

**Committee to Conduct an Interim Study
Concerning Community Colleges**
(Senate Bill 391, Chapter 494, *Statutes of Nevada 2013*)

**WORK SESSION
DOCUMENT**
(Includes Attachments)



June 17, 2014

Prepared by the Research Division
Legislative Counsel Bureau



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The following “Work Session Document” has been prepared by the Chair and staff of the Committee to Conduct an Interim Study Concerning Community Colleges. It is designed to assist the Committee members in developing statements and determining recommendations to be forwarded to the 2015 Session of the Nevada Legislature. Each item in this document may be the subject of further discussion, refinement, or action.

The recommendations contained herein do not necessarily have the support or opposition of the Committee. Rather, these possible actions are compiled and organized so the members may review them to decide whether they should be adopted, changed, rejected, or further considered. The members of the Committee may vote to draft as many statements or letters as they choose; however, pursuant to *Nevada Revised Statutes* (NRS) 218D.160, the Committee is limited to five bill draft requests (BDRs), including requests for the drafting of legislative resolutions. For purposes of this “Work Session Document,” the recommendations have been grouped by topic. They are not preferentially ordered. Additionally, although possible actions may be identified within each recommendation, the Committee may choose to recommend any of the following actions: (1) draft legislation; (2) draft a legislative resolution; (3) draft a Committee letter; or (4) include a statement in the final report.

The source of each recommendation is noted in parentheses. Please note that specific sponsors of the recommendations may not be provided if the proposals were raised and discussed by numerous individuals and entities during the course of the Committee’s meetings. It should also be noted that some of the recommendations may contain an unknown fiscal impact. Committee members should be advised that Legislative Counsel Bureau (LCB) staff will coordinate with the interested parties to obtain detailed fiscal estimates, where appropriate, for inclusion in the final report.

Finally, please note that specific details of approved requests for legislation or Committee statements may need to be clarified by Committee staff prior to drafting. Supporting documents for some recommendations may be obtained by contacting Kelly Richard, Senior Research Analyst, Research Division, LCB, at (775) 684-6825.

RECOMMENDATIONS

ADMINISTRATION OF NEVADA'S COMMUNITY COLLEGES

1. **Request the drafting of a committee letter** in support of Nevada System of Higher Education's (NSHE) Shared Services Initiative, the Nevada College Collaborative, and the concept of a system within a system for colleges within NSHE.
2. **Request the drafting of a committee letter** in support of the creation of a vice chancellor position within NSHE to act as a coordinator of community colleges and an advocate for the colleges within the system.

NEED-BASED FINANCIAL AID

3. **Request the drafting of a bill** to create a state-supported need-based grant program to provide financial aid to low-income students. As proposed, the program would:
 - a. Employ federal methodology to identify students with financial need;
 - b. Require students to be academically prepared for college-level coursework;
 - c. Provide students with a maximum award of \$2,000 per semester for full-time enrollment;
 - d. Allocate aid to institutions based on institution size;
 - e. Appropriate \$5 million for the biennium; and
 - f. Require periodic reporting.

NOTE: Additional details concerning this proposal provided by Crystal Abba, Vice Chancellor of Academic Affairs, NSHE, are included under Attachment A.

COMMUNITY COLLEGE GRANT PROGRAMS

4. **Request the drafting of a bill** to establish a \$6 million Workforce Development Rapid Response Investment Fund, intended to assist community colleges and Nevada State College in setting up new programs to address workforce needs outside of the biennial budget process.

NOTE: Additional details concerning this proposal are included under Attachment B.

*(Recommended by Frank R. Woodbeck, Executive Director,
Nevada College Collaborative, NSHE)*

5. **Request the drafting of a bill** to establish a \$3.5 million Science, Technology, Engineering and Mathematics (STEM) Workforce Challenge Grant, which would award funds to regional consortia to support the development and implementation of STEM programs in postsecondary education.

NOTE: Additional details concerning this proposal are included under Attachment B.

(Recommended by Frank R. Woodbeck)

PROGRAMS ALLOWING HIGH SCHOOL STUDENTS TO EARN COLLEGE CREDIT

6. **Include a statement of support** in the final report of the Committee for expansion of: advanced placement courses; dual credit courses, including apprenticeships and certificate opportunities; and community college high schools, in order to create additional opportunities for high school students to earn college credits on more campuses.

