

LEGISLATIVE BILL 505

Approved by the Governor June 9, 1993

Introduced by Schellpeper, 18; Cudaback, 36; Dierks, 40; Bromm, 23

AN ACT relating to universities and colleges; to amend sections 85-985, 85-987, 85-991, and 85-993, Reissue Revised Statutes of Nebraska, 1943, and sections 85-980.01, 85-982, 85-993.01, 85-994, 85-995, 85-999, 85-9,101, 85-9,117, 85-9,119, 85-9,121, 85-9,123, 85-9,130, 85-9,131, 85-9,140, 85-9,142, 85-9,143, 85-9,146, 85-9,148, 85-9,149, 85-9,151 to 85-9,153, 85-9,158, and 85-9,160, Revised Statutes Supplement, 1992; to adopt the Rural Health Opportunities Loan Act; to state intent; to require a plan regarding medical services for certain areas; to define, redefine, and eliminate terms; to change provisions of the State Scholarship Award Program Act, the Scholarship Assistance Program Act, and the Postsecondary Education Award Program Act to reconcile such acts with federal law; to provide, change, and eliminate powers and duties of the Coordinating Commission for Postsecondary Education; to harmonize provisions; and to repeal the original sections, and also sections 85-998, 85-9,125, and 85-9,156, Revised Statutes Supplement, 1992.

Be it enacted by the people of the State of Nebraska,

Section 1. Sections 1 to 9 of this act shall be known and may be cited as the Rural Health Opportunities Loan Act.

Sec. 2. The Legislature finds that:

(1)(a) Residents of rural Nebraska frequently encounter difficulties in obtaining medical care due to the lack of health care providers, facilities, and services, (b) many rural communities experience problems in recruiting and retaining health care providers, (c) rural residents are often required to travel long distances in order to obtain health care services, (d) elderly and uninsured persons constitute a high proportion of the population in rural Nebraska, (e) many rural hospitals are experiencing declining patient revenue and are being forced to reconsider the scope and nature of the health care services they provide, (f) the physical and economic stresses of rural living can lead to an increased need for mental health services in rural Nebraska, (g) the conditions described in this subdivision can lead to situations in which residents of rural Nebraska receive a lower level of health care services than their urban counterparts, and (h) some of the conditions described in this subdivision also exist in underserved portions of metropolitan areas within the state;

(2) The health care industry is a vital component of the

economic base of many rural communities and the maintenance and enhancement of this industry can play a significant role in efforts to further the economic development of rural communities;

(3) The inherent limitations imposed upon health care delivery mechanisms by the rural environment can be partially overcome through a greater emphasis on the development of health care systems that emphasize the linkage and integration of health care resources in neighboring communities as well as the development of new resources; and

(4) Postsecondary education of health care professionals is important to the welfare of the state. The Legislature further recognizes and declares that the state can help alleviate the problems of maldistribution and shortages of health care professionals through programs offering financial incentives to practice in areas of shortage.

Sec. 3. The purposes of the Rural Health Opportunities Loan Act shall be to (1) establish a student loan program that will provide financial incentives to medical, dental, pharmacy, nursing, and allied health students who are enrolled in the rural health opportunities program at the University of Nebraska Medical Center, (2) establish a community loan repayment program that will constitute an agreement between the health care provider and the community in which services will be performed, (3) provide for the administration of loan pool funds by the Board of Regents of the University of Nebraska or by an appropriate department of the University of Nebraska Medical Center designated by the board, and (4) provide for an appropriation by the Legislature that, when matched equally with federal, private, or other such funds not appropriated by the Legislature, may be loaned to students enrolled in the program.

Sec. 4. For purposes of the Rural Health Opportunities Loan Act:

(1) Allied health professions shall include, but not be limited to, medical technology, physician assistant practice, physical therapy, clinical perfusion, diagnostic medical sonography, nuclear medicine technology, radiologic technology, medical nutrition, and radiation therapy technology;

(2) Designated medical profession shortage area shall mean such areas as determined by the Nebraska Rural Health Advisory Commission pursuant to section 71-5665;

(3) Designated professional practice area shall mean those areas of the state not included in the federal census standard metropolitan statistical areas;

(4) Eligible disciplines shall mean family practice, general practice, general internal medicine, general pediatrics, general surgery, obstetrics and gynecology, psychiatry, dentistry, dental hygiene, pharmacy, nursing, and allied health professions; and

(5) Full-time practice shall mean a minimum employment of forty hours per week.

