

## In-State Tuition for Undocumented Immigrants<sup>1</sup>

This IPRO report focuses on the costs and benefits of providing in-state college tuition rates to undocumented immigrants.

### Overview

There are a number of immigrants within the United States that are not documented, including about 1.6 million children.<sup>2</sup> United States law says that all children have the right to a public high school education, but does not extend to a college education. Several states (13, see Case Studies) have already passed laws that provide resident citizen tuition to undocumented immigrants who meet certain conditions (i.e. graduated from high school). These states point to the socio-economic benefits that a well-educated public provides. Other states (5, see Case Studies) have explicitly banned undocumented immigrants from public Universities, reasoning that the state would essentially be 'footing the bill' to put undocumented students through school. Since 2001, Congress has been considering bipartisan legislation to help certain immigrant students gain legal status. Members of Congress have been advocating for the DREAM Act, which would allow immigrant students to pursue legalization through a commitment to higher education, via in-state tuition, or the military.<sup>3</sup> The actions of states to give benefits like in-state tuition to undocumented immigrants are modeled on the DREAM Act legislation, but independent of it. The National DREAM Act legislation is more complex and far reaching than individual states. In order to gauge the effectiveness of this type of legislation, recent studies have analyzed the economic impact of such a program on the state.

### National Level

A Federal law passed in 1996 prohibits undocumented immigrants from receiving in-state tuition rates at public institutions of higher education. However, states have bypassed this federal law by simply not asking students whether they are in the U.S. legally, allowing them to give educational benefits to some immigrants. There is pending legislation in the House and Senate that would repeal the Federal restriction and make college more affordable for undocumented immigrants.<sup>4</sup>

#### *Illegal Immigration and Reform and Immigrant Responsibility Act (IIRIR) of 1996*

The enactment of the IIRIRA significantly changed existing U.S. immigration law at the time. The Law stated that immigrants “shall not be eligible on the basis of residence within a State (or a political subdivision) for any postsecondary education benefit unless a citizen or national of the United States is eligible for such a benefit (in no less an amount, duration, and scope) without regard to whether the citizen or national is such a resident.”<sup>5</sup> Although this law does not ban a state from

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<sup>2</sup> Pessell, Jeffery. “Undocumented Immigrants: Facts and Figures.” Urban Institute Immigration Studies Program. January 24, 2004.

<sup>3</sup> Morse, Ann, Kerry Birnbach. “In-State Tuition and Unauthorized Immigrant Status.” National Conference of State Legislatures: Immigrant Policy Project. July 8 2011. <<http://www.ncsl.org/default.aspx?tabid=13100>>.

<sup>4</sup> Financial Aid and Scholarships for Undocumented Students.” FinAid. 2011. <<http://www.finaid.org/otheraid/undocumented.phtml>>.

<sup>5</sup> Bland, Siskind. “A Summary of IIRIRA 96.” American Immigration Lawyers Association. 2006.

providing in-state tuition to undocumented immigrants, it may require that an institution lower its tuition rates for non-residents students as a result.

*The Development, Relief, and Education for Alien Minors (DREAM) Act*

The DREAM Act was first introduced in 2001 and has since received bi-partisan support in both the House and the Senate. The legislation has been proposed as one single bill as well as a part of comprehensive immigration reform bills since its introduction. The act would permit states to determine state residency for higher education purposes by repealing part of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. It would also provide a mechanism for undocumented students of “good moral character” to become legal residents and obtain student aid. Under the proposed legislation, if the student is a US Citizen but one or more parents are undocumented, the student is still eligible for federal student aid.<sup>6</sup>

Requirements of the DREAM Act are that a person must:

- Have immigrated to the US before age 16.
- Have been continuously present in the US for at least five years prior to the legislation’s enactment.
- Have obtained a high school diploma or its equivalent (GED).
- Be less than 35 years of age.<sup>7</sup>

Slightly more than 2.1 million unauthorized immigrant youth and young adults could be eligible to apply for legal status under the DREAM Act. However, fewer than 40 percent would obtain legal status because of barriers limiting their ability to take advantage of the legislation's educational and military service routes to legalization.<sup>8</sup>

Access to educational opportunities for DREAM Act beneficiaries would vary significantly from state to state. Of those who could benefit from the act, California would receive by far the largest number with 26 percent of the total number of beneficiaries. Texas would receive the second largest amount with 12 percent of beneficiaries.

