



TEXAS DREAM ACT

Ensuring in-state tuition for all Texans (HB 1403)

When Texans are prepared for a productive and engaged future, they can contribute to our civic and economic prosperity as valuable employees, thoughtful leaders, and involved community members. For this reason, in 2001, then-Governor Rick Perry signed House Bill 1403 (sometimes called the “Texas Dream Act”), which extends in-state tuition and financial aid at public universities to young Texas residents who are not U.S. citizens or permanent residents but have completed high school in Texas. By embracing this common-sense immigration policy, the Texas Legislature has provided a pathway to opportunity that is critical to our continued economic prosperity.

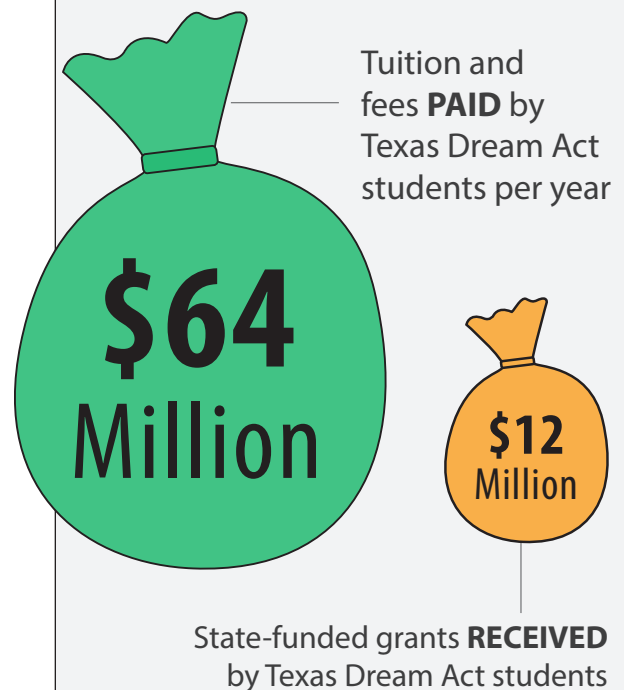
What is the Texas Dream Act?

Texas was the first state to pass a Dream Act, and 18 states have since followed Texas’ leadership and passed similar common-sense measures. The “Texas Dream Act” of 2001 extends in-state tuition and grant eligibility to non-citizen residents of the state.¹ In-state tuition rates are 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.² The Texas Dream Act, related exclusively to in-state tuition, should not be confused with the proposed federal DREAM Act.

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 still considered a resident of Texas for higher education purposes if they can demonstrate they meet all of the following criteria:

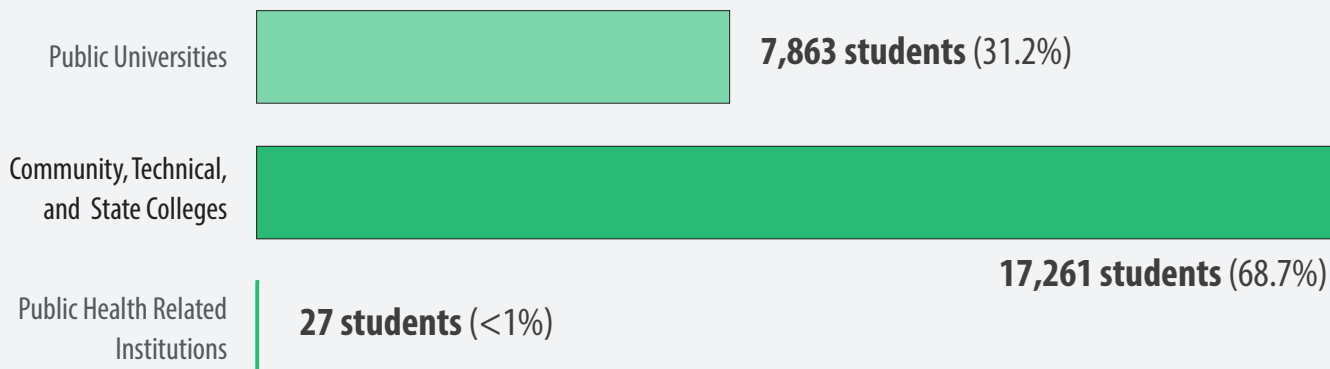
- They lived in Texas during the three years before graduating from high school or receiving a Texas Certificate of High School Equivalency; and
- They lived in Texas the full year before the enrollment cutoff at a Texas public college or university; and
- They sign an affidavit declaring their intention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

Texas Dream Act Students Contribute **Much More Financially** Than They Receive



Source: Texas Higher Education Coordinating Board, 2016

Where Do Texas Dream Act Students Go to School?



Source: Texas Higher Education Coordinating Board; *Overview: Eligibility for In-State Tuition and State Financial Programs, 2016.*

The DREAM Act -- a separate, broader measure -- grants conditional lawful permanent resident status to those who entered the United States before they were 18, have lived in the country for the prior four years of age, haven't been convicted of certain criminal and state offenses, and meet designated education requirements.

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 impact 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 be admitted to Texas colleges.

How many students benefit from the Texas Dream Act?

