DREAMing of College: The Impact of Restrictive and Accommodating In-State Resident Tuition Policies for Undocumented Students on College Choice and Preparation

Brian Holzman
Stanford University

Abstract
Since 2001, 27 states have enacted policies that limit or facilitate college access for unauthorized immigrants. Using survey data from the Current Population Survey, administrative data from California and Texas, and a heterogeneous treatment effect difference-in-differences research design, this study determines the causal effect of in-state resident tuition (ISRT) policies for undocumented students on college choice, specifically the level and intensity of enrollment, and preparation, defined as the percentage of high school graduates meeting state curriculum guidelines. The results show that statewide bans on college enrollment and ISRT negatively impact college choice while policies that offer state-supported financial aid in addition to the tuition discount have positive effects. There is no measurable relationship between tuition discount policies without financial aid and college choice, likely because unauthorized immigrant households are quite poor. Accommodating ISRT policies, with and without financial, increase the college preparation of youth in California and Texas, suggesting that they have earlier effects on intermediate outcomes in the postsecondary pathway. While both accommodating policies raise educational achievement in the short term, in the long term, only policies that provide robust financial support translate into attainment.

Research Question #1

What are the effects of ISRT policies on the college choices—the level and intensity of enrollment—of undocumented students?

- **Data**: Current Population Survey October Supplement (School Enrollment), 1997-2014
- **Sample**: Mexicans 18-24 years old, Focus on foreign-born non-citizens
- **Policy Regimes**: No Policy (ref.), Ban, In-State Resident Tuition (ISRT), In-State Resident Tuition + State Financial Aid (ISRT SFA)
- **Outcomes**: Level of enrollment (none, 2-year, 4-year), Intensity of enrollment (none, part-time, full-time)
- **Methods**: heterogeneous treatment effect difference-in-differences research design using multinomial logit models (s.e. clustered at state-level)

College Choice

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\delta_s + \delta_t + Policy_{st-1}A + \theta FBN_{st-1} + \phi_{st-1} \Phi + \epsilon_{st} = \delta_s + \delta_t + Policy_{st-1}A + \theta FBN_{st-1} + \phi_{st-1} \Phi + \epsilon_{st}
\]

- \(\delta_s\): State Fixed-Effects
- \(\delta_t\): Year Fixed-Effects
- \(Z_{st}\): Time-Varying State Characteristics
- \(X_{ist}\): Individual Characteristics

Research Question #2

Do ISRT policies affect the college preparation of unauthorized immigrant youth, specifically whether they meet state curriculum guidelines for college entry?

- **Data**: California Department of Education and Texas Education Agency, 1998-2013
- **Sample**: Traditional public schools with a 12th grade, Focus on Hispanic students
- **Policy Regimes**: No Policy (CA only), ISRT SFA (TX only)
- **Outcomes**: Percentage of H.S. graduates who complete the state curriculum guidelines for postsecondary entry (def. varies by state)
- **Methods**: difference-difference research design using OLS (s.e. clustered at school-level)

College Preparation

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\delta_s + \delta_t + Policy_{st-1}A + Race_{st} + \phi_{st} \Phi + \epsilon_{st} = \delta_s + \delta_t + Policy_{st-1}A + Race_{st} + \phi_{st} \Phi + \epsilon_{st}
\]

- \(\delta_s\): School Fixed-Effects
- \(\delta_t\): Year Fixed-Effects
- \(Z_{st}\): Time-Varying School Characteristics

Results

Discussion and Conclusion

The results show that statewide bans negatively impact college choice for Mexican foreign-born non-citizens while ISRT policies with state financial aid have positive effects. ISRT policies without additional support show null effects, likely because unauthorized immigrants still cannot afford the reduced cost of attendance. I also find that ISRT policies with and without aid increase the percentage of Hispanic students who are college-ready. While both policies may raise the achievement of unauthorized youth in the short term, when it is time to make a decision and confront their legal status, only ISRT SFA translates into attendance.

Implications for Theory and Policy

Even if undocumented students attend college and graduate, it is unlikely that they will find employment commensurate with their skill level in the white-collar economy. Their postsecondary decisions, therefore, may not be adequately explained by human capital approaches to educational investment. Restrictive and accommodating ISRT policies may be sending implicit messages of social belonging and value, and create a dichotomy of who is deserving (or undeserving) of public benefits, who is American and who is not. Even if there are no economic returns, the passage of an accommodating policy may encourage undocumented students to attend college. Social mobility is part of the American Dream, and in the college-for-all era, a postsecondary education may be intertwined with being an American and part of the assimilation process. Welcoming immigrant contexts may encourage the unauthorized to assimilate, and, to do so, undocumented students may choose to attend college in order to become American. This may explain why the bans, despite the redundancy with federal law, have a negative effect on enrollment and why ISRT SFA, despite the unclear path to social mobility, has a positive effect.

bholzman@stanford.edu
www.brianholzman.com