# Limiting Options for Undocumented Youth: Tuition Policy Closing Doors



Christian came to the United States when he was 5 years old. His family was looking for a better life with more opportunities. As a 5-year-old, Christian did not have a choice whether to stay in Mexico or come to the United States. He had no idea his prospects in this country would be stunted by a lack of documentation. Christian strives to enroll in a four-year university, but he is currently studying at a community college, because transferring would cost far too much money, especially after the repeal of in-state tuition for undocumented students in Wisconsin. He was frustrated with the repeal, but his father urged him to continue his studies and rely on a positive attitude and willpower. Like other undocumented students, Christian reports that he wants to better himself for his country – the United States. He does not want anything for free; he wants to pay in-state tuition because he grew up in Wisconsin, and he would like to be able to afford to go to college in his home state. He just wants a chance.

Last year the state budget process was extremely contentious throughout Wisconsin. Lost on many amid the furor over collective bargaining, cuts to K-12 education, and reduced aid to our communities was the repeal of in-state tuition for undocumented students.

When in-state tuition for certain undocumented immigrants was first passed, many students, parents, guidance counselors, teachers, and community leaders hoped it would lead to a brighter future for those affected, since college would now be financially feasible for those students.

With the stroke of a pen, this optimism was dampened. Budgets deal with numbers, but these decisions have an impact on real people's lives. This change affects the rest of the state's residents as well. Wisconsin has invested in these children through K-12 education. Discontinuing their educational progress will only serve to squelch the return on that investment.



Despite the dehumanizing language too often used to describe people without documentation, they too want to invest in their futures and become the best they can be. The undocumented students affected by this legislation were brought to the United States by their parents, often before they were even teenagers. Frequently, these children have never visited their countries of birth and have been raised exclusively in the United States. Some grow up knowing they are undocumented. Others find out when they cannot get a driver's license, or when they ask their parents for their social security number to fill out federal financial aid forms such as FAFSA. Despite the struggles with lack of documentation, these students still strive toward their American dream. They attend and graduate from schools in Wisconsin, grow up speaking two or more languages, navigate two or more cultures, and become a part of Wisconsin communities. They are American all but in name and documentation.

This policy brief discusses the effect the repeal of in-state tuition is having on both individual students and on the state.

## **Estimating the Undocumented Population**

The Pew Hispanic Center estimates that there are 11.2 million undocumented immigrants living in the United States, and 5.5 million are children of undocumented immigrants. Of those children, 4.5 million were born in the United States and are therefore citizens. That means there are about 1 million undocumented children in this country, representing 8.9 percent of the total undocumented immigrant population.

Wisconsin has a relatively small undocumented immigrant population. An estimated 100,000 undocumented persons reside in Wisconsin. Based on the national percentage, one can estimate that about 8,900 undocumented persons in Wisconsin are children.<sup>3</sup>

The University of Wisconsin system does not officially tally undocumented students. However, during the 2011-2013 state budget process, the Legislative Fiscal Bureau reported that an estimated 86 undocumented students were enrolled in the UW system since 2009. These estimates are arrived at by counting the number of students who check "other" in response to the citizenship question on their application, rather than selecting any of the other options: U.S. citizen, refugee, resident alien, visa holder, or applying for student visa. Similarly, Wisconsin Technical and Community Colleges do not have official counts of undocumented students. They estimated that as few as five undocumented students qualified for in-state tuition for the 2010-2011 school year. Several people involved with high schools and university systems have indicated that these estimates seem to be quite low, meaning many more students will be affected by the repeal of in-state tuition.



Alejandro's family came to the United States because they did not have the means to support themselves in Mexico. Maricela's family experienced extreme economic hardship and were forced to make the difficult decision to leave Mexico. They tried to apply for a visa to come to the United States but could not get one.

Jorge's family experienced financial collapse and his town was threatened by drug cartel violence.

Often it is a matter of survival. Alejandro echoes a sentiment heard from many undocumented people: they do not want to come without documentation, but they have few other options. Life is extremely difficult without it, but it costs a lot of money — and time — to come to the United States as a documented immigrant. Immigrants must be sponsored by a U.S. citizen or permanent resident family member, by an employer, or meet another special category of requirements to be considered for a green card. Even after consideration, there is a waiting list to be admitted into the United States. This cumbersome system is often impractical for a family who has to move to meet their basic needs.

