

The Texas Dream Act Made the Texas Miracle

INTRODUCTION

On June 16, 2001, former Governor Rick Perry signed House Bill 1403, commonly known as the Texas Dream Act into law. 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. Created by the legislature more than twenty years ago, this pathway to opportunity, has provided 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, 25 states and the District of Columbia have followed Texas' leadership enacting similar common-sense measures.ⁱ In 2022, Arizona voters approved a constitutional amendment, reversing a 2006 decision that denied in-state tuition to undocumented residents. The Texas Dream Act (2001) extends in-state tuition and grants eligibility to non-citizen residents of the state.ⁱⁱ In-state tuition at colleges and universities is often significantly lower than the rates out-of-state students pay. 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.ⁱⁱⁱ



The Texas Dream Act allowed for a student who is not a U.S. citizen or permanent resident to be recognized as a Texas resident for higher education purposes, if they met specific criteria.

-  LIVED IN TEXAS DURING THE THREE YEARS BEFORE GRADUATING FROM HIGH SCHOOL OR RECEIVING A TEXAS CERTIFICATE OF HIGH SCHOOL EQUIVALENCY
-  LIVED IN TEXAS THE FULL YEAR BEFORE THE ENROLLMENT CUTOFF AT A TEXAS PUBLIC COLLEGE OR UNIVERSITY
-  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.)

IN-STATE TUITION: A PATHWAY FOR TEXANS

In-state tuition only applies to eligibility for tuition rates and does not affect admission decisions in any way.^{iv} Non-citizen resident students are required to participate in the exact same admission process as all other prospective students, and must be in good academic standing to earn admission to Texas colleges.

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HOW MANY STUDENTS HAVE BENEFITTED FROM THE TEXAS DREAM ACT?

In 2023, **20,137** students who signed an in-state tuition affidavit accounted for just 1.5 percent of all students enrolled in Texas's public universities, community colleges, technical and state colleges, and health related institutions.

HOW MANY TEXAS DREAM ACT STUDENTS HAVE RECEIVED FINANCIAL AID?

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

Texas awarded **\$635.2 million** in state-funded gift aid to **133,989** students attending Texas colleges and universities in 2023.^v Of that, only 3,566 Texas Dream Act students received state-supported grants, totaling **\$17.5 million** – less than three percent of the total amount disbursed.^{vi} In 2023, 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).^{vii}

THE TEXAS DREAM ACT: A BOOST TO THE STATE'S ECONOMY

Texas needs every educated and highly skilled worker our education systems can cultivate. Increasing access to higher education with in-state tuition incentivizes high school graduation and increases young undocumented Texans' earning potential while providing the Texas economy a critical pipeline of skilled labor.

For example, of immigrants 25 years and older who work full-time, year-round in Texas, the median income of an immigrant with a Bachelor's degree or higher is \$80,191 per year, compared to an immigrant with just a high school diploma or equivalent, who earns \$36,000 per year.^{viii} Additional taxes paid by an immigrant residing in Texas with a Bachelor's degree compared to a high school graduate amount to \$2,151 more per person added to state and local government revenue annually. For Texas Dream Act students in 2023, the potential extra tax benefit to state and local governments is over \$43 million.^{ix}

These benefits have not only extended to those that have completed a Bachelor's degree. The median income of an immigrant 25 years or older working full-time, year-round in Texas with some college experience is \$47,595 and \$52,315 with an Associate's degree.^x Additional taxes



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paid by immigrants residing in Texas with an Associate's Degree amount to about \$447 per person annually to state and local governments. For Texas Dream Act Students in 2023, the potential added tax benefit to state and local governments is \$9 million for those who earned their Associate's Degree.

THE BOTTOM LINE

Smart investments benefit every Texan. As Texas continues to attract highly skilled jobs, a skilled state workforce must 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 made possible in part by the realities first dreamed up with HB 1403 in 2001. Two decades later, any retreat from this successful program would upend our efforts to sustain the economic juggernaut Texas has experienced over that time.

- i. Tuition & Financial Aid State Policies for Undocumented Students, [Higher Ed Immigration Portal](#), 2025
- ii. Tex. H.B. 1403, 77th Leg., R.S. (2001), <http://www.capitol.state.tx.us/tlodocs/77R/billtext/html/HB01403F.htm>.
- iii. 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.
- iv. See note ii.
- v. Report On Student Financial Aid In Texas Higher Education – FY 2023, 55. The numbers cited account for the three grant programs most commonly available to affidavit students: Texas Education Opportunity Grants, Texas Education vi. Grants & TEXAS Grants.
- vii. See TX-Dream-Act-Students_2019-2021.xls; [FY21 Affidavit Student Financial Aid_CD 2-8-23.xlsx](#)
- viii. See [FY21-23_Affidavit_Student_Financial_Aid_Masked.xlsx](#)
Every Texan analysis of 2024 Current Population Survey Annual Social and Economic Supplement via PUMS CPS, University of Minnesota, www.ipums.org.
- ix. See note viii.
- x. See note viii.

