

Hispanic Students in Nevada Public Higher Education: Emerging Hispanic-Serving Institutions & Performance-Based Funding

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In *Making Opportunity Affordable*, Lumina Foundation identifies performance-based funding in higher education as a policy tool for policymakers to:

- Produce more graduates with two-and four-year degrees in high demand fields;
- Focus on efficiently and cost effectively delivering education that meets the needs of state residents and local communities; and
- Shift away from paying only for enrollment and enrollment growth to paying for course and degree completion.

Between 1970 and 2007, at least 26 states considered or implemented performance-based funding. The rise in performance funding in higher education has prompted policymakers and institutions to examine their state needs and address potential unintended outcomes, in particular for populations who have historically been underrepresented in higher education. Early studies indicate that ignoring the racial and ethnic demographics of the state may have negative effects to the institutions that primarily serve underrepresented student populations.¹

As Nevada policymakers consider performance-based funding and other policy levers to align with state goals, workforce needs and productivity, it is important to consider the demographics of the state and the implications. This brief provides an overview of the growing Hispanic population and policy considerations for emerging Hispanic-Serving Institutions (HSI) in the state. It also highlights current higher education reform efforts in Nevada that focus on student success.



Hispanics in Higher Education: *Why it Matters?*

In a brief, *Payoffs for State Economies*, the National Conference of State Legislatures highlights Census data that projects, by 2020, Latinos will represent almost one-quarter of young adults ages 19 to 29.² The authors go on to say,

"The growing number of young Latinos means they will make up a greater share of the workforce in the near future, which is an important reason why policymakers need to intentionally target college completion efforts to the Latino population."

States where Latinos make up more than 20 percent of the population:

Arizona
California
Colorado
Florida
Nevada
New Mexico
Texas

Source: National Conference of State Legislatures, Ensuring Latino Success in College and the Workforce, April 2012.

Percentage of High School Students who Continued to Higher Education Immediately after Graduation

Fall 2009

<i>Clark County Overall</i>	54.9
American Indian	51.1
Asian/PI	67.1
Black	52.4
Hispanic/Latino	42.4
White	60.0

<i>Washoe County Overall</i>	68.2
American Indian	58.5
Asian/PI	77.6
Black	72.8
Hispanic/Latino	56.1
White	70.7

Source: Nevada Department of Education and Nevada System of Higher Education Data Warehouse.

Although the Latino population growth is widespread, in seven states -- including Nevada -- Latinos represent more than 20 percent of the population. Consider the following:

- In 2010, Hispanics comprised 26.5 percent of the total Nevada population, a 45.9 percent change from 2000 to 2010.
- Hispanics in Nevada are a young population with a median age of 26, compared to 38 for White non-Hispanics.
- Census data confirms Hispanics in Nevada make up 39.4 percent of the under-18 population, compared to 39.5 percent of White non-Hispanics.³

It is clear Hispanics in Nevada make up a significant portion of the Nevada workforce and will continue to comprise a large portion of the future workforce. For all Nevadans, in particular for Hispanics, postsecondary attainment is clearly a prerequisite to economic stability.

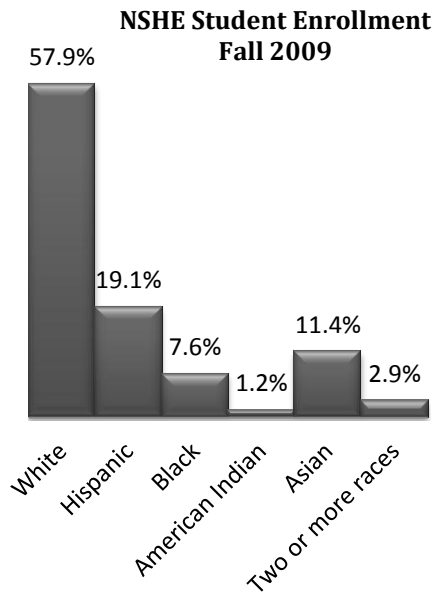
Postsecondary Attainment for Hispanics: *Community Colleges as a Gateway*

In 2010, 21 percent of Latino adults held a two-year degree or higher, compared with 44 percent of whites. In Nevada, 13 percent of Hispanic adults had a bachelor's degree or higher, compared to 31.4 percent non-Hispanic White.⁴

The low attainment rates can be partially explained by the low college going rate in the state. Consider in 2009, of those Hispanic students who successfully graduated from Clark County School District, only 42.4 percent continued on to some form of postsecondary education. In Washoe County, the rate was slightly over half.⁵

Hispanics are far more likely to be enrolled in two-year colleges. In 2010, Latinos represented 12 percent of all U.S. undergraduate students enrolled in higher education and close to 60 percent of Latino enrollment was at two-year institutions.⁶