Sec. 5. (1) There is hereby created the Rural Health

Opportunities Loan Pool Fund. The fund shall consist of funds appropriated by the Legislature, other matching funds, and student loan repayments which are made pursuant to the Rural Health Opportunities Loan Act. Any money in the fund available for investment shall be invested by the state investment officer pursuant to sections 72-1237 to 72-1276.

(2) The fund shall be administered by the Board of Regents of the University of Nebraska or an appropriate department of the University of Nebraska Medical Center designated by the board for the purpose of making loans to students in eligible disciplines. On or before September 1 of each year, the board shall present a report to the Governor and the Clerk of the Legislature describing the use of the fund, and the report shall include a financial statement of the fund.

Sec. 6. To be eligible for a student loan under the Rural Health Opportunities Loan Act, a student shall be enrolled in the rural health opportunities program and be a student at the University of Nebraska Medical Center. In determining the eligibility of a student, consideration shall be given to (1) the motivation of the student to practice the eligible discipline in a designated professional practice area in Nebraska, (2) the motivation and preference of the student toward the eligible discipline, and (3) other factors which would influence a choice to practice in a designated professional practice area in Nebraska. The first consideration shall be given to students who are found to be most likely to practice in a designated medical profession shortage area. The student shall be enrolled in a program of studies for an eligible discipline and shall complete such program with satisfactory progress as determined by the academic unit in which the student is enrolled. The student shall also sign an agreement with the Board of Regents of the University of Nebraska which establishes loan repayment schedules pursuant to section 7 of this act.

Sec. 7. (1) The maximum amount of the student loans provided by the Rural Health Opportunities Loan Act per student per year shall be the amount of the tuition per year for the student.

(2) Each student loan recipient shall execute an agreement for repayment of any loan received under the act with the Board of Regents of the University of Nebraska which includes the following terms:

(a) The borrower shall practice an eligible discipline full-time in a designated medical profession shortage area or a designated professional practice area for a period which is the equivalent of the number of years of study for which loans were received. If the borrower practices less than full-time, the duration of employment shall be extended to a period of time which would be the equivalent of full-time practice for the number of years of study for which loans were received;

(b) The borrower shall sign an agreement with a sponsoring community or communities within six months after his or her completion of formal education which may include a period not to exceed five years to complete specialty training. If no community sponsor can be found to assume responsibility for the loan payments as provided in

section 8 of this act, the borrower shall repay the loan. Repayment shall begin within one year of completion of formal training which may include a period not to exceed five years to complete specialty training. Repayment shall be completed within ten years after the student's graduation from the health profession program;

(c) If the borrower practices in a Nebraska standard metropolitan statistical area or practices outside Nebraska, the borrower shall repay two hundred percent of the outstanding loan principal, and if such borrower does not practice in an eligible discipline, the borrower shall repay three hundred percent of the outstanding loan principal, any other statute to the contrary notwithstanding. Such repayment shall be with interest at a rate of one point below the prime interest rate, shall commence within three months of completion of formal training which may include a period not to exceed five years to complete specialty training, and shall be completed within three to five years;

(d) If a borrower determines during the first or second year of health care professional education that his or her commitment to the loan program cannot be honored, the borrower shall repay the outstanding loan principal with interest at a rate of one point below the prime interest rate no later than one year after graduation. Such repayment shall commence at the time it is determined by the borrower that his or her commitment cannot be honored;

(e) If the borrower discontinues the course of study for which the loan was granted, the borrower shall repay one hundred percent of the outstanding loan principal with interest at a rate of one point below the prime interest rate. Such repayment shall commence within six months of the date of discontinuation of the course of study and shall be completed within the number of years for which loans were awarded;

(f) All loan payments shall be made directly to the Rural Health Opportunities Loan Pool Fund in monthly payments; and

(g) In the event of a borrower's total and permanent disability or death, the unpaid debt accrued under the Rural Health Opportunities Loan Act shall be canceled.

Sec. 8. (1) The University of Nebraska Medical Center, the Office of Rural Health, and the Department of Health shall develop, implement, and coordinate a program by which communities or groups of communities within designated professional practice areas provide repayment agreements for students receiving loans under the Rural Health Opportunities Loan Act. Such communities shall sign agreements with the Board of Regents of the University of Nebraska to assume the student's loan repayment responsibility contingent upon continued practice in the community or communities by the loan recipient. Whenever possible, an elected official of the community or communities should be a party to the agreement.

