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Higher Education Funding in Nevada

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Our nation's rapidly evolving, technologically oriented economy is driving a surge in demand for skilled employees; two-thirds of all jobs created in the coming decade will require some form of postsecondary education. In response, the United States has established a goal of achieving a 60 percent postsecondary degree or certificate attainment among the nation's labor force by 2025, equating to an additional 62 million Americans. Based upon the current trajectory, the U.S. will produce only 39 million such graduates, 23 million short of the goal. At the same time, funding constraints and other factors have resulted in a 20 percent decrease in total state appropriations to public baccalaureate-granting institutions. Innovative approaches to funding postsecondary education are required to meet America's demand for skilled workers.

Nevada Facts & Statistics

- Nevada ranked 45th in the nation for per-capita higher education support in FY 2014.
- Between 2010 and 2015, per-student higher education appropriations in Nevada decreased by 34.5 percent. In response, tuition and fees at all public higher education institutions increased between 36 and 46 percent during that span.
- Recession-era budget cuts to the University of Nevada, Las Vegas reduced its faculty levels to 60 percent of peer institutions throughout the nation.
- Reductions in state allocations also caused reduced course offerings, program closures and degree eliminations at the University of Nevada, Reno, Great Basin College, Truckee Meadows Community College, and Western Nevada College.
- At the College of Southern Nevada, nearly 5,300 students were unable to enroll because funds to expand available classes and student services were insufficient.
- 23 percent of Nevada families earn \$30,000 or less annually; they would need to invest more than 60 percent of that total to attend a four-year Nevada university.

U.S. Facts & Statistics

- The 2008 recession resulted in a 25 percent reduction in average educational appropriations.
- Since 2008, college affordability has declined in 45 states as institutions have replaced state funding with increased tuition and fees.

- Reliance on net tuition to finance higher education has increased from approximately 25 percent to nearly 50 percent during the past two decades.
- By 2020, it is projected that 62 percent of jobs will require postsecondary credentials.

Recent Actions in Nevada

- In fall 2015, Nevada System of Higher Education institutions collectively enrolled more than 106,500 students, an increase from the previous year.
- NSHE's "Achieving the Dream" initiative provides broad-based assistance to community college students.
- Nevada successfully pursues external funding opportunities such as STEM workforce training programs and health care education grants.
- The state's "15 to Finish" program encourages students to complete a full 15-credit schedule each semester for improved on-time graduation.

Considerations for Future Actions

Given Nevada's desire to diversify and strengthen its economy while reducing reliance on public assistance programs, the following steps warrant evaluation:

- Analyze all state expenditures to identify opportunities to bring funding of postsecondary education up to the national average.
- Encourage full-time enrollment by providing block tuition policies that allow students to take up to 15 credit hours per semester at no additional charge beyond 12 credits.

- Provide predictable tuition policies that hold tuition constant for a full four years, or establish incremental increases that allow families to plan over multiple years.

Statewide Benefits of Future Action

- National average labor earnings of young adults with a baccalaureate degree are 60 percent higher than for high school graduates.
- Higher levels of educational attainment are associated with higher levels of employment in managerial and professional occupations.
- Higher-earning workers make greater tax contributions to the State of Nevada and have more spending power, which bolsters local economies.
- Postsecondary education is also correlated with increased labor productivity and analytical skills.
- Societally, higher education is linked to improved health, reduced infant mortality, lower public assistance use and higher voter participation.

Implications of Maintaining Status Quo

- The population of Nevada, currently reported at nearly 3 million, is projected to increase to 3.5 million by 2020. Without mitigation, this growth will only exacerbate the stresses on a system already ill-equipped to accommodate the current student population.
- Low rates of postsecondary education will inhibit Nevada's ability to diversify economically and participate in the 21st century economy.
- Despite its favorable tax climate, poor educational rankings will reduce Nevada's ability to attract business investment, especially from technologically oriented companies.

