How States Can Reduce the Dropout Rate for Undocumented Immigrant Youth: The Effects of In-State Resident Tuition Policies

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Abstract

To date 11 states have adopted an in-state resident tuition policy that provides in-state tuition to undocumented immigrants and several other states are considering similar legislation. Research has yet to thoroughly examine how these policies affect academic achievement of undocumented youth in K-12. Using the Current Population Survey (CPS), this paper employs a difference in difference model to examine whether in-state resident tuition policies targeting undocumented immigrants reduce the likelihood of dropping out of high school for Mexican foreign-born non-citizens (FBNC), a proxy for undocumented youth. The paper develops an integrated framework that combines economic theory of human capital with demographic theories of immigrant optimism and segmented assimilation to provide insight into how in-state resident tuition policies influence student motivation and achievement at the high school level. Additionally, the paper considers whether the impact of these policies differ by state migration histories.

Current literature on US immigration has recognized the need to "bring the nation-state back" into the discussion of immigration politics and emphasized the pivotal role the federal government plays in shaping and controlling immigration flows (Hollifield 2008; Massey, Durand and Malone 2002; Tichenor 2002). Few scholars, however, have recognized that the federal government is made up of state and local governments, which create the social, political, and cultural environments that affect the process of immigrant incorporation (Singer 2007).

Responding to the lack of comprehensive immigration policies at the federal level, states have increasingly sought to protect their own interests by adopting state and local level immigration related policies (Gonzales 2009; Goździak and Martin 2005; Laglagaron et al. 2008; Olivas 2008). In 2009, approximately 1,500 immigration related pieces of legislation and resolutions were introduced in 50 state legislatures (of which 353 were approved) —a dramatic increase from 2005 where only 300 such bills were introduced (of which 38 were approved; NCSL 2009). Some of these proposals (e.g., English only laws, punishments for landlords renting to "illegals," and banning undocumented immigrants from attending community colleges) aim to create a more hostile environment that would deter immigrants from settling in the state. Other proposals (e.g., providing dual language schools, translating government documents, and increasing social services to immigrant communities), however, seek to create a more welcoming environment that would support the state's immigrant citizenry. In combination, these differing state and local policies shape the economic and social opportunities of immigrant groups, and in turn, influence their likelihood of adapting successfully to life in the US (Portes and Rumbaut 2006).

A particular policy area that has captured significant state attention is determining college access for undocumented immigrants. In 1996, the federal Illegal Immigration Reform and

Immigrant Responsibility Act (IIRIRA) prohibited states from providing in-state resident tuition benefits to undocumented immigrants unless all US citizens and nationals were eligible for the same benefits. Within the guidelines of the IIRIRA, however, several states have challenged this decision and reduced access barriers to higher education for undocumented immigrants residing in their state (Flores and Chapa 2009). To date 11 states have adopted an in-state resident tuition (IRT) policy that provides in-state tuition to undocumented immigrants and at least 20 others have considered similar legislation (IHELG 2008; NCL 2010; Olivas 2010). Often reducing tuition costs by more than 140%, the size of these tuition discounts is substantial (Gonzales 2009). For the undocumented population, which is ineligible for federal and most state financial aid (Frum 2008; Szelenyi and Chang 2002) and which experiences high rates of poverty (Gonzales 2009; Passel 2005a), this tuition discount can significantly reduce the financial burden a family faces when trying to send their children to college.

Though there is significant heated political discussion surrounding IRT policies for undocumented immigrants, little is actually known about the educational implications of such policies, particularly in K-12. In her assessment of Mexican foreign-born non-citizen (FBNC; a proxy for undocumented) young adults (ages 17-28), Kaushal (2008) found that IRT policies were associated with increases in college enrollment, proportion of students with some college education, and proportion of students with at least an associate's degree. Using FBNC Latinos as a proxy for undocumented, Flores and Chapa (Flores 2007; Flores and Chapa, 2009) also found that IRT policies were associated with higher college enrollment rates but the effect was stronger for males and for states with long migration histories, which presumably had more resources to help students take advantage of the policy. Overall, the impact of IRT policies remains relatively small—college enrollment and attainment rates increased by a few percentage points—in large

part because a low percent of undocumented youth graduate from high school (Flores and Chapa 2009; Kaushal 2008).

While previous research focuses on how IRT policies affect college entry, this study examines the effect these policies have on high school completion. One of the main pro-policy arguments is that an IRT policy would reduce the high school dropout rate of undocumented immigrant youth by providing a strong incentive for high school completion (AASCU 2007; Fuligni and Perreira 2009; Gonzales 2009; Murray, Batalova and Fix, 2007; NILC 2005; Reich and Barth 2010). Policy advocates argue that barriers to higher education decrease student motivations and contribute to the high dropout rate for undocumented youth—many of whom are discouraged by their lack of educational opportunities and see little reason to continue their education (Abrego 2006; Horwedel 2006; Mead 2004). For instance, in her interviews with undocumented high school students, Abrego (2006) found that many youth performed well in high school until they found out that their documentation status would prevent them from attending college. One student, in particular, noted that upon hearing this news his grades declined from straight A's to D's because he "just felt really messed up. [He] didn't concentrate on school as much as [he] used to" (p. 220).

Advocates argue that by reducing barriers to higher education, IRT policies encourage undocumented youth to stay in high school and be successful. For instance, in defending Nebraska's IRT policy and addressing state concerns about the high dropout rate (approximately 50%) of undocumented youth, the University of Nebraska's President J.B. Milliken (2010) argued that:

> "[S]ince many of these students drop out of high school when they realize that they will not be able to attend college, offering them the opportunity to attain a more affordable

> college education may also encourage more of them to perform well and graduate from high school (p.1)."

Other educators and advocates point to anecdotal evidence that IRT policies have drawn high school dropouts back to school because they now "see opportunities they didn't have before" (Marlein 2003). One high school in Utah, for instance, claimed that in its first year Utah's IRT policy had drawn eight dropouts back to their school—two of whom have since graduated (Marlein 2003).

