

SUBJECT: Revising residency requirements for certain military education benefits

COMMITTEE: Higher Education — favorable, without amendments

VOTE: 5 ayes — Branch, Castro, Cohen, D. Howard, McCall

0 nays

4 absent — Alonzo, Berman, Patrick, Rose

SENATE VOTE: On final passage, March 17 — 31-0

WITNESSES: For — (*Registered, but did not testify*: Robert Flores, American GI Forum; Paul C. Herrera, The American GI Forum of Texas; Laura Martin, ACLU of Texas)

Against — None

On — (*Registered, but did not testify*: Connie Cooper, Texas Higher Education Coordinating Board; Connie Jacksits, Texas Veterans Commission)

BACKGROUND: Education Code, sec. 54203 authorizes tuition, fees, and dues exemptions and reductions for qualified Texas veterans and their dependents and is known as the Hazelwood Exemption. Generally, veterans — and qualified dependents — who were Texas residents prior to enlisting, have served at least 181 days of active military duty, received an honorable discharge, and are not in default on a student loan are eligible to have all dues, fees, and charges exempted, for up to 150 credit hours at publicly supported colleges and universities. Institutions of higher education are required to exempt veterans who were citizens of Texas at the time they entered the service and who resided in Texas for at least 12 months before they registered.

In Opinions No. GA-0347, issued August 18, 2005, and No. GA-0445, issued July 21, 2006, the attorney general had determined that in order to receive exemption benefits, an eligible veteran must be a U.S. citizen and a legal Texas resident at the time he or she entered the service and resided

in Texas for at least 12 months before the date of registration. In 2008, those opinions were withdrawn.

**DIGEST:**

SB 93 would include in the tuition and fee exemptions for certain military veterans those who entered the service at a location in Texas, declared Texas as home of record in the manner provided by the applicable military or other service, or would be determined to be a resident for the purposes relating to tuition rates at the time the person entered the service. The bill would remove the requirements that a person must have resided in Texas for at least 12 months before the date of registration and been a citizen of Texas at the time they entered the service.

Persons who, before the 2009-2010 academic year, received a military exemption would continue to be eligible for the exemption under the law that existed on January 1, 2009.

For purposes of granting an exemption, the bill would define a person as the child of another person if the child was the stepchild or the biological or adopted child of the other person, or the other person claimed the child as a dependent on a federal income tax return for the preceding year or will claim the person as a dependent for the current year.

Provisions of the bill would apply beginning with tuition and fees for the 2009 fall semester. If a person paid the tuition and fees for that semester, the higher education institution would be required to refund that amount. Tuition and fees paid for a semester before the 2009 fall semester would be covered by the law in effect at that time.

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, 2009.

**SUPPORTERS  
SAY:**

SB 4047 would eliminate any ambiguity in current law regarding eligibility for tuition and fee exemptions for Texas veterans. The Hazelwood exemption has been state law since 1923 and entitles certain Texas veterans, and the children of Texas service members who die during or directly due to their service in the armed forces, to free tuition and free or reduced fees. However, the eligibility guidelines for the Hazelwood exemption are confusing and have been interpreted inconsistently. The bill would restore the original intent of the exemption and would align it with the attorney general's decision to withdraw his opinions. It would align the

exemption with the federal government's Montgomery GI Bill, which does not make distinctions between citizens and legal residents for purposes of educational benefits for veterans.

The bill would clarify the criteria for establishing residency requirements. Higher education institutions have been interpreting the residency requirements of the Hazelwood exemption differently, which has led to many veterans being denied higher education benefits. The bill also would clarify the ambiguous and confusing definition of a child of a veteran.

Texas should honor and reward the sacrifices made by those Texans who fight on our behalf of and for our freedom. There are many men and women who are legal residents of Texas and who volunteer to enlist and serve in the armed forces for their adopted country. It is only reasonable that veterans who entered the military as legal permanent residents be afforded the same opportunities as those veterans who entered the military as citizens. All veterans should have equal access to higher education in Texas.

Higher education benefits are an important and powerful recruiting tool for the military. The number one reason many individuals enlist in the armed forces is to pursue a higher education after military service. Unfortunately, veterans face many barriers to higher education. The exemption is a cost-effective way to attract more veterans and would help the state in meeting the goals of Closing the Gaps, the state's higher education plan.

**OPPONENTS  
SAY:**

This bill would add new tuition and fee exemptions that could create a financial strain on some higher education institutions. At some point, the state cannot continue to exempt individuals from tuition and fees without adding financial support. Although SB 93 would not have any fiscal impact on the state, it would continue the trend that is eroding the base of the state's higher education funding by forcing higher education institutions to absorb this revenue loss.

**NOTES:**

According to the Texas Higher Education Coordinating Board, about 9,113 veterans and their dependents used the Hazelwood exemption in 2007. The tuition and fees they were exempted from paying totaled \$19.6 million. It is estimated that about 182 additional students would become

eligible under SB 93, resulting in tuition losses of \$392,548 in fiscal 2010 and up to \$2.0 million by fiscal 2014.