(Recommended by Clark County Commissioner Chris Giunchigliani)

ADVISORY BOARDS AND COMMITTEES OF COMMUNITY COLLEGES

7. **Request the drafting of a committee letter** to request the community colleges to perform a review of the various advisory boards and committees that provide input to the colleges on such matters as curriculum and course and program development, to ensure the boards and committees are effective and not duplicative. A report on the findings of the review should be provided to the 2015 Session of the Nevada Legislature.

*(Recommended by Assemblywoman Marilyn Kirkpatrick, Chair,
Subcommittee on Academics and Workforce Alignment)*

LIST OF ATTACHMENTS

Proposal to Create a State-Supported Need-Based Grant Program.....	Attachment A
Workforce Development Rapid Response Investment Fund.....	Attachment B
Science, Technology, Engineering and Mathematics (STEM) Workforce Challenge Grant.....	Attachment B

ATTACHMENT A



NSHE Proposal for a State-Supported Need-Based Financial Aid Program

**Prepared for the Committee to Conduct an Interim Study Concerning Community Colleges'
Subcommittee on Governance and Funding**

June 9, 2014

How Accessible are Nevada's Access Institutions?

Nevada:

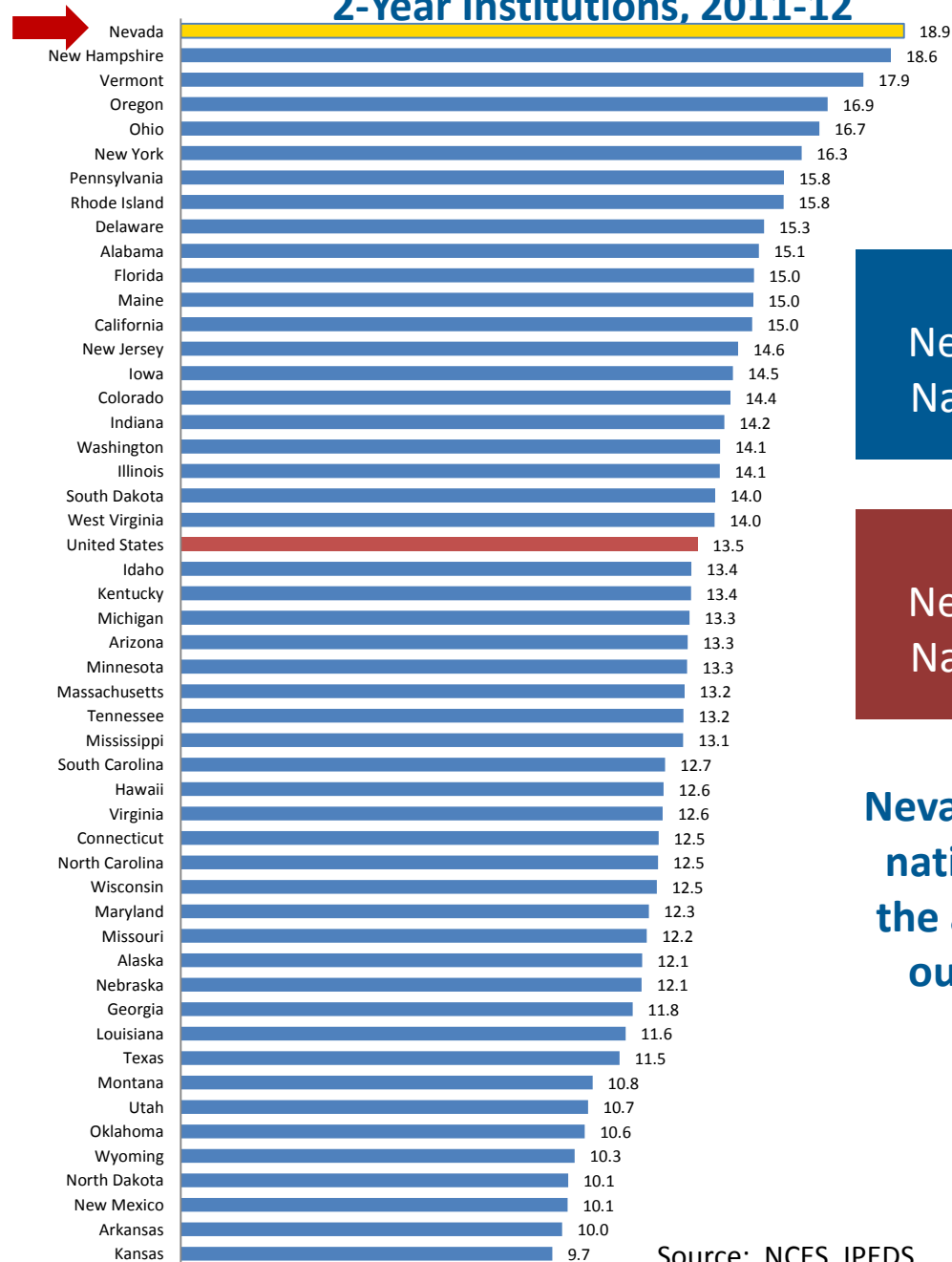
Among the Lowest in the Nation for
2-Year College Participation Rates
for Students from Low Income Families