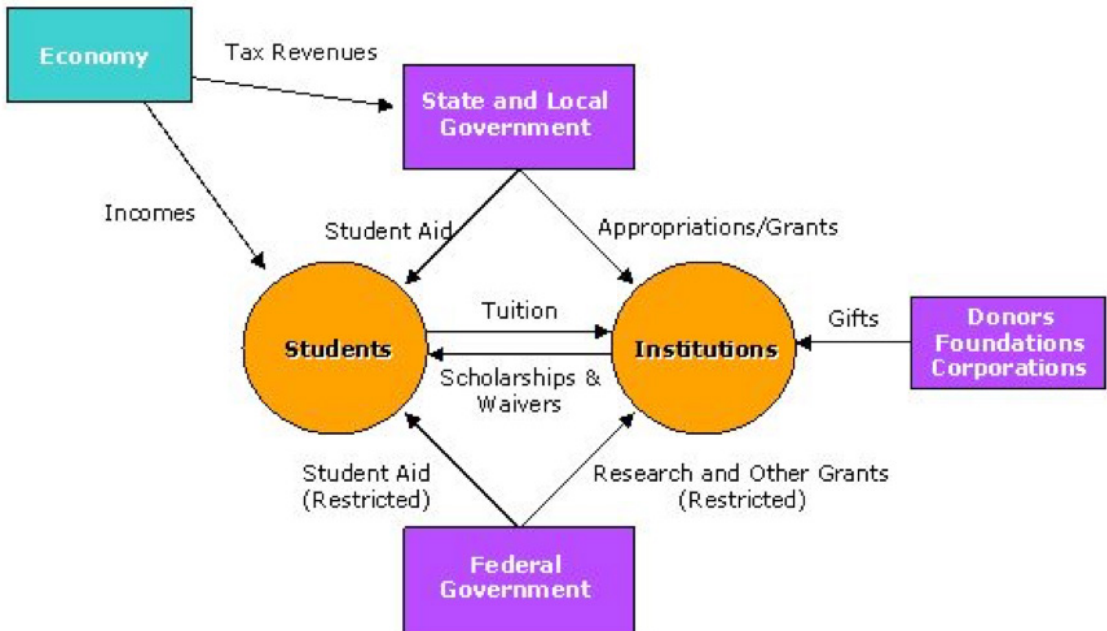
Introduction

Former President Obama, the Lumina Foundation, and other educational agencies have set a goal calling for 60 percent of the labor force to have a postsecondary degree or certificate by 2025. To reach this goal, 62 million Americans must graduate with a postsecondary degree or credential in the next decade. At current rates, the U.S. will produce only 39 million such graduates, leaving a gap of 23 million (White & Crane, 2016).

While there are nationwide calls for increases in college-educated adults, at the same time there is a nationwide trend of disinvesting in public universities. Total state appropriations across all public baccalaureate-granting institutions declined from \$54.5 billion in 2001–2002 to \$45 billion by 2011–2012, a nearly 20 percent decrease (Jaquette and Curs, 2015). In order to bridge the graduation gap, states must invest in higher education to meet attainment goals, which reflect the need for a more educated and competitive workforce. Our rapidly changing economy is demanding high-skilled employees. According to the Georgetown Center on Education and the Workforce, two-thirds of all new jobs created will require some form of postsecondary education.

Nowhere is a greater fiduciary investment needed than within the state of Nevada. Only 28 percent of Nevada's adult population has earned a college degree, the lowest college-degreed rate in the nation (U.S. Department of Education, 2012). If Nevada wants to continue to attract technology companies such as Switch and new industries such as Tesla, as well as provide quality support services in medicine, law, and education, research suggests that our state must increase its investment in higher education. Without state support for higher education, the cost of attendance is placed on students and their families, shifting the burden to the residents of the state through increased tuition and fees and privileging out-of-state students who can pay more in tuition (Jaquette & Curs, 2015). State support makes college more affordable and thus more attainable for all. Therefore, this policy paper will focus on two main areas: the condition of Nevada state appropriations for higher education, and the opportunities and benefits for investing in postsecondary education.

Figure 1 shows the interrelationships among the various entities involved in financing higher education in the State of Nevada.

Figure 1. *How Higher Education is Funded*

Source: NCHEMS (2016) <http://www.higheredinfo.org/catcontent/cat8.php>

The burden of educational costs is divided between students and institutions, with some emphasis on governmental support from local, state, and federal entities. However, state appropriations have declined dramatically in recent years, placing additional burden on students and institutions. Students and institutions are picking up a greater percentage of the funding for higher education.

Past Funding in Nevada

The economic recession of 2008 invited austere declines in educational appropriations to public higher education institutions across the United States. Pre-recession in Fiscal Year (FY) 2008, the national average for state appropriations was \$8,220 per full-time student (SHEEO, 2016). Following the recession, the United States average for educational appropriations hit a low point of \$6,177 in 2012, a reduction of 25 percent. While reduced public-sector expenditures are an expected component of recessionary cycles, SHEEO indicated that the impact hit higher education harder than other areas of public funding.

Public institutions in the state of Nevada were directly affected by the recession and the resulting budget cuts. Impacts of the budget cuts on Nevada's public higher education institutions

were extensive: According to Nevada System of Higher Education's (NSHE) 2013 Legislative Report, institutions across the state saw severe cuts in faculty, personnel, and support services, and many universities experienced program closures. The report indicates that these cuts placed University of Nevada, Las Vegas (UNLV) at 60 percent of the faculty compared to peer institutions. Further, the report revealed that Nevada State College (NSC) and College of Southern Nevada (CSN) saw increases in student enrollment paired with cuts in state support, which rendered them unable to offer certain classes and expand student services. In fact, by 2010, when CSN's enrollment reached its peak, nearly 5,300 students were unable to enroll at the institution (NSHE, 2013). The budget cuts also resulted in program closures, degree and program eliminations, faculty and staff departures, and reduced course section offerings at the University of Nevada, Reno (UNR), Great Basin College (GBC), Truckee Meadows Community College (TMCC), and Western Nevada College (WNC). The significant decreases in funding, paired with increased competition over federal and state grants, also led to a loss of 43 research faculty at Desert Research Institute (DRI). Overall, the cuts made to funding public higher education in the state of Nevada sig-

nificantly impacted students, faculty, and staff.

By Fiscal Year (FY) 2013, about 5 percent of tax revenues in Nevada were allocated to higher education, falling below the national average of 5.5 percent (SHEEO, 2016, p. 54). Data from FY 2014 placed Nevada at 45th in the nation for higher education support per capita and 44th in the nation for higher education support per \$1,000 of personal income (SHEEO, 2016, p. 55). The result was an increase in student tuition and fees; the combined in-state tuition and fees in the state of Nevada increased by between 36 percent and nearly 46 percent at all public institutions between the 2009 and 2015 academic years (IPEDS, 2016). Published out of state tuition and fees increased between 15 percent and 23 percent over the same period, and greater emphasis was placed upon recruiting and retaining out-of-state and international students (Jaquette, Curs, & Posselt, 2015).