Previous work has not thoroughly examined how IRT policies affect the high school dropout rate of undocumented youth. While Kaushal (2008) found that IRT policies had no effect on high school completion once she controlled for state specific linear trends, her results should be interpreted cautiously. Her assessment focused on young adults ages 17-22, but prior research suggests that many immigrant young adults migrate to the US with the intention to work and never enroll in the US educational system (Fry 2003). Consequently, by including youth older than 19, Kaushal's estimates are likely to be downwardly biased (i.e. find too little of an effect), since many of these young adults do not respond to educational policies. By focusing on high school aged youth rather than young adults, my analysis yields more robust results because it only includes the individuals most likely to be immediately affected by the policy. The dropout problem is most prevalent among youth aged 16-19 with approximately 17% of all dropouts occurring between the ages of 15-16 and another 73% between the ages of 17-19 (Kaufman, Alt and Chapman 2001). Overall, this paper advances previous research by examining how IRT policies affect the schooling decisions of high school aged youth specifically and whether the impact of these policies differ by state migration histories. Additionally, this paper expands the

policy time frame to 2008 (compared to 2005 in Kaushal's work) to include 3 additional states that have passed an IRT policy and to provide a longer post period assessment.[1]

Given the growth and dispersal of the undocumented population that has occurred during a time of increased school accountability pressure, states have a vested interest in determining whether providing in-state-tuition to undocumented immigrants can improve educational attainment. By 2005 the undocumented population had grown to 11 million—17% of whom were under the age of 18—and had dispersed across the entire US settling in states across the Midwest, Rocky Mountains, Southeast, and Southwest that had relatively small foreign-born populations (Passel 2005b). Schools have had to adjust to these demographic shifts within the context of No Child Left Behind (NCLB), which holds states and schools accountable for the educational achievement and attainment of all students including several struggling sub-groups to which undocumented youth are likely to belong (e.g., LEP status, the Latino racial/ethnic group, and low economic status; Ruiz-de-Velasco & Fix, 2000). Particularly concerning is the educational attainment of undocumented Mexican-American immigrants. While the majority of Mexican-American youth are documented, Mexican-Americans make up the majority (59%) of the undocumented population (Gonzales 2009; Passel 2008) and have the highest dropout rate of any immigrant group (Fry 2003; NCES 2009; Perreira, Harris and Lee 2006).

Using the Current Population Survey (CPS), this paper employs a difference in difference model (DD) to examine whether IRT policies targeting undocumented immigrants reduce the likelihood of dropping out of high school for Mexican foreign-born non-citizens (FBNC), one of the strongest proxies available for undocumented youth. The paper develops an integrated

[1] Because Kaushal lagged her policy variable by one year, she was only able to assess the states that had passed the policy by 2004 (eight states). Kansas, however, had only passed its policy in May 2004; this short post-period limits Kaushal's ability to fully assess the policy effect in Kansas. Thus, my analysis adds two states that had passed the policy after 2004 and provides a sufficient post-period for Kansas.

framework that combines economic theory of human capital with demographic theories of immigrant optimism and segmented assimilation to provide insight into how IRT policies influence high school completion. To address this research question the paper first provides background information on IRT policies discussing the historical context and current progress of these policies as well as state-specific criteria. The paper then lays out the theoretical and empirical arguments for the main research hypothesis—IRT policies reduce the likelihood of dropping out of high school for undocumented students—and further solidifies this hypothesis with lessons from merit based financial aid programs.

Review of the Literature

In-State Tuition Policy History and Policy Criteria

Since the U.S. Supreme Court's ruling in *Plyler v. Doe* in 1982, the federal government has protected the primary and secondary educational rights of all undocumented children by ensuring that they have access to free public K-12 education (Drachman 2006; Rhymer 2004). The ruling, however, did not address federal or state action regarding the post-secondary educational rights of undocumented children. Consequently, nearly 30 years later, the federal and state governments are still debating whether the educational rights of undocumented immigrants should also include access to post-secondary opportunities. In 1996, the federal government argued against expanding the educational rights of undocumented immigrants by passing the IIRIRA, which prohibited states from providing in-state college tuition benefits to undocumented students unless all US citizens were extended the same right (Drachman 2006; Rhymer 2004). Since 1996, several state initiated IRT policies targeting undocumented immigrants and the proposed federal DREAM Act, which seeks to eliminate the federal penalty imposed on states

for providing in-state tuition to undocumented immigrants and provide a pathway to citizenship for undocumented immigrant children, have challenged this federal decision.

In 2001, Texas adopted the first IRT policy that allows undocumented students who meet specific residency criteria to qualify for in-state tuition. Since then 10 other states—California in 2001; Utah and New York in 2002; Washington, Oklahoma and Illinois in 2003; Kansas in 2004; New Mexico in 2005; Nebraska in 2006; and Wisconsin in 2009—have adopted similar policies and several other states have or are considering similar legislation (Flores 2007; Olivas 2010; Rhymer 2004). In order to adhere with the federal regulations of the IIRIRA, states have adopted conditions for eligibility to ensure that US citizens and legal permanent residents who meet the policy requirements but not longer live in the state also qualify for the in-state tuition rate. While the specific conditions vary from state to state, each state policy includes three general requirements (NILC 2009a): 1) attend a school in the state for a certain number of years; 2) graduate from high school in the state or receive a state issued GED; and 3) sign an affidavit stating that they have either applied to legalize their status or will do so as soon as eligible.

The specific details of the policy conditions vary according to length of residency required, GED qualifications, and eligibility for financial aid (Flores 2007; NILC 2003, 2009a; Rhymer 2004; see Appendix A). The general length of residency required is three years, but some states require only two-years and New Mexico only requires one-year. While all states will accept GED recipients, states vary in terms of the granting institution from which they will accept a GED (e.g., California does not accept GEDs from "adult schools"). Lastly, only a few states—Texas, Oklahoma, and New Mexico—allow undocumented students full access to state financial aid.

The adoption of these IRT policies remains a tense political issue. Several legal challenges have been made against these policies and other states have adopted or considered counter legislation. For instance, in 2005, the same group of lawyers challenged both the Kansas and California statutes but the Kansas court ruled that the plaintiffs had no legal standing since only the Department of Homeland Security, not private citizens, has the right to enforce IIRIRA (IHELG 2008). In California, the court originally ruled against the plaintiffs, but an appeal court order reversed the decision. The University of California is currently appealing the decision to the State Supreme court and in the meantime continues to provide in-state tuition benefits to undocumented immigrants. Responding to political pressure, Oklahoma refined its law in 2007 by prohibiting undocumented immigrants from receiving in-state tuition but still allowing the State Board of Regents to award in-state tuition based on the same criteria (IHELG 2008). Four other states—Arizona, Colorado, Georgia, and South Carolina—have barred undocumented immigrants from receiving in-state tuition benefits (NCSL 2010). South Carolina has gone a step further and banned undocumented students from attending any of it public colleges, while Alabama (and North Carolina for a short time) has banned undocumented students from attending community colleges (Gonzales 2009). The factors influencing state adoption of either pro or anti undocumented student tuition policies remains largely unpredictable and no clear trends in state demographics have been detected (Flores 2007; Flores and Chapa 2009; Sponsler 2009). The only exception is that no southeastern state with high Latino growth has adopted the policy, though Arkansas currently has a policy under consideration.

