



Gambling on the Future: Managing the Education Challenges of Rapid Growth in Nevada

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Migration Policy Institute**

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Table of Contents

Executive Summary	1
I. Nevada’s “Demographic Exceptionalism”	2
II. Nevada’s “Labor Market Exceptionalism”	4
III. Nevada’s “Educational Exceptionalism”	7
Dramatic Population Growth of Children of Immigrants and English Learners	8
ELL Progress and Academic Achievement	10
Education Funding Issues	13
IV. Conclusion.....	17

Executive Summary

Nevada is the fastest growing state in the United States, with its population more than doubling from 1.2 million residents in 1990 to 2.5 million as of 2006. The state's rapid 107 percent growth rate between 1990 and 2006 compares to a 20 percent national increase over the same period. Viewed through an immigration and immigrant integration lens, Nevada's growth has been exceptional in many respects.

Demographic Exceptionalism. Nevada's demographic trends since 1990 have been in some ways unique. The remarkable growth in the state's immigrant population in the past 15 years places it squarely in the national narrative of the immigrant population's dispersal beyond traditional gateway states to "new growth" states. Between 2000 and 2006 alone, the state's immigrant population increased 50 percent. But unlike other new growth states such as North Carolina and Tennessee, where immigrants still represent a small share of the overall population, the foreign born make up a substantial share — 19 percent — of the *total* Nevada population. The children of immigrants (both foreign and US born) now compose one in three Nevadans under 18.

Labor Market Exceptionalism. Nevada also offers a powerful, if distinct, economic laboratory for immigrant integration. Today, one in four Nevada workers is foreign born. Like the nation as a whole, growth in the immigrant workforce is bimodal: with expansion in high-skill jobs, but even greater growth in low-skill jobs that do not require a high school degree. Here, again, Nevada may be exceptional as many of the low-skill occupations that have absorbed immigrants are unionized and pay good wages. As one observer noted, Las Vegas is "the last place in a post-NAFTA world where unskilled workers can make a middle-class wage and claw their way toward the American dream."¹ Indeed, our research indicates that both immigrant and native workers with less than a high school degree in Nevada have substantially higher incomes than their counterparts nationwide.

Educational Exceptionalism. Rapid demographic change has had a powerful impact on Nevada schools, where the number of English Language Learners (ELLs) has grown 208 percent since 1994. ELLs now comprise 15 percent of the state's students as of the 2005-2006 academic year. Nationwide, ELL enrollment has grown 61 percent since 1994, and ELLs represent 15 percent of all K-12 students. Further, the state's ELL population is more diverse than many realize: 68 percent of ELLs in Nevada's elementary schools and 43 percent of ELLs in the state's secondary schools are US-born natives who were presumably educated in US schools. Yet Nevada's elementary and secondary education system is also exceptional with regard to its dismal outcomes. The state's population growth is occurring within the context of a struggling education system that ranks 44th in spending, has the lowest high school graduation rate in the nation (just 56 percent of Nevada high school students graduate within four years), and sends a lower share of high school graduates to college than any other state in the nation.

¹ Hal Rothman, *Neon Metropolis: How Las Vegas Started the Twenty-First Century* (New York: Routledge, 2002).

In the past, the number and character of low-skilled jobs may have mitigated the economic and social penalties attached to these worrying education trends. But efforts to meet the demands of the labor market in health, education, and technology and to diversify the state's economy so it is less vulnerable to economic cycles will demand improved school performance. One clear area of needed investment is additional English language instruction for the rapidly growing ELL population, an important component of the future worker pipeline. Federal funding to Nevada directed to the needs of ELLs fell sharply in 2007. Further, in many states where ELLs make up large shares of the total student population — California, Florida, New York, and Texas, for example — state legislatures allocate additional dedicated funds from the state budget to districts with high ELL enrollment.² Often, this supplementary funding is distributed by designating an ELL enrollment weight in the state education funding formula. While Nevada's basic education funding rate includes weights for the number of enrolled kindergarteners and handicapped children, it does not include ELLs.³

I. Nevada's "Demographic Exceptionalism"

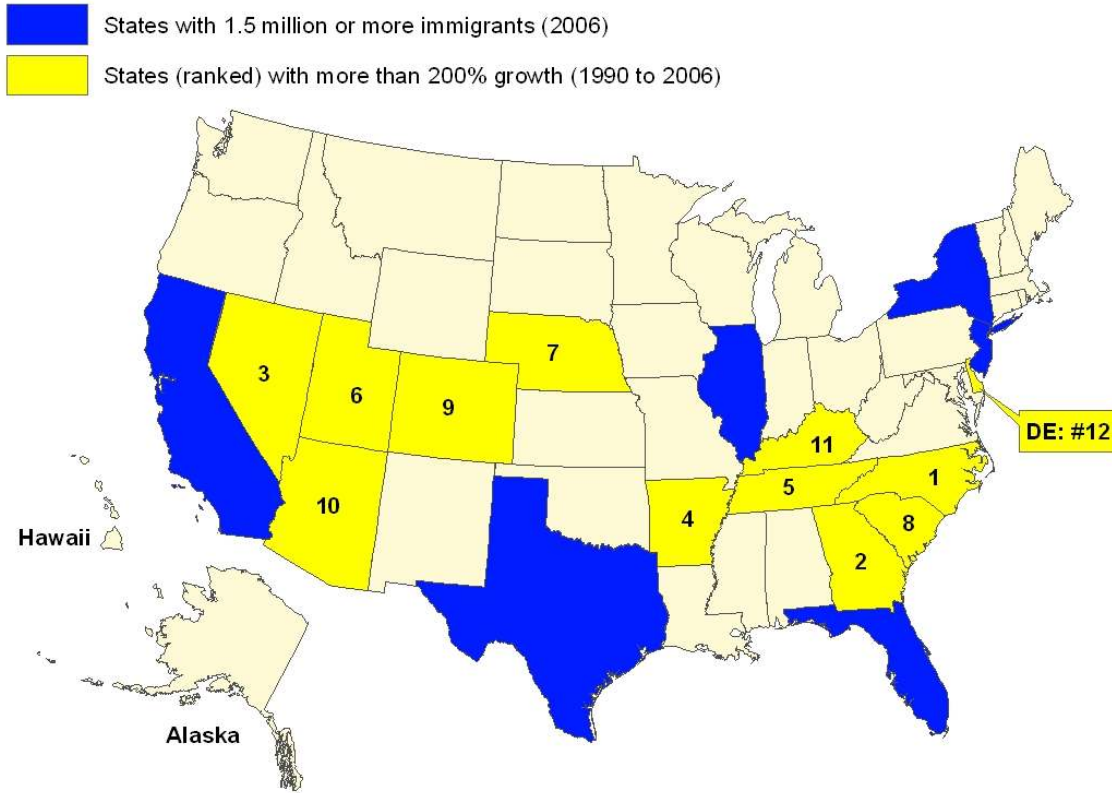
Nevada was the fastest-growing state in the nation between 1990 and 2006, as the population more than doubled to 2.5 million residents. Its growth has been fueled by increases in the native-born and immigrant populations. Immigrants, like the native born, have settled in the state in unprecedented numbers, attracted by Nevada's gaming, hospitality, construction, and even research sectors. These demographic changes hold far-reaching implications for the state's education system and its preparation of graduates who can meet the needs of this dynamic economy.

