

Millenium Scholarship

The Governor Guinn Millennium Scholarship program was created by lawmakers in 1999 to provide up to \$10,000 to Nevada high school graduates who choose to attend college within the state-run higher-education monopoly.

Gov. Guinn intended these scholarships to be funded completely out of revenues received through the state's tobacco settlement fund. However, tobacco settlement money thereafter became insufficient to finance the scholarship program as currently structured.

To bridge this funding gap, lawmakers in 2009 approved a \$7.6 million dollar transfer from the unclaimed property fund and, in 2011, approved a \$10 million allocation from the state general fund. In budget cycles beginning in 2013 and beyond, an additional \$15.2 million was transferred from the state general fund. These amounts were supplemented with a \$42 million appropriation in 2021 and another \$75 million in 2023. Despite these taxpayer commitments, the scholarship fund will become insolvent by FY 2027 without continued general-fund support.

The Millennium Scholarship program must again become financially independent, as it was originally intended to be.

Key Points

Nevadans already face some of the lowest in-state tuition rates in the nation. According to the U.S. Department of Education, the average cost of in-state tuition and fees to attend a four-year, public university in Nevada during the 2021-22 school year was \$6,564. That amount was the fourth-lowest in the nation and \$3,106 below the national median.¹ In other words, tuition for public universities in Nevada is already disproportionately subsidized.

The Millennium Scholarship's qualifying threshold is too low. As currently structured, Nevada high school students become eligible to receive up to \$10,000 through the merit-based Millennium Scholarship program if they complete certain high school coursework and meet the threshold requirement of a 3.25 high school grade-point average. Students need not compete for Millennium Scholarships – they are automatically granted to those who meet the threshold.

Far more students meet these requirements than the program can support using its own finances. Indeed, the threshold requirements for obtaining a merit-based scholarship to the Nevada System of Higher Education (NSHE) are lower than the basic admission standards of many top-ranked public universities.

Nearly half of Millennium Scholars require remediation. More students qualify for the Millennium Scholarship than are capable of completing college-level coursework. According to NSHE data, 46.2% of Millennium Scholars were incapable of completing college-level coursework in 2013 and required remediation. Nearly half do not complete degrees.²

Success metrics offered by NSHE are meaningless. NSHE administrators have testified that Millennium Scholars are slightly more likely to persist in college and graduate from NSHE than non-Millennium Scholars.³ This, NSHE administrators say, demonstrates the program's effectiveness. All these metrics actually say is that high-school students with relatively high GPAs tend to be more successful in college. They say nothing about the impact of the scholarship itself.

Recommendations

Eliminate general fund subsidies, eliminate the low eligibility threshold and instead require genuine competition for the originally available funds. If the Millennium Scholarship program is to be solvent in the long term, the total

¹U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 2022.

²Nevada Legislature, NSHE Presentation to Legislative Committee on Education, "The Millennium Scholarship and Investing in the Nevada

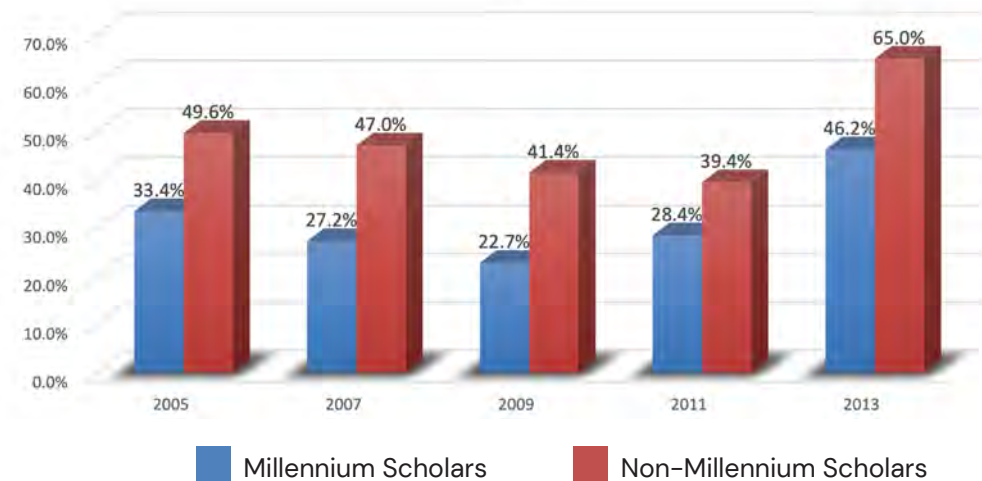
System of Higher Education," April 2011.

³Ibid.

value of scholarships awarded must be restricted to the program’s independent revenue sources. The current “threshold” approach will only increase the problems as Nevada’s student body population increases. Moreover, the current threshold does not reflect merit-based scholarship levels at peer universities.

Lawmakers should end general fund support for the Millennium Scholarship and encourage the best students to compete for revenues that were originally intended to support the program.

Percentage of students needing at least one remedial math or English course



	2000	2005	2010	2012	2014	2016	2018	2020
NV high school GPA requirement	3.00	3.10	3.25	3.25	3.25	3.25	3.25	3.25
MS-eligible graduates	7,359	8,631	9,124	9,754	10,866	12,725	14,524	15,738
Activated scholarships	5,657	6,179	6,047	6,049	7,026	8,103	9,189	8,575

Percentage of NV high school graduates eligible for Millennium Scholarship



Source: Nevada System of Higher Education, Presentation to Board of Regents, March 3, 2022.