In partial response to the inconsistent in-state tuition policies and the lack of clarity IIRIRA provides to states, Sen. Orrin Hatch (R-UT) and Congressman Chris Cannon (R-UT) proposed the Student Adjustment Act in 2001 (Janosik and Johnson 2007). Later becoming the

DREAM Act (Development, Relief, and Education for Alien Minors Act) in 2006, this bipartisan legislation would enact two major changes to current federal law: 1) provide a pathway to citizenship for students who came to the US at or before age 15,[2] and 2) eliminate the federal provision that penalizes states for providing in-state tuition without regard to immigration status (Janosik and Johnson 2007; NILC 2009b). While the fate of the DREAM Act remains unclear,[3] if adopted the legislation will not resolve the debate over whether undocumented immigrants should qualify for in-state tuition. That is because the bill does not require states to provide in-state tuition to undocumented immigrants but instead restores each states right to decide their own tuition policy (NILC 2009a).

An Integrated Theoretical Framework: Human Capital, Immigrant Optimism, and Segmented Assimilation

Within the human capital framework, the logic for how IRT policies affect student achievement is twofold. First, states that adopt IRT policies increase the post-secondary educational opportunities for undocumented immigrants by reducing the cost of tuition. Second, this future price reduction alters the cost-benefit calculation for human capital investment at the high school level. To understand how this process works, I incorporate the theories of immigrant optimism and segmented assimilation to assess the educational preferences, benefits, and costs shaping the human capital investment decision of undocumented immigrant youth. In combination, these theories suggest that the strong educational preferences of undocumented

[2] The legislation permits undocumented students of good moral character who came to the US at age 15 or younger to qualify for temporary legal status upon acceptance to college, graduation from high school, or completing a GED. Students remaining in good moral character that have completed at least a 2-year degree (or equivalent) or served in the military for two years can apply for legal permanent residents.

[3] The act was passed by the full senate in 2006 as part of the Comprehensive Immigration Reform Act that was never passed. In 2007, the act was introduced as independent legislation but fell 8 votes short of the 60 required for the senate to proceed with debate on the bill. In 2009, the act was reintroduced in both the House and the Senate, and while it passed the House it failed in the Senate (NILC 2009b).

immigrant youth are constrained by the low economic resources and high social barriers these youth face and that IRT policies can reduce these constraints.

Developed by Becker (1964), the human capital perspective assumes that individuals decide to invest in their education, medical care, and other trainings by weighing the expected benefits and costs—both monetary and non-monetary. Through this calculation individuals choose the optimal level of investment that best aligns with his/her preferences (i.e. maximizes utility). Similar to workers who must choose between labor and leisure, high school students must choose between work (divided between school and home), and leisure by balancing the costs (e.g., time, income, and psychological stress) and benefits (e.g., future earnings and social prestige) of additional years of education. If higher grades in high school results in future higher earnings and/or educational opportunities, students may be willing to forego an hour of leisure, such as watching TV or playing video games, in order to invest that time in studying (Henry and Rubenstein 2002). Students make this decision, however, within economic and social environments that determine the availability of opportunities, and, thus, add to or detract from their costs and benefits (Becker 1993). For instance, low-income youth who work to support their families may have fewer hours of leisure to trade for studying.

Theories and evidence of immigrant optimism are useful for understanding the educational attainment preferences—the first element of the human capital perspective—of undocumented immigrant youth. Motivated by their parents' sacrifices to come to the US, children of immigrants—both documented and undocumented—strongly value education and believe educational attainment will ensure their own future economic success (Fuligni 2001; Suárez-Orozco and Suárez-Orozco 1995). Focusing on immigrants' frame of reference, immigrant optimism theories argue that upon entering the US, foreign-born adolescents expect to

encounter challenges but optimistically believe they can overcome these challenges and succeed (Kao and Tienda, 1995; Suárez-Orozco and Suárez-Orozco, 2001). Compared to the harsh environments many face in their home countries (Ko and Perreira, 2010), the US environment offers more opportunities and rewards for highly motivated individuals. US born youth of immigrant parents also benefit from this dual frame of reference because they hear their parents stories about the economic and emotional hardships they faced in their home country (Stanton-Salazar 2001). Consequently, several studies have found that first (i.e. both child and parents are foreign-born) and second (i.e. child is US born and parents are foreign-born) generation youth have higher educational aspirations and expectations than their third generation (i.e. both child and parents are US-born) ethnic peers (Glick and White 2004; Rumbaut 1999). Among the first and second generation, research suggests that both undocumented and documented youth have high educational aspirations—80% and 77%, respectively, aspire to attend college; Mehta and Ali 2003).

While undocumented immigrant youth have high educational aspirations, their human capital investment decision can be constrained by the social and economic challenges they encounter during the process of assimilation (Becker 1993). According to the theory of segmented assimilation (Portes and Rumbaut 2006), the success of an immigrant's adaptation depends on a multitude of factors that comprise the social context of reception. These include congruence in the pace of acculturation within a family, economic barriers, such as joblessness and concentrated poverty, and social barriers, such as racial discrimination (Portes and Rumbaut 2006) or the social isolation of minority groups (Massey 1990).

For undocumented immigrant children, the severe financial hardships many immigrant families face can significantly constrain their educational investment decision and force youth to

choose between work obligations at school and work obligations at home. With 40% of undocumented children living below the poverty line (compared to 17% of US-born children; Gonzales 2009), many undocumented immigrant youth must support their families by working part-time (and sometimes full-time) jobs and/or by helping parents run the household (e.g., cooking, cleaning, and caring for younger children; Fuligni 2001). For them, allocating additional time to schoolwork may require a greater sacrifice than simply missing their favorite TV show. It may mean that their family has less money for basic necessities or that a younger sibling has no one to care for them. Extant research has shown that these economic hardships (i.e. lower socioeconomic status, higher percentage of parents without a high school degree, and higher rates of poverty) account for the majority of the educational attainment and achievement gap between foreign-born and US-born Latino youth and that once these economic hardships are accounted for foreign-born youth often outperform their US-born peers (Fuligni 1997; Hirschman 2001; Kao and Tienda 1995; Perreira, Harris and Lee 2006).

Many immigrant families make the financial and familial sacrifices needed to invest in their youths' schooling because, in part, it means obtaining a better paying job that will enable youth to support their parents in the future (Fuligni 2001). However, if high school completion does not result in future higher earnings or advanced educational opportunities, undocumented youth may see little reason to forgo current income and the opportunity to economically support their families. Consequently, they may choose to enter the labor force at an earlier age and forgo additional years of education.

By reducing the costs associated with higher education, IRT policies should increase the benefits associated with early school investment because attending college becomes more feasible. If undocumented students believe that post-secondary education (even if it is only some

college) can increase their future earnings and job satisfaction (Gonzales 2009), they may be more willing and able to make the familial and personal sacrifices required of them today. If undocumented students, however, still face uncertain job opportunities no matter their level of education and/or are still unable to afford college this cost reduction may have little to no effect on high school completion.