Immigration to Nevada is a relatively recent phenomenon. The dispersal of the US immigrant population beyond the traditional receiving states to the so-called new destination states — led by North Carolina, Georgia, Nevada, Arkansas, and Tennessee — has been one of the major demographic "stories" of the past 15 years. This trend has transformed immigration from a six- to a 50-state issue (see Figure 1).

² Michael Griffith and John Hancock, "A Survey of State ESL/ELL Funding Systems," *StateNotes* (Education Commission of the States), March 2006, <http://www.ecs.org/clearinghouse/67/70/6770.htm>.

³ Nevada Legislative Counsel Bureau, Research Division, "Elementary and Secondary Education" (Policy and Program Report, 2006); Carol M. Stonefield, ed., *2007 Nevada Education Databook* (Carson City: Research Division and Financial Analysis Division, Legislative Counsel Bureau, February 2007).

Figure 1. States with the Largest and Fastest-Growing Foreign-Born Populations



Source: 2006 American Community Survey and 1990 Decennial Census.

Nevada's immigrant population grew 354 percent between 1990 and 2006, making it the nation's third-fastest growing immigrant population. In 1990, one in 10 Nevadans was foreign born; by 2006, that ratio increased to one in five. Its high growth rate far exceeds the immigrant population growth rate of traditional immigrant-receiving states such as California (53 percent), New York (47 percent), New Jersey (82 percent), and Florida (106 percent) (see Figure 2a).

Unlike most new destination states, immigrants constitute a relatively large share of Nevada's overall population. In this respect, Nevada resembles California and other traditional gateway states, such as New York, New Jersey, and Florida, where immigrants represent a large share of the total state population. In 2006, immigrants were 19 percent of Nevada's population — a share equal to Florida (19 percent) and New Jersey (20 percent) and only slightly lower than New York (22 percent) and California (27 percent) (see Figure 2b).

Figure 2a. Percent Change in Foreign Born in Select States, 1990 to 2006

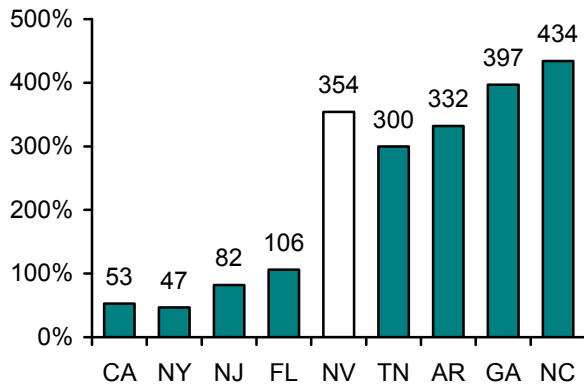


Figure 2b. Share of Foreign Born in Populations of Select States, 2006



Source: Estimates for 1990 are from the US Census Bureau, Summary File 3, 1990, and 2006 estimates are from the US Census Bureau, 2006 American Community Survey.

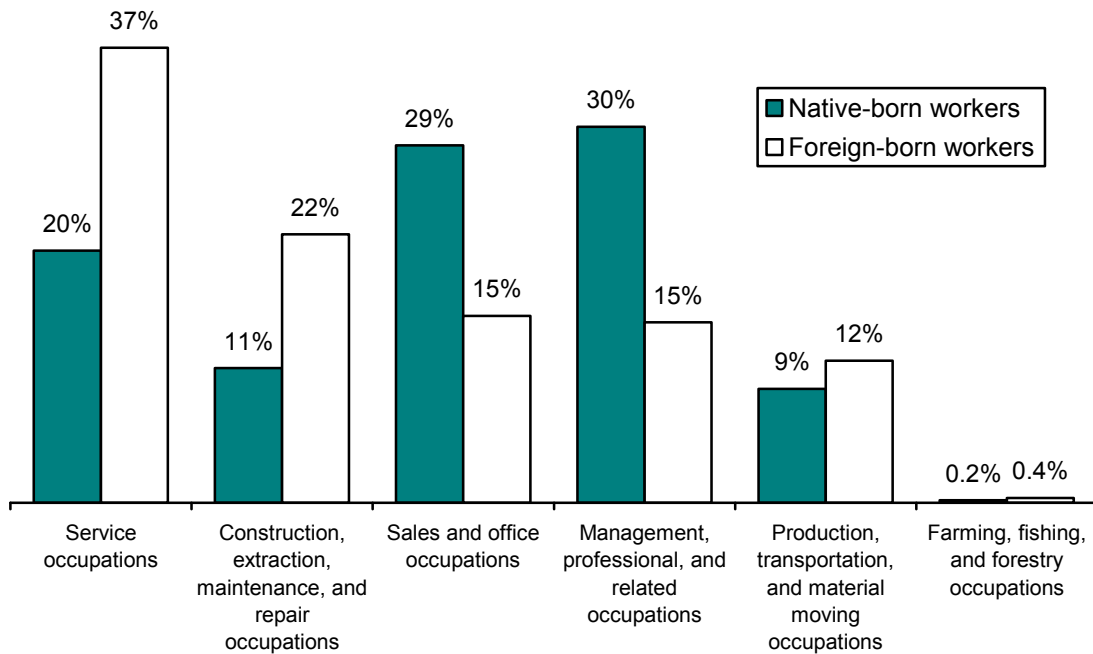
Thus, Nevada embodies a sort of demographic exceptionalism. Like other new destination states, it is experiencing the rapid growth of its foreign-born population but on a scale relative to its overall population that is distinct. As a result, Nevada faces a unique set of immigrant integration challenges. This analysis focuses on some of the educational challenges that the state will confront as it responds to rapid demographic change and prepares to meet future labor-market needs.

II. Nevada’s “Labor Market Exceptionalism”

The Nevada economy and workforce are also distinctive. On the one hand, there is a high level of demand for high- and middle-skill workers. On the other hand, though, it appears the state’s economy will continue to support many low-skill jobs.

Not surprisingly, Nevada’s immigrants are overrepresented in low-skilled and low-wage sectors. As Figure 3 illustrates, in 2006 over half (59 percent) of foreign-born workers in Nevada were employed in service, construction, extraction, maintenance, and repair occupations (compared to 31 percent of native-born workers). By contrast, 59 percent of native-born workers (but just 30 percent of foreign-born workers) were employed in management and professional, and sales and office occupations.

Figure 3. Occupations of Native- and Foreign-Born Workers in Nevada, 2006



Note: Data are for civilian employed workers age 16 and older; they include civilians who reported having worked full- or part-time during a reference week, having been temporarily absent from a job, or having performed unpaid work for a family business or farm.

Source: American Community Survey 2006.

The average annual earnings of immigrants and natives in Nevada reflect this distribution. However, unlike most states, many unskilled workers in Nevada earn a middle-class wage. In 2006, foreign-born workers in Nevada without a high school education had a median annual income⁴ that was 28 percent higher than their counterparts nationwide (\$23,142 versus \$18,111) and 39 percent higher than North Carolina (\$16,703), another state with a quickly growing immigrant population (see Figure 4).⁵ Nevada’s low-skilled native workers enjoyed a similar advantage with a median income in 2006 that was 32 percent higher than the national average (\$25,155 versus \$19,118) and 39 percent higher than low-skilled native workers in North Carolina (\$18,111).

