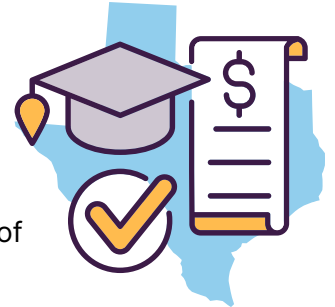


## In-State Tuition for Immigrant Students in Texas: Fostering Young People's Ability to Thrive and Supporting a Strong Future for Texas

Since 2001, the Texas Dream Act has allowed eligible noncitizen students in Texas to pay in-state tuition at Texas public colleges and universities, recognizing them as Texas residents if they meet the following requirements:

1. graduated from a public or private high school or received the equivalent of a high school diploma in Texas;<sup>i</sup>
2. lived in Texas for at least 3 years before graduating or receiving the equivalent of a high school diploma, including the full year before the registration cutoff date for the academic term in which they are enrolled at a public college or university;<sup>ii</sup> and
3. signed an affidavit stating that they will apply to become a U.S. permanent resident as soon as they become eligible to do so.<sup>iii</sup>



Undocumented immigrants in Texas support our public higher education system<sup>iv</sup> by paying \$5.4 billion in state and local taxes each year.<sup>v</sup> In a tight labor market where Texas had 604,000 job openings in December 2024 and employers struggle to fill jobs with qualified workers, undocumented college graduates also help meet the demands of our state's growing economy.<sup>vi</sup>

### Threats to In-State Tuition for Immigrant Students in Texas

S.B. 1205, S.B. 1798, H.B. 160, H.B. 232, H.B. 424, H.B. 979, and H.B. 1324 propose amending the Texas Education Code to reclassify students who are "not authorized under federal statute to be present in the United States" as non-residents. This change would cut off access to in-state tuition at public colleges and universities for undocumented students who graduated from a Texas high school and may have lived in the state for most of their lives.



- S.B. 1798 and H.B. 160 would go even further by potentially forcing students to retroactively pay out-of-state tuition for past academic terms if they are reclassified as non-residents—preventing them from receiving their diploma or official transcripts until this unexpected debt is paid; and
- H.B. 160 would also require colleges and universities to report undocumented students' immigration status to law enforcement, creating a chilling effect that would discourage immigrant students from enrolling in public institutions of higher education.

If passed, these bills would block opportunities for immigrant students, limit Texas's ability to continue growing its skilled workforce, and undermine the state's long-term economic growth.

## Children's Defense Fund-Texas Opposes S.B. 1205, S.B. 1798, H.B. 160, H.B. 232, H.B. 424, and H.B. 1324

These bills would harm Texas young people's individual futures and undermine the strength of our state's workforce and economy. Nearly 57,000 undocumented students are currently enrolled in higher education in Texas.<sup>vii</sup> Each year, 18,000 undocumented students graduate from Texas high schools.<sup>viii</sup> With access to higher education, these students can contribute in-demand skills to our state's workforce and become leaders in their chosen fields.



However, the policies proposed under S.B. 1205, S.B. 1798, H.B. 160, H.B. 232, H.B. 424, H.B. 979, and H.B. 1324 would place higher education out of financial reach for many low-income students, preventing them from advancing in their careers and achieving long-term financial security. On average, out-of-state tuition rates in Texas are three times higher than in-state rates.<sup>ix</sup> Additionally, students who are re-categorized as non-residents would lose access to state financial aid since those programs require state residency as defined in the same section of the Texas Education Code that these bills seek to amend.

**Access to affordable higher education for immigrant students benefits all Texans by ensuring that our state's youth are equipped with the skills and knowledge they need to care for themselves and their families and contribute their unique capabilities to our culture, society, and economy.**

- Since 2001, Texas Dream Act students have **added almost \$461.3 million to the Texas economy every year** through increased earnings, spending, and tax revenue generated as a result of their ability to pursue higher education.<sup>x</sup>
- Research shows that earning a bachelor's degree **increases Texas Dream Act students' earning potential by over 57%**, and that even those who complete some college without graduating earn **over \$52.3 million in additional wages** each year.<sup>xi</sup>
- Without these new graduates, **Texas stands to lose \$244.4 million in wage earnings and \$216.9 million in additional spending power each year.**<sup>xii</sup>

As these numbers show, taking away access to in-state tuition for Texas Dream Act students would not only harm the individual futures of tens of thousands of young people, but also shrink our skilled workforce and negatively impact our state's economy for years to come.

