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## Maximizing Access to College for Immigrant Children Builds the Texas Economy

Leslie Helmcamp [helmcamp@cphp.org](mailto:helmcamp@cphp.org)

Rachel Cooper [cooper@cphp.org](mailto:cooper@cphp.org)

“Higher education should be open to all, not just an elite few. It must be responsive to the needs of our growing and changing population, and it must continue to push the envelope of excellence and innovation. That growing and changing population includes children of undocumented workers, young boys and girls that we serve in our public schools because it is the right thing to do. I believe it is time they get the same treatment in our colleges and universities.

“I signed House Bill 1403 so that young Texans who graduated from our public schools, regardless of their immigration status, will be able to pay in-state tuition and take part in the Texas Dream. We want bright, new Texans to stay here, and contribute great things to our future.”<sup>1</sup>

**Governor Rick Perry, June 22, 2001**

### Introduction

Texans want immigration reform and Congress may soon take up the task. In an earlier paper, *Common-Sense Principles for Immigration Reform*,<sup>2</sup> we noted our agreement with the principles for reform set out by Texas Employers for Immigration Reform (TEIR). TEIR calls for a market-driven system of temporary immigrant workers combined with clear, sensible enforcement, disincentives for illegal immigration, enhanced border security, and a path to legal status for undocumented workers currently in the United States.

In the meantime, what should the state do with regard to immigration? That is a big question, but whatever happens at the federal level, as we explain in this paper, our state should continue to maximize access to college for immigrant children—whether documented or undocumented—to ensure our economic prosperity. A path to legal status for undocumented children, often brought here at a young age, is likely to be a part of any federal reform. In any event, the United States is unlikely to deport hundreds of thousands of children and young adults who came here as children. Given this reality, our own self interest requires us to educate these young people.



## **How Many Undocumented Children Live in Texas?**

It is difficult to come up with a number for undocumented immigrant children. We do know that of the nearly 7 million children living in Texas, only 5 percent or 321,000 are foreign born.<sup>3</sup> So we can safely say that undocumented children are less than 5 percent of our children.

## **How Do We Currently Maximize Access to College for These Kids?**

In 2001 the Legislature enacted House Bill 1403 to maximize access to college for immigrant youth. Under this legislation, certain children born outside of the United States but who live in Texas can receive in-state tuition to our public colleges and universities. Under the law before House Bill 1403, these students had to pay tuition at the higher rate charged to out of state or international students. Both the Texas Association of Business and the Greater Houston Partnership supported House Bill 1403. Governor Perry signed the legislation into law.

To qualify for in-state tuition a student must demonstrate that they:

- Resided in Texas during the three years before graduating from high school or received a General Equivalency Diploma (GED);
- Resided in Texas the year before enrolling at a Texas public college or university; and
- For non-citizens and non-legal permanent residents, that they intend to apply for Legal Permanent Resident status as soon as they are able.

## **In-State Tuition Helps Make College Affordable**

Requiring undocumented immigrant residents in Texas to pay out-of-state tuition rates would likely shut out most, if not all, of these aspiring college students from obtaining a postsecondary degree or certificate.

An out-of-state or nonresident college student attending a Texas four-year institution is charged \$401 per semester credit hour compared to \$50 for Texas residents.<sup>4</sup> This amounts to a nonresident student paying \$4,212 more for 12 semester credit hours compared to their resident counterparts.

Tuition rates at Texas public junior colleges vary across the state since rates are set by the governing boards of each institution.<sup>5</sup> Depending on the institution, nonresident students at Texas' community colleges may pay between \$1,000 and \$3,500 more per 12 semester credit hours compared to their resident counterparts.

## **Immigrants Pay Their Share of Tuition Cost**

Nobody is getting a free tuition ride. The state is merely acknowledging the reality that both citizens and undocumented youth are likely to remain in Texas and need to be educated. Just like citizens, undocumented youth have skin in the game—paying their share of tuition costs. In fiscal year 2010, 16,476 undocumented immigrant students qualified for in-state tuition.<sup>6</sup> The estimated general revenue used to support instruction and financial costs for these undocumented immigrant students totaled \$21.63 million, while the students themselves paid \$32.7 million in total tuition and fees.<sup>7</sup>

## **Immigrants Pay Their Share of State Taxes**

Nobody is getting a free tax ride either. Undocumented immigrants pay their share of both sales tax and local property taxes. Families headed by an undocumented immigrant in Texas paid an estimated \$1.6 billion in state and local taxes in 2010.<sup>8</sup> And in 2006, the Texas Comptroller found that undocumented immigrants in Texas generated more taxes and other revenue than they received in state and local benefits.<sup>9</sup>

## **In-State Tuition Promotes a College-Going Culture**

By making postsecondary education less expensive for undocumented immigrant students, these students are more likely to graduate from high school and enroll in college.<sup>10</sup> In-state tuition makes higher education attainable for immigrant students who might otherwise drop out of high school. One study has shown that high-school drop-out rates of Mexican foreign-born non-citizen students in states with in-state resident tuition laws fell from 42 percent to 35 percent after implementation of the law.<sup>11</sup> And undocumented immigrant students living in states with tuition equity laws are more likely to enroll in college and be aware of the benefits of a college education.<sup>12</sup>

Furthermore, providing in-state tuition for undocumented immigrant students is a sound investment in preparing the next generation of workers for higher-wage and higher-skilled jobs once their legal status changes. For example, undocumented immigrant students whose application for Legal Permanent Resident status is held up by a lengthy backlog for an immigrant visa can attend college, thereby creating a career pathway for them once they legalize their status.