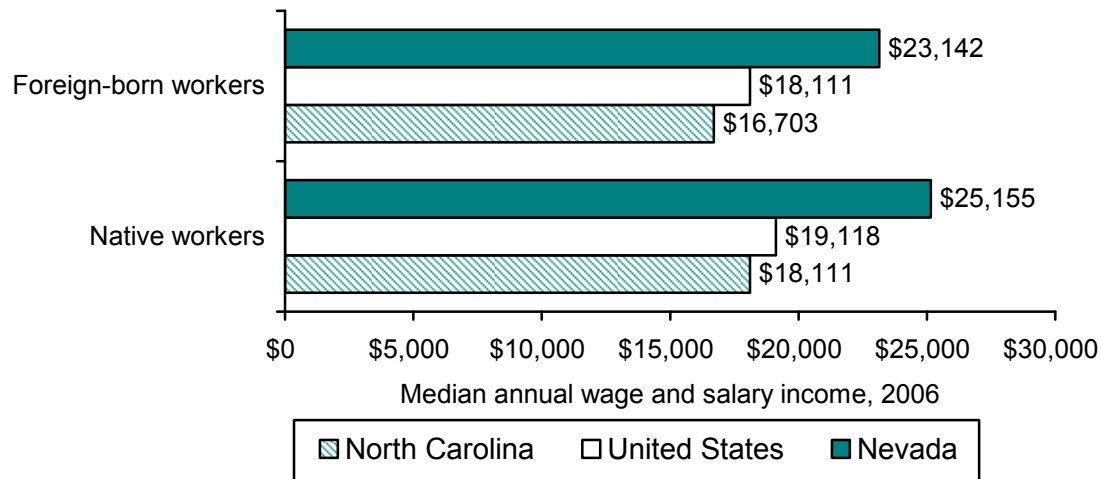
Foreign-born workers will likely continue to be an important feature of Nevada’s labor force. About one of every four civilian employed workers age 16 and older in Nevada was an immigrant in 2006 — up from about one in ten workers in 1990. (Overall in the United States, about one of every six workers age 16 and older is an immigrant.) Between 2004 and 2014, the state is expected to create over half a million new jobs, many in occupations that already rely heavily on immigrants. According to the Nevada Department of Employment, Training and Rehabilitation, about 15 percent of the state’s total estimated job growth will be in high-skilled occupations that require a bachelor’s degree or higher, and about 28 percent will be in semi-skilled occupations that require some college, work experience in a related

⁴ Median annual income divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above the median.

⁵ Includes wage and salary income of employed workers in the civilian labor force age 25 and older.

occupation, or long-term on-the-job training.⁶ The remaining 57 percent of new jobs will be in low-skilled occupations (i.e., those requiring short or moderate on-the-job training with or without a high school diploma).

Figure 4. Median Annual Wage and Salary Income of Low-Skilled Native- and Foreign-Born Workers in the United States, Nevada, and North Carolina, 2006



Note: Data are based on a sample and subject to variability. They include wage and salary income of employed workers in the civilian labor force age 25 and older with less than a high school education.

Source: Migration Policy Institute analysis of 2006 American Community Survey data. Steven Ruggles, Matthew Sobek, Trent Alexander, Catherine A. Fitch, Ronald Goeken, Patricia Kelly Hall, Miriam King, and Chad Ronnander, *Integrated Public Use Microdata Series: Version 4.0* [Machine-readable database], Minneapolis, MN: Minnesota Population Center [producer and distributor], 2008.

Of course it remains to be seen whether these jobs materialize. It is not clear how Nevada will fare if the US economy falls into recession⁷ as a result of the ongoing home lending and banking crisis, but early indicators suggest that the state will suffer. Nevada has the highest home foreclosure rates in the United States: In May 2008, one in 118 Nevada households received a foreclosure filing, 72 percent higher than the year before. The state’s construction industry, which is largely dependent on foreign-born workers, lost nearly 12,000 jobs between March 2007 and March 2008 — about 9 percent of total March 2007 construction industry employment.⁸

⁶ Includes only job openings due to growth. Employment projections by the Nevada Department of Employment, Training and Rehabilitation.

⁷ The National Bureau of Economic Research, the official judge of the US economy, defines a recession as “a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production and wholesale retail sales.” As of July 2008, officials were unclear whether or not the United States had officially entered a recession as a result of both rising unemployment and rising exports due to the weak dollar.

⁸ Mark Huffman, “May Foreclosure Filing Rate Highest Ever,” *Consumer Affairs*, June 15, 2008; Nevada Department of Employment, Training and Rehabilitation, Current Employment Statistics. Not seasonally adjusted.

Although Nevada’s economy once was described as “recession proof,”⁹ the state’s economy has suffered heavy job losses during past recessions.¹⁰ In response, the state legislature created the Nevada Commission on Economic Development, which is charged with developing statewide plans for economic development and diversification. Increasingly, state economic development authorities are advocating the diversification of the state’s economy as a means to mitigate business-cycle risks.¹¹ However, diversification will require either attracting more highly skilled workers to Nevada or producing more skilled workers in the state. Economic development authorities have taken a proactive approach and recently launched efforts to attract skilled workers from neighboring California as well as elsewhere,¹² but the education system has been slower to react. Improving the educational outcomes of Nevada children — who are increasingly the children of immigrants — could complement long-term efforts to diversify Nevada’s economy.

III. Nevada’s “Educational Exceptionalism”

As the data presented below indicate, Nevada’s schools face many immigration-related challenges and can be viewed in many ways as underperforming by national standards. The US Department of Education’s National Center for Education Statistics (NCES) estimates that just over half (56 percent) of Nevada high school students graduate within four years — the lowest graduation rate in the nation and well below the nationwide rate of 75 percent.¹³ In 2006, approximately 11 percent of Nevada teenagers were both out of school and unemployed — the sixth-highest share among all states.¹⁴ Among young adults between the ages of 18 and 24 who graduate from high school, only 30 percent enroll in college — the lowest share among the 50 states and the District of Columbia. In Las Vegas, the share is 24 percent. Among residents ages 25 to 29 years old who *did* finish high school, only 20 percent have completed a bachelor’s degree (compared to 27 percent nationwide). Young Nevadans who do excel in school tend to leave the state. As one commentator recently framed the situation, “For the most part, what happens in Vegas stays in Vegas, except for smart

⁹ Thomas F. Cargill, “Is the Nevada Economy Recession Proof?” *Nevada Review of Business and Economics* 3,1979, 9-15.

¹⁰ Thomas R. Harris, Clayton B. Gillberg, Rangesan Narayanan, J. Scott Shonkwiler, and David K. Lambert, “A Dynamic Shift-Share Analysis of the Nevada Economy” (Economic Impact Report, University of Nevada at Reno Economic Development Center, December 1994).

¹¹ See for example, Nevada Commission on Economic Development Research Division, *Does Economic Development Pay for Itself in Nevada?* (Las Vegas, NV: Author, August 1999).

¹² Economic Development Authority of Western Nevada and the Northern Nevada Development Authority, *Business Builders 2007* (Reno and Carson City, NV: Authors, July 2007).