Hispanic students begin their college journey at a community college with the intention to complete an associate's degree or transfer to a four-year institution. Large national studies confirm 50 to 87 percent of Hispanic students enrolled in community colleges aspire to transfer to a four-year institution.⁷ Other common enrollment patterns for Hispanic students include part-time college attendance, less likely to apply for financial assistance despite eligibility, first to attend college and work full-time.⁸



Studies show Hispanic attendance at community colleges may adversely affect their chances of transfer, persistence, or completion of any type of degree. Research also demonstrates this adverse affect is likely a function of socioeconomic and academic under-preparedness, as well as a function of chronically underfunded two-year community colleges.⁹

According to the Nevada System of Higher Education (NSHE) *2010 Diversity in Nevada Public Higher Education* report, Hispanic students accounted for 19.1 percent of the total student enrollment for fall 2009. In the same year, 67.8 percent of Hispanic students were enrolled at two-year institutions.¹⁰

Source: U.S. Department of Education, IPEDS.

Enrollment by Institution Type Fall 2009		
	Non-Hispanic White	Hispanic
4-Year	27,607 45.1%	6,484 32.2%
2-Year	33,652 54.9%	13,676 67.8%

Source: U.S. Department of Education, IPEDS.



In terms of completion, over a ten-year period, 1999 to 2009, Hispanic students doubled the percent of all degrees awarded at NSHE institutions.¹¹

**NSHE All Degree Awards, Percent Distribution
Fall 1999, 2009**

	Non-Hispanic White	Hispanic
2009 Percent	68.9%	12%
1999 Percent	81.3%	6.8%

Source: U.S. Department of Education, IPEDS

For 2004, the three-year graduation rate for Hispanics attending community college full-time was 9.8 percent compared to 10.1 percent for non-Hispanic White students. The minimal graduation gap is attributed to the low rates across all groups.¹²

Hispanic-Serving Institutions: *Implications for Hispanic Student College Participation & Completion*

Excelencia in Education provides data-driven analysis of the education status of Latinos to inform higher education policies and institutional practices that support Latino academic achievement.

www.EdExcelencia.org

Nevada Emerging Hispanic-Serving Institutions

**Hispanic Population
Full-Time Equivalent
Fall 2010**

College of Southern Nevada	24.1
Nevada State College	21.9
Truckee Meadows Community College	19.0
University of Nevada Las Vegas	17.5
Western Nevada College	16.1

Source: NSHE Data Warehouse.

A Hispanic-Serving Institution (HSI) is defined as a postsecondary institution with a Hispanic student enrollment, full time equivalent, of 25 percent or higher. Hispanic-Serving Institutions emerged in the last 30 years as a result of shifts and growth in the Hispanic population. The role of HSIs is increasingly important as Hispanics come of age and increase their college attendance.¹³

In 2002, there were 237 recognized HSIs as identified by the U.S. Department of Education. Hispanic-Serving Institutions represent five percent of all institutions, yet enroll nearly 50 percent of all Hispanic students. In 2002, HSIs enrolled 54.2 percent of all Latino undergraduate students.¹⁴

Like most minority serving institutions, HSIs have little financial resources and nearly 10 percent of HSIs enroll 20,000 or more students, most who are low-income and first in their family to attend college.¹⁵

In spite of these limitations, a recent report, *Finding Your Workforce: The Top 25 Institutions Graduating Latinos* by Excelencia in Education, identifies the top 25 institutions awarding associate's degrees to Hispanics in 2010. The majority (20) were HSIs. A similar trend is found among the top institutions awarding bachelor's degrees to Hispanics (14 of the 25 were HSIs) and master's degrees (13 of the 25 were HSIs). It is clear HSIs matter when it comes to Hispanic enrollment and completion.¹⁶

In Nevada, five campuses are emerging Hispanic-Serving Institutions or institutions where Hispanic students make up 15 to 24.9 percent of the total student population. These percentages are full-time equivalent, which is a prerequisite for HSI designation.

HSI Designation: *How and Why?*

There are at least two steps institutions must fulfill to be designated and eligible for HSI funding. First, an institution must apply for Title III and Title V program designation from the U.S. Department of Education. Eligibility designation qualifies an institution of higher education to apply for *competitive grants* under Title III and Title V programs. ***Designation as a Title III and Title V institution does not automatically qualify a college or university as an HSI.*** The second step to become eligible to apply for HSI grants is that an institution must have a full-time equivalent Hispanic population of at least 25 percent.

*Median Federal Grant
Thresholds for Public
Institutions, FY 12*

*Two-Year: 32.3%
Four-Year: 30.1%*

Source: U.S. Department of
Education.