## **More Education Creates Greater Economic Opportunity**

Providing a path to a postsecondary degree or credential for undocumented immigrant students will increase their overall productivity, their earnings potential, and will enable them to further contribute to the tax base, leaving them less reliant on social services.

A Texas worker who completes some college can increase their earnings potential by 96 percent.<sup>13</sup> And those with a four-year degree or higher can increase their earning potential by as much as 139 percent.<sup>14</sup> This is a difference between earning a median hourly wage of \$9.99 for a Texan who does not complete high school, compared to \$14.46 an hour for those who complete some college, and \$23.90 for those who obtain a four-year degree or higher.<sup>15</sup> Workers in Texas with lower levels of educational attainment not only have lower earnings, they also have higher rates of unemployment. In 2011, the unemployment rate for workers with only a high school degree or GED was 9.3 percent, compared with only 3.9 percent for workers with a bachelor's degree or higher.<sup>16</sup>

Requiring undocumented immigrants to pay nonresident tuition would leave these students without additional opportunities to pursue the education and training they need beyond high school to obtain a stable and family-supporting job once they legalize their status.

## **In-State Tuition Makes Even More Sense Given Federal Deferred Action for Early Childhood Arrivals**

On June 15, 2012, President Obama signed an executive order calling for deferred action—temporary relief from removal—for certain undocumented youth who came to the United States as children and have pursued education or military service. The program known as Deferred Action for Early Childhood Arrivals (DACA) began August 15, 2012.

Texas stands to gain economically with the extension of deferred action for undocumented immigrant youth residing in the state. Second only to California, nearly 227,000 undocumented immigrant youth residing in Texas are potentially eligible to seek deferred action and obtain employment authorization and a Social Security Number.<sup>17</sup> In most states, including Texas, these documents will allow recipients to obtain a driver's license and integrate more fully into Texas' economy. Immigrants who have been granted deferred action also are considered to be "lawfully present" for the purposes of obtaining certain federal public benefits.<sup>18</sup>

The extension of legal relief to this group of immigrant youth means that over 74,000 immigrant students attending public schools in Texas will have the opportunity to obtain deferred action and a work permit once they are eligible to apply for relief at age 15, and nearly 153,000 immigrant youth ages 15-30 in Texas are immediately eligible to apply for relief.<sup>19</sup> Another group of possible beneficiaries are those immigrants who need to complete their GED to become eligible for relief under DACA. In Texas, approximately 71,000 undocumented immigrants in this category could become eligible if they pursue their GED.<sup>20</sup>

As of January 18, 2013, more than 63,000 immigrants in Texas filed for deferred action under the DACA program.<sup>21</sup>

With Texas' in-state tuition law in effect, our state is well positioned to educate and prepare immigrant youth residing in the state for good jobs. DACA beneficiaries with access to a public higher education in Texas will have the opportunity to become self-sufficient and contribute to their communities as students and workers.

### **Conclusion**

Texas has the opportunity to continue our state's investment in creating an educated and trained workforce by providing affordable in-state tuition for undocumented immigrant students. Keeping college affordable for all Texas residents, regardless of their status, promotes college attendance and ensures our state's future prosperity.

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## For More Information

For more information or to request an interview, please contact Brian Stephens at [stephens@cPPP.org](mailto:stephens@cPPP.org) or 512.823.2871.

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## Endnotes

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<sup>17</sup> Immigration Policy Center, "Who and Where the DREAMers Are: A Demographic Profile of Immigrants Who Might Benefit from the Obama Administration's Deferred Action Initiative," July 2012.

<sup>18</sup> In July 2010, HHS issued its definition of "lawfully present" for the purposes of determining which individuals would be considered eligible non-citizens under the Affordable Care Act. HHS codified the list of immigration categories considered "lawfully present" at Title 45 Code of Federal Regulations Section 152.2 for purposes of eligibility for the high-risk pool under the ACA, known as the Pre-Existing Condition Insurance Plan (PCIP). (75 Fed. Reg. 45013-45033, July 30, 2010). Under that definition, individuals granted deferred action by DHS are considered "lawfully present" for purposes of PCIP eligibility and can enroll in the PCIP if they meet all other eligibility criteria. 45 C.F.R § 152.2. Note: DACA beneficiaries will continue to be ineligible for the major federal public benefits such as SNAP, Medicaid or TANF, that are available only to (some or all) "qualified" immigrants. At this time, deferred action under DACA does not classify these beneficiaries as "qualified immigrants" for purposes of obtaining public benefits.

<sup>19</sup> Immigration Policy Center, "Who and Where the DREAMers Are: A Demographic Profile of Immigrants Who Might Benefit from the Obama Administration's Deferred Action Initiative," July 2012.

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