¹³ Estimate based on the US Census Bureau’s Current Population Survey. For students who graduated in 2005, NCES uses a graduation rate that includes only those who earned regular diplomas or diplomas for advanced academic achievement. The rate is the number of graduates divided by the estimated count of freshmen four years earlier. The estimated average freshman enrollment count is the sum of the number of 8th-graders five years earlier, the number of 9th-graders four years earlier (because this is when current year seniors were freshmen), and the number of 10th graders three years earlier divided by three. Enrollment counts include a proportional distribution of students not enrolled in a specific grade.

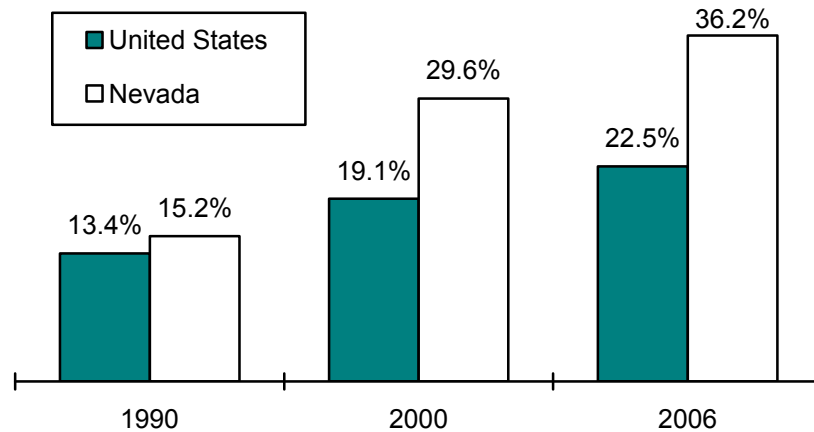
¹⁴ Includes teenagers age 16 to 19 who are not enrolled in school and are not employed. Annie E. Casey Foundation, Kids Count Data Center, <http://www.kidscount.org/datacenter/>.

Nevada teens who win National Merit scholarships and promptly leave for out-of-state colleges.”¹⁵

Dramatic Population Growth of Children of Immigrants and English Learners

Immigrants are central to Nevada’s current labor force, and the children of today’s immigrants — most born in the United States — will likely play an even more important role in the state’s future workforce. Like immigrants generally, there has been dramatic growth in the number of *children* of immigrants (age 17 and under) in Nevada. In 2006, Nevada ranked second nationwide in the share that children of immigrants represent of all children in the state (36.2 percent). Only California’s share (49.8 percent) exceeded Nevada’s. Like other new destination states, the number of children of immigrants has grown rapidly, nearly tripling since 1990 compared to a 68 percent increase nationwide. In 1990 about one in seven Nevada children had at least one foreign-born parent; by 2006 that ratio had risen to about one in three (see Figure 5).

Figure 5. Children of Immigrants under 18 as a Share of All Children in the United States and Nevada, 1990, 2000, and 2006



Note: “Children of immigrants” refers to both US-born and foreign-born children age 17 and under with at least one foreign-born parent. Data shown in this table are based on a sample of people who lived in either households or group quarters.

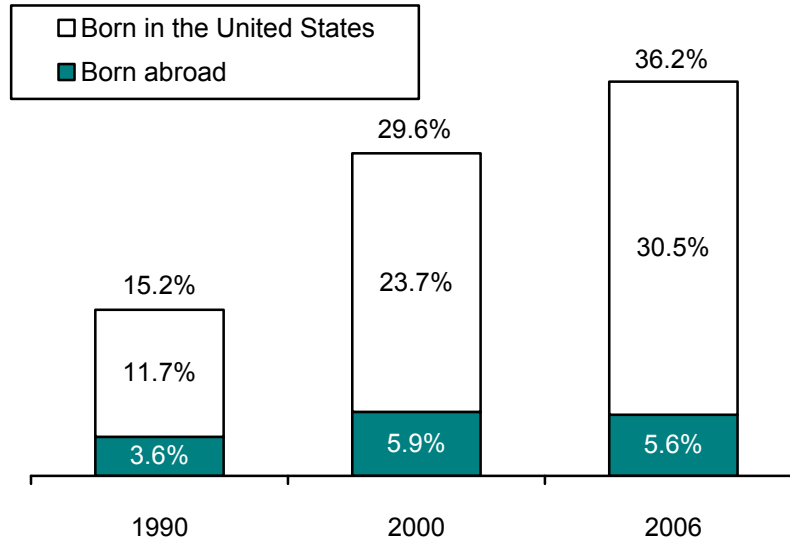
Source: Migration Policy Institute analysis of 1990 and 2000 Census data and 2006 American Community Survey data. Steven Ruggles, Matthew Sobek, Trent Alexander, Catherine A. Fitch, Ronald Goeken, Patricia Kelly Hall, Miriam King, and Chad Ronnander, *Integrated Public Use Microdata Series: Version 4.0* [Machine-readable database], Minneapolis, MN: Minnesota Population Center [producer and distributor], 2008.

The number of foreign-born children of foreign-born parents in Nevada has grown from 3.6 percent of the total child population in 1990 to 5.6 percent in 2006. But the share of second-generation children (i.e., children born in the United States with at least one foreign-born parent) has grown more dramatically from 11.7 percent of Nevada’s child population to 30.5

¹⁵ Richard Whitmire, “Not Leaving Nevada Behind: Making Education a Priority,” *Las Vegas Review-Journal*, September 9, 2007.

percent (see Figure 6). This difference is significant as the US-born children of immigrants are citizens entitled to full rights and benefits in the state and the nation.

Figure 6. Children under 18 with Immigrant Parents as a Share of All Nevada Children, 1990, 2000, and 2006



Note: “Children of immigrants” refers to both US-born (second-generation) and foreign-born (first-generation) children age 17 and under with at least one foreign-born parent. Data shown in this table are based on a sample of people who lived in either households or group quarters.

Source: Migration Policy Institute analysis of 1990 and 2000 Census data and 2006 American Community Survey data. Steven Ruggles, Matthew Sobek, Trent Alexander, Catherine A. Fitch, Ronald Goeken, Patricia Kelly Hall, Miriam King, and Chad Ronnander, *Integrated Public Use Microdata Series: Version 4.0* [Machine-readable database], Minneapolis, MN: Minnesota Population Center [producer and distributor], 2008.

As in the traditional immigrant gateway states such as California, ELLs, also known as Limited English Proficient (LEP) students, make up a large share of students in Nevada schools.¹⁶ About 15 percent of students enrolled in Nevada schools are ELLs, compared to 24 percent in California.¹⁷ At the same time, like other new immigrant destinations such as North Carolina and Georgia, Nevada’s ELL population has been growing much more rapidly than the ELL population nationwide. While ELL enrollment in US elementary and secondary schools grew 48 percent between 1994 and 2005, ELL enrollment in Nevada grew 208 percent over the same period (see Figure 7).

