

In-State Resident Tuition Policies for Undocumented Immigrants

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Summary

This brief examines the effects of in-state resident tuition (IRT) policies on high school dropout rates for undocumented immigrant youth. Since 2001, 18 states have adopted an IRT policy that allows undocumented youth to pay in-state tuition rates instead of the federally mandated out-of state tuition fee.

- Prior research finds that IRT policies increase college enrollment and completion rates among undocumented immigrant young adults.
- The study described in this brief examines whether IRT policies motivate undocumented immigrant youth to complete high school—a key argument of IRT policy advocates.
- The results of the study find that, after an IRT policy has been adopted, the high school dropout rate decreases by 8 percentage points in IRT policy states compared to non-policy states.
- In Missouri, there is on-going debate surrounding the passage of an IRT policy for undocumented immigrants.

Introduction

Many states have adopted immigration-related state and local level policies in the absence of federal immigration reform. This policy brief examines one such policy: in-state resident tuition policies (IRT) for undocumented immigrant youth. As of July 2014, 18 states (16 of which are still active) and four state university systems have enacted some type of in-state resident tuition policy for undocumented students. IRT policies allow undocumented immigrants to pay the same public college in-state (rather than out-of state) tuition fee available to citizens and legal permanent residents who reside in the state.

There is significant political discussion surrounding IRT policies for undocumented immigrants. Advocates argue that the policies increase a state's human capital, ensure equality, and foster good citizenship. Opponents, on the other hand, argue that the policies reward illegal behavior, encourage illegal immigration, and deprive legal residents of educational resources. For these various reasons, IRT policies are contentious and have been an area for debate in many states.

This brief summarizes research by Potochnick (2014) that examined one of the main arguments for IRT policies—that they reduce the high school dropout rate for undocumented immigrant youth. Policy advocates argue that financial barriers to higher education imposed by out-of state tuition costs decrease student motivations and contribute to the high dropout rate for undocumented youth. By offering a more affordable college education, IRT policies provide



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a strong incentive for high school completion. To assess this claim, Potochnick analyzed the nationally representative Current Population Survey (CPS) with data including 16 to 19 year old youth from years 1998-2011, before and after IRT policy adoption. The data includes information on undocumented immigrants and educational attainment.

Background on Undocumented Immigrant Youth

There are approximately two million undocumented youth in grades K-12 in the United States, many of whom came as young children with their parents and do not have proper legal documentation in the U.S. Many of these youth live in situations with known risks for high school failure (e.g., low-socioeconomic status, attending resource-poor schools, and living in neighborhoods with racial and economic segregation). The cost of out-of-state tuition, often more than 140 percent of in-state tuition, and ineligibility for federal or state financial aid present substantial financial burdens for undocumented youth, many of whom come from low income households (Gonzales 2009). Given these obstacles, it may not be surprising that estimates of the 25-64 year old adult population indicate that undocumented immigrants are less likely to have a high school diploma compared to both legal immigrants and native-born Americans (Passel 2005). These barriers to continuing education may contribute to decreased motivation for undocumented students and increase risk for dropping out of high school (Abrego 2006).

In-State Resident Tuition Policy Background

The Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) passed in 1996 barred states from giving undocumented immigrants in-state resident tuition unless all American citizens and nationals were eligible for the same benefit. Several states, without violating this law, have adopted policies to make it easier for undocumented immigrants to pursue higher education in their state. The specific criteria to qualify for IRT varies from state to state, but each state includes three general requirements: 1) attend a school in that state for a certain number of years; 2) graduate from a high school or receive a GED from that state; 3) have a signed affidavit showing they have applied to legalize their status or that they will do so when they are eligible (NILC 2009). States with IRT policies have ensured that U.S. citizens and legal permanent residents who meet these criteria also qualify for the in-state tuition rate, following the IIRIRA regulations.

