

## E. ECONOMICS OF EDUCATING THE UNDOCUMENTED

### 1. SIZE OF PROGRAM

Utah currently allows anyone who has attended a state high school for at least three years and has graduated from a Utah high school to qualify for in-state tuition. In 2002, HB144 clarified that students without lawful immigration status could also qualify. They were differentiated from “aliens who are present in the United States on visitor, student, or other visas which authorize only temporary presence in this country... and who therefore...do not have the capacity to intend to reside in Utah for an indefinite period and therefore must be classified as nonresident.” (USHE, R512) This implicitly recognized the existence of communities of undocumented, which include young adults, and represented a decision to offer opportunities to their “best and brightest.” Presumably this would improve the well-being of those communities, particularly as their younger members take on more responsible roles. The alternative is to deny their existence and to force them into the underground where the communities are likely to be increasingly dysfunctional. Section A of this report on “Mexicans in Utah” shows how large these communities have become and suggests the importance of dealing with them through creative public policy. Utah is one of seven states that provide access to higher education.

Through high school, access is guaranteed. In 1982 the U.S. Supreme Court in *Plyler v. Doe* that all children are guaranteed access to K-12 public education, regardless of immigration and legal status. The court decisions and subsequent legislation mandated such access in recognition of the benefits to society in educating all who are physically present in a community, regardless of income, citizenship, handicap, etc. Such education is a public good, all benefit from an educated citizenry.

Access to public higher education is not guaranteed, though California’s effort in Proposition 187 to prohibit undocumented participation in higher education was struck down as preempted by Federal law. In the case of higher education, admission standards differentiate among students on their perceived abilities, costs are borne more directly by the students or their families because of the private benefits that they receive, and differential tuition charges are designed to favor students likely to remain in a state and contribute to that state’s economy. HB 144 was designed to facilitate access by students who were successful in high school and had lived in the state, even though they were undocumented.

Let us look first at the resultant size of the Utah program. Data are reproduced in Table E.1.1 from six institutions of the USHE that provided resident tuition to 117 individuals in 2003-2004. They indicate that \$299,905 of out-of-state tuition was foregone.<sup>1</sup> Kept in perspective, these waivers account for a small proportion of the \$44,896,556 in total tuition waivers granted for that year, in the 16 authorized waiver programs. For example, waivers of non-resident tuition were given to “border” students that year, primarily by Utah State (Idaho) and Dixie State (Nevada-Arizona). The cost of the waived tuition in that program was \$1,066,334.

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<sup>1</sup> A more precise calculation of the University of Utah figures was undertaken, since the reported numbers were an estimate of the cost of the foregone tuition. The more direct calculation based on the individual student course loads indicated that the actual cost for the 14 individuals who were offered the tuition waiver was \$68,237, rather than \$49,976.

**TABLE E.1.1**  
**Undocumented Utah High School Graduate Waivers, 2003-2004**

	UofU	USU	WSU	SUU	UVSC	SLCC	TOTAL
Headcount Students	14	3	7	2	30	61	117
Amount Waived	\$45,976	\$15,439	\$21,048	\$10,728	\$94,740	\$111,974	\$299,905
Average Amount	\$3,284	\$5,146	\$3,007	\$5,364	\$3,158	\$1,836	\$2,563
Tuition Paid	\$18,390	\$6,176	\$8,419	\$4,291	\$37,896	\$44,790	\$119,962

Source: Utah State Board of Regents, "Utilization of Statutory Waiver Programs (2003-2004 Actuals)"

The final row in the table calculates the actual tuition that these students paid as in-state students. This is based on the formula that sets the ratio of in-state to out-of-state tuition at approximately 3.5:1. Presumably the students did pay tuition to the schools they attended, though at the in-state rate. This calculation indicates that they paid \$119,962 in tuition for the academic year 2003-2004, based on the estimated tuition waived.

These data are from the first full year of the program. We do have more recent data for the University of Utah. There were 18 HB144 students admitted to the UofU in 2004-2005 and for Fall 2005, 28 had been admitted as of August 12.