In addition to economic hardships, undocumented immigrant youth must often overcome social discrimination barriers that can distort their human capital investment decision. Policies of receiving governments as well as attitudes of natives can shape the non-monetary psychological cost and benefits of education. The varying immigration policies in the US, which actively encourage and support some immigrant groups (e.g., granting refugee status and supports to all Cubans) while vigorously excluding others (e.g., refusing Haitians or Salvadorans entrance into the US), contribute to the unequal incorporation of different immigrant groups. A form of structural discrimination, these bipolar policies create inequitable structural opportunities that marginalize immigrant groups and detract from their social and economic advancement (Perreira, Kiang and Potochnick, In Press).

By overriding the federal government's more exclusionary tuition policy, IRT policies are actively welcoming undocumented youth into their higher educational system and potentially reducing the psychological costs associated with social marginalization. Extant research has shown that perceived discrimination detracts from immigrant youth's self-esteem (Rumbaut 1999), lowers their overall educational expectations and academic motivations (Rumbaut 1999; Schmader, Major and Gramzow 2001), hinders their academic performance (Stone & Han, 2005; Degarmo and Martinez 2006), and increases their likelihood of dropping out of high school (Degarmo and Martinez 2006). By creating inequitable structural opportunities, states that

exclude undocumented immigrants from receiving in-state tuition marginalize this group and reduce their opportunities for socio-economic advancement. In contrast, states with in-state tuition options for undocumented immigrants ensure equal opportunity and increase the likelihood that undocumented immigrant can achieve their educational goals and aspirations.

Preliminary evidence from California's IRT policy, known as AB 540, indicates that the policy has served as a welcoming symbol to the state's undocumented youth and increased undocumented youth's sense of social belonging. Conducting interviews with undocumented youth before, shortly after, and 4-years after the passage of AB 540, Abrego (2006) found that the policy reduced students' fear and stigma associated with being undocumented (e.g., they no longer feared telling school counselors or friends that they did not have documents), provided students with a new positive identity ("AB 540 student" rather than "undocumented"), and increased their sense of legitimacy to claim their new right and to mobilize for new rights. These positive psychological effects strengthened over time as more students became familiar with the AB 540 policy and became confident that their new right would be upheld.

Lessons from Merit-Based Financial Aid Programs

While no studies have thoroughly examined how IRT policies affect high school achievement of undocumented immigrant youth, evidence from merit-based financial aid programs indicate that students respond to changes in the economic incentives for investing in human capital. Several studies have found that both post-secondary and secondary educational outcomes improved in states that have adopted merit-based scholarship programs (e.g., Georgia's HOPE Scholarship or the Tennessee Education Lottery Scholarship) meant to reward high school achievement with college financial aid. Adoption of these programs was associated with increases in college matriculation rates (Dynarski 2004), college retention and grades (provided

the individual retains the scholarship; Henry, Rubenstein, and Bugler, 2004), ACT scores (Pallais 2009), and high school grades (Henry and Rubenstein 2002). Though the intent and benefits of merit-based financial aid programs and IRT policies differ—the former rewards students for achievement by paying part of their tuition, while the latter ensures more equitable treatment by charging the tuition rate other residents pay—the underlying policy mechanism is the same, a reduction in price.

Methods

Data

This paper uses the Merged Outgoing Rotation Group (MORG) file from the Current Population Survey (CPS), a nationally representative sample sponsored by the U.S. Census Bureau and U.S. Bureau of Labor Statistics, for the years 1998 to 2008 (Feenberg and Rothl, 2007). Using a multistage stratified sample, the CPS survey collects monthly demographic and employment information from about 60,000 housing units across the United States for the civilian population age sixteen and older. Using a rotating interview system, each housing unit in CPS is interviewed for 4 consecutive months, then ignored for the next 8 months, and then interviewed again for 4 more months. The household unit and not the occupants are the sample, so if individuals or families move from a household unit they are not followed. Instead the new occupants are interviewed. The MORG file is a sub-set of the CPS, which combines survey information from months 4 and 8 into one file for each housing unit surveyed, which means that individuals appear only once in any file year but may reappear in the next year. The MORG files have information on approximately 30,000 individuals for each monthly extract.

The MORG data have several strengths for assessing how high school dropout rates have changed as states have adopted IRT policies. A major advantage is that the data provide monthly,

repeated cross-sections of a national sample of individuals that span the pre and post periods surrounding the adoption of IRT policies. Since the data are large and identify the state location of individuals, I can construct treatment and control groups of sufficient size needed for a difference-in-difference analysis.

Another major advantage is that the MORG file includes undocumented immigrants in the survey[4] and has a strong proxy—Mexican foreign-born non-citizen (FBNC)—for their identification.[5] For ethical reasons, no governmental agency in the U.S. and few research surveys collect or indicate information on documentation status (Passel 2005b). Instead, researchers must rely on proxies for undocumented status. Treated separately or in combination Mexican ethnic identity, foreign-born status, and non-citizenship do not equate undocumented status. However, given that 59% of undocumented immigrants are of Mexican origin and that more than half (56%) of foreign-born Mexicans are undocumented (compared to approximately 26% for non-Mexican foreign-born Latinos; Passel and Cohn 2008; US Census 2000), FBNC Mexican is one of the strongest proxies available (Kaushal 2008). Among recent arrivals, the FBNC Mexican proxy is even stronger; approximately 80% to 85% of foreign born Mexicans who have been in the US for less than ten years are undocumented (Passel and Cohn 2008). Nevertheless, reliance on a proxy measure for undocumented immigrants remains a limitation of this study. Lastly, while CPS and the MORG files focus on labor market outcomes, the data have information on educational attainment, from which I can determine whether the individual has dropped out of high school.

[4] Research by Passel (2005a) and the Census Bureau estimates that both the CPS and Census undercount the undocumented population by about 10% (Kaushal 2008).

[5] According to the Census Bureau, Census and CPS data are similarly effective at identifying the non-citizen population. Comparing Citizenship data from the American Community Survey (ACS) and Annual Social and Economic Supplement to the CPS (ASEC), Menendez (2004) found that the identification of the proportion of non-citizens was only slightly higher (3 percentage points) in the ASEC than the ACS.

Outcome Measure

Dropout Status. I create a dropout status indicator (1=dropout; 0=else) for each individual using the National Center for Education Statistics' definition for the status dropout rate, which is defined as the percentage of 16-24 year-olds who are not enrolled in school and have not earned a high school diploma or GED[6] (NCES 2009). For Latino youth, however, the 16-24 year old age range can lead to an overestimate of the dropout rate since many young Latino immigrants come to the United States to work and never enter the U.S. school system (Fry 2003). Since CPS data does not indicate whether immigrant youth attended school in the U.S., I minimize the potential overestimate bias by using a narrower age range—16-19 years old—for calculating the dropout status of individual youth (Fry 2003). I classified youth as high school dropouts if they were not enrolled in school and did not have a high school diploma or GED.