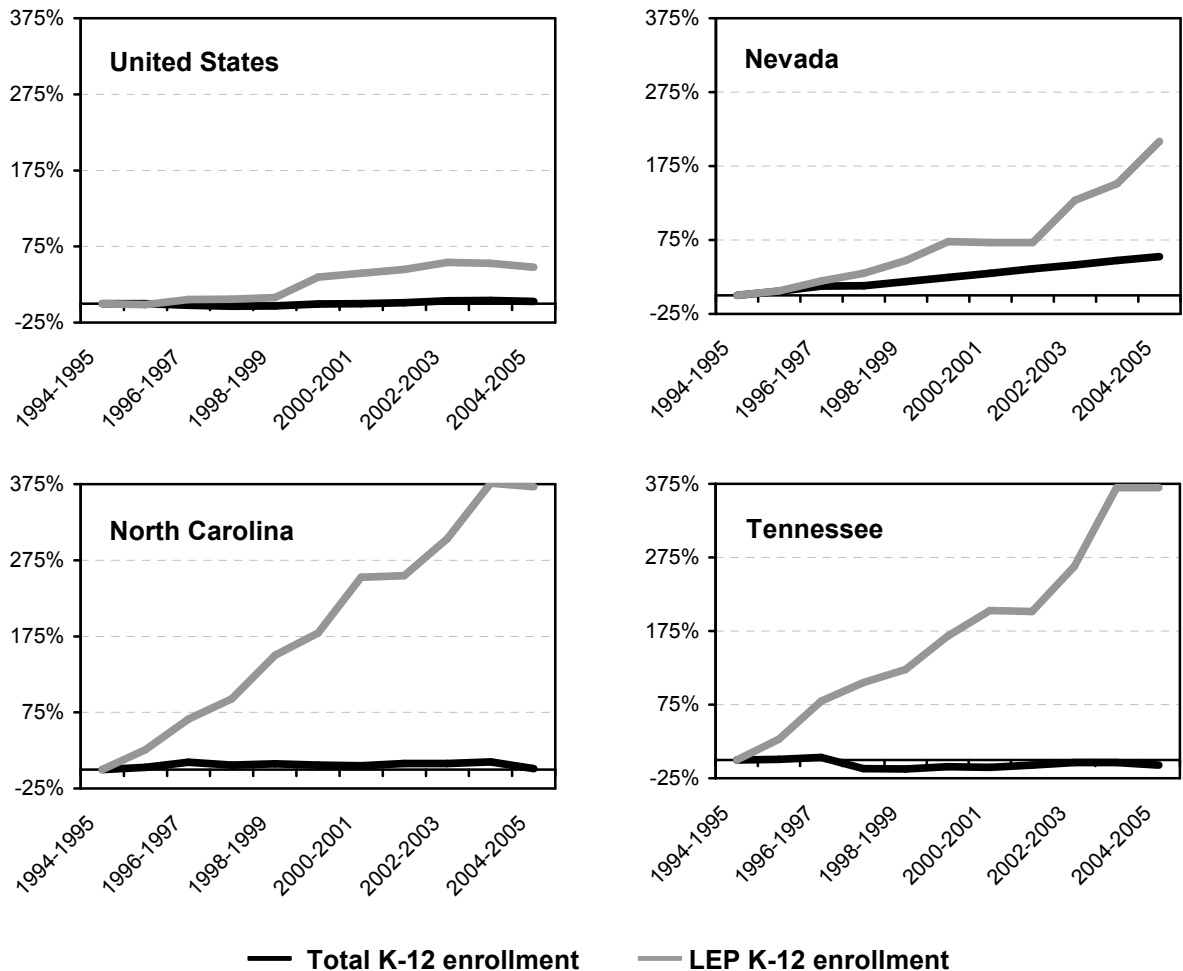
Unlike other new destination states and the nation, however, Nevada has not only experienced a growing ELL population but a rapid expansion in its K-12 student population overall. Indeed, the total student population in Nevada grew over 52 percent between 1994 and 2005 — faster than any other state. Simultaneous growth in the ELL and overall student

¹⁶ Throughout this report we use the terms English Language Learner (ELL) and Limited English Proficient (LEP) interchangeably. While some states and districts use the term ELL, LEP is defined and used in the No Child Left Behind (NCLB) Act – the principal federal law that sets out elementary and secondary education policy for the United States. The law describes LEP students as: “...ages 3 to 21, enrolled in elementary or secondary education, often born outside the United States or speaking a language other than English in their homes, and not having sufficient mastery of English to meet state standards and excel in an English-language classroom.” (ESEA Title IX §9101(5)).

¹⁷ National Center for Education Statistics, Core of Common Data. Enrollment for 2005-2006.

populations compounds the challenges Nevada’s schools face and distinguishes it from other new destination states like North Carolina and Tennessee, where overall K-12 enrollment is typically flat. To keep pace with this growth, the Clark County School District — which includes Nevada’s largest city, Las Vegas — opened about one new school each month between 2004 and 2006.¹⁸

Figure 7. Total and LEP Student Enrollment Growth in the United States, Nevada, North Carolina, and Tennessee, Pre-K through 12th Grade, 1994-1995 to 2004-2005



Source: National Clearinghouse for English Language Acquisition and Language Instruction Educational Programs (NCELA).

ELL Progress and Academic Achievement

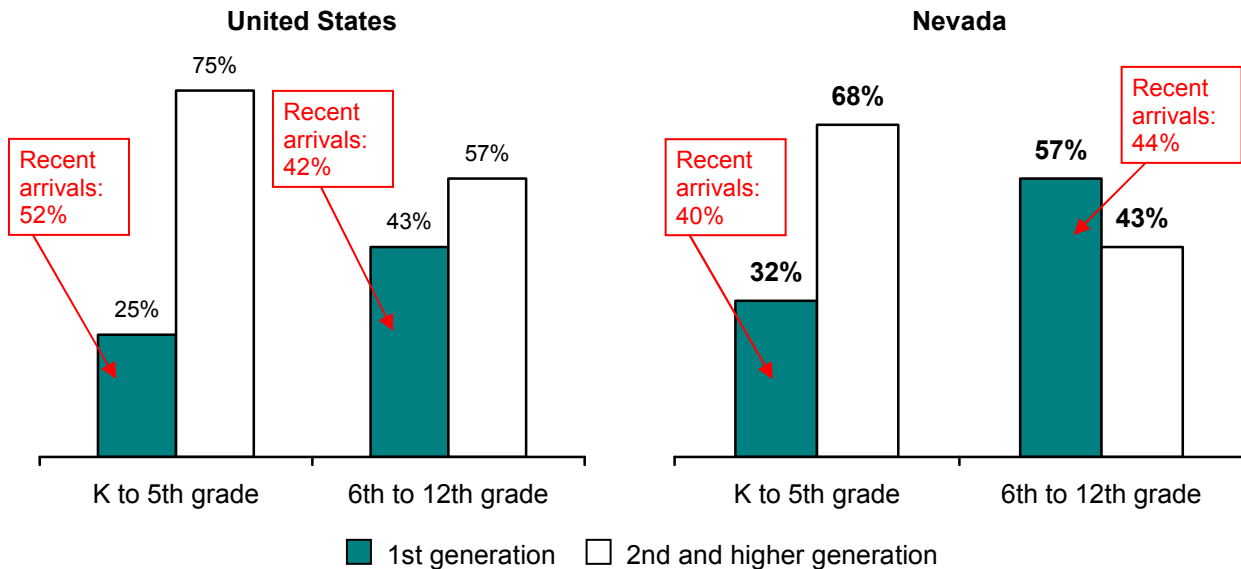
The demographic profile of ELL students in Nevada further illuminates the challenges facing the state’s elementary and secondary education system. Nationwide, about three-quarters of ELLs in elementary schools were born and presumably raised in the United States (see Figure 8). More troubling, almost half of ELLs *in secondary schools* are second- and third-generation natives who we assume have been educated in US schools. We see similar

¹⁸ Clark County School District, Human Resources Division, “Clark County, Nevada General Information,” <http://www.ccsd.net/Jobs/HRDoverview.htm>.

patterns in Nevada with 68 percent of ELL elementary school students and 43 percent of ELL secondary school students born in the United States and presumably educated in US schools.

