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Honorable Chuck Martin
Chairman, House Committee on Higher Education
417-A State Capitol
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill 120 (LC 49 0327)

Dear Chairman Martin:

This bill would allow lawfully present noncitizens to qualify for in-state tuition at non-research institutions of the University System of Georgia (USG) and all institutions of the Technical College System of Georgia (TCSG). To qualify, students or their parents must have maintained domicile in Georgia since January 1, 2013. Students must also be under age 30 and must have graduated from a Georgia high school or attained a Georgia GED. This bill would allow recipients of deferred action for childhood arrivals (DACA) to qualify for in-state tuition.

The fiscal impact of this bill could not be determined due to the lack of necessary data. There is a lack of reliable data on the number of lawfully present noncitizen students currently enrolled in USG or TCSG that meet all eligibility requirements. In addition, we were unable to estimate the portion of potentially impacted populations that would be likely to attend a USG or TCSG institution.

How Cost/Revenue Would Be Affected

The bill could impact the state through a required increase in state funding to USG and TCSG for any additional students that may enroll. For affected students already attending (or who would have attended without a change in law), the bill would reduce revenue to the two systems because the students would not pay the higher nonresident tuition rates. It is uncertain if potential new enrollments paying in-state tuition would generate more revenue than what is lost from existing students switching from out-of-state to in-state rates.

Cost of New Students
The bill could increase the number of students pursuing higher education, thus increasing the state funding needed for USG and TCSG. For USG institutions in fiscal year 2021, the average state funding per full-time equivalent student is $7,042. TCSG estimates that it spent $163 in state funds per credit hour taken during fiscal year 2020, which equates to approximately $4,949 per full-time student during the academic year.

The number of students that would benefit from the bill is not known. We identified 20,480 active Georgia DACA recipients as of September 30, 2020 using U.S. Citizenship and Immigration Services data. Nationally, 76% of DACA recipients are ages 16 to 30. If this distribution holds true for Georgia, this would be approximately 15,565 recipients. This group would be the likely source of increasing enrollments, though some could already be enrolled (see next section).

The number of DACA recipients in Georgia could increase significantly in the near term, further challenging the cost estimate. New DACA applications were suspended in 2017, but President Biden ordered applications to be accepted again by executive action on January 20, 2021. There are 40,000 immediately eligible DACA recipients in Georgia as of December 2020 according to the Migration Policy Institute (MPI), an independent, nonpartisan, nonprofit think tank that provides estimates of unauthorized state population. These potential recipients could increase the pool of eligible enrollees higher than the estimated 15,565 by the time the bill is implemented.

For illustrative purposes, the bill would require additional state funding for USG of $7,042,000 for 1,000 full-time students enrolling at a result of the bill. An additional 1,000 full-time students enrolled at TCSG would require $4,949,000 in state funds.

Loss of Revenue from Out-of-State Tuition
Providing in-state tuition for lawfully present noncitizens would result in a loss of revenue to USG and TCSG. Students who would have otherwise paid out-of-state tuition would become eligible to pay the lower in-state tuition rate, resulting in a reduction in revenue generated from tuition. The amount of this loss would vary per student based on the type of institution attended. For example, TCSG would lose $1,200 to $3,600 per semester[1] for each student enrolled, while a non-research institution of USG would lose approximately $6,431 for undergraduates and $8,459 for graduate students.[2]

Neither USG nor TCSG could determine how many currently enrolled students would meet all eligibility criteria of the bill, but they could provide an estimate of the number of undocumented students attending in each system. These numbers provide an upper limit to the count of those currently attending who would be eligible for in-state tuition. When multiplied by the in-state and out-of-state tuition differential, the undocumented counts provide an upper limit on lost revenue to each school system. These calculations are presented in **Exhibit 1**.

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[1] TCSG charges two to four times the in-state tuition rate for the target population currently. The two amounts are based on that range and 12 credit hours.

[2] These are the weighted averages of the Fall 2020 semester undergraduate and graduate student tuition differentials for full-time students across USG non-research institutions. The weights are the proportion of enrollment each institution contributes to overall enrollment.

Exhibit 1: Potential Revenue Loss to USG and TCSG

Institution Type	Undocumented Potentially Eligible Students	Tuition Difference (Out-of-State vs In-State)	Upper Limit – Revenue Loss per Semester
USG	630 undergraduate[1]	$6,431	$4,051,530
USG	8 graduate[2]	$8,459	$67,672
TCSG	104	$1,200 - $3,600[3]	$124,800 - $374,400
Total	742	N/A	$4,244,002 - $4,493,602

[1] Students not designated citizens or resident aliens, who have a Georgia high school code or GED, who are classified as non-resident for tuition purposes, and who have not turned 30 based on age at beginning of the term they matriculated. This excludes dual enrollment students.
[2] Students not designated citizens or resident aliens, who have a Georgia high school code or GED, who are classified as non-resident for tuition purposes, and who have not turned 30 based on age at beginning of the term they matriculated.
[3] The lower value uses two times the in-state rate for out-of-state tuition. The higher value uses four times the in-state rate for out-of-state tuition. Affected students pay four times the in-state rate by default but can be classified as qualifying for the lower rate (2x).

Sincerely,

Greg S. Griffin

Greg S. Griffin
State Auditor

Kelly Farr

Kelly Farr, Director
Office of Planning and Budget

GSG/KF/rg