Jaquette, Curs, and Posselt (2015) developed institution-level panel models that revealed growth in the proportion of nonresident students was associated with a decline in the proportion of low-income students and a decline in the propor-

tion of underrepresented minority students. This negative relationship was stronger at universities in high-poverty states and in states with large minority populations like Nevada. These findings yield insights about the changing character of public institutions of higher education, and raise questions about access and retention for the most vulnerable students in Nevada. There is a clear shift of tuition costs onto individuals and families living within the state who want to pursue higher education. Table 1 shows both year-over-year percent change and the six-year percent change.

Nevada's increases to tuition and fees during the recession reflect a national trend. SHEEO (2016) reported, "Net tuition revenue per student tends to increase most rapidly during periods of recession, shifting more of the cost of higher education to students and families." (p. 22). The Institute for Research on Higher Education (2016) also indicated a decline in college affordability in 45 states since 2008. The next section discusses the current impacts of these trends on higher education funding in Nevada and the United States.

Table 1. *Percent Change in Nevada's Published Tuition and Fees (NCHEMS 2016)*

NV Public Institutions	6-Year % Change (2009-2015)*		1-Year % Change (2014-2015)*		1-Year % Change (2013-2014)*		1-Year % Change (2012-2013)*		1-Year % Change (2011-2012)*		1-Year % Change (2010-2011)*		1-Year % Change (2009-2010)*	
	IS **	OS ***	IS **	OS ***	IS **	OS ***	IS **	OS ***	IS **	OS ***	IS **	OS ***	IS **	OS ***
College of Southern Nevada	39.6	15.3	3.9	1.1	0	0	0	0	7.4	3.7	12.0	4.9	11.6	4.8
Great Basin College	39.6	15.3	3.9	1.1	0	0	0	-2.8	7.4	6.7	12.0	4.9	11.6	4.8
Nevada State College	45.9	23.3	5.7	4.5	0	0	-0.4	-0.1	12.3	5.1	12.4	5.0	9.7	6.9
University of Nevada, Las Vegas	36.2	19.6	3.5	1.1	0.3	0.1	-0.2	-0.1	4.3	3.0	10.7	4.8	14.0	9.5
University of Nevada, Reno	36.8	19.7	4.4	1.4	0	0	0.1	0	17.3	6.7	1.2	2.0	10.2	8.4
Western Nevada College	39.6	15.3	3.9	1.1	0	0	0	0	7.4	3.7	12.0	4.9	11.6	4.8
Truckee Meadows Community College	39.6	15.3	3.9	1.1	0	0	0	0	7.4	0.4	12.0	8.4	11.6	4.8

*Rounded to the nearest tenth; IS** = In state; OS*** = Out of state (Source: IPEDS Data)

Present Funding in Nevada

Despite signs of economic recovery, data from SHEEO (2016) indicate educational appropriations per student are still below the 2008 pre-recession high, having decreased by approximately 15 percent between 2010 and 2015. Over the same five-year period, higher education appropriations in Nevada decreased by 34.5 percent. Additionally, Nevada has become increasingly reliant on net tuition, with an increase of 39.8 percent between pre-recession 2008 and FY 2015 (SHEEO, 2016, p. 41). Even with the increase in net tuition, Nevada has seen a 17.7 percent decrease in total educational revenue per full-time student from 2008 to 2015. In fact, Nevada ranked second only to Texas in terms of decreased total educational revenue per full-time equivalent (FTE) from 2010-2015 (SHEEO, 2016). As of FY 2015, Nevada falls below the national average in both educational appropriations per FTE and total educational revenue per (FTE) (SHEEO, 2016). National trends indicate that reliance on net tuition to finance higher education has jumped from around 25 percent to nearly 50 percent in a little over two decades (SHEEO, 2016).

These trends have implications for college access and affordability, particularly for public two-year institutions, which have historically provided access to higher education as an affordable option for students. According to an analysis by the Institute for Research in Higher Education (2016), this is no longer the case in most states. Nevada is one of 16 states educating 40 percent or more of students in public two-year institutions. And in Nevada, 23 percent of families fall within the bottom income quintile, meaning that they earn \$30,000 or less annually (Institute for Research on Higher Education, 2016b). These recent increases would now require families in the bottom income quintile to invest nearly 40 percent of their income to enroll in these institutions. Therefore, nearly a quarter of the Nevada population is unable to afford even a two-year college education at these levels.

