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# **Expanding State Level Support for Undocumented Immigrants: College Affordability Policies and State Identification**

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Expanding State Level Support for Undocumented Immigrants:  
College Affordability Policies and State Identification

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## Executive Summary

The 130,000 undocumented immigrants in Michigan are disproportionately affected by poverty, limiting their access to higher education due to affordability concerns, in addition to the various institutional obstacles that create hardships for this community. Creating opportunities for undocumented immigrants to increase their economic and social contributions can be beneficial to the state of Michigan. Establishing in-state tuition and in-state financial aid policies will aim to increase college affordability for undocumented students at the state level, leading to higher taxable income and other positive spillover effects. Establishing Tuition Equity (TE) policies that allow undocumented students to be eligible for in-state tuition rates will reduce the ticket-price of attending college and increase college affordability and access for undocumented students. Additional pro-immigrant provisions such as driver's licenses and state identification, may lead to benefits that can be further exacerbated. A summary of the state of current policies, an analysis of programs already implemented across the state and nation, and an overview of the political feasibility, costs, and benefits of such policies will be included in order to best provide a policy recommendation that addresses the aforementioned issues.

## College Affordability Policies

### Problem Identification

There are around 10,000 college-ed aged undocumented immigrants in the state of Michigan. Of all immigrants in the U.S., 43.6% live in or near poverty compared to the 31.1 percent of all U.S. natives (Center for Immigration Studies, 2011). There are currently 43.3 million immigrants in the United States, of which 11.3 million are undocumented (Migration Policy Institute). College is expensive especially for undocumented immigrants, whose average

household income is \$30,000 (The Institute on Taxation & Economic Policy, 2015). For these undocumented families, around 42.2 percent of their household income would go towards paying for college tuition, housing, and fees. Additionally, undocumented students are ineligible for federal financial aid and many scholarships are only granted to U.S. citizens. Financial resources at federal and institutional levels are limited, pushing states to establish policies and resources targeting college affordability for undocumented students.

Every year, 65,000 undocumented immigrants graduate from high school in the nation, yet only 5 to 10 percent go on to attend college (Center For American Progress, 2014). Increasing college affordability could drastically increase these numbers, increase workforce participation, and lead to higher incomes for these individuals. Because higher education is linked to securing economic stability, the absence of these policies limits the state's impact in addressing unequal poverty distribution among undocumented immigrants and U.S. born Michigan residents.

### **Michigan's Current Policies**

Currently the state of Michigan has no policy dictating whether colleges and universities should grant or deny undocumented students from the state in-state tuition rates. As a result, over the last decade, many Michigan colleges and universities have established their own in-state tuition policies that grant undocumented students in-state tuition rates under certain requirements. In addition, these universities may also provide grants and scholarships to cover the financial need of these students. For example, the University of Michigan allows undocumented students who have attended middle school and high school in the state and are applying to the University within 28 months of high school graduation to be eligible for in-state

tuition rates. In addition, the U-M provides a grant that covers all financial need except for work study, through a private grant. The University of Michigan stands has institutional version of the state policies later proposed in this analysis. However, leaving the decision up to each individual institution allows for inconsistencies across institutions of higher education and an obstruction to the equitable access of education for undocumented students.

In regards to the state legislature, HB 5307, a bill that would have banned undocumented from being eligible for in-state tuition rates, was introduced and vetoed in 2006 (Michigan Legislature, 2006). A bill that would have extended tuition equity to undocumented students at all public universities in Michigan, HB 4618, was introduced in 2013 but did not make it to a vote (Michigan Legislature, 2013).

### **National Benchmarks: Tuition Equity Policies**

Eighteen states across the country have established an *Accommodating In State Tuition* policy that extends state tuition rates to undocumented students (National Conference of State Legislatures (NCSL), 2015). Qualifications vary by state, but all states who have accomodating in-state tuition policies require evidence of state residency through proving previous enrollment in, and graduation from, a state high school or community college.

Three states have banned undocumented students from being eligible for in-state tuition rates. In states that don't have an tuition equity policy, undocumented students must follow policies on an institutional basis that may or may not grant them in state tuition rates. Consequently, many undocumented students are often incorrectly classified as international students or foreign exchange students due to their lack of American citizenship, forced to pay

out-of-state tuition, attend international orientation programs, and fulfill health requirements despite being residents of that given state for a long period of time.

