



# THE TEXAS DREAM ACT

## What You Need to Know

**T**exas has a strong tradition of embracing immigrant culture and leading the nation with common-sense policies, such as the Texas Dream Act, passed by the Texas Legislature in 2001 and championed by then-Governor Rick Perry. By extending in-state tuition and grant eligibility to residents of the state who are not U.S. Citizens or Permanent Residents, the Texas Dream Act provides a pathway to opportunity critical to our continued economic prosperity.

### What is the Texas Dream Act?

In 2001, the Texas Legislature passed the Texas Dream Act, which extends in-state tuition and grant eligibility to long-term residents of the state who are not U.S. Citizens or Permanent Residents. Texas Dream Act students include both students who are documented (e.g., visa holders) and students who are undocumented.

A student that is not a U.S. Citizen or Permanent Resident is considered a resident of Texas for higher education purposes if they can demonstrate:

- They lived in Texas during the three years before graduating from high school or receiving a General Equivalency Diploma (GED);
- They lived in Texas the year before enrolling at a Texas public college or university; AND
- They sign an affidavit declaring their intention to apply for Legal Permanent Resident status as soon as they are able. (This is why Texas Dream Act students are referred to as “affidavit students” in many official reports.)

Source: *Tex. H.B. 1403, 77th Leg., R.S. (2001)*<sup>1</sup>

**Texas immigrants’ direct purchasing power in 2015:**



**\$95.5 BILLION**  
to  
**\$100 BILLION**

Source: *Center for Public Policy Priorities analysis*<sup>2</sup>

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## How do Texas Dream Act students and other immigrants contribute to the Texas economy?

- Texas Dream Act students paid \$58.3 million in tuition and fees in fiscal year 2015.<sup>3</sup>
- Undocumented immigrants in Texas pay about \$1.5 billion in state and local taxes annually.<sup>4</sup> In part, these taxes help support Texas institutions of public and higher education.
- Immigrants of all statuses have played a leading role in the state's economic success and make up 21.2 percent of the total Texas labor force.<sup>5</sup>
- Immigrants also power the state economy as job creators, small business owners and entrepreneurs. Immigrants make up 18.4 percent of Texas business owners with paid employees,<sup>6</sup> and are self-employed at a higher rate (9.4 percent) compared to the Native-born population (5.8 percent).<sup>7</sup>
- Texas immigrants earned nearly \$119 billion in wage, salary, and self-employment income in 2015.<sup>8</sup> Immigrants earnings represent 18.5 percent of wage, salary, and self-employment income in Texas.<sup>9</sup> The potential direct purchasing power from these sources of income for immigrants in 2015 is estimated to be between \$95.5 billion and \$100 billion.<sup>10</sup>

## How does the Dream Act affect the ability of U.S. Citizens and Permanent Residents to get into Texas colleges?

The Texas Dream Act only applies to eligibility for in-state tuition rates and does not impact admission decisions in any way.<sup>11</sup>

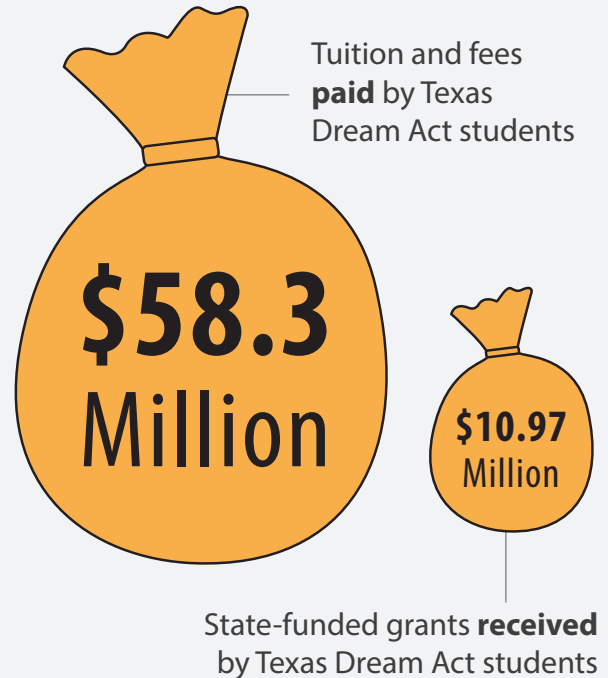
## How many students benefit from The Texas Dream Act?

In 2015, Texas Dream Act students accounted for less than two percent of the 1,625,255 total students that were enrolled in Texas public universities, public community, technical and state colleges, and public health related institutions.<sup>12</sup>

## How many Texas Dream Act students receive financial aid?

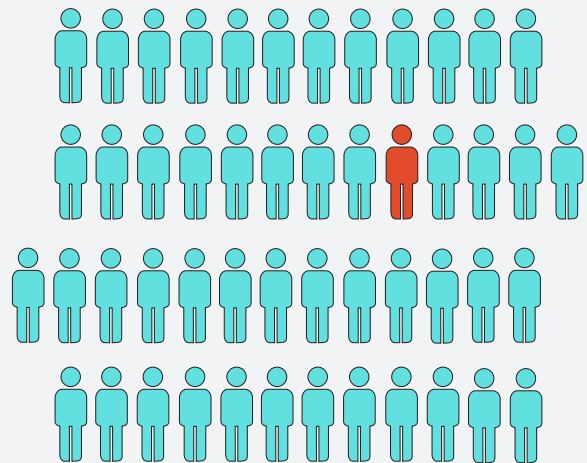
In 2015, Texas Dream Act students represented less than one percent of all Texas students who received financial aid (including grants, loans, and work study from the state, institutions, and other sources).<sup>13</sup> A total of \$504.52 million was awarded through General Revenue-funded grant programs to 149,914 students attending Texas institutions of higher education in 2015.<sup>14</sup> However, only 2,678 Texas Dream Act students received state-supported grants totaling \$10.97 million.<sup>15</sup>

