



Why Should the State of Nevada Invest More in the Millennium Scholarship & Need-Based Financial Aid?

Nevada faces unprecedented challenges in years to come as our economy recovers and our institutions rebuild following several years of significant budget reductions. Historically, our state has had a low high school graduation rate and a low college-going rate, combined with an increasing demand for skilled workers, resulting in a significant “skills gap.” Policy strategies and funding are required to ensure that citizens of Nevada have access to an

affordable education as well as the necessary tools for success. For Nevada to compete, we must graduate more students with degrees and credentials of value. Precious time and money are lost when students don’t graduate on time. Nationally and in Nevada, the evidence is clear: undergraduates enrolled full-time (30 or more credits per year) are more likely to graduate on time—or at all—than students who complete fewer credits per year.

Nevada’s Challenge: The Skills Gap

58%	By 2020, jobs in Nevada requiring a career certificate or college degree
28%	Nevada Adults who currently have an associate degree or higher
30%	The Skills Gap

NSHE Graduation Rates by Credit Load First-time Degree Seeking Students			
	< 12 Credits	12-14 Credits	15+ Credits
4-Year Institutions (2004 Cohort)	21.0%	43.4%	58.1%
2-year Institutions (2008 Cohort)	2.6%	11.4%	22.6%

The data show that students who begin with full-time enrollment at a Nevada System of Higher Education (NSHE) four-year institution are twice as likely to graduate as students who begin part-time. For students who begin in 15 or more credits at a four-year institution, the graduation rate is nearly three times higher than the part-time rate. For NSHE community college students, the impact of beginning with full-time enrollment is even more dramatic: students who begin with full-time enrollment graduate at four times the rate of those who begin part-time. For those beginning

in 15 or more credits, the graduation rate is over eight times higher than those who begin part-time. Not only that, but regardless of academic preparation, students who take more credits are more likely to persist and have a higher GPA.

Increase the Credit Limitation for the Millennium Scholarship

The Millennium Scholarship award is calculated at a per-credit rate for a maximum of 12 credits per semester. The unfortunate reality is that this 12-credit cap is working against student success because it encourages students to take less than the 15 credits per semester needed to graduate on time. *In support of NSHE’s 15 to Finish campaign, we urge the*

Nevada Legislature to consider increasing the maximum award for the Millennium Scholarship from 12 to 15 credits.

Aside from deterring students from timely graduation, the 12-credit limit impacts students negatively in another way. For example, students attending a university receive \$80 per credit; at 12 credits the semester award amounts to

\$960, and for eight semesters that calculates to \$7,680. If the maximum were raised to 15 credits, the semester award would be \$1,200, with the total eight-semester award at \$9,600, thereby making additional funds available to cover the cost of higher education.

GPA by Academic Preparation and Credit Load		NSHE 2-year Institutions	NSHE 4-Year Institutions
English/Math Enrollment Groups	Credit Load	Cohort GPA	Cohort GPA
College	< 12	2.61%	2.37%
	12 to < 15	2.68%	2.75%
	15+	2.78%	2.98%
Remedial	< 12	2.30%	2.05%
	12 to < 15	2.38%	2.40%
	15+	2.60%	2.53%

What is an “affordable” education?

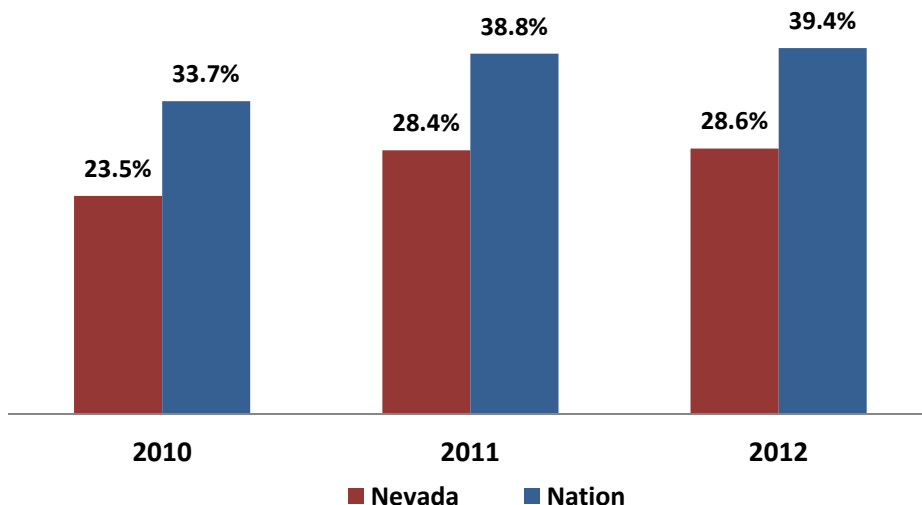
The concept of affordability is a subjective one. What is affordable to one person may not be to another. There are three factors that, when combined, determine affordability: ability to pay (income level), price tag (tuition and fees), and available financial aid. Institutional price based on tuition 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



Source: *Postsecondary Education Opportunity*, September 2013

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.

Nevada needs a State-Funded Need-Based Financial Aid Program

As Nevada focuses increasingly on creating policies to encourage degree completion, it is becoming more and more apparent that financial aid policy cannot be considered in isolation from other state policies and practices. Likewise, it seems clear that a consistent state-wide policy to ensure that all students have the chance to attend college will have the greatest positive effect on student completion rates. **Nevada students need a clear commitment from the State to provide a stable and adequate source of funding for need-based financial aid to ensure access for low income students.**

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