## FAQ

### **1. Does current state law allow undocumented students from other states to pay in-state tuition if they move to Texas to pursue higher education?**

**No.** Since students who lack U.S. citizenship or permanent resident status are required to have lived in Texas for at least three years to be considered state residents when they enroll in higher education, the only immigrant young people who can access in-state tuition under current Texas law are students who already have deep roots in the state.

### **2. Does providing in-state tuition to eligible immigrant students give these students any advantage over other students in the admissions process?**

**No.** In-state tuition has nothing to do with the admissions process. Texas Dream Act students are subject to the same admission process as all other applicants in Texas, and in 2021, they made up a mere 1.5% of all students enrolled in public institutions of higher learning in Texas.<sup>xiii</sup>

### **3. Does the Texas public higher education system lose money by charging eligible immigrant students in-state tuition?**

**No.** Texas Dream Act students contribute to our state's economy by paying much more in tuition than they receive in state financial aid. In FY 2021, they paid \$81.6 million in tuition and fees<sup>xiv</sup> and received just \$17.1 million in financial aid supported by the state's General Revenue fund.<sup>xv</sup>

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<sup>i</sup> Texas Education Code, Section 54.052(3)(A).

<sup>ii</sup> Texas Education Code, Section 54.052(3)(B).

<sup>iii</sup> *Ibid.*

<sup>iv</sup> Legislative Budget Board, "Financing Public Higher Education in Texas: Legislative Primer," (March 2019), "Most state tax revenue... [is] deposited as nondedicated General Revenue Funds. Appropriations from General Revenue Funds provide the majority of formula funding to higher education institutions" at p. 5, [https://www.lbb.texas.gov/Documents/Publications/Primer/4909\\_Financing\\_Public\\_Higher\\_Ed.pdf](https://www.lbb.texas.gov/Documents/Publications/Primer/4909_Financing_Public_Higher_Ed.pdf).

<sup>v</sup> American Immigration Council, "Map the Impact: New Americans in Texas" (data year: 2023), <https://map.americanimmigrationcouncil.org/locations/texas/>.

<sup>vi</sup> U.S. Bureau of Labor Statistics, "Texas Job Openings and Labor Turnover — December 2024" (Feb. 25, 2025), [https://www.bls.gov/regions/southwest/news-release/jobopeningslaborturnover\\_texas.htm](https://www.bls.gov/regions/southwest/news-release/jobopeningslaborturnover_texas.htm).

<sup>vii</sup> Higher Ed Immigration Portal, "Texas State Data," <https://www.higheredimmigrationportal.org/state/texas/>.

<sup>viii</sup> *Ibid.*

<sup>iv</sup> National Center for Education Statistics, "Table 330.20. Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state: Academic years 2021-22 and 2022-23," [https://nces.ed.gov/programs/digest/d23/tables/dt23\\_330.20.asp](https://nces.ed.gov/programs/digest/d23/tables/dt23_330.20.asp).

<sup>x</sup> American Immigration Council, "The Economic Cost of Repealing In-State Tuition in Texas," Mar. 2023, <https://www.americanimmigrationcouncil.org/research/economic-cost-repealing-state-tuition-texas>.

<sup>xi</sup> *Ibid.*

<sup>xii</sup> *Ibid.*

<sup>xiii</sup> Every Texan, "Texas Dream Act Report" (May 2023), <https://everytexan.org/wp-content/uploads/2023/05/Texas-Dream-Act-fact-sheet-May2023.pdf>.

<sup>xiv</sup> *Ibid*; see also Texas Higher Education Coordinating Board's data on the amount of state-supported grant aid, supported by state general revenue funds, distributed to affidavit students for FY 2021.

<sup>xv</sup> See Texas Higher Education Coordinating Board, FY21-23\_Affidavit\_Student\_Financial\_Aid\_Masked.