Texas was the first state to adopt an IRT policy for undocumented youth in 2001. As of July 2014, 18 states have adopted IRT provisions for undocumented youth meeting certain criteria and several other states have considered similar legislation (NCSL 2014; NILC 2012). Two states that adopted an IRT policy, however, have since rescinded (or limited) the policy and a few states have taken the opposite approach and adopted an IRT ban prohibiting undocumented immigrants from paying in-state tuition. The timeline below offers an overview of dates of in-state resident tuition policies in different states.

Timeline In-State Resident Tuition Policies

Federal Action 1996

Illegal Immigration Reform and Immigrant Responsibility Act Prohibited states from providing in-state resident tuition to undocumented immigrants unless all U.S. citizens and nationals have the same benefit.

IRT State Policies 2001

- Texas (H1403, also extended access to state financial assistance)
- California (AB540)

After 2001, subsequent states also passed legislation to adopt In-State Resident Tuition

- **2002:** Utah (H144); New York (S7784)
- **2003:** Illinois (H60); Oklahoma (SB 596; rescinded in 2007); Washington (H1079)
- **2004:** Kansas (H2145)
- **2005:** New Mexico (S582, also extended access to state financial assistance)
- **2006:** Nebraska (L239)
- **2009:** Wisconsin (AB75; repealed in 2011)
- **2011:** Connecticut (H6390); Maryland (S167)
- **2013:** Colorado (S33); Minnesota (S1236); New Jersey (S2479); Oregon (H2787)
- **2014:** Florida (H851)

IRT State Policy Bans and IRT Policy Revisions

2006

- ✓ Arizona (Prop 300) barred in-state resident tuition for undocumented students.
- ✓ Colorado (HB1343) barred state agencies, including institutions of higher education, from entering into contracts with undocumented immigrants (overturned in 2013).

2007

- ✓ The Oklahoma legislature passed H1804 that rescinded the IRT policy but allowed the Oklahoma State Regents for Higher Education to award in-state tuition to undocumented immigrants on an individual basis.

2008

- ✓ Georgia (S492) barred in-state resident tuition for undocumented students.
- ✓ South Carolina (H4400) prohibited undocumented immigrants from attending any public institutions and lawful presence must be verified.

2010

- ✓ Georgia's State Board of Regents passed regulation that required the schools within the University System of Georgia to verify lawful presence of students seeking in-state tuition rates.

2011

- ✓ Alabama (H56) barred undocumented students from enrolling in public postsecondary institutions.



- ✓ California (AB130, AB131) and Illinois (S2185) extended access to state financial assistance.
- ✓ Indiana (H1402) barred in-state tuition rates for those unlawfully present in the United States.
- ✓ Rhode Island's Board of Governors for Higher Education allowed in-state resident tuition rates for undocumented students.
- ✓ Wisconsin revoked the in-state resident tuition policy for undocumented students (Statute §36.27).

2013

- ✓ Indiana (S207) amended legislation from 2011 to exempt those who had enrolled in a state school on or before July 1, 2011.
- ✓ The University of Hawaii and the University of Michigan Board of Regents allow undocumented students to receive in-state resident tuition.

2014

- ✓ Washington (S6523, H1817) extended access to state financial assistance.
- ✓ Virginia allowed lawfully present students under Deferred Action for Childhood Arrivals (DACA) to qualify for in-state tuition.
- ✓ Tennessee passed legislation granting in-state tuition for U.S. citizen children with undocumented parents.

Source: Potochnick 2014; NCSL 2014.

Research on IRT Policies

Previous research on IRT policies has studied policy effects on college entry and attainment (Chin and Juhn 2011; Flores 2010a; 2010b; Kaushal 2008). This research indicates that with more affordable higher education (e.g. in-state tuition), undocumented students have higher levels of college enrollment and are more likely to complete an associate's degree. The adoption of IRT policies has increased college enrollment levels among undocumented immigrants by as much as four percentage points. These studies, however, caution that the positive effects of IRT policies are limited by the fact few undocumented immigrant youth graduate from high school. As more time passes, more undocumented students may be motivated to complete high school and take advantage of IRT policies in the future.