Many institutions incorrectly determine they do qualify for Title III and Title V designation until they meet the 25 percent (FTE) requirement; however Title III and Title V designation are intended to provide *competitive grants* for institutions who serve a large number of needy or low-income students. For example, if an institution does not meet the 50 percent low-income student threshold they can also qualify if they exceed the median percent of students who receive Federal Pell Grants at comparable institutions. Further, if an institution does not qualify through either of these two options, there are seven possible options to request a waiver of the needy student requirement.

Once an institution is designated as a Title III and Title V they may apply for the following *competitive grants*:

- Strengthening Institutions Program (SIP)
- American Indian Tribally Controlled Colleges and Universities (TCCU) Program,
- Alaska Native and Native Hawaiian-Serving Institutions (ANNH) Program,
- Developing Hispanic-Serving Institutions (HSI) Program,
- Hispanic Serving-Institutions (STEM and ARTICULATION) Program,
- Promoting Postbaccalaureate Opportunities for Hispanic Americans (PPOHA),
- Asian American and Native American Pacific Islander-Serving Institution (AANAPISI) Program,
- Predominantly Black Institutions (PBI) Program, and
- Waiver of the Non-Federal Cost-Share Requirement.

A Needy Student is defined as an undergraduate student who receives financial aid under one or more of the following programs:

Federal Pell Grant, Federal Work Study, Federal Perkins Loan or Federal Supplemental Education Opportunity Grant Programs.

Source: U.S. Department of Education.

The purpose of these programs is to provide funds to eligible institutions to increase their self-sufficiency by improving their academic programs, institutional management, and fiscal stability. In addition to the U.S. Department of Education competitive grants, Title III and Title V designated institutions may also be eligible for other U.S. Department grants and private foundation funding and grants.

HSI Designation: *What Nevada System of Higher Education Institutions Are Doing to Prepare for HSI Status*

College and university leaders at Nevada emerging Hispanic-Serving Institutions have started to take steps to achieve HSI status. They have focused their efforts in four areas:

- 1) Applied for or are in the process of applying for Title III and Title V designation from the U.S. Department of Education;
- 2) Developed or are in the process of developing an HSI Task Force;
- 3) Implemented or scaled up promising college literacy and financial aid programs targeting Latino populations; and
- 4) Joined national HSI organizations, such as Hispanic Association of Colleges and Universities, to help build institutional capacity.

In May 2012, the National Conference of State Legislatures, in partnership with the College of Southern Nevada, co-hosted a Nevada HSI convening which brought together stakeholders and researchers to discuss the status of HSIs in the state. The convening, the first of its kind in Nevada, was helpful to identify next steps for higher education leaders.

Next Steps:

Nevada System of Higher Education Reform Efforts = Student Success for All Students

Recruiting and retaining Hispanic students is clearly a prerequisite for HSI status and of high priority to emerging Hispanic-Serving Institutions. Research and experience confirm that an equally important factor is a commitment from college and university leaders to create institutional policies and practices that facilitate welcoming campuses, relevant and clear degree programs, and need-based financial aid programs.

The Great Recession clearly impacted Nevada colleges' and universities' ability to fund and support programs for all students. However, as a result of current Nevada higher education reform efforts, academic and student programs have been reprioritized to focus on student success with an eye to Nevada economic development.

The Nevada System of Higher Education reform efforts can be categorized into at least six policy areas:

- Focus on remediation education success;
- Improve institutional and degree efficiency and effectiveness;
- Strengthen P-20 collaboration for seamless transitions to higher education;
- Align student access and affordability approaches to greatest needs;
- Support quality assessments and measures of learning; and
- Examine public funding of higher education to reflect state priorities and student success.

These policy levers account for significant changes taking place. At the same time, institutions recognize they must also focus on factors critical to the success of all students. For example:

- Strengthen student first-year experiences;
- Facilitate policies and practices that encourage full-time attendance and need-based financial aid; and
- Increase diversity among faculty and professionals.

NSHE reform efforts and institutional policies and practices focus on student success and have set the stage for emerging Hispanic-Serving Institutions and a closer examination of public funding for higher education.

While an HSI status opens the door for additional external funding, *it is critical to understand that HSI competitive grants account for a small overall percentage of institutional funding.* Therefore, a discussion of performance-based funding must include a careful examination of institutions with large Hispanic and underrepresented student populations.

Considerations for Performance-Based Funding for Institutions with Large Underrepresented Populations

Researchers Dougherty and Reddy, from Teachers College at Columbia University, synthesize three decades of research in *The Impacts of State Performance Funding Systems on Higher Education Institutions*. In their report, they found that linking funding to outputs or performance has immediate, intermediate, and ultimate impacts.¹⁷

Immediate Impacts: Greater awareness by institutions of state priorities and of their own institution performance, and increased status competition among institutions.

Intermediate Impacts: Greater use of data in institutional planning and policymaking and in changes in academic and student service policies and practices that promise to improve student outcomes.

Ultimate Impacts: Some mixed outcomes for improved retention, remediation and graduation rates.