## 2. DIRECT FISCAL IMPACT

Returning to the HB144 waivers, the common assumption is that the amount waived represents a loss of tuition revenue. However, if the waiver provided access to higher education for students who otherwise would not have attended, there may be a net gain in tuition actually paid. Since the same numbers imply that these 117 students paid \$119,962 in resident tuition to the six USHE institutions they attended, using the regents' figures, the fiscal impact could range from + \$119,962 to - \$299,905, a range of almost \$420,000. This gives a sense of the difficulties of estimating the fiscal impact of HB144. The only way to calculate the fiscal impact is to know—or estimate—the number of such students who would have attended the USHE if the waiver program did not exist.

There is no way to estimate how many students without normal immigration status attended the University of Utah prior to 2003. However, there is earlier information on students who graduated from a Utah high school and still paid non-resident tuition at the UofU. There are a variety of reasons a student could fall into this category, such as presence on a tourist or visitor visa. Absence of documented immigration status is only one and it is possible that no undocumented students were included in this group. Nonetheless, Table E.2.1 provides data on the numbers of such students.

**TABLE E.2.1**

EFFECT OF HB 144 ON ATTENDANCE					
UTAH HIGH SCHOOL GRADUATES ADMITTED AS NON-RESIDENTS-UofU					
ACADEMIC YEAR					
ETHNICITY	2001	2002	2003	2004	2005 BY 8/12
HISPANIC	5	7	9	15	41
WHITE	17	20	31	42	99
NON-SPECIFIED	1	1	3	8	4
OTHER	4	3	6	7	15
TOTAL	27	31	49	72	159
HB 144 STUDENTS ADMITTED-UofU					
TOTAL		3	17	19	28

In 2001 there were 27 of these students, and the number grew to 72 by Fall, 2004, and then more than doubled to 159 in Fall 2005. We expect most students without legal immigration status to be Hispanic. Twelve of the 14 students with UofU HB144 waivers in 2003 were Hispanic; one self-identified as white and another as not specified. Of the 21 students in 2004, one self-identified as white, 3 as black, and one as not specified. If these students would have attended the UofU regardless of the waivers, the number of Hispanic high school graduates admitted as non-residents should have remained stable at four or five or only increased at the same rate as the total. On the contrary, the Table indicates that the increase in Hispanic students was far greater than the overall increase. That number tripled from 2001 to 2004, more than doubled from 2002 to 2004, and almost tripled between 2004 and 2005. The numbers in the white and non-specified categories increased, but at a slower rate; and some of their increase may have been the result of HB144, since the ethnic categories are self-reported and we saw above that several of the HB144 students did not report as Hispanic.

This indicates that receiving the HB144 waiver increased the number of students enrolled in the University of Utah over what enrollment would have been without the waiver.<sup>2</sup> Assume that normally four Utah graduated Hispanic students per year would be admitted to the UofU as non-residents, in the absence of HB144. Also assume that these were all undocumented students, which is surely an overstatement. Even this least favorable case implies that there was a net addition of 10 (one admitted student did not attend) students who would not have attended the UofU in 2003-2004 without the HB144 waiver. While the data make any conclusions far from certain, it is certainly true that the program led to more Hispanic students enrolling at the University of Utah, thus increasing the tuition the university received. This pattern appears to be accelerating, as

<sup>2</sup> An attempt was made to look at the overlap in the non-resident Hispanics and the HB144 students from individual student data. In 2001, there were 5 Utah graduated Hispanic students admitted as non-residents. In 2002, there were four. In 2003, one Hispanic student was admitted in addition to the eight Hispanic HB144 students. In 2004 there were four Utah graduated Hispanics admitted, in addition to the eleven Hispanic HB144 students

there were 41 Hispanic non-resident Utah high school graduates admitted for the Fall, 2005, and there were 28 HB144 admits as of August 12.

Since the program appears to be effective in increasing the number of undocumented students who attend the UofU, the actual fiscal cost to the state was substantially less than the amount projected from the waiver totals usually reported. For example, if HB144 increased the enrollment of undocumented students from four to the UofU's fourteen in 2003-2004, the \$13,136 of waived tuition for those four students would be almost exactly balanced by the \$13,130 additional tuition actually paid by the 10 students. It is likely that repealing the waiver program would actually result in less tuition being paid. It is even more likely that the tuition paid by the students plus the taxes that they and their families pay as a share of the tax support for higher education would more than offset the cost of the tuition waivers (See the information on taxes paid in Section A.5).

