

Strategic Issues:

- Instead of building new 4-year institutions to absorb the increasing numbers of high school graduates within the state, community colleges will be used to educate this growing demographic. The population of high school graduates was expected to soar nearly 200 percent between 1992 and 2009.
- The state's "good neighbor" policy toward out-of-state students from adjacent counties changed slightly in 1995. Under the previous plan, out-of-state residents were charge 150 percent of the cost of tuition for an in-state student. However with the revision, the out-of-state students are expected to pay tuition at the same cost charged at nearby UC-Davis.
- In 1997, the state legislature created a college-savings fund where parents could prepay for their child's tuition and secure a guaranteed interest rate.
- In 2000, the Board of Regents appropriated more funds for need-based aid in response to the state's merit-based program, the Millennium Project.

Summary

- *Critical Challenge:* While Nevada's high school graduate rates were similar to the national average, the college enrollment rates for high school graduates lagged way behind (16 percentage points below the national average in 2000). The critical challenge for Nevada is to improve college enrollment opportunities for residents who graduate high school prepared for college.
- *Structural issues:* Nevada was a low-tuition, low-grant state in the 1990s. Most residents who went to college enrolled in public two-year or four-year colleges. Enrollment in private colleges increased in the 1990s, but was still substantially below the national average.
- *Opportunity:* Had Nevada provided need-based grant aid at a level consonant with the equity standard in the 1990s, an estimated additional 4,000 freshman would have had the opportunity to enroll in college during the decade.

Access Indicators*High School Graduation Rates* (Table 28.1)

Over the decade, graduation rates in Nevada declined slightly. At the start of the decade, the graduation rate stood at 71%, dropped to 65% at the middle of the decade, and closed the decade up slightly to 69%. In comparison to the national average, the state fared relatively well. In 1992, Nevada's graduation rate was one percentage point below the national average and rose to two percentage points above the national average by the end of the decade.

College Enrollment Rates (Table 28.1)

While the high school graduation rates were on the decline, the college enrollment rates increased. In 1992, the college enrollment rate was 33%, but had risen to 40% at the end of the decade. When comparing these rates to the national average, Nevada did not perform very well. By the end of the decade, the state was 16 percentage points below the national average.

State Demographics*State Demographics* (Table 28.2)

The poverty rates in Nevada declined over the decade. In 1992, the poverty rate was 15% and dropped to 9% by the end of the decade. They fared reasonably well compared to the national average, as they were only two percentage points below the national average at the end of the decade. The percentage of the population with a bachelor's degree or higher made a slight improvement as well. At the start of the decade, 18% of the state's population had a bachelor's

degree or higher. In 1996, this number increased to 19% and further to 21% in 1998. The percent with at least a bachelor's degree rested at 19% at the end of the decade.

State System Composition (Table 28.3)

The majority of students enrolled in higher education in Nevada attended public, four-year institutions. However, this number has been on the decline over the decade. At the start of the decade, 57% of students were enrolled in public four-year institutions, but by decades end only 51% of the students were in this sector. Enrollment in the public, four-year sector has been above that of the national average. At the start of the decade, Nevada was 13 percentage points above the national average, however by the end of the decade they were only eight percentage points above the national average. In 1992, 38% of the students were enrolled in public two-year institutions. This number varied over the decade, but by the end of the decade, 40% of students were in the public two-year sector. The number of students enrolled in private institutions has been on the rise. At the start of the decade, 5% of the students were enrolled in private institutions; this number increased to 9% in 1994 and remained relatively constant throughout the remainder of the decade.

Financial Indicators

State Financial Capacity (Table 28.4)

The tax rates in Nevada declined over the past decade. At the start of the decade, the tax rate was 8%, had fallen to 7% by 1996, and stood at 6% at the end of the decade. Nevada was similar to the national average. In 1992, the state was one percentage point above the national average and was on par with the national average by the close of the decade. Expenditures at the K-12 level in the state remained fairly constant over the course of the decade. In 1992, Nevada was spending \$3,321 per student and increased this amount to \$3,437 by the close of the decade. The state's spending on K-12 was below the national spending trend for K-12. At the beginning of the decade, the state was \$1,207 below the national average, \$1,001 below the national average in 1996, and closed the decade at \$756 below the national average.

Educational Revenue (Table 28.5)

Spending for higher education in Nevada increased over the decade. The state was spending \$6,221 per FTE at the start of the decade and had increased that amount to \$6,811 at the close of the decade. However, in comparison to the national average, the state lost ground in the 1990s. In 1992, spending for higher education was \$137 below the national average, but stood at \$684 below the national average at the end of the decade. Considering revenues gained from tuition charges in addition to state and local appropriations, Nevada's revenues were \$7,677 per FTE in 1992, up to \$7,994 in 1996, and stood at \$8,692 at the close of the decade. Compared to the national average, the state was \$1,014 below the national average at the start of the decade and was \$1,531 below the national average at end of the decade.

Tuition and Fees (Table 28.6)

On average, Nevada charged \$1,456 per FTE for tuition and fees at the start of the decade, increased these charges to \$1,557 by mid-decade, and charged \$1,882 at the end of the decade. However, tuition and fee charges were below the national average, as charges were \$876 below the national average in 1992, \$1,104 below in 1996, and \$847 below at the end of the decade.

Need-based Grants (Table 28.6)

Nevada has spent an increasing amount on need-based grants. At the beginning of the decade, the state spent \$23 per FTE on need-based grants and that amount rose to \$177 per FTE by mid-decade. In 1998, the state spent \$254 per FTE on need-based grants but that amount fell to \$141 per FTE over the next two years. However, the state did not perform well when compared to the national average. In 1992, the state was \$321 below the national average and was \$226 below the national average at the close of the decade.

Non-need Grants (Table 28.6)

The state's investment in non-need based grants increased sharply. At the start of the decade, the state was not investing in merit grants. By 1996, the state was spending \$29 per FTE and closed the decade spending \$149 per FTE, an amount greater than the \$141 per FTE spent on need-based grants.

Projections

Coordinated System of Grants

Had Nevada increased its need-based grant aid, given tuition charges, 100 more students would have graduated from high school, a one percentage point increase. Of the state high school graduates, 400 more students would have attended postsecondary institutions within the state, an increase of three percentage points.

Federal Grant Program Prospectus

Additionally, had the federal government provided incentives for Nevada to provide adequate grant aid, equaling one-quarter of the tuition on top of current state aid, 200 more high school students would have graduated, a one percentage point increase. Of the high school graduates, 600 more would have enrolled in postsecondary institutions, a five percentage point increase over the current college continuation rate.