Select Participation Rates: 2-Year Institutions, 2012

Florida	5.2%
District of Columbia	5.9%
Nevada	6.4%
West Virginia	7.1%
Utah	7.4%
South Dakota	7.8%
2-Year U.S. Rate	15.0%

Source: Postsecondary Education Opportunity, September 2013

Percent of Median Family Income Needed to Pay for College 2-Year Institutions, 2011-12



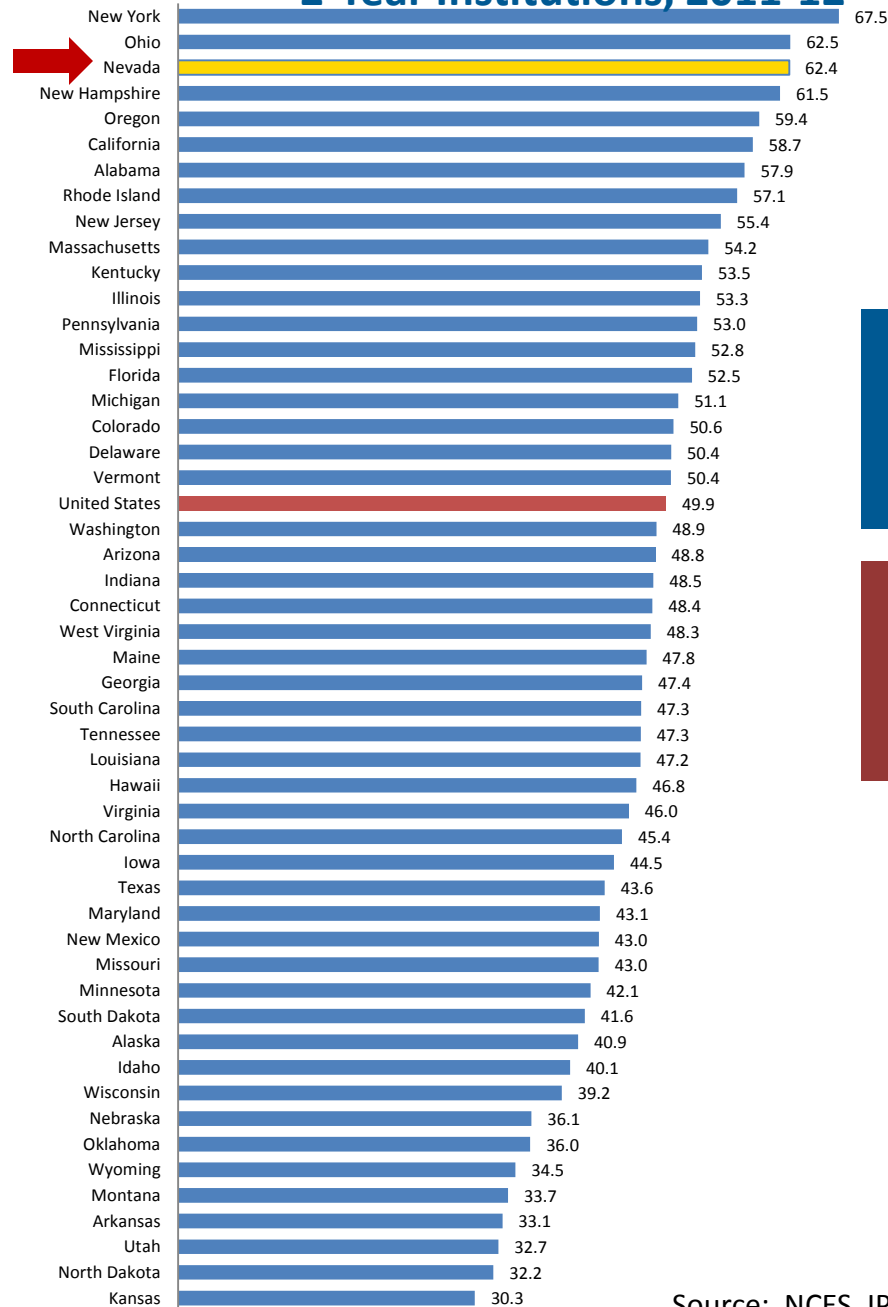
2011-12
Nevada: 18.9%
Nation: 13.5%

2008-09
Nevada: 16.8%
Nation: 12.9%

Nevada is last in the nation in terms of the affordability of our community colleges.

