

Nevada receives only five points for requiring these limited disclosures because disclosure to potential students is discretionary; it is not provided on a fact sheet that is provided to students, rather, it is posted; the state gives institutions enough discretion in choosing which information to provide that the

institutions could manipulate the information in a way that may be misleading to students; and only non-degree-granting institutions are required to provide these disclosures.

**B. WHICH INSTITUTIONAL PERFORMANCE DISCLOSURES ARE REQUIRED TO BE GIVEN TO STUDENTS PRIOR TO ENROLLMENT?**

**7.5/60 POINTS**

Disclosures	Mandatory	Discretionary	Not specified
Cohort default rate (CDR)	10 Points	5 Points	0 Points
Graduation / completion rates	10 Points	<del>5</del> 2.5 Points	0 Points
Placement rates	10 Points	<del>5</del> 2.5 Points	0 Points
Wage information	10 Points	5 Points	0 Points
License exam passage rates	10 Points	<del>5</del> 2.5 Points	0 Points
Methods & sources used to calculate	10 Points	5 Points	0 Points

**Explanation:**

Nevada law receives partial credit for requiring performance disclosures because the state requires only non-degree-granting postsecondary schools to provide performance disclosures; gives the schools discretion as to which timeframe to use for performance disclosures; and requires only that the schools post these disclosures in a “conspicuous location.” Students may or may not see the disclosures prior to enrollment.

The state receives credit for providing placement disclosure because non-degree-granting postsecondary schools are required to provide disclosures related to employment.

**C. DOES THE STATE REQUIRE SCHOOLS TO DISCLOSE ELEMENTS ESSENTIAL TO STUDENT PROTECTION PRIOR TO ENROLLMENT OR IN THE ENROLLMENT CONTRACT?**

**15/20 POINTS**

Element description	Mandatory	Discretionary	Not specified
Total cost of program	5 Points	2.5 Points	0 Points
Refund information	5 Points	2.5 Points	0 Points
Transferability of credits	5 Points	2.5 Points	0 Points
Length of program	5 Points	2.5 Points	0 Points

**Explanation:**

Nevada law requires postsecondary schools to 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 prior to enrollment. (Nev. Rev. Stat. Ann. § 394.441.)

## V. REGULATION OF RECRUITING PRACTICES:

**75/100 POINTS**

A. HAS THE STATE PUT INTO LAW A LIST OF PROHIBITED ACTS REGARDING ADVERTISING AND RECRUITING?

**75/100**

Yes, strong regulation	Yes, moderate regulation	Yes, weak regulation	No list of prohibited acts
100 Points	<b>75 Points</b>	50 Points	0 Points

### PROHIBITED ACTS

Included in list of prohibited acts	
Misleading representations using the word “college” or “university”	<b>X</b>
Misleading institution affiliations (e.g., military, public institution, businesses)	<b>X</b>
Promise of employment	<b>X</b>
Compensation for enrollment	
Compensation or “bounty” to recruiters	
Deception (broad prohibition)	<b>X</b>
Misrepresentation (broad prohibition)	<b>X</b>
Misleading representations re: accreditation	<b>X</b>

*1-3=Weak; 3.5-6=Moderate; 6.5-8=Strong*

**Explanation:**

Nevada law includes a long list of prohibitions related to promotional materials used by postsecondary institutions. The prohibitions include all of the above elements with the exceptions of “compensation or ‘bounty’ to recruiters” and “compensation for enrollment.” (Nev. Admin. Code 394.590.)

## VI. COMPLAINT PROCESS AND RELIEF FOR STUDENTS:

**61/100 POINTS**

A. DOES THE STATE REQUIRE A BOND OR FUND AS A CONDITION OF AUTHORIZATION?

**15/20 POINTS**

Yes	No
<b>20 15 points</b>	0 Points

**Explanation:**

Nevada law requires specified institutions to post a bond: a postsecondary educational institution initially licensed on or after July 1, 1995; a postsecondary educational institution or other entity authorized to employ one or more agents in the state; a postsecondary educational institution that poses a financial risk to the students who are enrolled in the institution, as determined by the Commission; a postsecondary educational institution that files for a change of ownership shall file with the Administrator; and a



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. (Nev. Rev. Stat. Ann. § 394.480.) Nevada loses five points because while the bond requirement applies to most institutions, it does not apply to all of them.

**B. DOES THE STATE REQUIRE A REFUND OF TUITION IF A STUDENT ENROLLS AS THE RESULT OF MISREPRESENTATION?**

**10/20 POINTS**

Yes, full refund	Yes, partial refund	No refund required
20 Points	10 Points	0 Points

**Explanation:**

While Nevada law does not explicitly guarantee a full refund when a student enrolls as a result of misrepresentation, partial credit is awarded here because the state leaves open the possibility of a refund by implication of the following: “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.” (Nev. Rev. Stat. Ann. § 394.510.) The state may revoke a license if an institution violates the laws in place to govern it (Nev. Rev. Stat. Ann. § 394.510) which include prohibitions related to promotional materials and practices. (Nev. Admin. Code 394.590.)

**C. DOES THE STATE REQUIRE INSTITUTIONS TO REFUND TUITION IN THE EVENT OF INSOLVENCY?**

**15/20 POINTS**

Yes, full refund	Yes, partial refund	Yes, refund in limited circumstances	No refund required
20 Points	15 Points	10 Points	0 Points

**Explanation:**

Nevada law requires institutions, upon closure, to provide a refund to the person or entity who paid the tuition and other fees to the licensed institution, as documented by receipts or other documents available. (Nev. Rev. Stat. Ann. § 394.652.)

If any student is entitled to a refund from an institution pursuant to any provision of Nev. Rev. Stat. Ann. 394.383 to 394.560, inclusive, the surety bond shall provide indemnification. Thus, students may be entitled to a refund from this account in the event of a closure. (Nev. Rev. Stat. Ann. § 394.480.)