At the same time, as Figure 8 indicates, a very large share of *first-generation* students in the United States and Nevada are recent arrivals — that is, they have been in the United States less than three years — a pattern that holds for both elementary and secondary schools.

Figure 8. LEP Population by Grade Level and Nativity in the United States and Nevada, 2000



Note: The figures refer to LEP students, ages 5 to 18, currently enrolled in school. Recent arrivals refer to those who came between 1997 and 2000.

Source: Migration Policy Institute analysis of 2000 census data. Steven Ruggles, Matthew Sobek, Trent Alexander, Catherine A. Fitch, Ronald Goeken, Patricia Kelly Hall, Miriam King, and Chad Ronnander, *Integrated Public Use Microdata Series: Version 4.0* [Machine-readable database], Minneapolis, MN: Minnesota Population Center [producer and distributor], 2008.

These data suggest that ELL students — often considered a homogeneous group — have, in fact, widely divergent needs. The large share of the ELL population that is native born is a worrisome trend. Clearly, many ELL students are not learning English even after seven or more years in US schools — in large part as a result of funding and other institutional shortfalls. Failing to advance out of English-learner courses slows the acquisition of academic knowledge for these students. Addressing the educational needs of recently arrived ELLs — particularly those who enter in later grades — may be even more challenging because schools have less time to ensure that these children learn English and master academic content.¹⁹

¹⁹ Randy Capps, Michael Fix, Julie Murray, Jason Ost, Jeffrey S. Passel, and Shinta Herwanto, *The New Demography of America's Schools: Immigration and the No Child Left Behind Act* (Washington, DC: The Urban Institute, 2005); Deborah J. Short and Shannon Fitzsimmons, *Double the Work: Challenges and Solutions to Acquiring Language and Academic Literacy For Adolescent English Language Learners, A Report to the Carnegie Corporation of New York* (New York: Carnegie Corporation of New York, 2007).

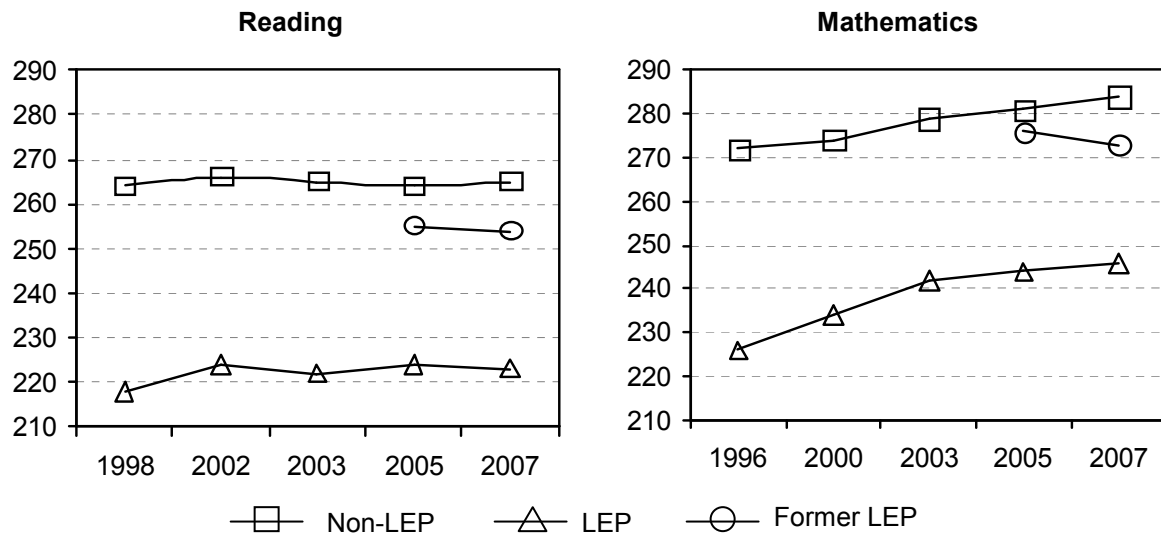
Nationwide academic assessment data suggest a wide and persisting performance gap between LEP and non-LEP students.²⁰ The National Assessment of Educational Progress (NAEP), which is often called “the Nation’s Report Card,” is the only mandatory, nationally representative, and continuing assessment of what US students know in various subject areas. The NAEP is administered to a randomly selected group of students within a randomly selected set of public schools; however, students may opt out of participating even if selected, and some LEP students who are new to English language instruction or who have very poor English skills may be excluded from the student sample. States vary in the degree to which they include or exclude LEP students, so some caution is needed in comparing the performance of LEP students in different states. Here we focus on 8th grade in part because it is such a critical transition year for students. Only 5 percent of LEP 8th graders scored at or above proficient on the reading exam on the 2007 NAEP, and 7 percent scored at or above proficient on the mathematics exam. Among non-LEP students, 33 percent of 8th graders scored at or above proficient on the reading exam, and 34 percent scored at or above proficient on the mathematics exam.

Figure 9 shows the change in average reading and mathematics scores over the past decade for the nation overall. The reading exam measures four aspects of reading: forming a general understanding, developing interpretation, making reader/text connections, and examining content and structure. The NAEP math exam tests literacy by measuring students’ ability to communicate, make connections, and use their reasoning capacity. The results indicate that although 8th-grade LEP students had slightly higher average scores in 2007 than in 1998, the historical achievement gap between LEP and non-LEP students persisted. Starting in 2005, NAEP began to distinguish between current and former LEP students (those who completed language instruction programs). Results show that former LEP students have much higher and significantly different scores than those of their LEP counterparts. The scores suggest that once LEP students clear the language barrier and become former LEP students, they proceed through school like any other student.²¹

²⁰ See Jeanne Batalova, Michael Fix, and Julie Murray, *Measures of Change: The Demography and Literacy of Adolescent English Learners* (Washington, DC: Migration Policy Institute, 2007), http://www.migrationpolicy.org/pubs/Measures_of_Change.pdf.

²¹ Ibid.

Figure 9. Average Scores of 8th Graders on the National Assessment of Educational Progress (NAEP) in the United States, 1996 to 2007



Note: Prior to 2003, the NAEP reading and mathematics exams were administered in four-year intervals and not in the same year. The reading exam was administered in 1998 and 2002 while the mathematics exam was administered in 1996 and 2000.

Source: US Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 1996, 1998, 2000, 2002, 2003, 2005 and 2007 Reading and Mathematics Assessments.

