



TEXAS DREAM ACT REPORT

May 2023

INTRO

Then-Governor Rick Perry signed House Bill 1403, commonly known as the Texas Dream Act, on June 16, 2001. Since then, Texas has guaranteed access to in-state tuition and financial aid at our state's public universities to young Texas residents who are not U.S. citizens or permanent residents but graduated from a Texas high school. Maintaining this pathway to opportunity created by the legislature more than twenty years ago provides for our continued prosperity as a diverse and productive state.

»» WHAT IS THE TEXAS DREAM ACT?

Texas was the first state to pass a Dream Act. As of this year, 19 states have followed Texas' leadership and passed similar common-sense measures. Arizona, one of two states that explicitly denied in-state tuition to undocumented residents after the Texas law, is the most recent addition to the list after voters approved a constitutional amendment in 2022 reversing the 2006 restriction. The 2001 Texas Dream Act extends in-state tuition and grant eligibility to non-citizen residents of the state. In-state tuition at colleges and universities is often significantly lower than the rates out-of-state students pay.¹ The legislation includes both students who are documented (e.g. visa holders) and students who are undocumented—including recipients of the Deferred Action for Childhood Arrivals program.²

In-state tuition and state financial aid programs are available to residents of Texas. A student that is not a U.S. citizen or permanent resident is a resident of Texas for higher education purposes if they can demonstrate they meet all of the following criteria:

- ✓ **They lived in Texas during the three years before graduating from high school or receiving a Texas Certificate of High School Equivalency; and**
- ✓ **They lived in Texas the full year before the enrollment cutoff at a Texas public college or university; and**
- ✓ **They sign an affidavit declaring their intention to apply for lawful permanent resident status as soon as they are able. (This is why the Higher Education Coordinating Board refers to students in this program as "affidavit students" in official reporting.)**

»» HOW DOES IN-STATE TUITION AFFECT THE ABILITY OF U.S. CITIZENS AND PERMANENT RESIDENTS TO GET INTO TEXAS COLLEGES?

In-state tuition only applies to eligibility for tuition rates and does not affect admission decisions in any way.³ Non-citizen resident students go through the exact same admission process as all other prospective students and must be in good academic standing to earn admission to Texas colleges.

HOW MANY STUDENTS BENEFIT FROM THE TEXAS DREAM ACT?



In 2021, **20,137** students who signed an in-state tuition affidavit accounted for just **1.5%** of all students enrolled in Texas' public universities, community colleges, technical and state colleges, and health related institutions.

»» HOW MANY TEXAS DREAM ACT STUDENTS RECEIVE FINANCIAL AID?

Access to financial aid is crucial for making higher education accessible and affordable for all Texas residents. Texas Dream Act students apply for and earn financial aid in the same manner as other Texas students who are U.S. citizens or permanent residents.



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A total of **\$579 million** was awarded through state-funded grant programs to **128,915 students** attending Texas colleges and universities in 2021.⁴

Of that, only 3,539 Texas Dream Act students received state-supported grants – totaling **\$17.3 million** – less than three percent of the total amount disbursed.⁵ In 2021, Texas Dream Act students represented less than five percent of all Texas students who received any form of financial aid (including grants, loans, state-sponsored work-study, and institutional aid).

The amount of tuition paid by Texas Dream Act students far out-weighs the amount received in financial aid. Texas Dream Act students paid **\$81.6 million in tuition and fees in fiscal year 2021.**



When compared to the **\$10.6 million** awarded in financial aid, the state and public institutions of higher education saw a benefit of **\$71 million.**

» THE TEXAS DREAM ACT BENEFITS THE STATE ECONOMY

Texas needs all the educated and highly skilled workers it can get. There are currently two jobs for every working-age person in the state, but not every working-age person may have the training to fill the job. Increasing access to higher education with in-state tuition incentivizes high school graduation. It increases young undocumented Texans' earning potential while providing the Texas economy with a critical pipeline of skilled labor.

EXAMPLE

The average income of an immigrant who works full time in Texas with a Bachelor's degree or higher is **\$49,907 per year** compared to an immigrant with just a high school diploma or equivalent, who earns **\$20,689 per year**. Additional taxes paid by a Bachelor's degree holder compared to a high school graduate amounts to **\$2,151 more per person** added to state and local government revenue annually. For Texas Dream Act students in 2021, the potential extra tax benefit to state and local governments is **over \$43 million.**

The benefits do not just extend to those that have completed a Bachelor's degree. The average income of an immigrant in Texas with some **college experience is \$25,622 and \$28,776** with an Associate's degree. Additional taxes paid by immigrants residing in Texas with an Associate's degree amounts to **about \$447 per person** annually to state and local governments. Again, for Texas Dream Act Students in 2021, the potential added tax benefit to state and local governments is **\$9 million** for those who earned their Associate's degree.

» SMART INVESTMENTS BENEFIT EVERY TEXAN

As Texas continues to attract highly skilled jobs, we need the workforce to fill those jobs. For two decades, extending in-state tuition to all Texans has created a consistent pipeline of motivated students who are now successful and essential members of our communities. The Texas Miracle state leaders enjoy touting was partly made possible by the realities first dreamed up with HB 1403 in 2001. Two decades later, any retreat from such a successful program would be a nightmare for our efforts to sustain the economic juggernaut Texas has experienced over that time.



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REFERENCES

1. Tex. H.B. 1403, 77th Leg., R.S. (2001), <http://www.capitol.state.tx.us/tlodocs/77R/billtext/html/HB01403F.htm>.
2. DACA, now under contest at the U.S. Court of Appeals for the 5th circuit, provides two years of relief from deportation along with a work permit for those that were eligible, could afford to apply, and were approved.
3. See note 1.
4. Numbers from Student Financial Aid FY 2021 Report, Page 13. Using 3 most common state financial aid grants available to affidavit students. i.e. TEOG, TEG & TEXAS Grants
5. See TX-Dream-Act-Students_2019-2021.xls; FY21 Affidavit Student Financial Aid_CD 2-8-23.xlsx