Out-of-state tuition is, on average, more than double the cost of in state tuition (National Center for Education Statistics, 2013). Being forced to pay for out of state tuition while being a resident of the state, further marginalizes this community and creates barriers for entry to attaining a college degree. These policies aim to provide low income undocumented students a lower cost of attendance to attend college.

### **National Benchmarks: State Financial Aid**

California, Minnesota, New Mexico, Oregon, Texas and Washington are the only six states that have granted state funded financial aid for undocumented students that prove financial need, all of which also grant in state tuition to undocumented students (NCSL, 2015). State financial need is identified via forms - unique to each state - that assess financial need similar to the FAFSA and give aid in the form of grants.

For example, California passed Assembly Bill 131 in 2012, part of the California Dream Act, that allows undocumented students to receive state financial aid in the form of Cal Grants, university grants, and Board of Governors Fee Waivers (California Student Aid Commission, 2012). Undocumented students must have been enrolled in (for at least 3 years) and graduated from a California High school and must legally commit to applying for citizenship if the opportunity arises. Students' financial need is measured via the California Dream Act Application that computes estimated financial need similarly to the FAFSA. The five other states

have similar processes. State financial aid policies aim to supplement the limited financial aid available for students who are not U.S. citizens.

### **Effects of State Financial Aid (SFA) & In State Tuition Policies (ISRT) on Enrollment**

To assess the effectiveness of both policies to increase college affordability and access for undocumented students, researchers have used college enrollment figures. Holzman conducted a study looking at the effects of both of these policies on enrollment at 2 and 4 year colleges for Mexican foreign-born-non-citizens. While undocumented students are comprised of more than just Mexicans, about 56 percent of all undocumented immigrants, and 76 percent of undocumented students that are between the age of 15 and 24, are Mexican (Svajlenka & Singer, 2013). Holzman found that there was no significant effect on the percentage of undocumented students who enrolled in college in states that only offered ISRT. Holzman found that offering in-state tuition rates alone did increase the rate at which undocumented students in these states applied to college; however, when it came to confronting costs of attendance, the same states did not have increased attendance or enrollment rates (Holzman, 2015). The lack of enrollment or attendance can likely be attributed to the average cost of in-state tuition in the United States, \$9,410 (The College Board), which is about one third of the average income for undocumented households. When looking at Latino students in general, inconclusive results were also found when looking at college enrollment rates for Latinx<sup>1</sup> foreign-born non-citizens in states that only offer ISRT (Darolia, 2015).

In states that offered both the SFA in addition to ISRT, undocumented students enrolled in both 2 year and 4 year colleges at rates that were higher than the national average for

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<sup>1</sup> 83 percent of all undocumented immigrants in the US are Latinx (Michigan Policy Institute, 2014).

undocumented students. Undocumented students in these states were also more likely to attend a four year college as opposed to a 2 year college (Holzman, 2015). In terms of equity, offering SFA completely eliminated the gap in college enrollment rates between undocumented students and the national college enrollment rate. In Texas alone, enrollment of undocumented students increased by 400 percent between 2003 (when SFA was implemented) and 2008 (Ibarra, 2013).

### **Political Feasibility**

Both in-state tuition and state-funded financial aid policies have already been implemented in various states across the country, increasing the feasibility of translating these policies to the state of Michigan. Various colleges and universities in the state have already created the language and established similar college affordability policies for undocumented students that have been successful and accepted.

Additionally, after DACA's rescission, national support dramatically increased towards supporting undocumented youth with educational aspirations. Current national polls show that about 73 percent of Americans believe that Deferred Action for Childhood Arrivals (DACA) recipients should be able to stay, study, and work in the U.S. (Shepard, 2017). DACA recipients are individuals who are undocumented, were enrolled in school at the time of applying for DACA, and are the emblem of aspirational undocumented youth, thus, there appears to be public support for these individuals.

While support for this policy remains high, national anti-immigrant rhetoric could spur opposition to any and all of these policies. The Republican party controls both chambers of the Michigan legislature, and resembles that of the U.S. Congress in terms of positionality and productivity in addressing immigration concerns. Nonetheless, upcoming political changes may



indicate a window for these policy changes to occur. Statewide support for liberal candidates such as Rashida Tlaib, Abdul El-Sayed, and others that wholeheartedly support immigrants, indicates a surge in public support for this demographic. Beyond the legislature, a majority of local officials seem to be in favor of a highly educated workforce as a good strategy to improve the state economy along all party lines (figure 1).

