

SUBJECT: Ending military tuition break for student loan defaulters

COMMITTEE: Higher Education — favorable without amendment

VOTE: 8 ayes — Rangel, Ogden, Gallego, Goolsby, Harris, Kamel, Moreno, Reyna
0 nays
1 absent — Rodriguez

WITNESSES: For — Troy Allen Hawkes; J. William Wenrich, Dallas County Community College.
Against — None
On — Mack C. Adams, Texas Higher Education Coordinating Board.

BACKGROUND: The Education Code allows certain Texas military veterans and their survivors to be exempt from tuition and other fees at public higher education institutions in Texas. The Texas Higher Education Coordinating Board reports that this tuition waiver assisted approximately 9,400 students in fiscal 1994 and has benefitted nearly 50,000 students during the last five years. The exemption costs the state approximately \$5 million in tuition and fees annually, according to the board.

DIGEST: HB 699 would amend Education Code sec. 54.203 to make a military veteran or survivor ineligible for the tuition waiver if the student is in default on a federal student loan. The bill would apply to students beginning the fall semester of 1995 and would take effect immediately if approved by two-thirds of the membership of each house.

SUPPORTERS SAY: The tuition exemption for veterans recognizes that they have served this country well and with honor and deserve special assistance from the state. The state recognizes them for their service and has allowed Texas veterans and their survivors to receive a tuition-free education. Yet it makes little sense for the state to continue to subsidize with a special exemption any student who has defaulted on a federal student loan. The Texas Higher Education Coordinating Board estimates that 1 percent of the tuition waiver

recipients would lose their eligibility. According to the fiscal note, the state would save more than \$1 million over the next five years.

It is not good public policy to allow any student, veteran or not, to receive a tuition waiver if the student is in default on a federal educational loan. Veterans should be treated no differently than non-veteran students who default on a loan and lose eligibility for financial aid under the law.

The state should not continue to subsidize certain students who do not take responsibility by defaulting on their student loans, particularly when the state is under tight budgetary constraints.

OPPONENTS
SAY:

No apparent opposition