While the DREAM Act is larger in scope and more comprehensive, 12 individual states have taken the initiative in providing in state tuition rates for undocumented immigrants. These states have all passed state laws providing in-state tuition benefits for those who have attended high school in the state for three or more years.<sup>9</sup>

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<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Batalova, Jeanne, Margie McHugh. “DREAM vs. Reality: An Analysis of Potential DREAM Act Beneficiaries.” Migration Policy Institute. July 2010.

<sup>9</sup> Ibid.

## Costs and Benefits of In-State Tuition for Immigrants

### *Costs*

#### *Burden on the State and the Immigrants*

- Undocumented immigrants break the law when they illegally immigrate to the United States. Therefore, the bills may only serve to reward lawbreakers.<sup>10</sup>
- Only lawful students should qualify for in-state tuition because awarding resident tuition to unauthorized immigrants may result in an added cost to citizen taxpayers.<sup>11</sup>

### *Benefits*

#### *Societal*

- Allowing immigrant and minority students to pursue higher education by providing in-state tuition allows all students to benefit from the exposure to differing cultures and perspectives.<sup>12</sup>
- One can also argue that the cost of not helping these students pursue a higher education is greater than the cost of helping them. Education increases tax revenues and decreases spending on welfare, health care and law enforcement.<sup>13</sup>
- Access to higher education would help fight poverty especially among those who are historically of lower socio-economic status, like undocumented immigrants.<sup>14</sup>
- One study analyzing the performance of students with non-social security number identification in schools found that their performance in school was comparable to that of citizen students. Therefore, it could be said that the graduation rates among immigrants may also be similar to those of citizen students if given the chance to pursue higher education.<sup>15</sup>

#### *Morally Wrong to Deny Education Access*

- Children of undocumented workers do not choose the conditions under which they enter the United States. They should not be punished for circumstances they do not control. Children have the right to learn and be useful members of society.<sup>16</sup>
- Denying undocumented immigrants in-state tuition rates denies most of them access to any higher education.<sup>17</sup> This automatically places immigrant children at a disadvantage and prevents them from excelling at the same level as others in society.
- Denying children access to education will not eliminate undocumented immigration. Instead, it ensures the creation of an underclass. Without public education for children, illiteracy rates will increase, and opportunities for workforce and community participation will decrease. Research has proven that for every \$1 spent on the education of children, \$9 is returned.<sup>18</sup>

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<sup>12</sup> “Issue Brief 4: Immigrants and Education in Iowa.” *Iowa Immigration Education Coalition*. 2009. 3 December 2011. <[https://acrobat.com/app.html#d=\\*zMDifqEh0s7f5P0dkK25A](https://acrobat.com/app.html#d=*zMDifqEh0s7f5P0dkK25A)>

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.*

<sup>15</sup> Hill, Gregory C., Daniel P. Hawes. “Managing Undocumented Students: Do Undocumented Students Hinder Student Performance?” *State and Local Government Review*. 5 September 2011.

<sup>16</sup> Cortez, Albert. “Immigrant Education Policy: Why Attempt to Fix What’s Not Broken?” *Intercultural Development Research Association*. 1996.

<sup>17</sup> *Ibid.*

<sup>18</sup> *Ibid.*

### *State Revenue*

Taxing education promotes spending for education. The Iowa Policy Project estimates that undocumented immigrants pay state taxes of \$40 million to \$62 million total in Iowa every year. Although much of the money goes to various state departments, the majority of the revenue is devoted to public education.<sup>19</sup>

### **Case Studies**

Texas, California, New York, Utah, Illinois, Washington, Nebraska, New Mexico, Maryland, Oklahoma, Wisconsin, Connecticut, and Kansas have all passed state laws providing in-state tuition benefits for those who have attended high school in the state for three or more years.

Unauthorized immigrant students barred from in-state tuition benefits: Arizona, Colorado, Georgia, South Carolina, and Indiana.<sup>20</sup>

By reviewing other states that have enacted DREAM Act-type programs, namely the states with the two greatest amounts of potential beneficiaries of the act, we hope to assess the revenue gains and costs of implementing a similar piece of legislation in Iowa.

We calculated the total of each school's tuition multiplied by their enrollment for both states. The sum was then divided by the entire enrollment of that school in the state. We found these numbers for both in and out of state tuition for the state schools. The difference tells us the average cost someone would have to pay if they are only eligible for out of state tuition, and the savings for each state if they offered in-state tuition to undocumented immigrants.

### *Texas*

In 2001, The Texas State Legislature passes house bill 1403, The Texas DREAM Act. This allowed qualified students to pay an in-state tuition rate even if they are undocumented immigrants.