The Potochnick study is unique in its focus on high school dropout behavior. It is among the first to assess whether the positive effects of IRT policies extend to high school aged youth. In the current economic climate, dropping out of high school not only impacts the student, but also the state with economic and employment related consequences (Lofstrom 2007).

Data

The data used for the analysis comes from the Current Population Survey Merged Outgoing Rotation Group (MORG) file using years 1998-2011. This survey has nationally representative information with monthly demographic and employment information for 30,000 individuals. In order to identify a true policy effect, this study includes key measures of both individual characteristics and state conditions. The individual characteristics include age, gender, living in a Metropolitan Statistical Area, family structure, education level of the parents, and the average number of years the youth has lived in the United States. The state conditions include the monthly unemployment rate to control for economic shocks; the percentage of non-Latino white adults with a high school degree and some college to control for general education trends; the percentage of Mexican adults with a high school degree to control for changes in Mexican educational aspirations; and the percentage of Mexican foreign-born non-citizens in the population to control for migration trends.

For ethical reasons, no governmental agency and very few research surveys collect information regarding documentation status (Passel 2005). Therefore, the commonly used proxy, Mexican foreign-born non-citizen, was used to represent undocumented status (Kaushal 2008). Mexican ethnicity, foreign-born status and non-citizenship do not mean one is undocumented. However, Mexican foreign-born non-citizens are one of the strongest proxies available and are used to denote undocumented youth in this study. This is a good proxy because, although most Mexican-American youth are documented, undocumented Mexican-Americans make up the majority (59%) of the undocumented population in the United States. Moreover, 56% of foreign-born Mexicans are estimated to be undocumented (Gonzales 2009; Passel 2008). Undocumented Mexican-American youth also have the highest dropout rate of any immigrant group (Fry 2003; NCES 2009). The sample for this study includes Mexican foreign-born non-citizens, hereafter referred to as undocumented youth, who are 16-19 years old between 1998 and 2011 (N=6,603). While currently there are 16 states with active IRT policies, this study included the 11 states with IRT policies as of 2011 (California, Illinois, Kansas, Nebraska, New Mexico, New York, Oklahoma, Texas, Utah, Washington and Wisconsin).