Percent of Income from the Lowest Quintile Needed to Pay for College

2-Year Institutions, 2011-12



2011-12
Nevada: 62.4%
Nation: 49.9%

2008-09
Nevada: 53.4%
Nation: 46.4%

Access and Affordability



Why Should the State of Nevada Invest in Need-Based Financial Aid?

Nevada is last in the nation in terms of college affordability with respect to median family income for students attending two year institutions. The total unmet need for all Nevada System of Higher Education (NSHE) institutions in 2011-12 was \$368.7 million, based on Free Application for Federal Student Aid (FAFSA) filers who enrolled and completed their financial aid files. This unmet need figure represents the unfunded gap that students must make up on their own to cover the total cost of education. The reality is that many low income students cannot make up that unfunded gap and therefore choose not to pursue a degree or credential.

According to Complete College America, by the year 2020, 58 percent of jobs in Nevada will require a certificate or degree. As of 2011, only 28% of Nevada adults (ages 25 – 34) had an associate degree or higher. For a strong Nevada economy, the skills gap must be closed. This cannot be accomplished without Nevada finding a way to assist more low-income students in accessing and achieving success in higher education.

While the Governor Guinn Millennium Scholarship (GGMS) is a state-supported program that provides for a large number of Nevada students; it is a merit-based program, and therefore it is not designed to target Nevada students who need assistance in paying for college the most. Beyond GGMS recipients, there is a much larger population of college-ready students who need financial assistance in attending college, and they often choose to forego college because they do not think it is affordable.

What is an “affordable” education?

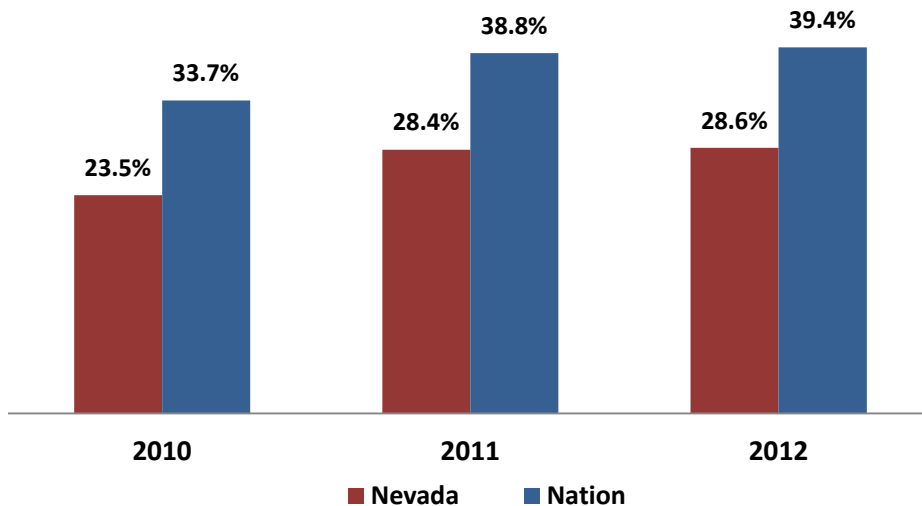
The concept of affordability is a subjective one. What is affordable to one person may not be to another. There are three factors that, when combined, determine affordability: ability to pay (income level), price tag (tuition and fees), and available financial aid. Institutional price based on tuition and fee levels alone does not dictate affordability, and finding a meaningful way to assess the impact of cost of living on decisions about attending college is difficult. One way is to look at the portion of income students and their families must spend to cover the cost of higher education for one year, including living expenses. Employing the concept of net price (tuition and room and board less federal, state need- and non-need based aid, and institutional aid), also makes it possible to take financial aid into consideration.

Students from low-income families are a growing share of K-12 and higher education enrollments in Nevada. Students from the lowest income families have the lowest high school graduation rates, the lowest college continuation rates, and the lowest bachelor’s degree attainment rates. Nevada’s participation rate for students from low income families was 44th in the nation at 28.6 percent in 2012—well below the national average of 39.4 percent.