(2) If a sponsoring community is found, the community or communities, the Board of Regents of the University of Nebraska, and the student shall execute an agreement which states the terms of employment and compensation and states that the community or communities shall

assume the loans of the student provided by the Rural Health Opportunities Loan Act, shall repay the loans with interest at a rate of one point below the prime interest rate, and shall retire one year's worth of loan debt for each year of full-time practice in the community or communities. If the practice is less than full-time, the loan shall be retired accordingly. Payments by the community or communities shall be made directly to the Rural Health Opportunities Loan Pool Fund in quarterly payments. The term of the agreement shall be equal to the number of years of study for which loans were received if the practice is full-time or extended to a duration which is the equivalent if the practice is less than full-time.

Sec. 9. The Board of Regents of the University of Nebraska shall adopt and promulgate rules and regulations necessary to the administration of the Rural Health Opportunities Loan Act.

Sec. 10. It is the intent of the Legislature that the University of Nebraska Medical Center develop a plan to increase the number of graduates of the center who specialize in primary care fields, who take residencies in primary care fields, and who establish practices in rural areas and other medically underserved areas of the state. The plan shall include a listing of the barriers that need to be addressed and the resources needed and should also address methodologies to provide adequate numbers of graduates in the fields of physical therapy, nursing, physician assistant practice, occupational therapy, and other health care professions in the rural areas and in other medically underserved areas of the state. The plan shall be submitted to the Legislature not later than November 1, 1993.

Sec. 11. That section 85-980.01, Revised Statutes Supplement, 1992, be amended to read as follows:

85-980.01. Sections 85-980 to 85-9,102.01 and sections 13 and 20 of this act shall be known and may be cited as the State Scholarship Award Program Act.

Sec. 12. That section 85-982, Revised Statutes Supplement, 1992, be amended to read as follows:

85-982. For purposes of the State Scholarship Award Program Act, unless the context otherwise requires, the definitions found in sections 85-983 to ~~85-993~~ 85-992 and section 13 of this act shall be used.

Sec. 13. That section 85-993, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

~~85-993. School Award~~ year shall mean the period from July 1 of ~~a~~ one year through June 30 of the succeeding year.

Sec. 14. That section 85-985, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

85-985. Educational expenses shall mean student costs for tuition, fees, room and board, and books; and an allowance for such other expenses as the commission determines by rule and regulation to be reasonably related to attendance at ~~a~~ an eligible postsecondary educational institution.

Sec. 15. That section 85-987, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

85-987. Full-time student shall ~~mean an individual who is carrying at least seventy-five percent of the normal student load as defined by the eligible institution in which he or she is enrolled~~ be defined by the commission in rules and regulations adopted and promulgated pursuant to the State Scholarship Award Program Act.

Sec. 16. That section 85-991, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

85-991. Eligible student shall mean an undergraduate resident student who is (1) enrolled in an eligible postsecondary educational institution in the state and (2) eligible to receive United States Department of Education Title IV student financial assistance. So long as federal State Student Incentive Grant funds are administered within the State Scholarship Award Program, nonresident students shall also be eligible to receive grants, notwithstanding any other provision of the State Scholarship Award Program Act.

Sec. 17. That section 85-993.01, Revised Statutes Supplement, 1992, be amended to read as follows:

85-993.01. (1) The State Scholarship Award Program Act shall provide for awards made directly to students demonstrating substantial financial need and shall be administered by the commission in conjunction with public and private postsecondary educational institutions in the state.

(2) The commission shall allocate the funds to be distributed pursuant to the act to the eligible postsecondary educational institutions for distribution to students. The allocation amount for each eligible institution shall be determined as follows:

(a) Determine the number of students enrolled at the eligible postsecondary educational institution adjusted to reflect full-time equivalency as such is determined by the commission in the last completed ~~academic~~ award year with a ~~student-aid~~ Pell Grant index of five hundred or below as determined pursuant to the Federal Pell Grant Program;

(b) Multiply the amount determined in subdivision (a) of this subsection by the institution's federal Pell Grant cost of attendance for all full-time residential students with no dependents for the last completed ~~academic~~ award year;

(c) Divide the product derived pursuant to subdivision (b) of this subsection for each eligible postsecondary educational institution by the sum of the products derived pursuant to subdivision (b) of this subsection for all eligible postsecondary educational institutions; and

(d) Multiply the total of federal and state funds appropriated for the purpose of distribution pursuant to the ~~State Scholarship Award Program Act~~ act by the ratio derived pursuant to subdivision (c) of this subsection.