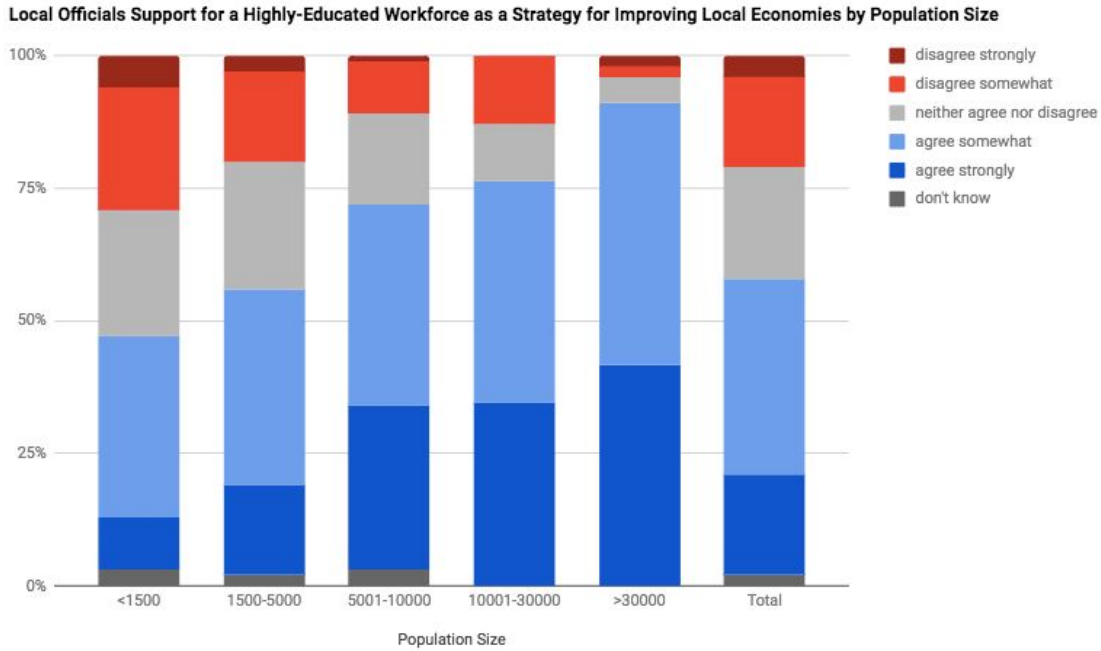
*Figure 1: Local Officials Support for a Highly-Educated Workforce as a Strategy for Improving State Economy by Party, (Michigan Public Policy Survey Fall 2009 Data Tables).*

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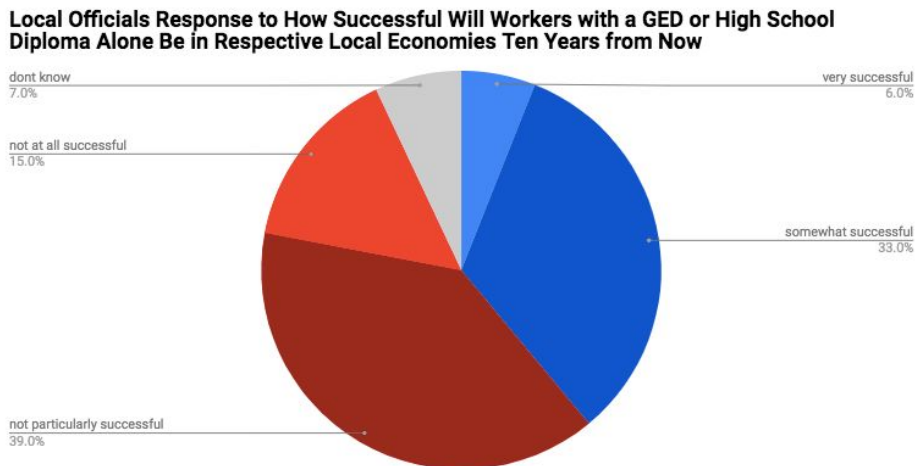
Highly educated workforce good strategy to improve state economy	3-point partisanship scale			Total
	Republican	Independence	Democrat	
Agree Strongly	193	56	121	370
Agree Somewhat	257	55	123	435
Neither Agree Nor Dis	84	17	45	146
Disagree Somewhat	45	10	15	70
Disagree Strongly	9	2	7	18
Don't Know	11	2	3	16
Total	599	142	314	1,055

In addition, according to the Michigan Public Policy Survey of 2009, 76 percent of Michigan officials agree to some level that “developing a highly-educated workforce can be an effective strategy for improving your state economy”(Figure 2). In addition, 47 percent and 54 percent of Michiganders also agree that those with only a GED or high school diploma will not be successful now or in ten years, respectively (Figure 3). Public support for this issue could align with these values and join the desire to support aspiring undocumented youth that has heightened in recent years as reflected in support for DACA and a Clean Dream Act.