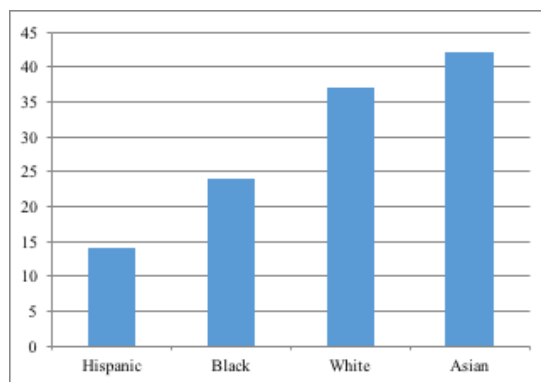
An additional 44 percent of Nevada's undergraduates attend either UNLV or UNR, where low-income families can expect to spend an average of 62 percent of their income (Institute for Research in Higher Education, 2016b). As a result, many students are financing their education through student loans (SHEEO, 2016). The report also estimates students would need to work an average of 37 hours a week, nearly full-time, to fund enroll-

ment alone at UNLV or UNR. According to Laura Perna (2010), "Most college students are now not only employed but also working a substantial number of hours, a fact not widely understood or discussed by faculty members and policy makers." Nearly half (45 percent) of "traditional" undergraduates—students between the ages of 16 and 24 attending college full time—must work while enrolled, and about 80 percent of traditional-age undergraduates attending college work part time while enrolled. Unfortunately, students choosing to work more hours to cover costs decrease their likelihood of completing their programs (Institute for Research on Higher Education, 2016).

Future Funding in Nevada.

The Georgetown Center for Education and the Workforce and the Institute for Research in Higher Education (2016b) project that 62 percent of jobs will require postsecondary credentials by 2020, yet in 2014 less than 30 percent of Nevada's adults held an associate's (two-year) degree or higher. The figures are more critical for people of color living in Nevada. For example, less than 15 percent of Hispanics and less than 25 percent of Blacks living in Nevada have earned a two-year degree or higher.

Figure 2. *Percentage of Nevadans with an Associate's Degree or Higher by Race/Ethnicity*



Source: *Institute for Research in Higher Education, 2016b*

To reiterate, without state support for higher education, the cost of attendance is placed on the students and their families, shifting the burden to the states through increased tuition and fees. For families in the lower income bracket, as well as underrepresented minorities in higher education,

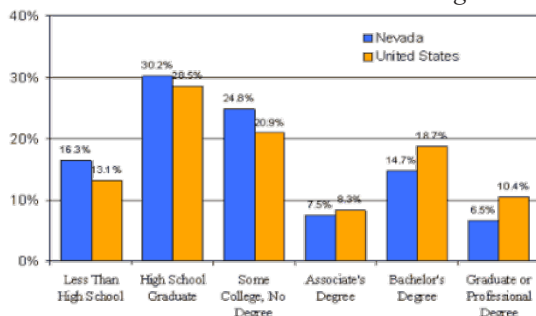
a postsecondary degree may become further from their reach if tuition continues to rise, especially at the state's two-year public institutions, where these students are overrepresented (Baum, Ma & Payea, 2013). It is anticipated that the student share of total educational revenues will exceed 50 percent by the next economic downturn (SHEEO, 2016). The emphasis on fiscal support for Nevada higher education cannot be overstated: State support makes college more affordable, and thus more attainable for all individuals in the state.

In order to achieve the state's attainment goals, a concerted effort is needed to execute state-level appropriations toward higher education. In his 2016 Education Commission report, McGuinness remarks that state governing systems must shift from managing institutions to providing strategic leadership. The governor, legislative leaders, and higher education leaders must align strategic plans with finance policy to support long-term goals of attainment. Leaders in Nevada must be intentional about supporting the missions of its public higher education institutions and ensuring the public has affordable access to these institutions.

Who is Attending College in Nevada?

Today's colleges and universities try to encourage attendance by a heterogeneous, multifaceted student population that reflects the changing demographics of the nation and Nevada (Nevada Department of Taxation, 2016). Nevada has fallen behind the national average for all levels of college educational attainment while the number of people in the state with a high school diploma or less has increased (See Figure 3).

Chart 1. Educational Attainment of 25 to 64 Year Olds in 2005 – Nevada and the U.S. Average



Source: U.S. Census Bureau, 2005 American Community Survey

The State of Nevada and the Nevada System of Higher Education recognize the value-added benefits and significant economic prosperity associated with having more college graduates enter the labor workforce. The primary objectives of NSHE (2016a) are to produce cultural, economic, and social benefits for the state by building educational programs that are interrelated to research, scholarship, and public service. Through the statewide higher education system, public colleges and universities in Nevada enroll a significant number of certificate, undergraduate, graduate, professional degree, non-degree, and workforce students. Eight public institutions located in different towns, cities, counties, and regions of the state comprise NSHE. The mission of NSHE (2016a) is to produce a college-educated population. Specifically, NSHE's goal is to produce:

an educated and technically skilled citizenry for public service, economic growth and the general welfare contributes to an educated and trained workforce for industry and commerce, facilitates the individual quest for personal fulfillment, and engages in research that advances both theory and practice (p. 2).

As such, NSHE institutions are responsible for preparing college students to compete and succeed in the 21st century global economy.

The U.S. Census Bureau (2015) reported that Nevada had almost three million citizens residing in the state. By 2020, the State Demographer for Nevada (2016) projects that the population will exceed 3.5 million citizens. A recent publication by NSHE (2015), *Expanding Degrees: NSHE's Role in Building a New Nevada*, reveals the statewide strategic goals to expand higher education access to its diverse student populations, and also the critical need to improve the quality of its academic offerings. In fall 2015, all NSHE institutions collectively enrolled 106,565 students, a system-wide increase from the previous year's enrollment figures (NSHE, 2016b).