Among the requirements to qualify are:<sup>21</sup>

- Graduate from a Texas High School, or received a GED in Texas
- Be a resident of Texas for three years leading up to High school graduation or the completion of a GED
- Sign an affidavit intending to apply for permanent resident status as soon as they are able to do so.

A Texas study estimated total state revenues from unauthorized immigrants to be \$1.58 billion in FY 2005, while the total cost of providing state services was \$1.16 billion, leaving a net benefit of \$424 million in FY 2005.<sup>22</sup>

The difference between in-state tuition and out-of-state tuition (\$11,692) shows the additional cost that a student would have to overcome to attend a public university in Texas. Since 2001, 22,697 students have attended Texas universities benefitting from the Texas' DREAM Act. Comparing

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<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Unmuth, Katherine. "Number of Illegal Immigrants getting in-state tuition for Texas colleges rises." Dallas Morning News. 15 March, 2010.

<sup>22</sup> "Greenblatt, Alan. "A Special Report: Immigration and the States: Can Utah's approach to immigration offer a way forward for other states?" The National Conference of State Legislatures. March 2011.

both rates of tuition and accounting for the average difference among the largest Texas Universities, the State of Texas has paid an estimated \$265 million since the Texas DREAM Acts enactment.

**Table 1**  
Texas Higher Education Institution Tuition Rates by Category

University	Enrollment	In-state Tuition Rate (Dollars)	Out-of-state Tuition Rate (Dollars)
University of Texas at Austin	51,145	9,416	31,266
Texas A&M	49,861	5,296	19,726
University of Houston	39,824	19,011	24,713
University of North Texas	35,722	15,241	24,631
Texas State University–San Marcos	34,113	8,232	17,622
University of Texas at Arlington	33,421	8,878	17,016
Texas Tech University	32,327	7,485	15,795
University of Texas at San Antonio	31,114	8,272	17,662
University of Texas El Paso	22,640	6,869	16,258
University of Texas Pan American	19,041	5,425	13,735
University of Texas at Dallas	18,854	24,062	41,088
Texas A&M University–Commerce	11,495	17,763	27,153
<b>Average (weighted by enrollment)</b>	-	<b>\$10,421</b>	<b>\$22,113</b>

*California*

The average calculated in-state tuition for University of California locations is \$30,049.64, with an out of state average of \$51,340.47. The average in state and out of state tuition rates for the California State University locations are \$25,097.56 and \$34,120.51 respectively.

**Table 2**  
California Higher Education Institution Tuition Rates by Category

University	Enrollment	In-State Tuition Rate (Dollars)	Out-of-State Tuition Rate (Dollars)
UC Berkley	25,530	32,635	55,513
UC Davis	24,626	31,199	54,074
UC Irvine	22,226	31,199	52,315
UC Los Angeles	26,687	31,554	54,432
UC Merced	3,190	30,640	53,518
UC Riverside	16,996	29,961	52,794
UC San Diego	23,143	28,494	51,372
UC San Francisco	25,434	23,476	34,636
UC Santa Barbara	19,796	31,926	54,804
UC Santa Cruz	15,259	32,988	55,866
California State at Bakersfield	6,534	20,383	31,543
California State at Channel	3,617	24,168	35,328
California State at Chico	14,728	22,884	34,044
California State at Dominguez	11,156	21,690	21,690
California State at East Bay	11,680	23,721	34,881
California State at Fresno	18,343	22,865	34,025
California State at Fullerton	30,737	22,471	33,631
California State at Humboldt	7,295	22,878	34,038
California State at Long Beach	29,324	22,752	33,912
California State at LA	16,008	21,328	32,488
California State Maritime	823	22,190	33,350
California State at Northridge	29,576	24,840	35,940
California State at Pomona	20,136	21,274	32,434
California State at Sacramento	23,461	23,602	34,762
California State at San Bernardino	14,619	20,978	32,138
California State at San Diego State	26,800	23,820	34,980
California State at SF State	25,434	25,086	36,246
California State at SJ State	24,273	23,339	34,499
California State at Polytechnic State SLO	18,302	23,456	34,616
California State at San Marcos	8,749	23,258	34,418
California State at Sonoma State	7,507	23,931	34,011
California State at Stanislaus	7,086	20,060	31,220
<b>Average (Weighted by Enrollment)</b>	-	<b>26,881</b>	<b>40,322</b>

This report was prepared in December 2011 by the Iowa Policy Research Organization (IPRO), a non-partisan public policy undergraduate group at the University of Iowa. For additional research on this or other issues, please visit our website at <http://www.uiowa.edu/~ipro/> or contact [rene-rocha@uiowa.edu](mailto:rene-rocha@uiowa.edu).