In 2016, there were 25,151 in-state tuition students under this program who accounted for just 1.5 percent of all students enrolled in public universities, public community colleges, public technical and state colleges, and public health related institutions in Texas.⁴

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 are awarded financial aid in the same manner as other Texas students that are U.S. citizens or permanent residents.

A total of \$524 million was awarded through state-funded grant programs to 135,505 students attending Texas colleges and universities in 2016. Of that, only 2,819 Texas Dream Act students received state-supported grants -- totaling \$12 million -- a small fraction of the total.⁵ In 2016, Texas Dream Act students represented less than one 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 \$63.6 million in tuition and fees in fiscal year 2016. When compared to the \$12 million awarded in financial aid, the state and public institutions of higher education saw a benefit of \$26 million.

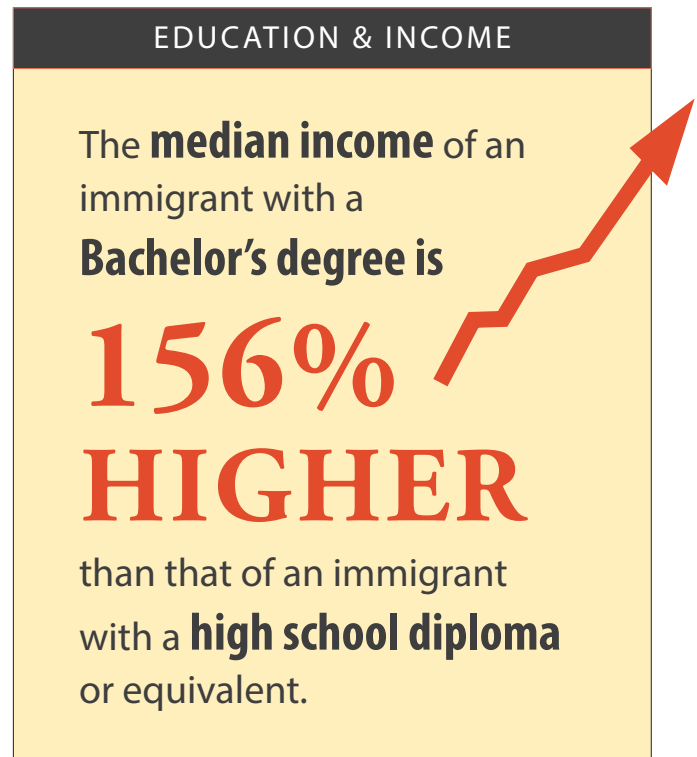
How does the Texas Dream Act benefit the Texas economy?

Sustaining our state's growth is about bringing all community resources to the table, and a better educated workforce means strong economic benefits for Texas. Increasing access to higher education allows Texas students with in-state tuition to greatly improve their earning potential, contribute more to the Texas economy, and may further incentivize high school graduation.

For example, the median income of an immigrant who works full time in Texas with a Bachelor's degree or higher is \$46,349 per year compared to an immigrant with just a high school diploma or equivalent, who earns \$18,137 per year.⁵ Additional taxes paid by a Bachelor's degree holder compared to a high school graduate amounts to \$2,138 more per person annually to state and local governments.⁶ At the 2016 level of Texas Dream Act students, the potential additional tax benefit to state and local governments is \$54 million.⁷

The benefits do not just extend to those that have completed a Bachelor's degree. The median income of an immigrant in Texas with some college or an Associate's degree is \$23,578.⁸ Additional taxes paid by

immigrants residing in Texas that attended some college amounts to about \$212 per person annually to state and local governments.⁹ At the 2016 level of Texas Dream Act students, the potential additional tax benefit to state and local governments is \$5 million.¹⁰



Endnotes

- 1 Tex. H.B. 1403, 77th Leg., R.S. (2001), <http://www.capitol.state.tx.us/tlodocs/77R/billtext/html/HB01403F.htm>.
- 2 DACA provides two years of relief from deportation along with a work permit for those that are eligible, can afford to apply, and are approved.
- 3 See note 1.
- 4 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 FY 16 was 25,151.
- 5 CPPP analysis of Texas Higher Education Coordinating Board, Overview: Eligibility for In-State Tuition and State Financial Aid Programs (2018) <http://www.theccb.state.tx.us/reports/PDF/9054.PDF?CFID=75314517&CFTOKEN=13839274>
- 6 CPPP Analysis of 2016 PUMS data on median wages for full-time (35 hours or more) workers not born in the United States over 25.
- 7 CPPP analysis of shares of family income paid in state and local taxes for non-elderly taxpayers paid by income range prepared by ITEP's report Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, 6th edition (October 2018). <https://itep.org/wp-content/uploads/itep-who-pays-Texas.pdf>.
- 8 CPPP Analysis using 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 25,151.
- 9 See note 8.
- 10 CPPP analysis of shares of family income paid in state and local taxes for non-elderly taxpayers paid by income range prepared by ITEP's report Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, 5th edition (2015). <https://itep.org/wp-content/uploads/texas.pdf>.
- 11 See note 10.

For active links, please view this brief online:

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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. Find more CPPP analysis on immigrants in Texas at bit.ly/TXimmigrants.