Percentage of Family Income Needed to Pay for College, 2011-12 *		
	Median Income	Lowest Income Quintile
Nevada Public 2-year	18.9%	62.4%
National Public 2-year	13.5%	49.9%
Nevada Public 4-year	21.2%	69.9%
National Public 4-year	18.6%	68.7%

Source: NCES, IPEDS, 2012 *Net cost for one year

**College Participation Rates
for Students from Low Income Families**



Of particular concern, Nevada ranks lowest among the states in 2-year college participation rates for students from low-income families at only 6.4 percent in 2012 (*Postsecondary Education Opportunity*, 2013). This statistic is not surprising when you consider that the percentage of family income required for such a student to attend one year at a community college (tuition and fees *and* room and board) in Nevada is 62.4 percent, and that's after financial aid has been deducted.

PROPOSAL: State Supported Need-Based Grant Program

NSHE is proposing the creation of a state-supported need-based grant program in order to encourage more low-income students to attend college and earn a degree. It is important to keep the program simple so that it is easy for families to understand and plan for college while at the same time maintaining the necessary flexibility for institutions to focus the aid on students whose chances of enrolling and succeeding are most likely to be improved when they receive state support. The proposed program includes incentives to motivate students to be academically prepared for college as well as the financial means to progress as rapidly as possible toward graduation. Following are the suggested criteria:

1. **Employ federal methodology to identify students with financial need.** When a student completes a FAFSA, an Expected Family Contribution (EFC) figure is calculated. The EFC represents the family's ability to pay for the cost of the student's education and is also used as an index to determine eligibility for federal student aid. NSHE will determine the EFC range to use each year, based on the target population and changes to federal methodology. The initial target population will likely include students just outside the Pell Grant eligibility range, but who still have considerable financial need. This category of students is sometimes referred to as the working poor, and in terms of federal student aid, they are just outside the range of Pell Grant eligibility, or qualify for a very small Pell Grant. These are the students that often must work full-time in order to support themselves and must therefore attend college part-time. And we know from institutional data that students attending part-time are far less likely to succeed.
2. **Academically prepared for college-level coursework.** Eligible students must have graduated from high school with a standard diploma or equivalent must and demonstrate that they are prepared for the rigors of college-level coursework.
3. **Maximum Award.** Students will be awarded up to \$2,000 per semester (\$4,000 annually) and must enroll full-time to receive the maximum award.
4. **Allocation to Institutions.** Because it is expected that more students will qualify than can be covered with available funds, institutions will receive an allocation for the grant based on institution size, and students will be awarded first-come, first-serve until the allocation is depleted. Eligible students who apply for financial aid after funds are depleted will be kept on a waiting list in the event that awarded students choose not to attend or lose eligibility mid-year.
5. **Funding Level and Reporting Requirement.** While it is understood that state resources are limited, an allocation of five million dollars for the biennium is recommended to start the program. Over time, the System will report on the success of students who receive the award, including the percent who graduate or transfer to another NSHE institution.

ATTACHMENT B

Workforce Development Rapid Response Investment Fund

Workforce Development Rapid Response Investment Fund

Challenge

As the targeted industry sectors grow through the attraction of new business to our state, a strain will be placed on our community college system to respond rapidly and establish new curricula to serve the education of a new workforce in the industry sectors targeted by GOED, such as Aerospace & Defense, Health Care and Medical Services, Information Technology, etc.. Our biennial budgeting process does not allow for “rapid response”. Expanded programming will require curriculum development and capital investment for equipment and repurposing of facilities. Other states have established funds to respond to such training needs, including Florida (\$30M); Wisconsin (\$35M); Georgia (\$30M); and Arkansas (\$15M), as well as others.

Nevada’s ability to sustain and grow its knowledge-based economy, particularly in high-growth industry segments, is critically dependent upon the availability of an educated and skilled workforce. Many institutions are expanding “industry-contextualized” basic education programs in a number of fields, including healthcare, hospitality, manufacturing, mining, aerospace, logistics, and business. Additional investments in these and all sectors relevant to Nevada, as well as investment in adult basic education will support the development of industry-relevant programs.

Recommendation

To help the community colleges meet the "qualified workforce" needs of industries relocating to or expanding in Nevada, the state should establish the Workforce Development Rapid Response Investment Fund to fill the initial program investment necessary to develop curriculum and infrastructure for program delivery. Such programs may include short and long term curricula, resulting in certificates of achievement (singular and stackable), as well as coursework leading to associates degrees.