Table E2.2 provides a simulation of the fiscal impact of the program at the UofU for the 2003-2005 period--two academic years. It is based on the actual student credit hours taken by the HB144 students. At one extreme is the fiscal impact if all of the undocumented students would have attended the U without the HB144 waivers. At the other extreme is the fiscal impact if none of the students would have attended in the absence of the program. The middle estimate assumes that four undocumented students would have enrolled without HB144, certainly a high estimate, and calculates the net effect of increasing the number of students beyond four. In this case the net fiscal impact was positive, the increase in tuition paid at the in-state rate outweighed the loss in non-resident tuition that four students would have paid by \$22,381. As more students are encouraged to attend, the net increase in tuition paid would grow further.

**TABLE E2.2**

SIMULATIONS OF FISCAL IMPACT UofU HB 144 STUDENTS, 2003-2005								TOTAL
			FALL,03	SPR, 04	FALL,04	SPR,05	FALL,05	
NUMBER OF STUDENTS			13	11	26	22	28	
CREDIT HOURS			141	106	263	245	ADMITS	
TUITION PAID			\$15,274	\$11,764	\$34,229	\$31,304		
TUITION WAIVED			\$38,500	\$29,737	\$86,378	\$78,683		
FISCAL IMPACT								
ZERO INCREASE IN STUDENTS			-\$38,500	-\$29,737	-\$86,378	-\$78,683		-\$233,298
INCREASE FROM FOUR			-\$1,272	-\$3,327	\$15,674	\$11,306		\$22,381
ALL NEW STUDENTS			\$15,274	\$11,764	\$34,229	\$31,304		\$92,571

Again, there is no way to find how many additional students attend higher education as a result of HB144. It is important, however, to remember that the gross cost of the tuition waivers that is the usual focus of debate undoubtedly overstates the actual cost of the program to the state. This point is underlined when the actuality of state funding for higher education is noted. In recent years, the state has under-funded student credit hour increases, requiring the institutions to absorb most of the cost of additional students. In the case where there was no added state funding, any cost the program entailed would be completely absorbed by the institution attended. This would again reduce the state fiscal cost.

### 3. HISPANIC AND UNDOCUMENTED EDUCATION IN UTAH

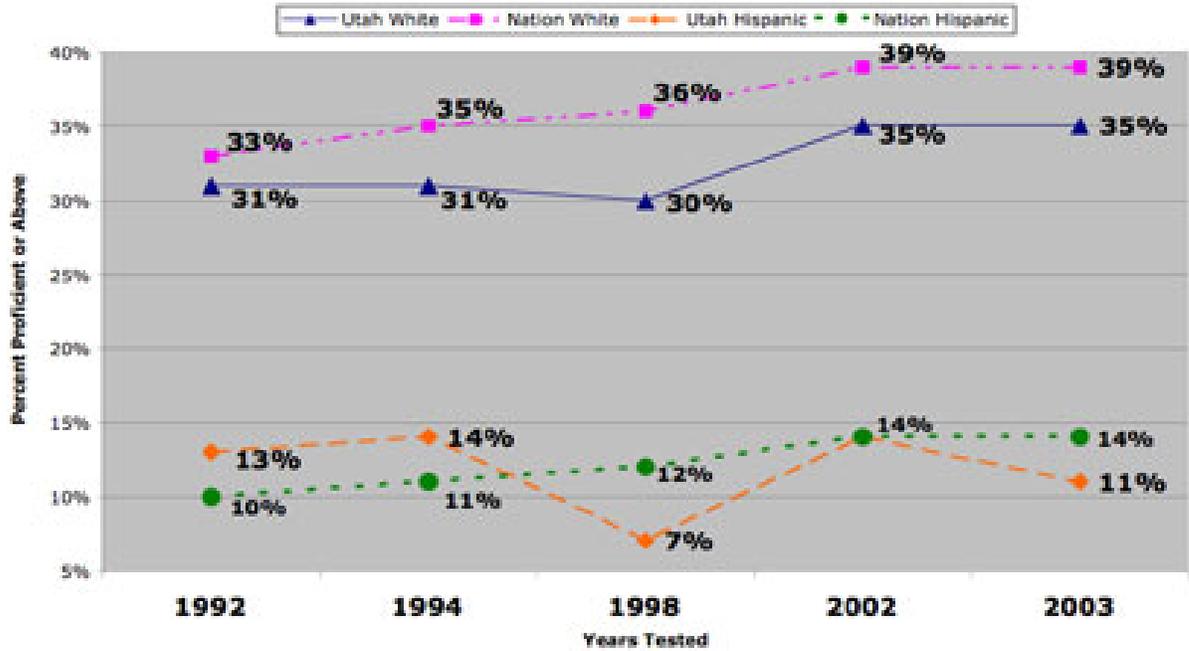
Access to higher education for the undocumented cannot be understood without placing it in the broader context of the educational experience of the Hispanic community, both in the US and in Utah.