(3) In conformance with the rules and regulations of the commission, each eligible postsecondary educational institution shall

distribute the funds to eligible students attending the respective institution.

Sec. 18. That section 85-994, Revised Statutes Supplement, 1992, be amended to read as follows:

85-994. An award may be given to an eligible student for attendance at an eligible postsecondary educational institution if:

(1) The award is made directly to the eligible student rather than to the eligible postsecondary educational institution;

(2) The individual is accepted for enrollment, as follows:

(a) In the case of an individual beginning his or her first year or freshman year of postsecondary education such individual has satisfied requirements for admission and has enrolled or indicated an intent to enroll in an eligible postsecondary educational institution; or

(b) In the case of an individual enrolled in an eligible postsecondary educational institution following the successful completion of the first year, he or she continues to meet the requirements of the State Scholarship Award Program Act and has maintained such minimum standards of performance as are required by the institution in which the individual is enrolled;

(3) The amount of the award given to an eligible student is based on substantial financial need;

(4) The award covers at least one school-term award period but no more than one school award year of attendance as an undergraduate student at an eligible postsecondary educational institution which has adopted and has available for inspection its refund and repayment policies;

(5) The individual receiving such an award signs a notarized affidavit stating statement certifying that the award will be used only for educational expenses; and

~~(6) The individual is not pursuing a course of study which is pervasively sectarian and creditable toward a theological or divinity degree; and~~

(7) The individual has complied with such rules and regulations as may be established by the commission.

Sec. 19. That section 85-995, Revised Statutes Supplement, 1992, be amended to read as follows:

85-995. An award may be made for a period not to exceed ~~a school~~ an award year. If the award recipient discontinues attendance before the end of the award period, the award recipient shall remit any award balances allowable to the eligible postsecondary educational institution in accordance with the institution's withdrawal policy. An institution may redistribute to other eligible students any award balance returned in accordance with its refund policy. Award funds not distributed or redistributed within the award year in which the funds were allocated shall be returned to the commission by the institution. Upon application for an award, the student shall agree with the commission that if the student discontinues attendance before the end of the period covered by the award but after receiving payment under the State Scholarship Award Program Act:

~~(1) The student shall remit to the commission any award balances received by the student but not due to the eligible institution; and~~

~~(2) The student shall direct in writing the eligible institution to remit to the commission any prorated refunds as they become due under the terms of the enrollment agreement, to the extent the refund represents the unused portion of the award.~~

Sec. 20. The commission shall require an annual report from each eligible postsecondary educational institution. The report shall demonstrate that students receiving funds under the State Scholarship Award Program Act have met the basic criteria established in the act and in the rules and regulations adopted and promulgated by the commission pursuant to the act. The report may include other data as required by the commission.

Sec. 21. That section 85-999, Revised Statutes Supplement, 1992, be amended to read as follows:

85-999. The commission shall be responsible for:

(1) Supervision of the issuance of public information concerning the State Scholarship Award Program Act;

(2) Determination of criteria for the eligibility of grantees;

~~(3) Adoption and promulgation of rules and regulations for processing and approving applications from students necessary to carry out the act;~~

(4) Determination of the effective date of awards made pursuant to the ~~State Scholarship Award Program Act~~ act; and

(5) Determination of criteria for setting the minimum and maximum size of the awards and the eligibility of applicants.

Sec. 22. That section 85-9,101, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,101. The commission shall establish a reasonable and fair appeal procedure for ~~those~~ students and institutions which have been adversely affected by the actions ~~and procedures~~ of the commission or eligible postsecondary educational institutions in the distribution of funds or granting of awards pursuant to the State Scholarship Award Program Act.

Sec. 23. That section 85-9,117, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,117. Sections 85-9,117 to 85-9,132 and sections 25 and 28 to 30 of this act shall be known and may be cited as the Scholarship Assistance Program Act.

Sec. 24. That section 85-9,119, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,119. For purposes of the Scholarship Assistance Program Act, the definitions found in sections 85-9,120 to 85-9,126 and section 25 of this act shall be used.

Sec. 25. Award year shall mean the period from July 1 of one year through June 30 of the succeeding year.