# Access to Education is a Fundamental Right

All children, including undocumented children, have access to public K-12 education. The 1982 Supreme Court decision *Plyler v. Doe* asserted that no one may be barred from a public education based on their immigration status.

The Court's decision rested on the importance of public education for all children living in the United States. Justice Brennan, author of the majority opinion, wrote that being denied liberties that citizens and documented immigrants take for granted relegated undocumented people to underclass status.<sup>7</sup> The opinion further states that undocumented children should not be punished for the transgressions of their parents, since they had no part in the decision to come to the United States unlawfully. Furthermore, Brennan noted education is the cornerstone of democracy, and denying this service to any child would only serve to undermine our country's basic foundations.

The Supreme Court, however, did not address post-secondary education in *Plyler v. Doe.* While the decision ensured a K-12 education for all children regardless of immigration status, college education remains a question to which states have been crafting answers through piecemeal legislation.

"Even if the State found it expedient to control the conduct of adults by acting against their children, legislation directing the onus of a parent's misconduct against his children does not comport with fundamental conceptions of justice."

- Justice William Brennan

#### A Brief History of Legislation in Wisconsin

Members of Youth Empowered in the Struggle (YES)--the youth arm of Voces de la Frontera--had fought successfully for in-state tuition for undocumented students in the 2009-11 biennial budget. Many of those students were undocumented themselves. The change enabled undocumented students to pay in-state tuition rates for public universities and colleges in Wisconsin if they met three basic requirements: The student must (1) have graduated from a high school or earned a general equivalency diploma (GED) in Wisconsin; (2) have been continuously present in the state for at least 3 years; and (3) file for legal status as soon as he or she is eligible to do so.<sup>8</sup>

These provisions were eliminated in the 2011-13 biennial budget, just 2 years after their original passage. Not only does this mean that undocumented students graduating from Wisconsin high schools will have to pay out-of-state tuition rates to attend a Wisconsin university or technical college, but it also means that undocumented students already enrolled in public institutions of higher education will have to start paying non-resident rates. An undocumented student who enrolled in 2010 will now be charged almost triple the rate they have been paying due to this change. For example, resident tuition for a full-time undergraduate at UW-Madison in 2011-12 was \$9,671.04. A non-resident paid \$25,420.80 , over 2.6 times higher than the in-state rate.

2011-2012 Tuition Rates for UW-Madison			
In- State Tuition	Out-of-State Tuition		
\$9,671.04	\$25,420.80		

Source: Office of the Registrar UW-Madison, *Tuition and Fees*, http://registrar.wisc.edu/tuition\_&\_fees.htm

#### In-State Tuition Repealed

College had become a reality for Jorge after friends encouraged him to apply, and he discovered that he qualified for in-state tuition. One month into his first semester as a college student, in-state tuition for undocumented students was repealed, and Jorge received a letter from his university informing him that his tuition was going to nearly triple. This dramatic increase cast into doubt his academic future and his ability to pursue his dream.

Gerardo had earlier planned to graduate from high school and find a job, but when in-state tuition became available he set his sights higher. He wanted to attend a 4-year university. Unfortunately, the repeal put college out of reach. In-state tuition would have been difficult to pay, but out-of-state tuition was impossible. Gerardo became depressed and felt hopeless. At one low point, Gerardo felt so overwhelmed and stressed that he thought about contacting Immigration and Customs Enforcement (ICE) to turn himself in. Luckily, he had a support network to encourage him. Gerardo points out that depression and mental health issues are not uncommon for undocumented people who face stress and uncertainty every day. The repeal of in-state tuition added to the already challenging circumstances of undocumented life. Many students perceived the change as evidence that Wisconsin does not value undocumented students.