*Figure 2: Local Officials Support for a Highly-Educated Workforce as a Strategy for Improving Local Economies by Population Size, (Michigan Public Policy Survey Fall 2009 Data Tables).*



*Figure 3: Local Officials Response to How Successful Will Workers with a GED or High School Diploma Alone Be in Respective Local Economies Ten Years from Now, (Michigan Public Policy Survey Fall 2009 Data Tables).*



## **Cost-Benefit Analysis**

Subsidizing the cost of college or providing aid to cover the cost of college creates a financial cost for the state government. However, the costs of these policies are marginal compared to existing policies that are open to all U.S. born low-SES students and are low compared to the benefits.

All 18 states that offer tuition equity to undocumented students use the same method they use to subsidize the cost of college for all eligible low-income state residents (Binkley, 2017). Although this process varies per state, each state allocates some of their state taxes, funded by the residents of that state, to subsidize the cost of tuition at public universities for those who are eligible for in-state tuition. The families of these undocumented students have contributed for years to the state funds that go into public institutions, as most undocumented immigrants pay taxes through their employment and local, state, and federal taxes. In fact, there is generally no difference between documented and undocumented families' tax contributions (Christensen Gee, 2017). Undocumented immigrant-led households paid \$11.7 billion in state and local taxes and \$9 billion dollars in payroll taxes in the last year. In Michigan, they contributed \$86.7 million in state and local taxes in 2014 (ITEP, 2017). On average, undocumented immigrants pay an estimated 8 percent of their incomes in state and local taxes compared to the 5.4 percent the top 1 percent of taxpayers pay.

Although the cost of these policies would fall on the state government, it should still be mentioned that undocumented students and families are ineligible for many federal social services, such as Social Security, SNAP, TANF, Medicare and the ACA. As a result, they often contribute more into the social safety net than they receive. Thus, investing in increased access to

higher education is not an additional burden but an opportunity to repay this group while investing in the overall betterment of the Michigan society. Increased higher education access is a benefit for immigrants and U.S citizens alike through a reduction in high school dropout rates, an increase in total taxable income and tax contributions in the state, and an improvement in overall health outcome trajectories.

Economic and personal trajectories increase dramatically for individuals who enroll in college and even more for those who complete college. A college degree signals productivity to employers and leads to higher incomes. There is at least a 45 percent increase in average income for people who complete a bachelor's degree (U.S. Department of Education). An increase in taxable income leads to higher tax revenue for the local, state, and federal government. Voting turnout continuously increases in respect to increase in educational attainment (Burden 2009). Crime rates significantly decrease as educational attainment increases (Belfield & Levin, 2007).

On an individual scale, increased health is linked to higher education and a positive spillover effect for the student's family. Increased social mobility is another personal benefit that then benefits the student's family and community. Being that most undocumented students are first generation students, college degree attainment increases the likeliness that siblings, families, and community members will also pursue higher education (Saenz,2007).

### **State Identification**

While increasing college affordability for undocumented students can help to address unequal access to education, there still exists a lack of support from the state in ensuring and maximizing the social and economic success and safety of undocumented immigrants

post-graduation and beyond. Looking at additional policies, such as state identification eligibility for undocumented immigrants, can begin to address some of these concerns.

### **Problem Identification**

Driver's Licenses and State IDs are resources that are critical for ensuring public safety and access to other state and local social services for undocumented immigrants. Bank accounts, traffic stops, signing children out of school, and even returning a purchased item to a store, are all circumstances where this resource is essential. Eligibility for driver's licenses would also facilitate workforce participation and create equitable access to transportation for undocumented immigrants. More importantly, lack of proper identification or driver's license eligibility can turn a simple traffic stop into a deportation. In the case of the Flint Water Crisis, proper identification was needed to receive bottled water from the city; a vital resource for basic human life. Not only will these policies improve academic and professional trajectories and outcomes for undocumented students benefiting from the aforementioned college affordability policies, but these policies would benefit all undocumented immigrants in the state and address a moral and civil rights responsibility, creating even larger benefits for Michigan.

