

# **Maryland DREAM Act**

## **Fact Sheet**

### **What is it?**

The Public Institutions of Higher Education - Tuition Rates – Exemptions legislation, most commonly known as the Maryland DREAM Act is the new law enacted in Maryland that will allow talented students all across Maryland, regardless of their immigration status to attend Maryland colleges at in-state tuition rates.

Qualifying for the act is TOUGH! You must attend at least 3 years of high school in Maryland, complete community college prior to transferring to a university, pay Maryland state income taxes for all those years of high school and college, and register for the draft. But students are not the only beneficiaries. The Maryland DREAM Act will bring tremendous benefits to our entire state by furthering the education of all our students and making our schools more competitive and higher education more attainable for every student.

### **It keeps talented students in Maryland.**

As the state with the top ranking schools in the Nation, it is critical to encourage our students to attain higher education by making the rates more affordable; this will persuade those students to give back to their community and continue to keep Maryland competitive and economically viable. It would also help stop the brain drain of our best and brightest students to other areas.

### **Will help universities financially**

Contrary to what many people that oppose tuition equity believe, providing in-state tuition is not by any means giving a hand-out to any student. The few hundred that will be able to afford in-state tuition rates will in fact be providing additional revenues to institutions that otherwise would not have the benefit of having that student pay for their studies at out-of-state tuition rates. And, the students don't qualify for federal or state aide. It is a reduced tuition rate, not a hand-out.

### **It will likely increase graduation rates for immigrant students**

Currently, only 5-10 percent of undocumented high-school graduates go to college, and most undocumented youths are forced to work illegally in the cash economy as domestic workers, day laborers, and sweatshop factory workers. This law will create a strong incentive for undocumented students to remain in school.

### **The Maryland DREAM Act will encourage students and families to invest in the state's economy**

A study conducted by the Drum Major Institute shows that undocumented immigrants contribute \$7 billion a year in Social Security taxes even though they cannot claim benefits from this program and a recent study by the Immigration Policy Institute shows that undocumented immigrants just in Maryland pay more than 270 million in taxes. Even if you believe that undocumented people are not contributing to the economy, the Maryland DREAM Act requires students and families to show that they have filed Maryland income taxes for 3 years of high school, every year of college, and every year in between. They are contributing to our economy now and into the future.

### **But Doesn't this Act Cost a Lot of Money?**

Opponents of the legislation have argued that the bill will cost over 5 million dollars immediately and climb into the tens of millions quickly. However, their analysis is flawed in that they believe that the financial count should take the number of students and multiple it by the difference in tuition. In fact, students that will get the in-state tuition rate are not reducing what they are paying because they don't currently attend college at all because they can't afford it. And even paying the in-state rate represents pure cash into our college systems. Look at Montgomery College, which has implemented a similar policy for years. Less than 2% of their entire student body qualifies under this provision. Each college system in the state can easily handle a 2% bump in admissions without spending additional monies. That means the same number of teachers, same number of administrators, same number of building. So the additional student fees, even at in-state rates, is pure money into the system.

### **But isn't this an issue that is just important to immigrants?**

Absolutely not. First of all, this legislation applies to people *regardless of immigration status!* That means that students will qualify whether they were born in Glen Burnie or in Guatemala. But more importantly, some of the many supporters of the legislation included: the Baltimore City Council, Maryland State Board of Education, Montgomery and Prince George's County, the University System of Maryland, Morgan State University, Maryland Association of Community Colleges, Maryland State Education Association, CASA de Maryland, Maryland Industrial Areas Foundation Affiliates (IAF): Action in Montgomery (AIM), Baltimoreans United in Leadership Development (BUILD), and People Acting Together in Howard (PATH), Baltimore Jewish Council, Baltimore-Washington Conference of the United Methodist Church, Greater Baltimore Urban League, Korean American Association, Jewish Community Relations Council, Maryland Catholic Conference, Maryland Episcopal Diocese, Maryland Interfaith Legislative Committee, Maryland Vietnamese Mutual Association, NAACP of Maryland, Presbytery of Baltimore, Progressive Maryland, South Asian Americans Leading Together (SAALT), and dozens more.

**In-State Tuition has Long Term Economic and Fiscal Benefits for Maryland:** In-State Tuition will benefit the state economically and fiscally because the higher future earnings levels that result from advanced education mean increased purchasing power for those Maryland High School students newly able to attend college. Those higher earnings and increased purchasing power will bring to Maryland higher tax revenues, greater consumer spending, and presumably, greater economic growth.

**In-State Tuition likely creates Minimal to No Short Term Fiscal Impact that will be Offset by Higher Tax Revenues Long Term because the State will receive Increased Tuition Fees from Increased Enrollment that would not have occurred but for SB 167:** The HEAA report found that in “in states that have enacted tuition equity legislation, there is no evidence that the law has had any negative fiscal impact.”<sup>1</sup> In some states with in-state tuition laws, their early fiscal analysis indicated that any loss of revenue resulting from their tuition equity laws would be offset through increased student enrollment that would not have occurred but for the tuition equity law: “[f]or the most part, states concluded that there would be an impact on revenue due to the difference between out-of-state and in-state tuition rates; however that loss of revenue would be offset through enrollment by more students.”

**Maryland Students Attending College Under SB 167 will be more likely to Stay Out of Poverty, Own a Home, and Raise More Highly Educated Children:** The Increased Educational Achievement for Maryland High School Students under SB 167 correspondingly means a decreased likelihood they will fall into poverty and a greatly likelihood they will own a home and raise better educated children. Specifically, the HEAA report found that, generally, beneficiaries of advanced education achievement generally, such as would be provided by SB 167, experience an:

- Increased likelihood of homeownership;
- Decreased likelihood of poverty where, for example, in 2005, 10.8 percent of high school graduates lived in poverty while only 3.6 percent of those with bachelor's degrees lived in poverty; and
- If the beneficiaries of advanced education achievement attend at least some college, their children “have higher cognitive levels, better scores in math and reading tests, and higher standardized test scores than peers who parents have only achieved at or below a high school diploma”

We have a broken federal immigration system. Children brought to the state at young ages already face multiple barriers to success. They live in our communities, pray in our worship centers, are with us at the workplace. All of us live with the consequences of whether they are provided with hope for the future. The Maryland DREAM Act is the best solution for an imperfect world.

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<sup>1</sup> Center for Policy Entrepreneurship, *The Tuition Equity Effect: Measuring the Impact of Providing In-State Tuition Rates for Colorado's Undocumented High School Graduates*, p. 22-29, December 2008 < [http://www.heaacolorado.org/download/HEAA\\_TuitionEquityReport2.pdf](http://www.heaacolorado.org/download/HEAA_TuitionEquityReport2.pdf) > (last assessed March 6, 2011).