... it is critical to understand that HSI competitive grants account for a small overall percentage of institutional funding.

Obstacles to Performance Funding

- 1) Inappropriate Performance Funding Measures
- 2) Instability in Funding, Indicators, and Measures
- 3) Brief Duration of Many Performance Funding Programs
- 4) Inadequate State Funding of Performance Funding
- 5) Shortfalls in Regular State Funding
- 6) Uneven Knowledge About and Responsibility for Performance Funding
- 7) Inequality of Institutional Capacity
- 8) Institutional Resistance to and Gaming of the System

Unintended Impacts of Performance Funding

- 1) Compliance Costs
- 2) Narrowing of Institutional Missions
- 3) Grade Inflation and Weakening of Academic Standards
- 4) Restriction of Student Admissions
- 5) Lesser Faculty Voice in Academic Governance

Source: Dougherty, K.J., and Reddy, V. (2011). *The Impacts of State Performance Funding Systems on Higher Education Institutions*. Teachers College, CCRC Working Paper No. 37.

Dougherty and Reddy also identify eight areas as obstacles to the effectiveness of performance-based funding and at least five unintended impacts of performance-based funding. All of the obstacles and unintended impacts are applicable to all institutions; however the following obstacles are especially relevant for institutions serving large minority student populations.

- **Inappropriate performance funding measures:** Their report finds that many institutions were disadvantaged because graduation rates did not take transfer into account. In addition, graduation rates did not take into account differences between institutions in the academic preparation or degree ambitions of students. For example, in the Washington community colleges serving a greater number of low-income and underrepresented students perceive themselves at a disadvantage because their students tend to need “costly wrap-around services” in order to succeed.
- **Inequity of institutional capacity:** Another obstacle for institutions serving large minority populations is institutional capacity. For example, colleges differ in their ability for data analysis and at several colleges in the report; there was a shortage of institutional research staff with the skills and time to rigorously analyze performance data.

Two unintended impacts are worth mentioning with regard to institutions serving large minority populations:

- **Narrowing of institutional missions:** Performance funding can lead to a narrowing of institutional missions or a de-emphasis on missions that are not rewarded or minimally rewarded. For example in their report, Dougherty and Reddy found that at many community colleges their transfer function was not an indicator of success for funding purposes. Community colleges are the first stepping stone for more than half of Hispanic students and many intend to transfer.
- **Restriction of student admissions:** In order to boost institutional retention and graduation rates, performance funding can lead colleges to restrict admissions of less prepared students. This may also lead to further limited enrollment in high cost and high demand programs, thus creating a less diverse student body for specific academic programs.

Summary

As policymakers examine public higher education funding and state priorities, it is increasingly important to have an understanding of the state demographics and the implications of a diverse population. Hispanic-Serving Institutions educate large minority populations. In Nevada, five institutions are emerging HSIs. Nevada higher education reform efforts, with a focus on student success, will influence institutional policy and practice. An understanding of HSIs, the populations they serve, and potential obstacles and unintended impacts, needs to be considered when performance measures are discussed. Public higher education is key to Nevada’s economic well-being and stability.

Notes

¹ Dougherty, K.J., Natow, R.S., Hare, R.J., Jones, S.M., & Vega, V.E., [*The Politics of Performance Funding in Eight States*](#), Final Report to Lumina Foundation (New York: Columbia University, 2011).

² Bautsch, B. [*Payoffs for State Economies*](#) (Denver, Colo.: NCSL, 2011).

³ U.S. Census Bureau, Current Population Survey, 2010.

⁴ Ibid.

⁵ Martinez, M., 2010 Diversity in Public Higher Education (Nevada System of Higher Education, 2011).

⁶ U.S. Department of Education, Integrated Postsecondary Education Data System, Spring 2009, Enrollment component (Washington, D.C.: NCES).

⁷ Martinez, M., and Fernandez, E., [*Latinos in Community Colleges*](#) in New Directions in Student Services (Hoboken, NJ: John Wiley & Sons, Inc, 2004).

⁸ Ibid.

⁹ Ibid.

¹⁰ Martinez, M., 2010 Diversity in Public Higher Education (Nevada System of Higher Education, 2011).

¹¹ Ibid.

¹² U.S. Department of Education, Integrated Postsecondary Education Data System (Washington, D.C.: NCES).

¹³ Gasman, M., Baez, B., & Viernes Turner, C., [*Understanding Minority Serving Institutions*](#) (New York: State University of New York Press, 2008).

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Santiago, D., [*Roadmap for Ensuring America's Future by Increasing Latino College Completion*](#) (Washington, D.C.: Excelencia in Education, 2011).

¹⁷ Dougherty, K.J. & Reddy, V., [*The Impacts of State Performance Funding Systems on Higher Education Institutions*](#), CCRC Working Paper No. 37. (New York: Columbia University, 2011).



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