Sample

The primary sample (N=5,242) includes all self-identifying Mexican FBNCs aged 16-19 in the MORG files between the years 1998 and 2008. This sample consists of US-born, legal permanent resident, and foreign-born non-citizen Mexicans. In order to conduct specification tests, this paper also includes samples of non-Latino white, non-Latino black, and Latino youth. With these samples, this paper examines the merits of the opponents claim that IRT policies reduce the achievement rates of US citizens and legal residents by depriving them of educational resources (Voices for Utah Children 2009; Gonzales 2009). According to IRT policy opponents, the addition of undocumented students to the college systems creates more competition for other

[6] There is considerable debate as to whether GED recipients should be counted as high school graduates given that they have lower economic and post-secondary educational outcomes than regular high school graduates (Tyler and Lofstrom 2009). I follow the NCES definition because it is the most widely used indicator for high school dropout rates (Tyler and Lofstrom 2009). Most importantly, though, the NCES definition allows me to identify the full IRT policy effect given that both GED recipients and regular high school graduates are eligible for the policy.

students, which, in turn, may adversely affect their academic motivation and achievement (Reich and Mendoza 2008). To evaluate this concern, I assess whether the IRT policies have any unintended consequence on the achievement rates of US born non-Latino whites, US born non-Latino blacks, non-Mexican Latino citizens, and Mexican citizens.

Analytical Strategy

This paper employs a difference-in-difference (DD) model that capitalizes on the exogenous variation created by each state's IRT policy adoption (Abadie 2005; Besley and Case 2000). For the DD estimate, I essentially compare an individual's likelihood of dropping out of high school after the adoption of an IRT policy to the likelihood of dropping out of high school for two groups: 1) a cross-section of Mexican FBNCs living in the same states but before the IRT policy was adopted (i.e. a before and after comparison), and 2) a cross-section of Mexican FBNCs of high school age at the same time but residing in similar states that have not adopted the policy (i.e. a treatment and control comparison). I use the lagged policy variable (t-1) to identify the policy effect because it may have taken time for immigrant communities to become aware of the policy and change their behavior. Moreover, given the political tensions surrounding these policies (i.e. the legal challenges and counter legislation) many immigrant youth may have initially doubted the longevity of the adopted policy.

To answer whether state resident tuition policies decreased the dropout rate among FBNC Mexican students I estimate the following linear probability regression model:

$$DROPOUT_{ijtm} = \beta_0 + \beta_1(POLICYSTATE_{jt-1}) + \beta_2\ (INDIVIDUAL\ CHARACTERISTICS_{ijtm}) + \beta_3\ (STATE\ CONDITIONS_{jtm}) + \beta_4\ (STATEDUMMIES_j) + \beta_5(YEARDUMMIES_t) + \beta_6(MONTHDUMMIES_m) + \beta_7(STATE_j * YEAR_t) + \varepsilon_i$$

$i = 1, \ldots . N$ (individuals)
$j = 1, \ldots ., 51$ (states)
$t = 1998, \ldots .2008$ (years)

$$m = 1, \ldots . 12 \text{ (months)}$$

where $DROPOUT_{ijtm}$ is a binary indicator equal to 1 if the individual is a high school dropout. $POLICYSTATE_{jt-1}$ is a binary indicator equal to 1 if a state provided in-state tuition to undocumented immigrants in t-1. This variable is the DD estimate, which indicates the effect of the policy for all Mexican FBNCs residing in a policy state a year after the policy was adopted.[7] The policy states include TX, CA, UT, NY, WA, OK, IL, KS, NM, and NB.[8] β_2 represents a vector of individual and state demographic controls that have been shown to affect an individual's likelihood of dropping out, including age, gender, living in an MSA, and average years in the US (Carter 2005; Fry 2005; Perreira, Harris and Lee 2006; Roscigno, Tomaskovic-Devey and Crowley 2005). β_3 represents a vector of time varying state-characteristics, including: the monthly unemployment rate (from the Bureau of Labor Statistics) to control for state specific economic shocks; the proportion of non-Latino white adults (ages 30-54) with a high school diploma and the proportion with some college to control for state-specific trends in education; the proportion of Mexican adults (ages 30-54) with at least a high school diploma to control for state trends in Mexican educational aspirations; and the percent of Mexican FBNCs in the population to control for state-specific migration trends. B_4 represents state fixed effects that control for both time invariant unobserved and observed state characteristics (e.g., state-specific educational policies or stagnant demographic composition). B_5 represents year fixed effects that control for general shocks or time trends presumed to affect both policy and non-policy states equally, such as national educational policies (e.g., NCLB) and trends (e.g., nationwide decrease

[7] The policy adoption date and enactment date varied for some states by a few months up to a year. I focus on the adoption date because this date marks the first policy signal. I also ran an analysis using the enactment date as a sensitivity check and found similar results.

[8] Because CPS data are not available for 2009, which is when Wisconsin adopted its law, Wisconsin is treated as a control state.

in dropout rate). B_6 indicates month fixed effects and controls for monthly variation in the likelihood of dropping out of high school (e.g., the lower likelihood of dropping out during the summer months). B_7 represents the remaining unobserved state-specific time trends that influence the likelihood of dropping out. Lastly, ε_i represents individual random error. All data are weighted and robust standard errors are clustered by state-year to correct for heteroskedasticity.

Sensitivity Analyses

Assessing State Moderating Effects. As indicated by Flores and Chapa (2009) state differences in migration patterns and histories may influence the extent to which undocumented youth are able to take advantage of the policy. To address this issue, I run separate analyses for two sub-state classifications: traditional states and new settlement states. The traditional state classification compares states that have had historical experiences with immigrant populations and/or Hispanic populations and currently share similar demographic characteristics (e.g., % Hispanic), while the new settlement classification compares states that have little historical context with immigrants or Latinos but have experienced dramatic growth in both.

Building on the classifications outlined by Flores and Chapa (2009) and the Urban Institute (Fortuny et al. 2009), I classify states as traditional if they meet one of the following criteria: 1) are one of the 6 traditional receiving states[9] (CA, NY, NJ, FL, IL or TX), 2) were once partially owned by Mexico and the percent Hispanic in the state was at least 15% in 2000 (AZ, CO, NM, NV), and 3) have a long history with immigrants[10] and the percent Hispanic in the state was at least 5% in 2000 (MA, CT). I classify states as new settlement states if they are

[9] Two-thirds of the immigrant population lives in one of these traditional receiving states (Fortuny et al., 2009).
[10] The following states had at least 200,000 immigrants in the 1920s: Connecticut, Massachusetts, Michigan, Pennsylvania, Ohio, and Wisconsin (Fortuny et al., 2009).

not already classified as a traditional state and the state ranked in the top 25 for growth in the foreign-born population between 1990 and 2000. This category includes 20 states (see Appendix B for a complete list) with growth rates ranging between 274% in North Carolina and 83% in Virginia. Since no new settlement state in the South[11] has adopted an IRT policy and regional differences may bias my results, I also run the analyses excluding all southern states from the new settlement classification (Flores and Chapa, 2009).