## Texas Dream Act students contribute much more financially than they receive:



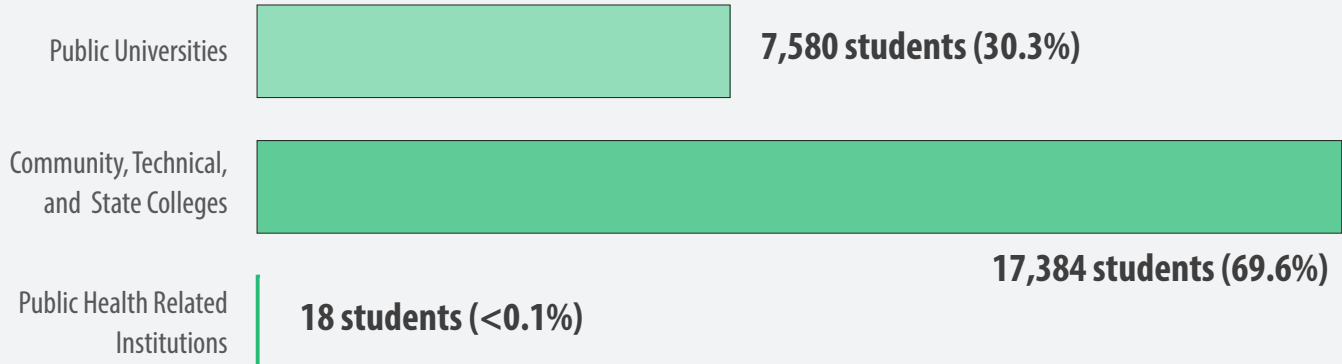
Source: Texas Higher Education Coordinating Board<sup>16</sup>

**1.8%** of all Texas students to receive grant aid are Texas Dream Act Students



Source: Texas Higher Education Coordinating Board<sup>17</sup>

## Where Texas Dream Act Students Go to School



Source: Texas Higher Education Coordinating Board<sup>18</sup>

### Endnotes

- 1 [Tex. H.B. 1403](#), 77th Leg., R.S. (2001).
- 2 CPPP calculated the estimated range of potential direct purchasing power using PUMS foreign-born income data, 1-Year Estimate, 2015 American Community Survey, U.S. Census Bureau multiplied by the average annual expenditure rates from the 2015 Consumer Expenditure Survey, Table 1800. CPPP calculated the expenditure rates by dividing average annual expenditures by the average pre-tax incomes for the South (low end of range) and for the U.S. (high end of the range). The estimate includes immigrant spending on housing, food, transportation, healthcare, and all other personal expenditures. For the full list of expenditure categories, see Consumer Expenditure Survey Table 1800.
- 3 Texas Higher Education Coordinating Board, [Overview: Eligibility for In-State Tuition and State Financial Aid Programs](#) (2016). Fiscal Year 2015 started Sept. 1, 2014. All enrollment, tuition, and financial aid figures in this report refer to fiscal year 2015.
- 4 Institute on Taxation and Economic Policy, [Undocumented Immigrants' State and Local Tax Contributions](#), February (2016).
- 5 U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, Table S0501, Population 16 and over in the labor force.
- 6 U.S. Census Bureau, 2014 Annual Survey of Entrepreneurs, Statistics for Owners of Respondent Employer Firms by Whether the Owner Was Born a U.S. Citizen by Sector, Gender, Ethnicity, Race, Veteran Status, and Years in Business for the U.S., States, and Top 50 MSAs, Table SE1400CSCB009. Includes firms with payroll at any time during 2014.
- 7 U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, Table S0501.
- 8 CPPP estimate based on PUMS data from the U.S. Census Bureau, 2015 American Community Survey 1-Year Estimate.
- 9 Ibid.
- 10 See note 2.
- 11 [Tex. H.B. 1403](#), 77th Leg., R.S. (2001).
- 12 Texas Higher Education Coordinating Board Staff to Rep. Eddie Rodriguez, Response to Legislative Inquiry: Affidavit Student Information, February 7, 2017. Total enrollment of Texas Dream Act students in fiscal year was 24,982.
- 13 Texas Higher Education Coordinating Board, [Overview: Eligibility for In-State Tuition and State Financial Aid Programs](#) (2016).
- 14 Texas Higher Education Coordinating Board, [Report on Student Financial Aid in Texas Higher Education Fiscal Year 2015](#), Table 29, State and tuition set-aside financial aid funding, FY 2015, excluding the Texas B-On-Time Loan Program as this aid funding must be repaid to the state.
- 15 Texas Higher Education Coordinating Board, [Overview: Eligibility for In-State Tuition and State Financial Aid Programs](#) (2016).
- 16 Texas Higher Education Coordinating Board, [Overview: Eligibility for In-State Tuition and State Financial Aid Programs](#) (2016).
- 17 CPPP calculation using fiscal year 2015 data on total students served by state-funded grant programs from the Texas Higher Education Coordinating Board, [Report on Student Financial Aid in Texas Higher Education Fiscal Year 2015](#) and data on financial aid awards to affidavit students from the Texas Higher Education Coordinating Board, [Overview: Eligibility for In-State Tuition and State Financial Aid Programs](#) (2016).
- 18 See note 16.

CPPP is an independent public policy organization that uses data and analysis to advocate for solutions that enable Texans of all backgrounds to reach their full potential. For more CPPP analysis on immigrants in Texas at [bit.ly/TXimmigrants](http://bit.ly/TXimmigrants).