Sec. 26. That section 85-9,121, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,121. Educational expenses shall mean student costs for tuition, fees, room and board, and books and an allowance for such other expenses as the commission determines by rule and regulation to be reasonably related to attendance at a ~~postsecondary educational~~ an eligible institution.

Sec. 27. That section 85-9,123, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,123. Eligible student shall mean an individual who is domiciled in Nebraska as provided by section 85-502, ~~and who is enrolled as a full-time or part-time undergraduate student at an eligible institution, and eligible to receive United States Department of Education Title IV student financial assistance.~~

Sec. 28. The commission shall establish a reasonable and fair appeal procedure for students and institutions which have been adversely affected by the actions of the commission or eligible institutions in the distribution of funds or granting of awards pursuant to the Scholarship Assistance Program Act.

Sec. 29. A student receiving an award under the Scholarship Assistance Program Act shall agree in writing to use the award for educational expenses only.

Sec. 30. An award may be made for a period not to exceed an award year. If the award recipient discontinues attendance before the end of the award period, the award recipient shall remit any award balances allowable to the eligible institution in accordance with the institution's withdrawal policy. An institution may redistribute to other eligible students any award balance returned in accordance with its refund policy. Award funds not distributed or redistributed within the award year in which the funds were allocated shall be returned to the commission by the institution.

Sec. 31. That section 85-9,130, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,130. Each eligible institution in the state shall distribute the Scholarship Assistance Program funds to eligible students demonstrating substantial financial need attending the institution. Substantial financial need shall be defined by the commission in ~~accordance with the congressional federal needs analysis methodology, which reflects student resources, expected family contribution, or relative need as measured by the difference between the student's educational costs and the resources available to meet these costs.~~

Sec. 32. That section 85-9,131, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,131. The commission shall require an annual report from each eligible institution. The report shall demonstrate that students receiving funds under the Scholarship Assistance Program Act have met the basic criteria established in ~~such~~ the act and the rules and regulations adopted and promulgated by the commission pursuant to the act. The report may include other data as required by the commission.

Sec. 33. That section 85-9,140, Revised Statutes

Supplement, 1992, be amended to read as follows:

85-9,140. Sections 85-9,140 to 85-9,162 and section 35 of this act shall be known and may be cited as the Postsecondary Education Award Program Act.

Sec. 34. That section 85-9,142, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,142. For purposes of the Postsecondary Education Award Program Act, the definitions found in sections 85-9,143 to 85-9,150 and section 35 of this act shall be used.

Sec. 35. Award year shall mean the period from July 1 of one year through June 30 of the succeeding year.

Sec. 36. That section 85-9,143, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,143. Commission shall mean the ~~Nebraska~~ Coordinating Commission for Postsecondary Education.

Sec. 37. That section 85-9,146, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,146. Eligible student shall mean an individual who is domiciled in Nebraska as provided by section 85-502, ~~and who is~~ enrolled as a full-time or part-time undergraduate student at an eligible postsecondary educational institution, and eligible to receive United States Department of Education Title IV student financial assistance.

Sec. 38. That section 85-9,148, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,148. Full-time student shall ~~mean an individual who is carrying at least twenty-four semester credit hours or thirty-six quarter credit hours during the award year~~ be defined by the commission in the rules and regulations adopted and promulgated by the commission pursuant to the Postsecondary Education Award Program Act.

Sec. 39. That section 85-9,149, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,149. Substantial financial need shall ~~be defined by the commission in accordance with the federal needs analysis methodology, mean the need required by a student who is eligible for a Pell Grant with a Pell Grant Index of one thousand or less. Only students who have an unmet need of one hundred dollars or more as determined by the following formula shall be considered to have substantial financial need: Educational expenses less family contribution, less Pell Grant, and less Supplemental Educational Opportunity Grants and college work study, if awarded.~~

Sec. 40. That section 85-9,151, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,151. (1) The Postsecondary Education Award Program Act shall provide for awards made directly to eligible students demonstrating substantial financial need and shall be administered by the commission in conjunction with eligible postsecondary educational institutions.