#### **Decisions Made by Other States**

Although the legal landscape is ever-changing, many states currently offer undocumented students in-state tuition rates if they meet certain qualifications. Usually these stipulations are similar to Wisconsin's requirements, i.e. a combination of graduating from an in-state high school, residing in the state for a few years, and promising to seek legal status as soon as possible. As of this writing, 13 states have provisions authorizing undocumented students to pay in-state tuition: California, Connecticut, Illinois, Kansas, Maryland, Nebraska, New Mexico, New York, Oklahoma, Texas, Utah, and Washington. Rhode Island's Board of Governors for Higher Education also voted to provide in-state tuition to undocumented students.

Three states- New Mexico, Texas, and California-offer state financial aid to undocumented students who qualify for in-state tuition. Undocumented students in all states are ineligible for federal financial aid.

Other states have passed harmful measures to restrict undocumented students' access to higher education. Arizona, Colorado, Georgia, and Indiana have passed legislation that prevents undocumented students from receiving in-state tuition. South Carolina and Alabama passed laws that prohibit undocumented students from enrolling in state universities or colleges.<sup>15</sup>

# Follow the Money: Does Eliminating In-State Tuition Make Fiscal Sense?

The exponential difference in tuition rates between residents and non-residents makes sense for students who come to Wisconsin from other states. They have not lived in Wisconsin and therefore have not contributed to Wisconsin state taxes. In other words, they have not paid into the system that helps to fund the university and helps to subsidize the tuition of residents.

But undocumented students and their families, like citizens and documented immigrants, support public universities through tax dollars. Undocumented immigrants pay sales taxes on items purchased in stores. <sup>16</sup> Many undocumented immigrants pay income taxes by using unauthorized social security numbers or Individual Taxpayer Identification Numbers (ITINs). Nationally, undocumented immigrants pay about \$11.2 billion in taxes. In Wisconsin, they contributed about \$94 million in taxes in 2010 alone. <sup>17</sup> All of this revenue helps to run the nation and the state in many ways, including

funding for public colleges and universities.

#### **College Education Benefits the State Economically**

Many people wonder if there is a significant return on the investment states make to fund higher education. A recent study estimates that states collect 2.5 times the amount of income tax over a lifetime from those with a bachelor's degree than from those with only a high school diploma. 18 This percentage increases for those with a master's, doctoral, or professional degree. For example, a high school graduate pays approximately \$34,044 in state income taxes over his or her lifetime, while a bachelor's degree holder will pay \$89,667.<sup>19</sup> The impact on federal taxes paid over a lifetime is even more dramatic. High school graduates pay \$111,132, while those with a bachelor's degree contribute \$367,132.20 The internal rate of return on government investment in higher education is about 10 percent.<sup>21</sup> This figure accounts for the combination of increased tax revenue from persons with college degrees and the savings from their typically lower utilization of social programs.

States see other positive returns that are less quantifiable monetarily, but are nevertheless important. A systematic review of academic research exploring the results of in-state tuition policies in various states revealed that these policies were correlated with positive results such as higher non-citizen enrollment in colleges and universities and lower high school drop-out rates among non-citizen Latinos. <sup>22</sup> Drop-out rates among Mexican non-citizens range from 42 percent to 48 percent throughout the nation. In-state tuition policies have led to a 14 percent decrease in Mexican non-citizen drop outs. <sup>23</sup>

Estimated Taxes Paid by Families Headed by Undocumented Immigrants					
	Income Taxes	<b>Property Taxes</b>	Sale Taxes	Total	
Wisconsin	\$21,769,578	\$6,113,527	\$66,572,091	\$94,455196	
All States	\$1,214,111,519	\$1,610,599,492	\$8,404,670,400	\$11,229,381.,410	

Source: Immigration Policy Center, Unauthorized Immigrants Pay Taxes, Too

# Repealing In-State Tuition is Not a Fiscal Boon to Wisconsin

Undocumented students have not been a burden on the public college and university system. Large funding cuts to the university system are responsible for the budget challenges the UW system faces. The 2011-2013 state budget cut funding for the UW system by 9 percent, which is much larger than cuts made in other parts of the budget.<sup>24</sup> On top of these cuts, the state in early 2012 directed the university system to find another \$46 million in cuts by June 2012.<sup>25</sup>

In-state tuition does not mean free tuition. A flawed method is often used to calculate the savings or cost of such a policy. This method involves subtracting the in-state rate from the out-of-state rate and then multiplying this difference by the number of undocumented students attending a public institution. This method assumes that undocumented students would still attend a university if they had to pay out-of-state tuition. This assumption is clearly false. Furthermore, the out-of-state rate covers over 100 percent of instructional costs so it is not the actual cost of attendance at any UW System school.