However, the low levels of postsecondary attainment mentioned earlier within different sectors of the Nevada population warrant concern about the significant financial losses for the state when the majority of the population fails to pursue higher education. Additionally, the majority of Nevadans are not reaping the economic, social, and individual benefits generated from achieving a bachelor's degree or higher. In particular, the low

college enrollment and graduation rates of low-income and students of color across all levels create further economic, educational, and social inequities in the State (U.S. Department of Education, 2015a; McMahon, 2009). Additionally, Nevada's economic vitality and competitive advantage are dependent upon the number of college graduates the higher education system produces for the state. The significant number of Nevada residents who do not pursue an undergraduate education is troublesome for long-term economic vitality (U.S. Bureau of Labor Statistics, 2015). To further reiterate, student college matriculation and bachelor degree graduation rates vary considerably by students' socioeconomic status, race and ethnicity, and gender (Perna, 2005).

Why is Higher Education Important?

First, the trends in employment rates by educational attainment demonstrate the differences in labor earnings among high school dropouts, high school graduates, and college graduates. In 2014, the national average labor earnings of young adults with a baccalaureate degree (\$49,000) were significantly higher compared to high school graduates (\$30,000) and adults without high school diplomas (\$25,000) (The Condition of Education, 2016). Statistically, the employment rate is also significantly higher for college graduates than high school dropouts. In 2015, bachelor's degree holders had a labor employment rate of 89 percent, in comparison to high school dropouts at 51 percent. These data suggest that college graduates are nine times more likely to be employed in the labor workforce as compared to those that did not finish their compulsory education. Unfortunately, Nevada ranks last in the nation when it comes to adults who have earned their high school diploma (See Figure 4 on following page).

During the next decade, more than half of all occupations in the United States will require some form of postsecondary education (BLS, 2015). Furthermore, the U.S. Bureau of Labor Statistics (2015) reported that, between 2014 and 2024, total employment is projected to grow by 6.5 percent, and the fastest-growing occupations will require postsecondary education for entry (BLS, 2015). In other words, the U.S. national projections for the next decade predict that new job openings will primarily require some postsecondary education, whereas existing replacement (i.e., low-

er-skill) jobs—which typically do not require formal education beyond high school—will decrease in number (BLS, 2015, 2014b). Also important to note is that, per labor statistics, the earnings of lower-skilled workers have not grown since 1980. This group has experienced the lowest employment rates in the last three decades and, most significantly, during the most recent economic recession (McMahon, 2009; BLS, 2015).

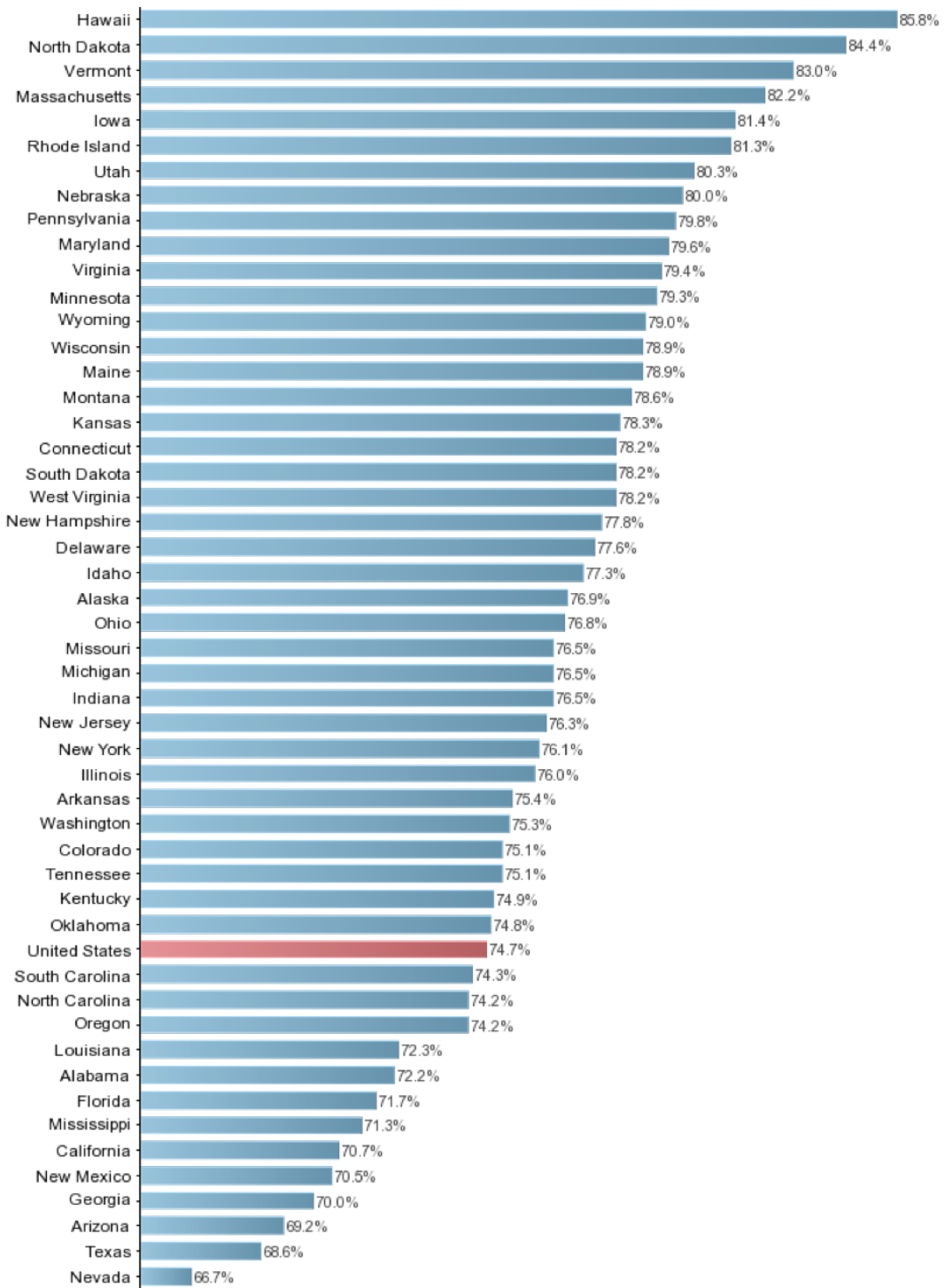
Numerous research studies have reported evidence that the U.S. unemployment rate is lower among university graduates in comparison to high school graduates or dropouts (Becker, 1993; McMahon, 2009; OECD, 2014a, 2014b). Further, much of the educational comparative and international research supports that higher levels of educational attainment are associated with higher levels of employment in managerial and professional related occupations (BLS, 2015, 2014b; OECD, 2014). Highly-educated persons living in Nevada are important to the state because higher-earning workers provide greater tax revenue to states, and individuals have greater spending power within the state (Perna, 2005). Additional years of educational attainment also increase labor productivity and earnings and improve problem-solving and analytical skills (Becker, 1993; Perna, 2005).