Implementation Specifics

Each grant would provide funding for curriculum development, equipment, and up to two years of salary and benefits for a key course instructor (or instructors) to establish the program. All grant requests will be required to be “zero-based”, and inclusive of only the costs related to program development and launch. Decisions on grant applications will be made by an interagency committee composed of representatives of NSHE, DETR, GOED, and the Nevada College Collaborative; designated by the Chancellor of NSHE, Executive Director of GOED, Director of DETR; and including the Executive Director of the Nevada College Collaborative, as a member of the committee. The committee shall meet at least quarterly to evaluate applications

presented on behalf of the college (or combination of colleges), and approved by the president of the presenting college (or colleges).

Funding Recommendation

Funding for the first biennium would be **Six million (\$6M) dollars**. Funding levels would be reassessed each biennium.

STEM Workforce Challenge Grant Program*

STEM Workforce Challenge Grant

Challenge

Nevada's growing STEM industries represent an important source of high-value economic activity and quality jobs for Nevadans. However, at present the state suffers from a critical skills gap in its workforce, and the lack of a strong pipeline system to prepare individuals for careers in the emerging fields. Although this need is being addressed to some degree within the K-12 system, the enhancement of post-secondary education in STEM skills must be encouraged, and the connection between the needs of employers and skills training programs available must also be enhanced. Many of these programs would be designed to serve the training needs of the long-term unemployed, the underemployed, and those in need of cross-training to enter new fields of work. These efforts must include coordination between the GOED, DETR and NSHE to achieve the economic development goals of the state, and provide the skilled workforce necessary for achieving those goals.

Recommendation

To help meet the workforce needs of Nevada's STEM economy, the state should establish a competitive grant program that awards funds to regional consortia working to align postsecondary education and skills training with the workforce demands of the regional economy. By encouraging and funding active collaboration among key stakeholders, including the four community colleges (CSN, TMCC, GBC and WNC), and Nevada State College (NSC); the Governor's Workforce Investment Board (GWIB)'s industry sector councils; and the private sector through the inclusion of a matching funds provision; this program would allow the state to maximize its return on public investment and provide a strong incentive for education and skills training that matches the need of labor markets.

Implementation

The STEM Workforce Challenge Grant Program would provide one-time grants of up to \$175,000 per year for two years (up to \$350,000 total), with a required 1:1 match from the private sector and/or philanthropic organizations (one or more organizations), to support the development and implementation of programming that seeks to meet the skill and competency needs of local or regional STEM industries. The program(s) must demonstrate an ability to be self-sustaining following the conclusion of the grant funding. Successful applications will draw from data, market analysis, and industry intelligence to identify current and projected workforce training challenges that will be responded to by the program implementation, and that the coalition of forces/stakeholders will sustain the program for the long term. Applicants would also be eligible to apply for additional funds to facilitate capital investment in equipment critical

to the proposed program(s). This one-time award would range in value up to \$250,000 and would require at least a 1:1 match from the private sector and/or philanthropic organizations. Decisions on grant awards will be made by an interagency committee composed of representatives from GOED, DETR, NSHE (The Nevada College Collaborative), the proposed STEM Action Council, and the Governor's Office. The committee will use a points system to score each application, with awards going to those applicants with the highest scores. The committee will meet quarterly to evaluate and select successful applications. Unsuccessful applicants (or applications) may re-submit during one future evaluation round of their choosing. No more than seventy-five percent (75%) of the available funding for a biennium may be awarded during any single year; and no more than fifty percent (50%) of annual funding may be awarded during any single award cycle. The annual "award year" will be based on the state fiscal year, July 1 – June 30.

Successful proposals will include:

- A designated lead entity that will head up grant-related activities. Preference will be given to those applications that select as lead a community college, NSC, or a combination thereof; working in concert with an industry-based organization.
- Potential cross-sector collaboration that brings together the applicable colleges, industry sector councils, area firms, and/or an industry based organization(s).
- Evidence of active industry participation and leadership as well as current or planned collaboration among companies in program development and implementation.
- Leveraging of existing or additional state and federal funding.
- Replicable model that allows possible transfer to other regions.
- Well defined metrics and performance management to ensure evidenced based decision-making and accountability.

Funding Recommendation

Funding for the first biennium would be **Three Million Five Hundred Thousand (\$3.5M) Dollars**. Funding levels would be reassessed each biennium.

*Based in part on a framework and study provided by Mark Muro, Senior Fellow and Policy Director, Metropolitan Policy Program at Brookings, Washington DC