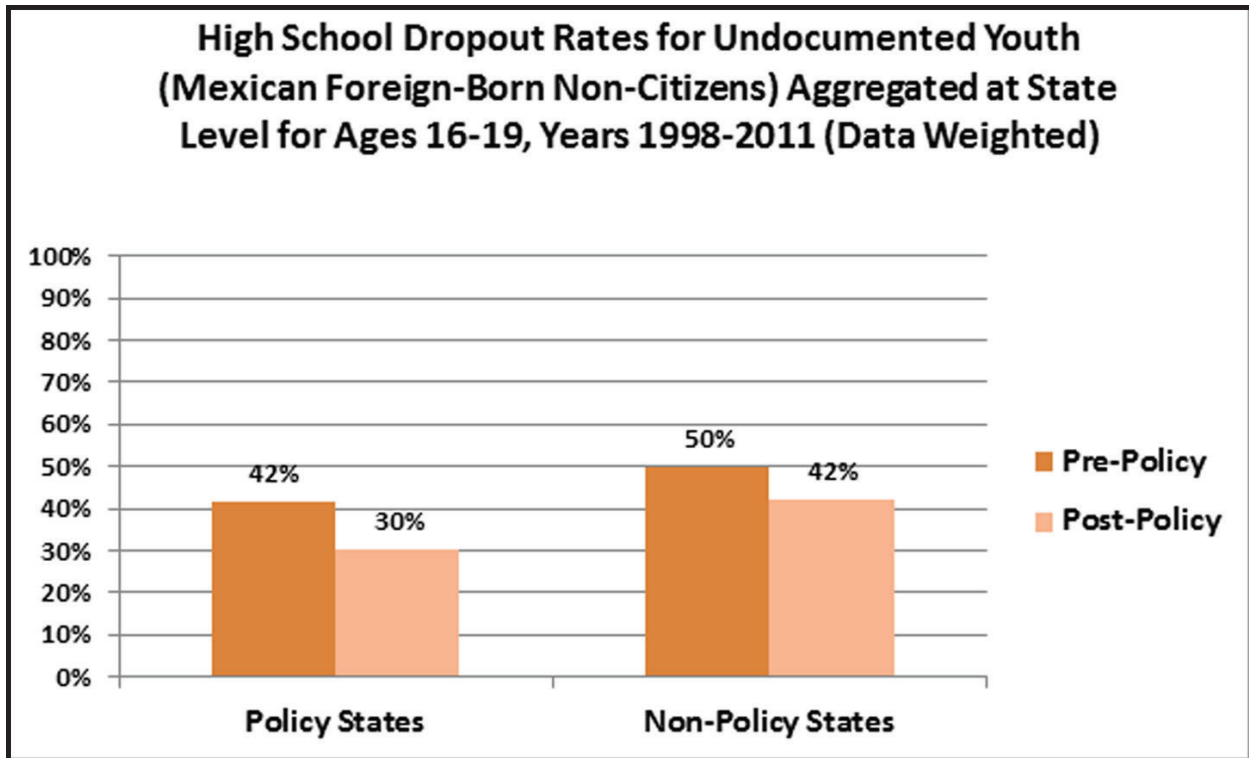
This study used a difference-in-difference design that uses a pre-post and treatment and control group comparison to identify a policy effect. Similar to an experiment, this design (which is quasi-experimental) compares the likelihood of dropping out of high school after an IRT policy was enacted with two groups: a cross-section of undocumented youth living in the same state pre-policy (i.e. a pre-post comparison) and a cross-section of undocumented youth at the same time but in a non-policy state (i.e. a treatment and control comparison). The outcome of interest is the high school dropout status for youth from 16 to 19 years old, meaning those who are not enrolled in school and those without a high school degree.

Results

The descriptive statistics from this study show that dropout rates in both policy and non-policy states are quite high among undocumented youth. On average, the pre-policy dropout rate of undocumented students is 43 percent in policy states, while in non-policy states it is about 50 percent. The dropout rates of undocumented students decreased between the pre-post time



periods in both policy and non-policy states. Of interest, however, is the 12 percentage point decrease in the dropout rate in states that enacted an IRT policy whereas in non-policy states, the decrease between 1998 and 2011 was just eight percentage points. These results are similar to national trends, which indicate declining dropout rates among the foreign-born population during that same period (Fry 2007). The larger decrease in policy states, however, suggests IRT policies have reduced the dropout rate even further. The differences between the pre and post policy declines in policy states (12 percentage points) and non-policy states (8 percentage points) indicate that IRT policies have reduced the high school dropout rate by 4 percentage points.



Notes: Post policy is lagged by 12 months, meaning the policy was enacted 12 months previous. Median policy enactment date (May 2003) indicates pre-post division for non-policy states (By May 2003, seven of the 11 policy states have adopted their IRT policy).

To further assess the effect of IRT policies, Potochnick ran multivariate regressions that controlled for individual and state characteristics that may differ between policy and non-policy states. In this more statistically advanced analysis, she found even stronger evidence that IRT policies reduce the likelihood of dropout for undocumented youth. Once she controlled for differences in individual and state characteristics, she found that IRT policies had a stronger effect—**they reduced the dropout rate by 8 percentage points**. To ensure the validity of this result, Potochnick ran several sensitivity checks related to the comparability of policy and non-policy states, the use of the Mexican foreign-born non-citizen proxy, and a policy feedback threat (i.e. motivated immigrants move to states with an IRT policy). She consistently found that IRT policies reduced the high school dropout rate for undocumented students. She also found no evidence that IRT policies affected the dropout rates of youth not targeted by the policy (i.e. U.S. born-whites, U.S. born-blacks, and Latino citizens). This result provides further evidence that IRT policies benefit the population that they are designed to address—undocumented immigrants.