Results

To examine the educational effects of IRT policies, I first estimate T-tests to evaluate mean differences in the likelihood of dropping out, individual characteristics, and state conditions across the pre and post (t-l) policy period for both policy states and non-policy states (i.e. states that have not adopted an IRT policy). For this analysis, I calculate the average of each variable by state-year and then estimate mean differences in these variables for the pre and post years. For the non-policy states, I use the median policy passage date, May 2003, to indicate the pre-post division. By May 2003, seven of the ten policy states assessed had passed their IRT policy.

The results indicate that the high school dropout rate for Mexican FBNCs in policy states decreased by 11 percentage points between the pre-post years, while the dropout rate in non-policy states remained stagnant between the pre-post years (Table 1). This diverging result provides initial support for my hypothesis that the adoption of IRT policies reduces the likelihood of dropping out of high school. The results, however, also indentify several potentially confounding individual characteristics and state conditions that could contribute to this policy effect. For the policy states, Mexican FBNC youth in the post years, compared to those in the

[11] While Texas is part of the South, it is a traditional settlement state, not a new settlement state.

pre-years, had lived in the US for more years (7.5 vs. 4.8) and were more likely to reside in a MSA (93% vs. 79%). No similar demographic changes occurred in non-policy states. In terms of state conditions, the percent of Mexican adults with a high school diploma increased in policy states (48% to 53%) but no similar change occurred for non-policy states. Conversely, the unemployment rate increased in non-policy states (4.33 vs. 5.24) but remained stagnant in policy states. A simple mean DD calculation does not control for these uneven variations in individual characteristics, labor market stability, and Mexican educational aspirations.

I use a regression framework to control for these uneven variations and to indentify an unbiased policy effect. A baseline model including a policy effect dummy variable and state and year fixed effects estimates the total unadjusted difference in the likelihood of dropping out of high school between Mexican FBNC youth in policy states, post policy and youth in non-policy states and policy states, pre-policy. I then subsequently add time-varying individual characteristics, time-varying state conditions, and state-specific year fixed effects to the regressions and evaluate how differences in each of these constructs contribute to the observed policy effect.

The baseline model indicates that the adoption of IRT policies is not associated with the likelihood of dropping out for Mexican FBNCs (Table 2, Model 1). While the coefficient is negative, it is small and not significant. My results do not change once I control for time-varying individual characteristics (Model 2) and state conditions (Model 3). The coefficient remains small and non-significant. Recognizing that year trends in migration and education are likely to vary across states, however, I control for state-specific linear trends by including interactions between the state and year fixed effects (Model 4). After controlling for these trends, I find that IRT policies are effective at reducing the high school dropout rate. The adoption of an IRT

policy is associated with a 7 percentage point reduction in the likelihood of dropping out for Mexican FBNCs.

To further assess the validity of this policy effect, I ran the final DD regression model for other racial/ethnic groups. This triple difference (DDD) comparison further reduces the threat that IRT policies are endogenous (Bertrand, Duflo and Mullainathan 2004; Shadish, Cook and Campbell 2002) by assessing whether the policy effect exists for non-targeted groups, specifically: US born non-Latino whites, US born non-Latino blacks, non-Mexican Latino citizens, and Mexican citizens. If my hypothesis is correct and no other policy or contextual difference is driving my result, the DD estimate for other racial/ethnic groups should be small to non-existent.

With this assessment, I find further support for my hypothesis and no support for the policy opponents' claim that IRT policies reduce the achievement rates of US citizens and legal permanent residents. As hypothesized, US born non-Latino white and US born non-Latino black youth are not affected by the policy as seen by the near zero, non-significant coefficients (Table 3). Given the segregation of US schools, it is possible that other Latino youth may be the most adversely affected by the policy if competition for educational resources increases, but I find no support for this hypothesis. Neither non-Mexican Latino citizens nor Mexican citizens are negatively (or positively) affected by the policy. In combination, these results provide strong evidence that the adoption of IRT policies reduce the likelihood of dropping out for youth most likely to be undocumented, Mexican FBNCs.

Not all policy states, however, may have the infrastructure and immigrant support systems to help Mexican FBNCs take advantage of this policy. Thus, I followed Flores and Chapa's (2009) work and assessed whether the effect of IRT policies differed between traditional

immigrant settlement states and new immigrant settlement states (including a sub-sample of new non-southern states). Similar to Flores and Chapa, I found that the policy effect was only significant in traditional settlement states, which presumably have stronger immigrant support systems to help immigrant youth succeed academically. The policy effect coefficients were non-significant (though larger) in the new-settlement states. It is important to note, however, that the sample size were significantly smaller in the new settlement state sample, which reduces the likelihood of finding significance. Overall, these results suggest that some states may be more effective at helping their undocumented immigrant population take advantage of the benefits of IRT policies.

Conclusion

The dramatic growth and dispersal of the immigrant population, particularly Latinos, across the US creates new challenges for states as they struggle to meet the needs of its new citizenry while at the same time meeting the often competing demands of its more long standing residents. In an effort to create a more welcoming social environment that facilitates immigrant youth's academic adaptation, 11 states have adopted IRT policies that provide tuition discounts to undocumented youth. This paper uses data from the current population survey and difference-in-difference models to assess the extent to which these 11 states have been successful in reducing the dropout rate for youth most likely to be undocumented, Mexican FBNCs.

In accordance with prior research on Latinos, I found that Mexican FBNCs are at grave risk of not completing high school. The pre-policy adoption dropout rate for my sample of Mexican FBNCs was 42% in policy states and 48% in non-policy states. These estimates align with prior research, which often cites dropout rates of 30% or more for Latino youth. These studies, however, often include immigrant young adults who have migrated to the US with the

intention to work (i.e. work migrants) and are not likely to enroll in US schools (Fry 2003). Estimates of Latino youth who have enrolled in US schools are much lower, approximately 15% (Fry 2003). While dropout rates of undocumented Latino youth are likely to be higher than Latinos in general and while I exclude individuals most likely to be work migrants (i.e. individuals older than 19), my estimate of the dropout rate for Mexican FBNCs is likely overstated. It is important to note that this overstatement is likely to negatively, not positively, bias my policy effect estimate. Given that my sample includes individuals not directly impacted by the policy, the estimate of my policy effect is likely to be attenuated.[12] Nevertheless, my results indicate that the high school dropout rate among Mexican FBNCs is a significant problem that must be addressed.