It is well-known that the Hispanic population is far behind the total US population in educational participation and achievement. For example, 80.4 percent of the US population have at least a high school degree, but only 52.4 percent of Hispanics have graduated from high school; 24.4 percent of the US have at least a bachelor's degree compared with only 10.4 percent of Hispanics (US Census, 2004). As noted in section A, Mexican heritage dominates Utah Hispanics. At the national level 45.8 percent of Mexicans have at least high school, and 7.5 percent at least a bachelor's. Both are lower than the total population and all Hispanics. Recall that only 32 percent of Utah's Mexican immigrants have at least a high school diploma (Section A, Table 1). Thus improving the education of Hispanics is a major challenge in Utah, and providing higher education to the undocumented is a small but important part of this challenge.

Some sense of the degree of challenge, and Utah's flagging performance, comes from the recent "achievement gap" study by the Utah State Office of Education. It showed that the proficiency gap between Anglo and Latino students in Utah, in math and in reading, has increased between 1992 and 2003, and that there is now a gap between Utah Latinos and US Latinos. Chart E.3.1 below shows that only 11 percent of Utah's Hispanic 4<sup>th</sup> grade students were proficient in reading, compared with 14 percent of US Hispanics. This compared unfavorably with the 35 percent proficiency of Utah's white 4<sup>th</sup> graders, though they were also 4 percent behind the US whites. In Utah the white-Hispanic gap has grown from 18 percent in 1992 to 24 percent in 2003. Nationally the gap has grown from 21 to 25 percent. In 1992, Utah Hispanic children were above the national average by 3 percent; in 2003 they were 3 percent behind. There are enough difficulties with the data that strong claims should be avoided. The composition of Utah's Hispanic population may play a role as well as the resources dedicated to education. However, the Latino education gap is undeniable and any improvements in Hispanic educational accomplishments can only be beneficial.

FIGURE E.3.1

**Table One: NAEP 4th Grade Reading: Percent Proficient (or Above) for White and Hispanic Students for Utah and the Nation**



**Note:** No accommodations were provided to students in 1992 and 1994.

Source: Utah State Office of Education, Trends and Patterns of Utah’s White and Hispanic 4th Grade Students Compared to the Nation: An NAEP Achievement Gap Analysis (June 2005) < <http://www.usoe.k12.ut.us/eval/NAEP1/default.htm> > Accessed August 11, 2005.

Let us look in greater detail at the educational status of Utah’s Hispanics, and of those who report themselves as Mexican, whether born in the US or in Mexico. Table 3.1 shows that in Utah there is a clear break in the relative educational attainment after high school. A higher percentage of Utah Hispanics have a high school degree than in the US as a whole, 52.7% compared with 49.5%. The same is true of Hispanics who report

**TABLE E.3.1  
EDUCATIONAL ATTAINMENT OF US/UTAH HISPANICS**

	ALL HISPANICS		MEXICAN HISPANICS					
	US	UTAH	US	UTAH	MEXICAN HISPANICS			
					BORN IN MEXICO	BORN IN THE US		
	US	UTAH	US	UTAH	US	UTAH		
AT LEAST HS	49.5%	52.7%	43.3%	46.3%	39.5%	33.0%	65.6%	69.1%
AT LEAST ASSOC.	11.8%	9.9%	8.5%	7.5%	4.7%	4.7%	13.9%	12.2%
AT LEAST BACHELOR	8.4%	6.4%	5.8%	4.7%	3.3%	2.8%	9.3%	8.0%

Source: US Census, IPUMS Dataset (5% sample)

themselves as Mexican, though the group as a whole has a lower rate of high school completion than that of all Hispanics. In Utah, 46.3% of Mexican Hispanics have a high school degree, compared with the national value of 43.3%. If Mexicans are further subdivided into those born in the US and those born in Mexico, the pattern breaks down. Utah's US born Mexicans have a higher rate of high school completion than those in the country as a whole. However, those born in Mexico show the reverse. Thirty-three percent of Utah's Mexicans born in Mexico have high school degrees (the highest percent in the intermountain west-see Table A.1) whereas the figure is 39.5% in the US. Section A provides more information and discussion of the explanation for this difference. For our purposes, however, the data show that the Mexican immigrant population represent the greatest educational challenge for Utah, and that challenge is greatest at the university level.