An accurate assessment of state financial impact would have to take into account not only the state subsidy for each student, but also their parents' tax contributions and the student's earning potential as a college graduate as opposed to a high school graduate or drop-out. Moreover, based on the overall estimated population of undocumented adults and children in Wisconsin, a relatively small number of students would access

in-state rates for college. The state subsidies for these students would be minute in comparison to cuts that are actually having a negative impact on the UW system. Avoiding a colossal waste of talent, however, would benefit both individual students and the state.

# Tenacity in the Face of Challenges

Alejandro wanted to pursue a degree after graduating high school, but financing his dreams was going to be a problem. Undocumented students do not have the same range of options as citizens do. Alejandro could not apply for federal aid. Most scholarships ask for a social security number, and those that do not are extremely competitive. Finding a job to fund his education was a huge challenge without documentation. Few banks offer private loans, and even when they do the interest rate is typically high. Alejandro had to live close to home because housing was very expensive, and transportation was also risky because he could not obtain a driver's license. Alejandro also had a difficult time accessing information about how to apply to college as an undocumented student; His high school counselor "did not really know" what to tell him.

Alejandro is a persistent person and overcame these obstacles through hard work and determination. He reports, however, that many of his peers were greatly affected by barrier after barrier. They decided to drop out of high school, not seeing the point of finishing if they would end up working the same jobs they could get without a diploma. Some even joined gangs. Alejandro did not want to go down this path, but each day is uncertain for an undocumented student.



#### The Future of Wisconsin

The statement that "youth are the future" is cliché, but it does ring true. Youth are the future doctors, legislators, teachers, and firefighters who will lead our communities. Undocumented youth are a part of this future.

Jorge was motivated to strive for college after he discovered that he could apply even though he lacked documentation. He is a model student, working a job, attending classes, and volunteering in his very limited spare time to encourage high school students to go to college. Jorge points out that he and other undocumented students are working to help their communities, and that they will be able to better contribute their talents after they get a college degree. "Getting a degree will help Wisconsin," Jorge stated.

## Are There Any Other Options?

The options for undocumented students are extremely limited. They cannot legally work in the United States, so jobs are typically lower paying and precarious. For example, if an undocumented person uses an unauthorized social security number or an ITIN number, an employer could discover he or she is undocumented, typically resulting in termination or being reported to ICE and deported. Yet, providing unauthorized information is often the most practical option for undocumented young people trying to obtain a job with a decent wage.

Under current legislation, joining the military is not an option for undocumented youth either. Many have suggested that undocumented people could adjust their immigration status by serving in the armed forces and becoming a citizen, but no branch of the military is able to enlist an undocumented person.<sup>29</sup> Like other government jobs, a valid social security number or resident alien number must be presented in order to join.

#### **Private Schools**

By definition, private colleges and universities do not rely on public funding to operate. Therefore, the repeal of in-state tuition for undocumented students does not affect tuition rates for undocumented students who attend these institutions. Private colleges and universities, however, are typically much more expensive than their public counterparts. For example, for the 2012-13 academic year, tuition is \$23,740 at Edgewood College,<sup>30</sup> \$30,165 at St. Norbert College,<sup>31</sup> \$32,810 at Marquette University,<sup>32</sup> and \$38.194 at Beloit College.<sup>33</sup>

These tuition rates are prohibitive for many students. Some students can find federal funding to help cover these costs, but this is not an option for undocumented students. Private colleges offer private funding, some of which does not require the applicant to be a citizen or lawful permanent resident, so undocumented students could potentially find private funding to help cover the costs. This option, however, is extremely limited and therefore highly competitive. Numbers of undocumented students at private universities are also difficult to track because each institution admits students a different way. Some consider undocumented students to be domestic students and some count them as international students.