Lifetime Benefits of Higher Education

Higher levels of educational attainment generate not only economic returns for an individual, but also “non-economic benefits in the realms of cognitive learning, emotional and moral development, citizenship, family life, consumer behavior, leisure, and health for an individual and benefits in terms of neighborhood effects and growth in the national economy for society” (Perna, 2005, pp. 25-26). Often, prospective students and parents focus on the rising costs of attending college and the potential economic return of investment with little consideration of the non-economic, private, and public good benefits that are expected to accrue through a person's lifespan.

The U.S. Bureau of Labor Statistics (2014a) provides evidence to the common question college students, parents, and families ask regarding the difference that a college education can make in securing a job and obtaining higher earnings. The data indicate that higher levels of education are associated with higher wages. Some of the short- and long-term economic benefits of

Figure 4. *Percentage of Adults 18-24 with a High School Diploma*



Source: U.S. Census Bureau, Decennial Census

baccalaureate degree attainment (and higher) include upward mobility in social and occupational status. In *Higher Learning, Greater Good: The Private and Social Benefits of Higher Education*, McMahon (2009) noted the significant relationship of postsecondary education to the economic vitality of individuals, families, organizations, societies, and nations. He found that higher education degrees provide direct and indirect market effects to society. The private and social returns benefit future generations and accumulate to society through different measures. These lifetime benefits include:

- Advancement of democratic principles (e.g., fair voting rights, greater participation in volunteer and civic organizations)
- Better management of diet and health (e.g., reduction in smoking)
- Wider participation in democratic processes
- Greater respect for diversity
- Higher levels of happiness
- An increase in women's education and human rights
- Lower levels of infant mortality
- Reduction of the college skill deficit in the general population
- Reduction of economic and social inequality (Becker, 1993; McMahon, 2009; Skocpol & Fiorina, 1999; Stiglitz & Greenwald, 2014).

The impact of higher education is not to be taken lightly: A college education produces sustainable benefits to the state economy and promotes and sustains democratic principles. It also produces long-term effects for future generations (Becker, 1993; McMahon, 2009; OECD, 2014). Several studies have noted that higher education yields direct and indirect economic benefits such as income, taxes, improvements in health, birth rate, and voter participation (Becker, 1993; McMahon, 2009; Stiglitz & Greenwald, 2014). Becker (1993) posited that individuals with higher levels of educational attainment achieve a better life and gain a greater appreciation for literature and culture that are not necessarily monetary benefits but are essential qualities and traits for a civic and well-rounded life. Economic impact studies have found that colleges and universities produce lifelong learners with advanced skills, training, motivation, and knowledge to succeed in labor markets (Becker, 1993; McMahon, 2009). Additionally, higher education reduces the likelihood of college graduates to utilize welfare and public assistance than high

school dropouts or graduates, which is another benefit to the state.

In summary, Nevada public colleges and universities produce cultural, economic, and social benefits and development for society through the accumulation of academic and community-oriented activities that college students participate in after their undergraduate years (Bergeron & Martin, 2015; Stiglitz & Greenwald, 2014). Higher education serves as a vehicle for upward mobility and contributes both private and public benefits in society (Becker, 1993, McMahon, 2009, Stiglitz & Greenwald, 2014). College graduates obtain non-economic, private and public benefits throughout their lifespan (McMahon, 2009; Perna, 2005). The educational preparation students receive in Nevada public colleges and universities produce economic growth and development for the State. Nevada colleges and universities produce college graduates that provide extensive benefits to local, region, and state economies. The NSHE (2015) report concluded that "For the State, public higher education grows as a critical asset, invaluable to every citizen and inextricably woven into the fabric of each community" (p.12).

The State of Nevada and the entire U.S. may be able to maintain its competitive advantage via its rich higher educational systems that prepare the next generation of leaders to compete and succeed in the 21st century global economy.