In addition, there may be a relation between high school education and access to higher education, especially for the undocumented. Hispanic dropout rates are obviously quite high, and there is a belief that being precluded from college may increase the tendency to drop out, as it will put a "paper ceiling" on how far a student can aspire to go (Biswas, 2005, 3). All of the categories show that Utah's Hispanics and Mexicans are far behind national averages in attaining bachelor's degrees. Such degree holders are likely to be the leaders in their communities, and this is exactly the group that HB 144 was designed to serve.

The next section examines the evidence on the value of education to a state and to its individual citizens. The importance of the information in Table E.3.1 must be emphasized, since Hispanic students will become an ever larger share of Utah's students in coming years. In 2001-2002, Hispanics accounted for 5.2% of Utah's high school graduates (WICHE, 2003). Given current school enrollments, in 2011-2012 they will account for 14.9% of the graduates, and by 2017-2018 that share will rise to almost 24%. As we will see below, unless a significant share of these graduates can be provided college education, the state's economic development may lag behind states that succeed in providing such education. Again, HB144 can play a positive role in this regard.

#### 4. THE VARIED IMPACT OF INCREASED EDUCATION

Let us turn now to examine the effect of providing higher education to this group of students. This is a complex question, which goes far beyond the economic issues. However, economics will be the primary focus of this section. For a specific estimate of the impact, we would need much more information about the individual students and about their actual or potential employment and civic experience over coming years. This will depend upon a whole series of factors beyond their individual capacities and behaviors: the state of the US job market; US immigration and employment policy; international economic alternatives for Spanish speaking persons; and the economic vitality of the Utah Hispanic community. We cannot project any of these and thus must rely on general analyses of the effects of education.

To gain a sense of how education benefits individuals and their community, we can start with a synthesis of the benefits of higher education as (IHEP, 1998). The authors developed a matrix of higher education benefits, reproduced in Figure E.4.2. If the HB144 program increases the participation of undocumented in higher education, it will offer this array of benefits. In some degree they will specific to the undocumented

community, though there will certainly be many private benefits and the social benefits will spill over to the rest of the state. Any program that hopes to encourage economic development, such as that of Governor Huntsman of Utah, must certainly include a significant educational component. Studies across countries buttress this case. For example, Krueger and Lindahl’s (2001) survey of the international evidence find that education has a high private return in all cases, and while the public or social returns are more variable, they are generally high as well. Studies within countries and across states in countries find similar results as will be noted below.

Our analysis below will not attempt to assess all of these elements. And it should be noted that there are costs, both public and private to providing higher education. The cost elements can be captured by calculating rates of return on expenditures. Section 5 presents the general findings on the private rate of return to higher education. The

**FIGURE E.4.1**  
**THE ARRAY OF HIGHER EDUCATION BENEFITS**

	<b>PUBLIC</b>	<b>PRIVATE</b>
	Increased Tax Revenues	Higher Salaries and Benefits
	Greater Productivity	Employment
<b>ECONOMIC</b>	Increased Consumption	Higher Savings Levels
	Increased Workforce Flexibility	Improved Working Conditions
	Decreased Reliance on Government Financial Support	Personal/Professional Mobility
	Reduced Crime Rates	Improved Health/Life Expectancy
	Increased Charitable Giving/Community Service	Improved Quality of Life for Offspring
<b>SOCIAL</b>	Increased Quality of Civic Life	Better Consumer Decision Making
	Social Cohesion/Appreciation of Diversity	Increased Personal Status
	Improved Ability to Adapt to and Use Technology	More Hobbies, Leisure Activities

SOURCE: Institute for Higher Education Policy. 1998. *Reaping the Benefits: Defining the Public and Private Value of Going to College*. Washington, DC: Institute for Higher Education Policy.

calculations generally rely on the economic benefits of higher salaries and more stable employment. So they understate the total return by leaving out all the social returns and many of the economic returns. Section 6 summarizes the data on the public rate of return. Those calculations are even less satisfactory, since they generally simply adjust the private rate of return down to take account of the fiscal cost of education. Despite these shortcomings, all of the evidence points to very high rates of return to higher education.

