

SUBJECT: Exempting children of disabled military personnel from tuition and fees

COMMITTEE: Defense Affairs and State-Federal Relations — favorable, without amendment

VOTE: 8 ayes — Corte, Escobar, Garcia, Herrero, Hodge, Merritt, Moreno, Raymond
0 nays
1 absent — Noriega

WITNESSES: For — Jeffrey Clark, Military Child Education Coalition; Jean Shine
Against — None
On — John Brieden, Texas Veterans Commission; Jane Caldwell, Texas Higher Education Coordinating Board; Col. Richard Francey, 4th Infantry Division, 4th Fires Brigade

BACKGROUND: Education Code, sec. 54.203, commonly referred to as the Hazlewood Act, exempts members of the military from tuition and other fees not including room and board costs at all public higher education institutions in Texas. Those honorably discharged who served on active duty for at least 180 days, not including training, are eligible as long as they are American citizens who have lived in Texas for at least 12 months prior to registering for classes.

The children of U.S. military, Texas National Guard or Texas Air National Guard members who died during service or as a result of an injury or illness incurred during active duty, along with those declared missing in action, also are eligible for the exemption. Those who are in default on state or federal education loans are disqualified from receiving the exemption. Those eligible for the exemptions can receive a maximum of 150 credit hours of education but must first exhaust all federal education benefits.

The federal Dependents' Educational Assistance (DEA) program grants 45 months of benefits to spouses and children of certain veterans that can be

used for college, technical college, high school diploma and/or correspondence courses. Children and spouses of a service member of the Armed Forces are eligible if:

- the veteran dies or becomes permanently or totally disabled as a result of active service;
- the veteran dies as a result of a disability incurred during active service; or
- the service member is captured, detained or missing in action.

Children generally may use the benefits between the ages of 18 and 26. They receive a payment determined by the Department of Veterans Affairs (VA) based on the type of education they receive, but can decide how they spend the money as long as they remain enrolled.

DIGEST:

HB 125 would amend Education Code, sec. 54.203 to extend the tuition exemption to children of U.S. military, Texas National Guard, and Texas Air National Guard members whom the U.S. Department of Veterans Affairs deems unemployable because of a service-related disability.

This 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, 2007. The exemptions could not be implemented earlier than the fall 2007 semester and would be applied the first semester after the bill became law.

**SUPPORTERS
SAY:**

HB 125 would provide a token of gratitude to those who have sacrificed a great deal to fight and defend our freedom. Technological and medical advancements have reduced fatalities on the battlefield, but the side effect of fewer deaths is more injured soldiers – especially those with severe disabilities that leave them unemployable once they return home. HB 125 would eliminate one major concern for catastrophically disabled veterans – funding their children's college education – and would allow them to focus on other pressing matters, such as rehabilitating their injuries and reintegrating into society.

Technological advancements, including body armor and bulletproof Humvees, have saved countless lives in Iraq and Afghanistan. New medical techniques and a more efficient transportation system that puts wounded troops into a hospital within 48 to 72 hours of their accidents also have reduced fatalities. More dangerous enemy weaponry, such as

improvised explosive devices (IEDs), combined with new body armor aimed primarily at protecting vital organs, has led to different and sometimes more debilitating injuries. The number of major amputations, not including toes and fingers, recently passed 500 in Iraq, doubling the number during all previous American conflicts in the past century, with the exception of Vietnam, for which no good statistics are available. As a result, the numbers of deaths in Iraq and Afghanistan is drastically lower than previous conflicts; nine out of every 10 wounded soldiers survive in Iraq compared with 7.5 in 10 soldiers in Vietnam.

The veterans whose injuries may have killed them in previous conflicts now return home with a number of substantial burdens: rehabilitating their injuries and learning how best to compensate for whatever capability they might have lost in battle, reintegrating into daily life, and providing for their families. This bill would attempt to play a small role in easing those burdens by ensuring the children of these catastrophically disabled veterans would be exempt from tuition and other fees while pursuing a higher education degree.

Because the bill would require that 45 months of federal education benefits be exhausted before using the state's tuition exemption, and in light of the recent Congressional action to expand tuition exemptions to children and spouses of disabled veterans, the additional cost to the state's higher education institutions should be minimal. The bill further would limit runaway costs by limiting the exemption to children of those deemed completely unemployable by the VA, not just those injured in conflict who may not have lost any earning potential.

OPPONENTS
SAY:

While no one disputes the worthiness of this bill's intentions and beneficiaries, adding new exemptions could create a financial strain on community colleges, which cannot turn away students exempted from tuition and generally are not as well endowed as large, four-year universities. At a certain point, the state cannot continue to exempt people from tuition and fees without adding financial support and still maintain the level of education for community college students at low tuition.

Further exemptions would create more budgetary uncertainty for community colleges. It is difficult to estimate the number of additional students that could use these exemptions. No one can anticipate how many soldiers will be injured in the coming years, how long the conflict will

last, and how many college-aged students would use this program after exhausting their federal funds.

Although HB 125 would have no fiscal impact on the state, it would continue a trend that is eroding the base of the state's higher education funding. In fiscal 2005, 56 programs exempted or waived \$251 million in tuition and fees. In fiscal 2006, 8,810 students used the Hazlewood exemption at a combined cost of nearly \$17 million to schools across Texas. The Legislature needs to create uniformity among exemptions and establish benchmarks and standards for recipients to continue receiving aid. The federal government requires students receiving funding under the DEA program to maintain performance, attendance, and conduct standards, and the state should do the same.

General academic institutions, especially larger ones, typically have resources with which to absorb costs associated with these exemptions, but even these institutions could eventually hit a breaking point. Although the state's funding formula includes a mechanism for universities to report and be reimbursed for exempted tuition and fees, some schools say they do not actually recover all costs associated with exempting students. If, for example, the Legislature did not allocate enough money to cover these exemptions, the additional costs would be borne by the universities.

OTHER
OPPONENTS
SAY:

Other veterans and survivors also should receive this exemption for the sacrifices they have made for this country. As in the federal law, spouses of deceased or unemployable disabled veterans should be eligible for the exemption. Additionally, the exemption should apply to residents of Texas, regardless of their citizenship status, as some service members enlist in the military as a way to expedite their citizenship process, and their children suffer the same burden as the children of American soldiers who are killed or severely injured in service.

NOTES:

Several related bills would affect tuition exemptions. HB 3830 by Morrison would create eligibility requirements for all tuition exemption and waiver programs, mandating recipients be enrolled in a certificate or degree program and meet progress standards the school uses for determining financial aid eligibility. SB 874 by Van de Putte would create standards for students to meet to receive benefits and would allow military personnel to transfer unused benefits to their children. HB 897 by McClendon, HB 712 by Noriega, HB 623 by Chavez and SB 89 by Van de Putte would grant the exemption if the service member's home of

record was Texas upon entering the service and if the member or survivor lived in Texas for a year preceding registering for classes. HB 50 by Chavez would grant the exemption if the service member lived in Texas for at least one year prior to entering service and one year prior to registering for classes. HB 3036 by Delisi would extend the benefits to the spouse of a service member whose death was caused by military service or who became unemployable because of a service-related disability. HB 1163 by Gallego would extend the benefits to the surviving spouse of a service member for 10 years or until the spouse remarried, whichever came first.

HB 503 by Guillen, enacted during the 2005 regular session, extended exemptions on tuition and fees to veterans who served at least 180 days of active duty in the military response to the Sept. 11, 2001, terrorist attacks, and also provided that exemption to the children of veterans killed in the line of duty or as a direct result of their service.