Exemplary Models from Other States

The Lumina Foundation is at the forefront of the goal for 60 percent of the labor force to have a postsecondary degree or certificate by 2025. On Lumina's website, states are urged to develop a statewide plan to focus and sustain necessary changes in policy and practice to reach the state higher education attainment goal. Lumina cites exemplary models from other states that have strong, ambitious, equity-minded postsecondary educational attainment goals to drive increases in attainment. An analysis of the goals revealed several common characteristics:

- The goal is quantifiable. It includes a number or percentage increase that can be quantitatively measured over time.
- The goal is challenging. It requires "stretching" in that it cannot be easily achieved through population increases.
- The goal includes a long-term target date that is

tied to a specific date to demonstrate commitment and drive expectations.

- The goal addresses equity through closing postsecondary attainment gaps for underrepresented populations such as minority, low-income and working adult (age 25 and older) populations.
- The goal is codified in a way that it serves as the overarching framework for the state's postsecondary strategic plan, budgeting practices and state policy initiatives, such as articulated in statute and/or the state's strategic plan for postsecondary education.

A few of the exemplary state goals include Closing the Gap 2020: A Master Plan for Arkansas Higher Education, Maryland Ready: Maryland State Plan for Postsecondary Education, and Preparing Missourians to Succeed: A Blueprint for Higher Education. At this juncture, Nevada does not appear to have an attainable goal and plan for closing the postsecondary achievement gaps in the state, nor state backing or funding to make a plan possible.

The state of Indiana has developed a three-phase goal to increase the number of Indiana residents with educational degrees and credentials (See Figure 5 on next page). Indiana's strategy is around three key areas: Completion, Competency, and Career. Nevada could adopt a plan like Indiana's as a blueprint for success in this state.

Conclusion and Recommendations

NSHE institutions are accountable for preparing Nevada's constituents to compete and contribute to the local and global economy. Insufficient college enrollment and graduation rates of low-income and students of color exacerbate social, educational, and economic inequities in the state. Increasing higher education funding could increase the number of students attending and graduating from NSHE institutions. Doing so will help ensure Nevada's percentage of college graduates increases and improve the state's current standing relative to the national average. The competitive and economic advantages are vital to the success of Nevada's population at individual, community, and state levels. College education produces sustainable, long-term benefits to the economy, serves communities, promotes and sustains democratic principles, and affects change for future generations.

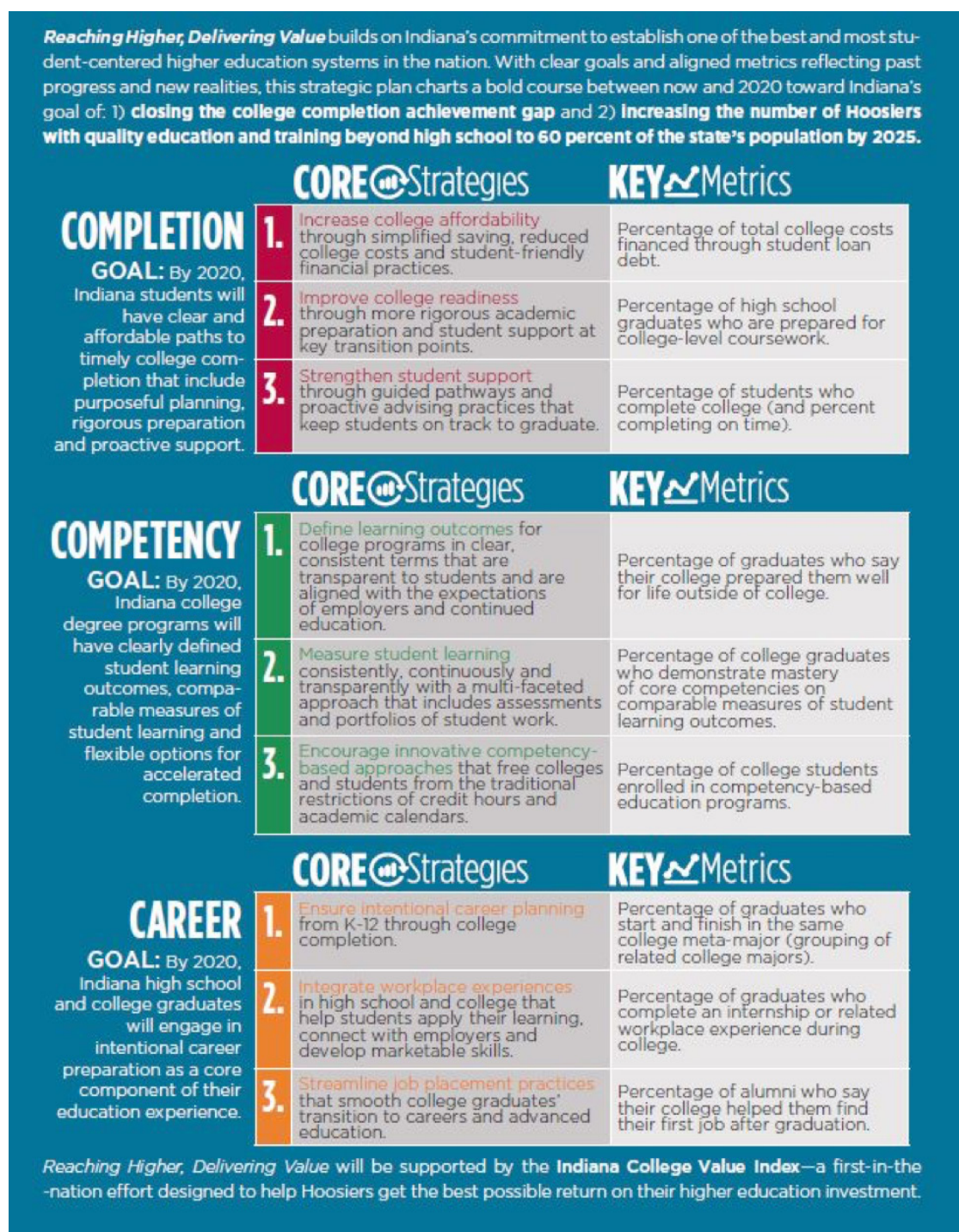
Due to the lack of funding, many states have abandoned the idea of institutions of higher