In part this is captured by the difference in growth rates across states and countries and their correlation with educational levels. Examination of the

## 5. PRIVATE RETURN TO HIGHER EDUCATION

The tuition waiver program, with 16 categories of potential waivers, is designed to facilitate college attendance by special categories of students, i.e. national guard members, public school teachers, meritorious undergraduates or graduates.

When such a program increases college attendance, the individuals involved benefit. The private rate of return to higher education takes into account both its economic costs and its economic benefits. The rate of return has been found to be quite high in all studies. International studies place the world rate of return at 19.9%, though it is highest in low income countries with fewer college educated citizens (Psacharopolous, 1994). Leslie and Brinkman (1988) found the rate of return to be stable at 12 percent. These are high rates of return on investment, e.g. ten-year treasury bonds in September were paying 4.25 percent return, indicating that the resources spent on education will be well spent.

Another useful measure, although it omits the cost side, is the effect of education on lifetime earnings. Day and Newburger (2002) estimate that a high school graduate will earn \$1.2 million over his or her working life. Some college will raise that amount to \$1.5 million, an Associate's Degree to \$1.6 million and a Bachelor's Degree to \$2.1 million. In addition, the gap between high school graduates and bachelors has increased substantially over time, reflecting the different wage experience of skilled and unskilled workers. In 1983 the average wage of a bachelor's degree holder was 1.5 times the average of a high school graduate. By 1999 that multiplier had risen to 1.8. IHEP (2005) calculated the difference in personal incomes in 2003 for Utah and found that the bachelor degree holder's personal income was 2.04 times that of the high school graduate. This is partly the result of the lower unemployment rate among bachelor degree holders, 1.9 percent versus the high school graduate's 4.0 percent in 2003.<sup>3</sup> This suggests that the benefit of higher education on an individual's welfare in Utah is higher than for the country as a whole, indicating a very high value for higher education in the state.

Since at least 8 of the 2003 HB144 students and 11 of the 2004 group were Hispanic, the effect on Hispanic earnings is of interest. On average for the U.S., Hispanics' earnings will be less than White, Non-hispanics. Nonetheless, a Hispanic bachelor degree holder will earn \$1.7 million over their working life, compared with \$1.1 million for a Hispanic high school graduate (Day and Newburger, 2002, Figure 7). Another tangible impact is the effect on Hispanic participation in college education. As noted above, Hispanic participation in education at all levels is lower than the national average. In most measures of education, e.g. percentage with college degrees, Utah is better than the US average overall, but worse for Hispanics.

Thus increasing the college experience of Hispanic youth would respond to the conclusions of the recent study funded by the Gates Foundation: "the greatest impact, from an economic standpoint, is to focus on those students who have the greatest opportunity to benefit. This suggests targeting first-generation, low-income students" (Williams and Swail, 2005).

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<sup>3</sup> They also note a "private social benefit" due to a greater sense of personal health among the college population. In Utah 81% of high school graduates feel they are in good health, while 96.3% of bachelors feel the same.

The actual effect of college attendance on the income of the students now in the HB144 program will differ from the national average, depending on their labor market experience upon finishing their studies. Receiving in-state tuition will by definition raise the private rate of return. The more important question is its effect on the total amount of education received by the undocumented. We have no relevant information on the expected income of these students, since that will be determined by national policy toward the undocumented and its effect on the labor market. There are three possibilities. The first is that their experience will track the overall Hispanic experience, that their return will be quite high, even though their lifetime earnings will not equal those of White, Non-hispanics. A second possibility is that they will be forced to work in a situation with structural discrimination, i.e. because of their undocumented status they will be forced to accept lower paying jobs to remain under the enforcement radar and thus their benefits will be lowered. Finally, if they hit an iron ceiling and are unable to find jobs that use their skills, their option will be to take unskilled work or to leave the country and return to their country of national origin. They may still be able to attain high income jobs, consistent with their education. However, the benefits will not stay in Utah. We cannot answer which is the most likely path without a careful study of the labor market experience of such undocumented college attendees. And to our knowledge there is no such study. The DREAM Act introduced by Sen. Hatch and the Student Adjustment Act introduced by Rep. Cannon would deal with this directly by specifically allowing states to set tuition policy and by facilitating regularization of students' status. This would make it more likely that Utah would reap the benefits of the HB144 students' education.