Discussion

Policy advocates argue that IRT policies will motivate undocumented youth to stay in school to attain their high school diploma because they could then continue to postsecondary education (Gonzales 2009). While research finds that IRT policies affect college enrollment, little is known about the impact of IRT policies at the K-12 level. This study examined one of the main arguments used by policy advocates—that IRT policies motivate high school aged youth—by evaluating how much IRT policies reduce the likelihood of undocumented students dropping out of high school.

Findings from this study show that Mexican foreign-born non-citizens, youth most likely to be undocumented, are at a high risk of dropping out of high school before graduation. In-state resident tuition policies may be a partial solution to this high dropout rate. Results indicate that IRT policies reduce the likelihood of dropping out by eight percentage points. This is equivalent to a nearly 19 percent decrease in the overall dropout rate of Mexican foreign-born non-citizens.

Overall, this study and other research on IRT policies demonstrates that state level education policies strongly shape the educational trajectories and future well-being of undocumented immigrant youth. Excluding undocumented immigrant youth from in-state tuition rates adds to the economic and discriminatory challenges these youth face, limits their future possibilities, and increases their risk for dropping out of high school. States that adopt IRT policies can reduce these burdens and promote the future educational and economic trajectories of undocumented immigrant youth and the communities where they reside.

What this means for Missouri

Debates surrounding undocumented immigrants and IRT policies have been on-going in Missouri. The size of the undocumented immigrant population in the United States was estimated to be about 11.2 million in 2010 and ranges from more than 2.5 million in California to less than 10,000 in several states (e.g, Alaska, Vermont, and Wyoming; Passel and Cohn 2011). While the undocumented immigrant population has grown in Missouri since 1990, when there were an estimated 10,000 unauthorized immigrants, the share of undocumented immigrants is still relatively small. In 2000, Missouri had an estimated 30,000 unauthorized immigrants living in the state. Estimates from 2010, however, indicate an increase to 55,000 undocumented immigrants (about 24,000 families) residing in Missouri (Passel and Cohn 2011).

The growth in the undocumented population in Missouri has created political tensions about whether and how to service this population. For the past 10 years, there have been several bills introduced in the Missouri legislature regarding undocumented immigrants receiving in-state resident tuition, but none of these bills have passed the legislature. Instead, Missouri has adopted more restrictive policies that limit undocumented immigrants' access to higher education. House Bill 390, for instance, was passed in 2009 and restricted access to financial awards (e.g. scholarships, grants) for unlawfully present students.¹

1. In Chapter 173 of the Missouri Revised Statutes, it states that students who are unlawfully present are not allowed any postsecondary education public benefit (no financial assistance) and that the institutions are to verify that the student receiving public benefit is either a U.S. citizen, legal permanent resident or is lawfully present in the United States (Missouri Revised Statutes 2014).

There is recent evidence, however, that Missouri’s stance on undocumented immigrant youth and IRT policies may change in light of federal action that has begun to reduce legal barriers for undocumented youth (e.g., 2012 Deferred Action for Childhood Arrivals (DACA) executive order). In the December 2014 Coordinating Board for Higher Education “Agenda of Meeting”, the November minutes recorded that the status of undocumented students “will likely continue to be a topic of vigorous discussion” (MDHE 2014). There was also discussion regarding the need to extend educational benefits, including in-state-tuition, to this population. It is important to note that even if federal immigration reform occurs, it will not likely resolve the debate over whether undocumented immigrants should qualify for in-state tuition. The issue of in-state tuition for undocumented immigrants (or any newly legalized immigrant population) will largely remain a state issue, and thus, must be addressed by Missouri’s state legislatures.



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