education serving as a "proud tradition serving as an engine of social mobility" (Gerald & Haycock, 2006, p. 3). In stark contrast to original open-access objectives, the lack of state funding for colleges and universities in Nevada have instead perpetuated disparities between existing socioeconomic groups and "grown disproportionately whiter and richer even while the number of low-income and minority high school graduates in their states grow" (ibid). To account for reductions in state funding, leading institutions have adopted strategic admissions policies in order to attract wealthy, competitive, nonresident students (Jaquette, Curs, & Posselt, 2015, p. 636). In doing so, institutions ignore the needs of changing demographics within their respective communities. Further, students from communities surrounding such institutions experience discontinuity as they move between local high schools and postsecondary institutions.

Despite public research universities' commitments to access, Jaquette et al. (2015) noted that declines in state support have compelled public universities to reconstruct financial aid policies and increase the number of admitted nonresident students. Reversing this trend will require collective commitment to the democratic focus of public higher education, including renewed financial support by state governments and heightened attention by public university leaders to the needs of their states and communities.

According to Greenstone and Looney (2011) of the Brookings Institution's Hamilton Project, "[on] average the benefits of a four-year college degree are equivalent to an investment that returns 15.2 percent per year. This is more than double the average return to stock market investments since the 1950s and more than five times the returns of corporate bonds, gold, long-term government bonds, or homeownership. From any investment perspective, education is a real deal." Numerous benefits are emphasized through the Education Pays (2013) series by the College Board. Individuals with higher levels of education earn more and are more likely than others to be employed. Federal, state, and local governments enjoy increased tax revenues from college graduates and spend less on income support programs for college graduates which provide a direct financial return on investments in postsecondary education. Further, college-educated adults are more likely to receive health insurance and pension benefits from

Figure 5. A State Agenda to Increase the Value of Higher Education in Indiana



their employers. Adults with greater education are also more active and lead healthier lifestyles, which reduce costs associated with health care. College education increases likelihood that adults will advance through the socioeconomic ladder and thus generate progressive change for the state.

According to the Institute of Higher Education Policy (1998), public economic benefits of higher education are prolific (See Table 2). These benefits include increased tax benefits, greater U.S. growth productivity, higher consumer spending, increased workforce flexibility, reduced reliance upon government support including TANF, food stamps, Medicaid, and housing assistance, reduced crime rates, increased civic responsibility, and increased community service.

Table 2. *The Array of Higher Education Benefits Adapted from Institute for Higher Education Policy, 1998, p. 20*

	Public	Private
Economic	<ul style="list-style-type: none"> • Increased Tax Revenues • Greater Productivity • Increased Consumption • Increased Workforce Flexibility • Decreased Reliance on Government Financial Support 	<ul style="list-style-type: none"> • Higher Salaries and Benefits • Employment • Higher Savings Levels • Improved Working Conditions • Personal/Professional Mobility
Social	<ul style="list-style-type: none"> • Reduced Crime Rates • Increased Charitable Giving/Community Service • Increased Quality of Civic Life • Social Cohesion/Appreciation of Diversity • Improved Ability to Adapt to and Use Technology 	<ul style="list-style-type: none"> • Improved Health/Life Expectancy • Improved Quality of Life for Offspring • Better Consumer Decision Making • Increased Personal Status • More Hobbies, Leisure Activities

There is an urgent need to create and adopt state higher education finance strategies that promote lower cost pathways, increased access, and higher completion rates to eliminate established equity gaps and meet the nation's educational attainment goals. State funds may be allocated more effectively as leaders intentionally examine current procedures regarding state funding. Investment in higher education necessitates more alignment between allocation of funds and student financial needs. Such alignment derives from reevaluating

the underlying business model of higher education (Snyder, Fox, & Moore, 2016, p. 39).

In the State Finance Policy Best Practices (2016), it is noted that tuition policies do not typically rest with state policymakers. However, states may utilize the following recommendations to help frame and develop tuition policies in ways that better align with student completion needs:

- Encourage full-time enrollment by providing block tuition policies that allow students to take up to 15 credit hours per semester at no additional charge beyond 12 credits, which will allow students to complete a credential on time; and
- Provide predictable tuition policies that hold tuition at a constant rate for a full four years or establish predictable increases that allow students and families to plan over multiple years.

Continual budget cuts will not sustain Nevada's public institutions of higher education. Increasing deficits will further weaken public universities, diminish quality, eliminate resources, and restrict opportunities for students, families, faculty, staff, and stakeholders. Such deficits simultaneously weaken the potential to reach additional students and ultimately improve the state of education in Nevada.

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