In addition, Nevada has created an Account for Student Indemnification, which may be used to indemnify any student or enrollee who has suffered damage as a result of: the discontinuance of operation of a postsecondary educational institution licensed in the state; or the violation by such an institution of any provision of laws in place to govern postsecondary institutions. (Nev. Admin. Code 394.652.)

There is, however, no indication that students are entitled to a full refund in the event of a school closure and/or insolvency. Therefore, the state receives only partial credit because the refund is limited by this omission.

D. DOES THE STATE ALLOW STUDENTS AMPLE TIME TO MAKE A COMPLAINT?  
**5/10 POINTS**

2 years or more (or no deadline)	1-2 years	Under 1 year	Not applicable
10 Points	<b>5 Points</b>	1 Point	0 Points

**Explanation:**

Nevada law requires complaints to be filed within one year from the last date of attendance or the date on which the damage occurred, whichever is later, for 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 Nev. Rev. Stat. Ann. § 394.383 to 394.560, inclusive, or regulations adopted pursuant thereto. A verified complaint against an institution, its agent, or both may be filed with the Administrator. (Nev. Rev. Stat. Ann. § 394.520.)

E. DOES THE STATE REQUIRE INSTITUTIONS TO DISCLOSE INFORMATION ABOUT FILING A COMPLAINT WITH THE STATE OVERSIGHT BODY?  
**7.5/20 POINTS**

Medium	Mandatory	Discretionary	Not specified
Catalog	10 Points	<b>5 Points</b>	0 Points
Website	5 Points	<b>2.5 Points</b>	0 Points
Enrollment contract	5 Points	2.5 Points	<b>0 Points</b>

**Explanation:**

Nevada law requires institutions to post in a conspicuous place a notice supplied by the Administrator stating that grievances may be submitted to the Administrator for resolution. (Nev. Rev. Stat. Ann. § 394.443.) The state receives partial credit for requiring institutions to post complaint information on the institutional website and in the institutional catalog because both could reasonably be considered “conspicuous places” where an institution would post information on the complaint process. However, there is no requirement that institutions post in these locations, determining in which “conspicuous places” to post the relevant information is ultimately left to the discretion of the institutions.

F. IS THE COMPLAINT PROCESS READILY ACCESSIBLE AND AVAILABLE ON THE STATE OVERSIGHT BODY’S WEBSITE?  
**8.5/10 POINTS**

Yes, with address	Yes, with phone #	Yes, with email address	Yes, with electronic form	No
2 Points	2 Points	3 Points	<b>3 Points 1.5 Points</b>	0 Points

**Explanation:**

The Commission maintains a website on which students can find a form which contains an address, fax number, mailing address, and email address. The webpage also includes a phone number. Nevada loses 1.5 points for the electronic form because while the form may be completed and mailed or emailed to the Commission, it is not an electronic form in the sense that it can be completed and submitted directly from the website.

**VII. ENFORCEMENT: 20/100 POINTS**

A. IS THERE LOSS OF STATE AID FOR SCHOOLS THAT REPEATEDLY PRODUCE SUBSTANDARD GRADUATION RATES, JOB PLACEMENT RATES, AND/OR COHORT DEFAULT RATES?

**0/30 POINTS**

Yes, required	Yes, required but limited	Yes, discretionary	Yes, discretionary but limited	No
30 Points	20 Points	15 Points	5 Points	<b>0 Points</b>

**Explanation:**

There is no explicit provision in Nevada law that would require the loss of state aid for schools that repeatedly produce substandard graduation rates, job placement rates, and/or cohort default rates.

B. DOES STATE LAW EXPLICITLY AUTHORIZE A PRIVATE RIGHT OF ACTION FOR STUDENTS AGAINST INSTITUTIONS THAT HAVE VIOLATED THE LAWS AND REGULATIONS IN PLACE TO GOVERN THEM?

**0/30 POINTS**

Yes	Limited circumstances	No
30 Points	15 Points	<b>0 Points</b>

**Explanation:**

Nevada law does not explicitly authorize a private right of action for students against institutions that have violated the laws and regulations in place to govern them.

C. DOES STATE LAW EXPLICITLY ALLOW ATTORNEY FEE AWARDS FOR STUDENTS WHO PREVAIL IN LITIGATION AGAINST PRIVATE FOR-PROFIT POSTSECONDARY INSTITUTIONS?

**0/20 POINTS**

Yes	Limited	No
20 Points	15 Points	<b>0 Points</b>

**Explanation:**

Nevada law does not explicitly allow attorney fee awards for students who prevail in litigation against institutions that have violated the laws and regulations in place to govern them.

D. DOES THE STATE EXPLICITLY AUTHORIZE ATTORNEY GENERAL INVOLVEMENT?

**20/20 POINTS**

Yes	Limited circumstances	No
<b>20 Points</b>	10 Points	0 Points

**Explanation:**

Nevada law authorizes the Attorney General to file a complaint against an institution. (Nev. Rev. Stat. Ann. § 394.520.)

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## BONUS POINTS

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Nevada receives no bonus points.



## ILLUMINATING INFORMATION

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## RECIPROCITY AGREEMENTS

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Nevada is a member of the State Authorization Reciprocity Agreements (SARA).

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## LITIGATION, INVESTIGATIONS, AND ACTIONS INVOLVING PRIVATE FOR-PROFIT EDUCATIONAL INSTITUTIONS IN NEVADA

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For information about pending and recent federal and state government investigations and actions regarding for-profit colleges see David Halperin's compilation at <http://www.republicreport.org/2014/law-enforcement-for-profit-colleges/#sthash.1vc4HmPw.dpuf>.