### **Michigan's Current Policies**

Michigan is among the majority of states in the nation where undocumented immigrants are ineligible for driver's licenses. Not having a social security number and unlawful presence in the country is often used as the reasoning for denying this group access to a driver's license. Initially after DACA was established in 2012, DACA recipients were also banned from obtaining a driver's license. However, the American Civil Liberties Union and the National Immigration Law Center filed a lawsuit against the state of Michigan in 2013 and won the case, ruling in

favor of making DACA recipients eligible for state IDs and driver's licenses. In 2017 and 2018 two separate bills have been proposed that would allow undocumented immigrants to obtain driver's licenses, however, neither was passed.

While the state identification and Driver's Licenses are currently not obtainable for undocumented immigrants, some cities and counties in the state have created their own form of identification to help address this issue. Examples of this include the Washtenaw County Identification Card Program and the Detroit Municipal ID that intentionally create awareness of and access to this resource for undocumented immigrants.

### **Cost-Benefit Analysis**

The Detroit ID set up two intake centers in the city with newly trained staff using software already used by other municipal ID programs across the country. The cost of the an ID to the holder is \$10 or \$25 based on age requirements with a \$10 biannual fee. The Washtenaw ID program indicated only a \$35,000 operating cost for the first year (Morgan, 2014). The cost of the program is relatively low to both the city and the applicant compared to the high impact it can have on access to social services, increased public safety, and for interactions with law enforcement. Scholarships and funds created by advocacy groups can also help to mitigate some of these costs for the individual. Additionally, this program is not only beneficial to undocumented immigrants in the state of Michigan but can be used to increase access to accurate photo identification for those who state and federal policies have made it difficult. This includes

residents of Michigan that may be homeless, transgender, older, low-income, and/or have a mental illness.

One cost to consider is the potential risk and unintentional negative impacts of these policies. Because these types of municipal ID programs are not requirements for those who are not banned from obtaining state identification cards, an issue of self-selection occurs. There exists a concern over whether the identification card can be used as an indicator for immigration status due to who may be more inclined to obtain an ID from these programs. As a result, local advocacy groups have launched campaigns promoting the widespread use of these cards by everyone, including those who are eligible for state IDs, frequently and in everyday circumstances. Local businesses even partnered up to provide discounts and promotions to those who present their card at their establishments (Detroit Free Press, 2017). The more these programs are expanded and normalized, the less exclusively they can be associated with having an undocumented status, increasing the risks and maximizing the benefits of a local ID card.

### **Political Feasibility**

In addition to the general breakdown of support for inclusive policies for undocumented immigrants already delineated, the success of the Washtenaw ID Card Program and the Detroit ID indicate that these policies are able to be implemented at local levels within the state of Michigan. Their popularity among immigrant communities and their expansion to attempt to reach all residents of each respective city speaks to both the need for this type of program but also how widely accepted the programs seem to be.

Considering that Los Angeles, New Haven, San Francisco, Oakland, Washington D.C., various cities in New Jersey, and Richmond, CA have already implemented municipal ID

programs (Graauw, 2014). These leading global cities recognize the need to make this resource available and prove that they can be implemented to diverse groups nationwide. Michigan would benefit from following in the footsteps of these states and take the lead in expanding this policies to the state level, continuing the rippling effect of state-level policies that are inclusive to undocumented folks.

### **Final Recommendation & Conclusion**

For low income families, the financial cost of attending college even at in-state tuition rates, is immense and largely influences the decision whether to attend college at all. Offering the financial means to cover these costs would allow undocumented students to actually invest in more education. It is therefore my recommendation that offering State Funded Aid be prioritized on the policy agenda to address the issue of college affordability for undocumented students. To make this more affordable, and taking into consideration the tax contributions of undocumented immigrants, it is in the best interest of both this group and the state to implement tuition equity laws alongside providing SFA. Knowing that a college education is not the only place that state provisions and local services are inaccessible to undocumented immigrants, Michigan should join the number of states with policies and resources that target college affordability for undocumented students in addition to inclusive driver's license and state ID policies, in order to address this social and economic disparity among this particularly vulnerable community. The state of Michigan ultimately benefits from investing in undocumented immigrants for more than, but including, their economic contributions to the state.



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