In any case, there is a very high private rate of return to the students who are enabled to attend college through the HB144 waiver. The benefits are economic, but also social. The size of the benefits gained is likely to be increased by the scarcity of Hispanics in higher education, both in Utah and in the U.S. In addition, the students will obtain the other private benefits noted in Figure E.4.1, thus improving the well-being of these members of one of the least privileged communities in Utah.

## 6. PUBLIC RETURN TO HIGHER EDUCATION

The more common reason for a state tuition waiver program is the "public return" to facilitating college attendance by members of the group receiving the waiver. Senior citizens, police or fire fighter survivors, and border waivers all reflect this goal. However, there is a social return to all higher education. Figure E.4.1 lists these types of benefits under "Public," with sub-categories of economic and social. For the most part, estimates of the public rate of return look solely at the economic benefits, which can be substantial. For example, Bosworth and Choitz (2005) found that among the 75 largest metro regions in the U.S. in 1980, the ten with the most college graduates had annual per capita income growth of 1.8 percent between 1980 and 1997. The lowest ten grew only at a 0.8 percent rate. This suggests that raising the average level of college education through programs such as HB144 has state-wide benefits.

International studies of rates of return have found an average public rate of return to higher education of 10.9 percent (Psacharopolous, 1994) though Leslie and Brinkman found rates of 12 percent. Specific studies have found improvements in cultural and family values and in economic growth, in personal attitudes, productivity, workforce

flexibility, and decreased reliance on government financial support (Porter, 2002). For example, IHEP (2005) found the following differences between high school and college graduates in Utah:

- 0.7% of high school graduates received public assistance in 2003 and 0.0% of college graduates
- 30.8% of high school graduates had ever volunteered compared with 41.7% of college graduates
- 51.7% of high school graduates voted in 2000, while 76.3% of college graduates voted

While undocumented immigrants cannot receive public assistance nor vote, these indicators suggest that their education will lead to persons who are more involved in their communities and thus will contribute to healthier communities and to the social good.

Goetz and Rupasingha (2003) estimated the effect on state per capita income of both higher education and the presence of high tech firms, which are dependent on an educated labor force. Across the United States, they estimate that each percentage point increase in the share of college graduates in the population raised per capita income by \$339. Each additional high tech firm per 10,000 population raised per capita income by \$704. Using county level data, they did the same estimates by state and found that each percentage increase in the share of the college educated would raise Utah's per capita income by \$152. The effect is 3.19 times the effect of another year of high school among the highest in the country. The effect of one more high tech firm is to raise per capita income by \$1110. Once again, improved access to higher education has significant public benefits.

Once again, however, the social impact depends upon the particular community experience that the HB144 students will have. This depends upon the dynamics of the Hispanic community, and particularly of the undocumented segment of that community. This returns us to the material in the first section of this study, the Hispanic population of Utah and its functioning. The salient point is that US policy, Mexican policy, US economic performance, Mexican economic performance, US business behavior, and a series of other factors have resulted in an estimated 33,000 undocumented Mexicans living in Utah. One estimate is that the total undocumented population is 65,000 (US Centers for Medicare and Medicaid, 2005). The U.S. has spent \$239 million in recent years just on a surveillance system to aid border enforcement. It has been completely wasted and can be taken as a metaphor for the unsuccessful effort to stanch in-migration.

The 65,000 undocumented amount to over 3 percent of the state's population. They are here and function, and they affect the state's welfare in a myriad of dimensions. The fundamental question is again whether steps should be taken to encourage the most positive outcomes from their presence in the state or whether policy should attempt to drive them out by first driving them underground. If policy is of the first variety, HB 144 can play a very positive role for the individuals, for the Hispanic community, and for Utah as a whole. If policy is of the second variety, closing off the access of the small number of qualifying students is one mechanism that can be used.

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