This dramatic performance gap between LEP students and their non-LEP counterparts is also evident on statewide assessments in Nevada. Only 17 percent of LEP 8th graders tested proficient in mathematics compared to 49 percent of all students on the 2006–2007 Nevada Criterion Referenced Test (CRT).²² Similarly, 11 percent of LEP 8th graders tested at or above proficiency in reading compared to 51 percent of all students.

Education Funding Issues

Due to rapid population growth and immigration, Nevada is experiencing growing pains similar to other new destination states but in a manner unobserved elsewhere due to high overall numbers and rapid proportional growth. In general, public infrastructure and services have not kept pace with Nevada’s expanding population. Deficiencies in transportation,²³ health care,²⁴ and elementary and secondary education,²⁵ among other sectors, have been

²² The Nevada Criterion Reference Test groups student achievement into four categories: (1) emergent/developing, (2) approaches standard, (3) meets standard, and (4) exceeds standard. Proficient or above is defined to include students who meet or exceed the standard. Test results are available at <http://www.nevadareportcard.com/>.

²³ State of Nevada Blue Ribbon Task Force to Evaluate Nevada Department of Transportation Long Range Projects, 2008-2015, *Roads to the Future* (Carson City, NV: Nevada Department of Transportation, December 2006).

²⁴ Nevada Legislative Counsel Bureau, “Shortage of Healthcare Workers” (Legislative Research Brief, Carson City, April 2008).

²⁵ John Augenblick et al., *Estimating the Cost of an Adequate Education in Nevada* (Denver: Augenblick, Palaich and Associates, Inc., August 2006).

cited in recent reports. The Clark County School District opened 25 new schools between 2004 and 2006, and it expects to open 88 new schools in the coming decade.²⁶ A 2007 report on the state of Nevada's infrastructure concluded that in the faster growing areas of the state, the student population's growth outpaces the supply of classroom space; slower growing areas face severe maintenance backlogs.²⁷ The report estimates that school maintenance and repair backlogs would cost \$1 billion in Clark County alone.

In addition to rapid population growth and immigration, the convergence of three related nationwide trends is contributing to the extra demands on Nevada's schools, including

- the requirements of the No Child Left Behind (NCLB) Act of 2002;
- stagnating federal funding for ELL education;
- a slowing national economy leading to a state budget crunch.

The No Child Left Behind Act of 2002

Nevada's growth has taken place alongside the introduction of major US education reforms under NCLB. Since Congress passed the law, states and districts have been held accountable for all students' academic progress. The law requires that schools test *all* students and measure academic progress separately for distinct subgroups: the disabled, LEP children, low-income children, and racial and ethnic minorities. English learners must be assessed in both English language skills and, after their first year in US schools, academic knowledge. Schools that fail to demonstrate student progress may be subject to a range of progressively more severe sanctions under the law's accountability provisions. The law also specifies teacher qualifications and requires schools to inform parents of their children's progress.

Nationwide preliminary indicators suggest that NCLB is having a measurable impact and is contributing to improving student outcomes. Studies show student test scores have improved since NCLB's implementation, although it is not possible to correlate these achievement gains directly to the law.²⁸ But NCLB also raises complex and controversial questions about important education issues, including student testing, school accountability for students' academic progress, educator qualifications, parent involvement, and the role of the federal government in elementary and secondary education. NCLB also raises questions regarding whether or not parents have a right to transfer their students out of struggling schools or to seek additional educational support.

NCLB provides additional funds to states if they agree to fulfill the law's requirements.²⁹ While Title I of the law broadly provides funding for remedial education for poor and disadvantaged children (which often includes ELLs), the law's Title III focuses on LEP children. Title I dominates federal education funding nationwide. In 2007, Title I grants to

²⁶ Clark County School District, Human Resources Division, "Clark County, Nevada General Information," <http://www.ccsd.net/Jobs/HRDOverview.htm>.

²⁷ American Society of Civil Engineers, *Nevada Infrastructure Report Card: 2007* (Reston, Virginia: Author, 2007).

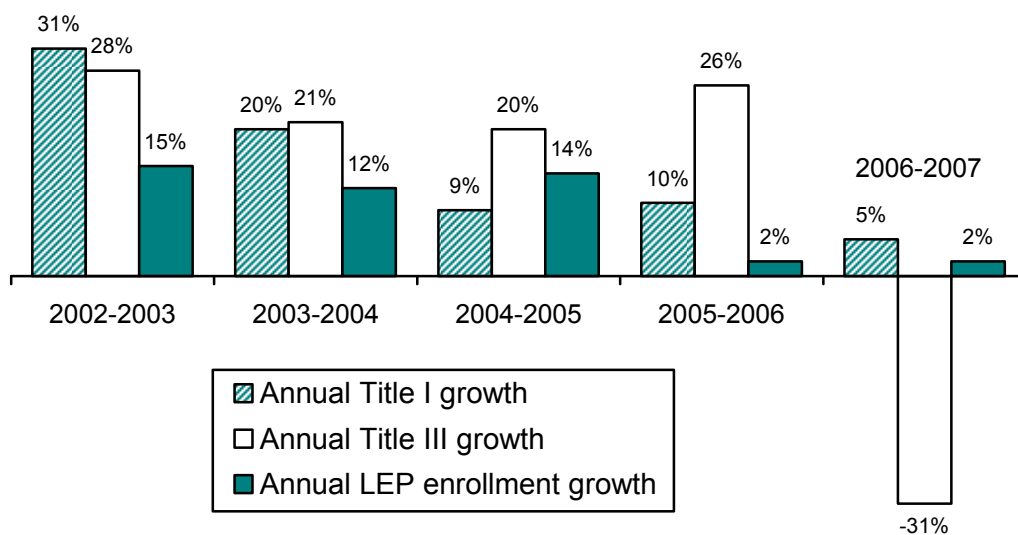
²⁸ Center on Education Policy, *Has Student Achievement Increased Since 2002? State Test Score Trends Through 2006-07* (Washington, DC: Author, June 2008).

²⁹ The extent to which states were aware of the extra costs involved in compliance with NCLB and whether or not federal funds should fully cover these costs is the subject of an ongoing lawsuit (*Pontiac School District et al. v. Secretary of the United States Department of Education*, No. 05-2708, U.S. App. [6th Cir. Jan. 7, 2008]) brought against the US Department of Education by the Pontiac, Michigan, School District, among others.

local education agencies (LEAs) totaled \$12.8 billion compared to the \$669 million channeled to states through Title III (in constant 2007 dollars). Since 2002, total Title I funding nationwide has grown 7 percent while Title III funding has declined by 13 percent.

Unlike most states, Nevada’s federal funding under both Titles I and III grew from 2001 through 2006. But between 2006 and 2007, the state’s Title III funding fell 31 percent despite a modest LEP enrollment increase of 2 percent over the same period (see Figure 10). The sharp decline owes to the fact that the Department of Education (DOE) made a controversial shift in its allocation formula. Instead of basing state Title III allocations on enrollment data provided by the states, DOE began using the results of the Census Bureau’s annual American Community Survey.³⁰ While census data makes for more standardized determinations across states, counts in any individual district may fail to account for rapid demographic shifts.

