

**SUBJECT:** Monitoring veterans' tuition exemptions at institutions of higher education

**COMMITTEE:** Defense Affairs and State-Federal Relations — committee substitute recommended

**VOTE:** 8 ayes — Corte, Campbell, Berman, Herrero, Hodge, Leibowitz, Merritt, Noriega

0 nays

1 absent — P. Moreno

**WITNESSES:** For — None

Against — None

On — Cruz Montemayor, Texas Veterans' Commission

**BACKGROUND:** Education Code, ch. 54.203, also known as the Hazelwood Act, entitles eligible wartime veterans and the children of eligible veterans who died as a result of service in the armed forces to free tuition and free or reduced fees for up to 150 college credit hours at public colleges and universities. The state does not reimburse institutions for the amount of the exemptions they are required to give. Persons seeking the exemption must have been Texas citizens when they entered the service and must have resided in Texas for at least 12 months before registering at the higher education institution.

**DIGEST:** CSHB 303 would amend Education Code, ch. 54.203 to require the governing boards of each higher education institution to monitor and report electronically to the Texas Higher Education Coordinating Board (THECB) certain information on individuals receiving veterans' tuition exemptions.

Institutions would have to report the following information for each semester:

- the institution's name;
- the name, identification number, and date of birth of each person

- attending the institution and receiving the tuition and fee waiver;
- the number of credit hours each individual had received through an exemption for each semester;
- the total cumulative number of hours each individual had received through an exemption; and
- any other information required by THECB.

Institutions would have to report each year by December 31 for the fall semester, May 31 for the spring semester, and September 30 for the summer session.

THECB would be required develop the electronic monitoring and reporting system by October 1, 2005. THECB could adopt rules to provide for the efficient and uniform application of this section.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

**SUPPORTERS  
SAY:**

CSHB 303 would allow the state to create a system to track accurately the use of Hazelwood benefits by veterans, as recommended by the Senate Veteran Affairs and Military Installations Committee during the last interim. Currently, each higher education institution independently manages Hazelwood tuition exemptions because there is not a centralized database to track veterans' eligibility and use of the benefit. Although THECB collects the aggregate information from each institution, statistics from THECB often conflict with numbers reported from individual institutions, which can make it difficult to determine the true costs to the state.

The database would allow for better management of the benefits program and would reduce greatly the potential for fraud. Colleges currently have no way of ensuring against duplication of benefits and no way to track individual veterans that move from school to school. The benefits to the state of establishing such a data management system would more than justify the small expense involved in its operation.

The THECB, rather than the Veterans Commission, should be responsible for information on veterans' tuition exemption benefits because federal law stipulates that only an educational entity can gather private educational information.

OPPONENTS  
SAY:

No apparent opposition.

NOTES:

The substitute differs from the original bill in that the THECB, rather than the Veterans Commission, would be responsible for monitoring and reporting information on veterans' tuition exemptions. The substitute also would allow THECB to adopt rules to implement the bill.

According to the LBB, the bill would cost the state \$104,850 in general revenue-related funds for fiscal 2006-07.

The companion bill, SB 101 by Van de Putte, passed the Senate by 31-0 on April 12 and was reported favorably, without amendment, by the House Defense Affairs and State-Federal Relations Committee on April 19, making it eligible to be considered in lieu of HB 303.