(2) In order to reduce the costs of administering the act, the

commission shall allocate the funds to be distributed pursuant to the act to the eligible postsecondary educational institutions which shall act as the agents of the commission in the distribution of funds to eligible students. To determine the allocation amount for each institution the commission shall:

(a) Determine the number of students enrolled at the eligible postsecondary educational institution in the last completed academic award year with a Pell Grant index of one-thousand nine hundred or below as determined pursuant to the Federal Pell Grant Program;

(b) Multiply the number determined in subdivision (a) of this subsection by the institution's average educational expenses for all full-time undergraduate students for the last completed academic award year;

(c) Divide the product derived pursuant to subdivision (b) of this subsection for each eligible postsecondary educational institution by the sum of the products derived pursuant to subdivision (b) of this subsection for all eligible postsecondary educational institutions; and

(d) Multiply the total state funds appropriated for the purpose of distribution pursuant to the act by the ratio derived pursuant to subdivision (c) of this subsection.

(3) In conformance with the rules and regulations of the commission, each eligible postsecondary educational institution shall distribute the funds to eligible students attending the respective institution.

Sec. 41. That section 85-9,152, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,152. An award may be given to an eligible student for attendance at an eligible postsecondary educational institution if:

(1) The award is made directly to the eligible student rather than to the eligible postsecondary educational institution;

(2) The eligible student is accepted for enrollment as follows:

(a) In the case of an eligible student beginning his or her first year or freshman year of postsecondary education, such eligible student has satisfied requirements for admission and has enrolled or indicated an intent to enroll in an eligible postsecondary educational institution; or

(b) In the case of an eligible student enrolled in an eligible postsecondary educational institution following the successful completion of the first year, he or she continues to meet the requirements of the Postsecondary Education Award Program Act and has maintained such minimum standards of performance as are required by the institution in which the eligible student is enrolled;

(3) The amount of the award given to an eligible student is based on substantial financial need;

(4) The award covers at least one school-term award period but no more than one school award year of attendance as an undergraduate student at an eligible postsecondary educational institution

which has adopted and has available for inspection its refund and repayment policies;

(5) The eligible student receiving such an award signs a statement certifying that the award will be used only for educational expenses; and

~~(6) The eligible student is not pursuing a course of study which is pervasively sectarian and creditable toward a theological or divinity degree; and~~

(7) The eligible student has complied with such rules and regulations as may be established by the commission.

Sec. 42. That section 85-9,153, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,153. An award may be made for a period not to exceed ~~a school~~ an award year. If the award recipient discontinues attendance before the end of the award period, the award recipient shall remit any award balances allowable to the eligible postsecondary educational institution in accordance with the institution's withdrawal policy. An institution may redistribute to other eligible students any award balance returned in accordance with its refund policy. Award funds not distributed or redistributed within the award year in which funds were allocated shall be returned to the commission by the institution. Upon application for an award, the eligible student shall agree with the commission that if the eligible student discontinues attendance before the end of the period covered by the award but after receiving payment under the Postsecondary Education Award Program Act:

~~(1) The eligible student shall remit to the commission any award balances received by the eligible student but not due to the eligible postsecondary educational institution; and~~

~~(2) The eligible student shall direct the institution in writing to remit to the commission any prorated refunds as they become due under the terms of the enrollment agreement to the extent the refund represents the unused portion of the award.~~

Sec. 43. That section 85-9,158, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,158. The commission shall establish a reasonable and fair appeal procedure for students and institutions which have been adversely affected by the actions ~~and procedures~~ of the commission or eligible postsecondary educational institutions in the distribution of funds or granting of awards pursuant to the Postsecondary Education Award Program Act.

Sec. 44. That section 85-9,160, Revised Statutes Supplement, 1992, be amended to read as follows:

85-9,160. The commission shall require an annual report from each eligible postsecondary educational institution. The report shall demonstrate that students receiving funds under the Postsecondary Education Award Program Act have met the basic criteria established in the act and the rules and regulations of the commission adopted pursuant to the act. The report may include other data as required by the

commission.

Sec. 45. That original sections 85-985, 85-987, 85-991, and 85-993, Reissue Revised Statutes of Nebraska, 1943, and sections 85-980.01, 85-982, 85-993.01, 85-994, 85-995, 85-999, 85-9,101, 85-9,117, 85-9,119, 85-9,121, 85-9,123, 85-9,130, 85-9,131, 85-9,140, 85-9,142, 85-9,143, 85-9,146, 85-9,148, 85-9,149, 85-9,151 to 85-9,153, 85-9,158, and 85-9,160, Revised Statutes Supplement, 1992, and also sections 85-998, 85-9,125, and 85-9,156, Revised Statutes Supplement, 1992, are repealed.