## Private College Experience

Maricela received full tuition at a private university through a private scholarship. She is an extremely motivated student who admits that her experience is very different from that of many of her undocumented friends. She was fortunate to find funding that has allowed her to focus more on her studies. Maricela has been at the forefront of the effort to pass in-state tuition and now to reinstate it. Although Maricela is attending a private university, she knows just how important access to public education is, and she wants tuition equity so everyone has a fair chance without undue burdens.

Sitlalic also attends a private university, but she is considered to be an international student even though she has lived in Wisconsin her whole life. As an "international" student, Sitlalic had to prove that she could pay for the cost of attendance. Consequently, she is attending on a part-time basis because, the tuition is more affordable.

# **Recommendations to Restore Hope**

There are three basic policy changes that would produce both human and fiscal benefits for Wisconsin.

#### 1. Reinstate in-state tuition for undocumented students

Higher education is simply unattainable for undocumented students if they must pay out-of-state rates. With federal financial aid unavailable to them, scholarships extremely scarce, and private loans prohibitively expensive, paying even the in-state rate is a hardship. By repealing in-state tuition for undocumented students, Wisconsin has effectively restricted opportunities for undocumented students. This policy change has derailed many futures without producing any fiscal benefit to the state. The humane decision, and the one that will pay off fiscally in the future, is to reinstate lower tuition rates for undocumented students who meet the basic requirements that were included in the 2009-11 budget. After being raised in Wisconsin, educated in the state's public schools, and striving for the American dream like their peers, these students deserve the chance to fulfill their potential.

#### 2. Offer financial aid for undocumented students

Undocumented students and their families face obstacles on a daily basis. If students make it to college, they face additional barriers to supporting themselves and paying for school. They may be unable to get a steady job, and they cannot get a driver's license in Wisconsin which makes getting to a job difficult. They live under the constant threat of deportation for themselves or family, and they face continuing legislative efforts to reduce their opportunities. On top of this incredible combination of pressures is the lack of financial aid available to finance higher education.

Most students are not able to attend college without some sort of financial aid support. During the 2010-11 academic year, 72 percent of undergraduate students attending UW system schools received some financial aid.<sup>34</sup> The opportunity to apply for financial aid would remove one large barrier to higher education and encourage undocumented students to

pursue a college education. Not only will this help individual students, but their earning potential will increase, meaning that they will contribute more in taxes later, which benefits all residents of Wisconsin.

#### 3. Pass the national DREAM Act

DREAM stands for the Development, Relief, and Education for Alien Minors. It is a bill that would offer students a path to citizenship. The most recent version of the bill outlines that students who came to the United States before they were 15 and who have resided continuously in this country for at least 5 years prior to the enactment of the bill would qualify for conditional permanent residency status upon acceptance to college, graduation from a U.S. high school, or earning a GED. The conditional permanent resident status is granted for six years. During this time, the student must graduate from a two-year college, complete at least two years towards a bachelor's degree, or serve in the military for two years. If these requirements are fulfilled, the young person has demonstrated "good moral character," and has not traveled outside of the United States for extended periods of time, he or she will be granted unrestricted lawful permanent residence.<sup>35</sup> This is the first step toward citizenship after the fulfillment of naturalization requirements. The conditional status means that a student would legally be able to drive, work, and live without fear of deportation. The DREAM Act would increase opportunities for undocumented students and provide a way to earn a legal status.

The DREAM Act would mean that taxpayer investments in the talents of highly motivated students in Wisconsin are not squandered. It would also mean that these hardworking students have the opportunity to contribute fully to their communities for years to come.

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Passel, J.S. & Cohn, D. Unauthorized Immigrant Population: National and State Trends, 2010 (February, 2011) Pew Hispanic Center: http://www.pewhispanic.org/files/reports/133.pdf

2,000,000(estimated undocumented child population nationally) = 11,200,000 (estimated total population of undocumented immigrants nationally)=.089 or 8.9%

Estimate: 100,000 (estimated undocumented population in WI) x .089 (see footnote 1) = 8,900

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