

News Release

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MTF

Massachusetts Public Colleges Would Gain Millions of Dollars from Undocumented Immigrants

The state's public colleges would gain millions of dollars in new revenue if undocumented immigrants were allowed to attend these schools at in-state tuition rates, according to an analysis released today by the Massachusetts Taxpayers Foundation.

The Foundation projects that the Commonwealth would receive several hundred thousand dollars in tuition and fees in 2006, an amount that would increase to \$2.5 million by 2009. Undocumented student enrollment in the state would grow from nearly 100 in 2006 to 600 in 2009. The tuition and fee payments would represent net new revenues to the state, since public colleges would incur little or no added costs in accommodating these small numbers of additional students, a tiny fraction of the 160,000 public college students in Massachusetts.

The Foundation's projections are based on estimates of the number of undocumented immigrants in the Commonwealth and on Texas' enrollment experience during the first four years under a similar tuition policy. In 2001, Texas was the first of nine states to pass this type of law. Under a proposal currently before the Massachusetts Legislature, in-state tuition rates would be extended to undocumented immigrants who meet three eligibility criteria: These individuals must have graduated from high school or obtained a GED; have lived in the Commonwealth for at least three years; and have filed or plan to file an application for permanent residency.

The Foundation's finding that undocumented students would generate new revenues contradicts the common perception that the proposed policy would cost Massachusetts millions of dollars in forgone tuition and fees, a conclusion based on the faulty assumption that hundreds of undocumented immigrants now attend public colleges at much higher non-resident rates. According to the New England Association of Schools and Colleges, few if any undocumented students are currently enrolled in public colleges in the Commonwealth.

It is also clear that over the long term Massachusetts would derive positive benefits from increased tax revenues and a greater number of educated workers if the new tuition policy were adopted. As MassINC recently reported, immigrant college graduates in the Commonwealth earn twice as much as their counterparts with just high school diplomas, a margin that translates into millions of dollars in additional income and other taxes for Massachusetts. At the same time, the policy would help expand the pool of skilled workers available to the knowledge-based industries that drive the Commonwealth's economy.

Enrollment Projections

The Foundation projects that enrollment of undocumented immigrants would grow from nearly 100 students in the fall of 2006 to about 600 in 2009 if these students were allowed to pay in-state tuition and fees at Massachusetts' public higher education institutions (see Table 1).

Table 1: **Projected Enrollments of Massachusetts Undocumented Immigrants**

	Total Undocumented Immigrants¹	Projected Enrolled Undocumented Immigrants
2006	200,000-250,000	70-80
2007	200,000-250,000	190-240
2008	200,000-250,000	320-400
2009	200,000-250,000	530-660

The Foundation's estimates are based on (1) the experience in Texas, the first state to pass this type of law and the one that has released the most data, and (2) the best available estimate of the number of undocumented immigrants in the Commonwealth. The projections are derived by applying the annual ratio of undocumented public college students to the undocumented population in Texas in the first four years of its program (2001-2004) to the estimated 200,000-250,000 undocumented population in Massachusetts in 2006-2009. Based on the Texas experience, enrollments would grow as students learn about the program and prepare academically and financially to pursue higher education.

National estimates of the number of undocumented immigrants completing high school each year confirm the reasonableness of these projections. Undocumented immigrant expert Jeffrey S. Passel of the Pew Hispanic Center estimates that two-thirds of one percent of undocumented immigrants in a given state graduate from high school each year. Applying this percentage to the 200,000-250,000 undocumented immigrants in Massachusetts, 1,300-1,700 undocumented students would be expected to graduate from high school annually. The Foundation's projection of 530-660 undocumented public college students in 2009, approximately two-fifths of the expected high school graduates, makes sense because some of these graduates would choose not to go to college; others would need financial aid, which they cannot legally receive, in order to attend; and still others would fail to meet the proposed legislation's eligibility criteria.

Lacking undocumented student enrollment figures in Texas for 2005, the Foundation has made no projections beyond 2009. Nevertheless, public college enrollment of undocumented immigrants in the Commonwealth would likely continue to grow for a few years beyond 2009, albeit at a slower rate. Given the limited number of undocumented immigrants finishing high school each year, the growth would reach a plateau as the program matures.

1. Jeffrey S. Passel, "Estimates of the Size and Characteristics of the Undocumented Population," Pew Hispanic Center, March 21, 2005, p. 6. The estimate of 200,000-250,000 for the Commonwealth's undocumented population covers 2002-2004. Given uncertainties about future changes in this population, the Foundation uses this estimate for 2006-2009 as well.

New Revenues

The newly admitted undocumented students would generate significant additional revenues for the state's public colleges, growing from several hundred thousand dollars in 2006 to about \$2.5 million in 2009, based on the Foundation's enrollment estimates and the Massachusetts Board of Higher Education's current tuition and fee schedule (see Table 2).² If enrollment continued to grow beyond 2009, as is likely, the annual revenues would rise even more.

Table 2: **Projected Tuition and Fees Paid by Massachusetts Undocumented Immigrants**

	Projected Enrolled Undocumented Immigrants	Projected Tuition and Fees
2006	70-80	\$290,000-\$330,000
2007	190-240	\$780,000-\$980,000
2008	320-400	\$1.31-\$1.64 million
2009	530-660	\$2.17-\$2.70 million

These projections assume that 85 percent of undocumented students would enroll at community colleges, ten percent at UMass, and five percent at state colleges. The Commonwealth's enrollment patterns for those who pay in-state rates support this breakdown, which is consistent as well with the experience in Texas.³ While 53 percent of Massachusetts students paying resident rates attend community colleges, a higher percentage of undocumented students would almost certainly enroll in these more affordable schools. If undocumented immigrants went to the more expensive UMass or state colleges in greater proportions than we have assumed, then revenues from this program would increase.

These tuition and fee payments represent net new revenues for public colleges, since the campuses would incur virtually no new costs from the small number of undocumented students who would attend for the first time. According to the Foundation's enrollment estimates, undocumented students would constitute a minuscule 0.4 percent of the state's more than 160,000 public college students, or an average of about 20 students per undergraduate campus. Massachusetts education officials confirm that their schools can accommodate these small numbers of additional students without incurring new costs.

2. *Massachusetts Board of Higher Education: Fiscal Policy (Tuition & Fee Survey)*. This survey uses weighted averages to apportion in-state tuition and mandatory fees according to school enrollments. The Foundation's projections hold these fees and tuitions, which have increased yearly since 2001, constant for four years. Projected revenues would rise if either fees or tuitions increase above current levels.

3. For students paying resident rates in the fall of 2003, UMass enrollment exceeded state college enrollment by five percent, the same margin that the Foundation's projections assume. For the falls of 2001-2004 in Texas, 80 percent of undocumented students enrolled at community colleges, 19 percent at the University of Texas campuses, and one percent at state colleges.