Figure 10. Annual Change in NCLB Title I and Title III Grants and LEP Enrollment in Nevada, 2002 to 2007



Source: US Department of Education, Funds for State Formula-Allocated and Selected Student Aid Programs, by Program, <http://www.ed.gov/about/overview/budget/statetables/index.html>; Nevada Department of Education, Limited English Proficient Students, 1988-2007.

State and local education funding

Expansive new accountability standards, coupled with modest and, in some instances, declining federal funds, have led to state complaints that NCLB funding is insufficient. Some states and districts have filed suit against the federal government claiming that NCLB is an unfunded federal mandate, and that states and school districts must fund its requirements

³⁰ According to the Government Accountability Office (GAO), state-reported enrollment of LEP students was higher than ACS estimates in Arizona, California, Colorado, Nevada, Texas, and Washington. Government Accountability Office, *No Child Left Behind Act: Education’s Data Improvement Efforts Could Strengthen the Basis for Distributing Title III Funds*, GAO-07-140 (Washington, DC: GAO, December 2006).

from state and local budgets.³¹ While there is no national consensus on the additional costs involved in educating ELLs under NCLB — and who should be responsible for those costs — few contest that ELLs require additional resources and support.³² Moreover, one recent study found that in five of the eight states where ELL students were 10 percent or more of the total student population, high-ELL districts receive less funding per student than low-ELL districts. Nevada had one of the widest gaps with high-ELL districts receiving \$1,025 less funding per student than low-ELL districts (see Figure 1).³³

Table 1. ELL Funding Gaps in Select States, 2005

State	Percentage ELL in high-ELL districts	Percentage ELL in low-ELL districts	Funding gap between highest-ELL and lowest-ELL districts
Texas	40.5	2.6	-\$1,252
Nevada	17.7	4.6	-\$1,025
Colorado	28.5	1.0	-\$587
Arizona	42.7	1.7	-\$420
California	53.4	4.4	-\$357
Oregon	36.4	0.6	-\$158
New Mexico	42.3	2.7	\$5
Alaska	60.0	0.8	\$4,530

Note: A negative number indicates that fewer dollars per student were provided to high-ELL districts. Includes states where the ELL student population exceeds 10 percent of the state’s total student population. Although the ELL student population exceeds 10 percent of total students, Hawaii was not included in this analysis because it operates as a single state-wide school district.

Source: Carmen G. Arroyo, *The Funding Gap* (Washington, DC: The Education Trust, January 2008).

While NCLB provides significant supplementary elementary and secondary education funding to schools, states and localities are primarily responsible for providing most public elementary and secondary education funding. In 2005-2006, only 9 percent of total public elementary and secondary school system revenues were funded from federal sources, according to the US Census Bureau.³⁴ Thus, out of every dollar spent on public elementary and secondary education nationwide, 91 cents came from state and local revenues (47 cents from state sources and 44 cents from local resources).

Nevada schools are even more dependent on state sources than the nation as a whole. Around 7 percent of public elementary and secondary education revenues originate from federal sources, 59 percent from state sources, and 33 percent from local sources. Nevada

³¹ According to one interpretation used by the Sixth Circuit Court of Appeals in its ruling in one such lawsuit, an “unfunded federal mandate” includes “any federal statute or regulation that results in any duties imposed on state or local governments, even if the state takes on such duties voluntarily, so long as the resulting costs to these governments are not directly and fully funded by the federal government.”

School District of the City of Pontiac, et al. v. Secretary of the United States Department of Education, No. 05-2708, U.S. App. (6th Cir. January 7, 2008), <http://www.ca6.uscourts.gov/opinions.pdf/08a0006p-06.pdf>.

³² Diane August and Timothy Shanahan, *Developing Literacy in Second-Language Learners: Report of the National Literacy Panel on Language-Minority Children and Youth* (New York: Lawrence Erlbaum Associates, 2006).

³³ Carmen G. Arroyo, *The Funding Gap* (Washington, DC: The Education Trust, January 2008). In Nevada, high-ELL districts included Clark County and the Carson City School Districts — both urban districts — while the low-ELL districts generally included rural areas.

³⁴ US Census Bureau, *Annual Survey of Government Finances 2006* (Washington, DC: Author, April 2008).

ranks low nationwide in state education expenditures per pupil. According to the US Census Bureau's 2006 Survey of Government Finances, Nevada ranked 44th in the nation for *current spending* per pupil in elementary and secondary schools as of 2005-2006 — spending \$7,345 per pupil compared to \$9,138 per pupil nationwide.

In most states with large ELL student populations — such as California, Colorado, Florida, New York, and Texas — state legislatures allocate additional dedicated funds from the state budget to districts with high ELL enrollment.³⁵ Often, this supplementary funding is implemented by designating an ELL enrollment weight that is included in the state education funding formula. While Nevada's basic education funding rate includes weights for the number of enrolled kindergarteners and handicapped children, it does not include ELLs.³⁶ The Nevada Legislature recently considered a proposal to implement a weighted per-pupil funding mechanism for ELLs, but the proposal was never introduced. So districts must continue to fund ELL services exclusively through federal funds and from the state's general fund.³⁷

As of March 2008, Nevada has proposed cutting K-12 per-pupil spending by \$400 and delaying the expansion of full-day kindergarten.³⁸ Since Nevada now faces a 13.5 percent budget deficit for fiscal year 2009,³⁹ it is unlikely that additional support for ELL education will attract widespread support.

IV. Conclusion

Despite the unlikelihood of short-term budgetary changes, Nevada faces real risks if it continues to ignore the importance of educating English Language Learners (ELLs) and the children of immigrants. The stunning growth in Nevada's immigrant and ELL populations, coupled with the comparatively poor performance of the schools, declining federal funding, and no targeted state funding for ELLs, could jeopardize future growth in economic productivity and the economic mobility of Nevada's communities of immigrant descent.

Policymakers in Nevada can increase the state's long-term competitiveness by strategically investing in the state's human resources. One obvious, if only partial, solution would be greater state investment through dedicated state funding for ELL instruction, following the models of other traditional gateway states such as California and New York.

³⁵ Michael Griffith and John Hancock, "A Survey of State ESL/ELL Funding Systems," *StateNotes* (Education Commission of the States), March 2006, <http://www.ecs.org/clearinghouse/67/70/6770.htm>.

³⁶ Nevada Legislative Counsel Bureau, Research Division, "Elementary and Secondary Education" (Policy and Program Report, 2006); Carol M. Stonefield, ed., *2007 Nevada Education Databook* (Carson City: Research Division and Financial Analysis Division, Legislative Counsel Bureau, February 2007).

³⁷ Nevada Legislative Counsel Bureau, *School Financing Adequacy*, Bulletin No. 07-7, February 2007. Available at <http://www.leg.state.nv.us/lcb/research/2007InterimReports/Bulletin07-07.pdf>.

³⁸ Iris J. Lav and Elizabeth Hudgins, *Facing Deficits, Many States are Imposing Cuts that Hurt Vulnerable Residents* (Washington, DC: Center for Budget and Policy Priorities, March 2008).

³⁹ Elizabeth C. McNichols and Iris J. Lav, *25 States Face Total Budget Shortfall of at least \$40 Billion in 2009; 6 Others Expect Budget Problems* (Washington, DC: Center for Budget and Policy Priorities, April 2008).

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