The adoption of IRT policies may be a partial solution to the high dropout rate of Mexican FBNCs. My difference-in-difference calculations indicated that the adoption of IRT policies reduced the likelihood of dropping out of High school for Mexican FBNCs by 7 percentage points. For states that have adopted the policy this reduces the average dropout rate from 42% to 35%--a near 16% reduction in the overall dropout rate for Mexican FBNCs. Further increasing the validity of this result, I found no policy effect for other ethnic/racial groups, including US born non-Latino whites, US born non-Latino blacks, Mexican citizens, and non-Latino Mexican citizens. Thus, contrary to policy opponents' claims, it does not appear that IRT policies adversely affect the academic motivations and achievement of US citizens and legal permanent residents.

Lastly, states with long migration histories may have more immigrant support systems to help undocumented immigrant youth take advantage of the policy and succeed in school. I found

[12] It is plausible, however, that some work migrants may be motivated by the policy to enroll in US schools, which would reduce this attenuation.

that IRT policies effectively reduced the dropout rate by 9 percentage points in traditional settlement states but had no significant effect on dropout rates in new settlement states. While this non-significant effect may be a consequence of the smaller sample size in new settlement states, it suggests that IRT policies may be more effective in some states than others. New settlement states, many of which are struggling to adapt to the needs of their first cohorts of immigrant youth, may not have the resources to help undocumented youth be successful (Flores and Chapa 2009). IRT policies are one potential resource states could use, but to be fully effective these policies may need to be accompanied with other academic support systems (possibly language services, family support systems, and newcomer programs). This study shows that state-level education policies, particularly IRT policies, make up an important component of the academic support system for undocumented immigrant youth.

While this study employs two of the strongest quasi-experimental research designs available, the difference-in-difference and triple difference design, it is not able to completely minimize all endogeneity concerns. The reliance on Mexican FBNCs as a proxy for undocumented youth is the main limitation to this study for two reasons. First, my policy effect estimates are likely to be attenuated because my sample includes students who are not actually in the treatment group. Second and more importantly, if the measurement error in this variable differs systematically between the treatment and control states my results will be biased. If there is an overrepresentation of legal permanent residents (LPRs) in the treatment group, my policy estimate may overestimate the policy effect if LPRs are more likely to graduate from high school. This bias only occurs, however, if the percent of Mexican FBNCs who are LPRs has changed overtime within treatment states. Given that there is no publicly available, national data

that distinguishes undocumented immigrants from legal permanent residents I cannot evaluate fully evaluate this potential bias.[13]

Despite these limitations, this study provides an essential evaluation of how IRT policies influence the schooling decisions of high school aged immigrant youth likely to be undocumented. Informing current state- and federal-level policy debates on facilitating college access for undocumented immigrants, this study provides strong evidence that state educational policies shape the academic adaptation of undocumented immigrant youth. States that exclude undocumented immigrants from receiving in-state tuition add to both the financial and discrimination constraints undocumented immigrant youth face and increase their risk for dropping out of high school. In contrast, states with in-state tuition options for undocumented immigrants increase the benefits of school investment by reducing future educational costs and potentially reducing the psychological costs associated with social marginalization.

[13] To estimate this potential bias I assessed the extent to which the proxy FBNC—a less precise proxy than Mexican FBNC—compares to estimates of the undocumented population in each state (results not presented). There does appear to be some indication that the proxy overestimates the size of the undocumented population more for the treatment states than the control states. While the Mexican FBNC proxy should have less measurement error, the directional bias of the measurement error should be similar. Thus, my policy effect estimate may be overstated.

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Table 1: Summary Statistics for Mexican FBNC Sample Aggregated at State Level for Ages 16-19, Years 1998-2008 (Data Weighted)

	Policy States					Non-Policy States				
	Pre-Policy		Post-Policy			Pre-Policy		Post-Policy		
	Mean	SD	Mean	SD		Mean	SD	Mean	SD	
Individual Characteristics										
HS Dropout	0.42	(.04)	0.31	(.02)	*	0.48	(.04)	0.46	(.02)	
Age	17.79	(.10)	17.55	(.04)	*	17.85	(.07)	17.67	(.06)	†
Female	0.40	(.04)	0.47	(.03)		0.40	(.04)	0.40	(.02)	
Avg. yrs in US	4.77	(.27)	7.51	(.27)	***	4.03	(.25)	6.43	(.25)	
MSA	0.79	(.06)	0.93	(.02)	*	0.79	(.03)	0.76	(.03)	
State Characteristics										
State unemp. rate	4.94	(.14)	5.09	(.15)		4.33	(.11)	5.24	(.10)	***
% white adults w/ some college	0.60	(.01)	0.60	(.01)		0.58	(.01)	0.58	(.01)	
% white adults w/ hs diploma	0.89	(.01)	0.87	(.01)		0.90	(.00)	0.90	(.00)	
% Mexican adults w/ hs diploma	0.48	(.02)	0.53	(.01)	*	0.48	(.03)	0.50	(.02)	
% Mexican FBNC	0.04	(.00)	0.06	(.01)	†	0.03	(.00)	0.03	(.00)	
State level N=	57		42			115		174		

† p<.10, * p<.05, **p<.01, ***p<.001 indicate significance level for mean comparisons between pre and post using T-tests.

Table 2: Impact of In-State Resident Tuition Policies on Mexican FBNC Youth's Likelihood of Dropping out of High School for Ages 16-19, Years 1998-2008 (Data Weighted)

	Model 1 Baseline Model			Model 2 Individual Characteristics			Model 3 State Conditions			Model 4 State-Specific Linear Trends		
	b	(s.e.)		b	(s.e.)		b	(s.e.)		b	(s.e.)	
Policy effect	-0.02	(.03)		-0.02	(.03)		-0.02	(.03)		-0.07	(.03)	*
Individual Characteristics												
Age	--	--		0.08	(.01)	***	0.08	(.01)	***	0.08	(.01)	***
Female	--	--		-0.06	(.01)	***	-0.07	(.01)	***	-0.06	(.02)	***
Avg. yrs in US	--	--		-0.02	(.00)	***	-0.02	(.00)	***	-0.03	(.00)	***
MSA	--	--		0.01	(.03)		0.00	(.03)		0.02	(.03)	
State Characteristics												
State unemp. rate	--	--					0.00	(.01)		-0.01	(.02)	
% white adults w/ some college							0.13	(.25)		0.14	(.30)	
% white adults w/ hs diploma							-0.08	(.39)		0.16	(.46)	
% Mexican adults w/ hs diploma							-0.09	(.05)		-0.08	(.07)	
% Mexican FBNC							0.53	(.56)		0.49	(.60)	
Month FE	No			No			Yes			Yes		
State & Year FE	Yes			Yes			Yes			Yes		
State*Year FE (interaction)	No			No			No			Yes		
N=5,242												
† p<.10, * p<.05, **p<.01, ***p<.001												
Notes: Standard errors are adjusted for clustering by state-year.												

Table 3: Impact of In-State Resident Tuition Policies on Youth's Likelihood of Dropping out of High School Ages 16-19 by Racial/Ethnic Group, Years 1998-2008 (Data Weighted)

	U.S. Born Non-Latino White			U.S. Born Non-Latino Black			Non-Mexican Latino Citizen			Mexican Citizen		
	b	(s.e.)		b	(s.e.)		b	(s.e.)		b	(s.e.)	
Policy effect	0.00	(.02)		0.04	(.03)		0.01	(.06)		-0.05	(.04)	
Individual Characteristics												
Age	-0.01	(.00)	*	0.02	(.00)	**	0.02	(.00)	***	0.03	(.00)	**
Female	-0.01	(.00)	*	-0.02	(.00)	*	-0.01	(.01)		-0.02	(.01)	**
Avg. yrs in US	--	--		--	--		0.00	(.00)		-0.01	(.00)	*
MSA	-0.02	(.00)	*	-0.01	(.01)		0.01	(.02)		0.01	(.01)	
State Characteristics												
State unemp. rate	0.00	(.00)		0.00	(.01)		0.00	(.01)		0.02	(.01)	
% white adults w/ some college	-0.03	(.03)		-0.12	(.07)	†	-0.15	(.16)		-0.49	(.15)	**
% white adults w/ hs diploma	-0.12	(.06)	†	0.00	(.11)		-0.22	(.30)		0.12	(.26)	
% Mexican adults w/ hs diploma	0.00	(.00)		0.01	(.01)		0.00	(.02)		-0.05	(.04)	
% Mexican FBNC	-0.29	(.13)	*	-0.54	(.26)	*	-0.51	(.50)		-0.21	(.43)	
Month FE	Yes			Yes			Yes			Yes		
State & Year FE	Yes			Yes			Yes			Yes		
State*Year FE (interaction)	Yes			Yes			Yes			Yes		
N=	161,015			27,421			9,166			15,948		

† p<.10, * p<.05, **p<.01, ***p<.001

Notes: Standard errors are adjusted for clustering by state-year.

Table 4: Impact of In-State Resident Tuition Policies by Settlement Location on Mexican FBNC Youth's Likelihood of Dropping out of High School for Ages 16-19, Years 1998-2008 (Data Weighted)

	Traditional Settlement States			New Settlement States			New Non-South Settlement States		
	b	(s.e.)		b	(s.e.)		b	(s.e.)	
Policy effect	-0.09	(.03)	**	-0.16	(.13)		-0.17	(.14)	
Individual Characteristics									
Age	0.07	(.01)	***	0.11	(.01)	***	0.11	(.02)	***
Female	-0.07	(.02)	***	-0.02	(.04)		-0.02	(.04)	
Avg. yrs in US	-0.03	(.00)	***	-0.02	(.00)	***	-0.02	(.01)	***
MSA	0.05	(.05)		-0.03	(.04)		0.05	(.05)	
State Characteristics									
State unemp. rate	0.00	(.02)		0.00	(.04)		-0.01	(.05)	
% white adults w/ some college	0.09	(.36)		0.19	(.54)		-0.15	(.65)	
% white adults w/ hs diploma	0.02	(.55)		0.34	(1.01)		1.38	(1.01)	
% Mexican adults w/ hs diploma	-0.07	(.10)		-0.11	(.10)		-0.13	(.13)	
% Mexican FBNC	0.13	(.64)		2.44	(1.46)		1.72	(1.26)	
Month FE	Yes			Yes			Yes		
State & Year FE	Yes			Yes			Yes		
State*Year FE (interaction)	Yes			Yes			Yes		
N=	3,816			1,176			784		
† p<.10, * p<.05, **p<.01, ***p<.001									
Notes: Standard errors are adjusted for clustering by state-year.									

Appendix A: Policy Provisions for States that Allow Undocumented Students to Gain Resident Tuition Status as of 2009

State	Date Passed	Date Enacted	State Financial Aid for Undoc.	Residency Requirement
Texas	16-Jun-01	16-Jun-01	Yes	Reside in-state with a parent 3-years prior to graduation and graduate from a TX high school or GED program
California	12-Oct-01	1-Jan-02	No	Attend a CA high school for 3 or more years prior to graduation or GED
Utah	6-Mar-02	1-Jul-02	Partial: 1 state program only	Attend a UT high school for 3 or more years prior to graduation or GED
New York[1]	25-Jun-02	1-Aug-03	No	Two or more years at an approved NY high school, graduate from NY HS or obtain a NY issued GED, and apply within 5 years
Washington	7-May-03	1-Jul-03	No	Complete a full senior year at a WA high school, live in WA at least 3 years immediately prior to diploma or equivalency, and continuously live in WA after receiving high school degree
Oklahoma[2]	12-May-03	12-May-03	Limited	Live in state with a parent or legal guardian for 2 years prior to graduation or GED
Illinois	18-May-03	20-May-03	No	Attend IL high school for 3 years prior to graduation or GED and reside with parent while attending IL high school
Kansas	20-May-04	1-Jul-04	No	Attend KS high school for 3 years prior to graduation or GED
New Mexico	5-Apr-05	5-Apr-05	Yes	Attend NM high school for 1 year prior to graduation or GED
Nebraska	14-Apr-06	13-Jul-06	No	Reside in NB 3-years prior to graduation or GED and live with a parent or guardian while attending high school
Wisconsin	26-Jun-09	29-Jun-09	No	Reside in WI 3 years prior to graduation or GED

[1]Prior to NY's policy, the State University of New York (SUNY) and the City University of New York (CUNY) provided in-state tuition to undocumented immigrants except for during the spring of 2002

[2] In 2007 OK passed another statute prohibiting undocumented immigrants from receiving in-state tuition but allowing the state's Board of Regents (which wrote a guideline memo in 2008) to award in-state tuition to undocumented students who attended an OK HS for at least two years. The legislation also made eligibility financial aid more restrictive.

Sources: Gonzales (2009); Flores (2007); Frum (2008); NILC (2003); Olivas (2010); Rhymer(2005)

Appendix B: State Classification for Settlement Location Type				
Traditional States		New Settlement States		New Settlement Non-Southern States
Treatment		*Treatment*		*Treatment*
California		Kansas		Kansas
Illinois		Nebraska		Nebraska
New Mexico		Oklahoma		Oklahoma
New York		Utah		Utah
Texas		Washington		Washington
Control		*Control*		*Control*
Arizona		Alabama		DC
Connecticut		Arkansas		Idaho
Colorado		DC		Indiana
Florida		Georgia		Iowa
Massachusetts		Idaho		Kentucky
Nevada		Indiana		Minnesota
New Jersey		Iowa		Oregon
		Kentucky		
		Minnesota		
		Mississippi		
		North Carolina		
		Oregon		
		South Carolina		
		Tennessee		
		Virginia		