

## **BILL ANALYSIS**

C.S.H.B. 1550  
By: Herrero  
Defense & Veterans' Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Hazelwood Act currently provides 150 credit hours of free tuition and free or reduced fees at public colleges and universities for eligible veterans of the armed forces. However, only 8,000 to 9,000 veterans of the 1.7 million in Texas are currently using this exemption, and although veterans are entitled to the benefit they are unable to allow their children to use this benefit.

C.S.H.B. 1550 authorizes a veteran who has not used a portion of the exemption for which the veteran is eligible under the Hazelwood Act to transfer the remaining exemption to the veteran's child.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTIONS 2 and 4 of this bill.

### **ANALYSIS**

C.S.H.B. 1550, which shall be known as the Hazelwood Legacy Act, amends the Education Code to require the governing board of each institution of higher education to exempt certain military personnel from the payment of tuition, in addition to dues, fees, and other required charges, provided the person seeking the exemption entered the service at a location in Texas, declared Texas as the person's home of record in the manner provided by the applicable military or other service, or would have been determined to be a resident of Texas for purposes of provisions relating to tuition rates at the time the person entered the service. The bill removes from the exemption the residency requirement that required military personnel be citizens of Texas at the time they entered the services indicated and have resided in Texas for at least the period of 12 months before the date of registration. The bill specifies that a person who received an exemption before the 2009-2010 academic year continues to be eligible for the exemption under that provision as it existed on January 1, 2009, subject to the other provisions of the bill other than the requirement that the person entered the service in Texas, declared Texas as the person's home of record, or would have been determined to be a Texas resident for tuition rate purposes at the time the person entered the service. The bill makes clarifying and conforming changes to provisions extending the exemption to the children of certain military personnel.

C.S.H.B. 1550 requires the Texas Higher Education Coordinating Board by rule to prescribe, as soon as practicable after the effective date of the bill, procedures allowing a person who becomes eligible for an exemption to waive the right to any unused portion of the maximum number of cumulative credit hours for which the person could receive the exemption and to assign the exemption for the unused portion of those credit hours to the person's child. The bill requires these procedures to provide the manner in which a person may waive the exemption and designate a child to receive the exemption, a procedure permitting the person to designate a different child to receive the exemption if the previously designated child did not use the exemption for all of the assigned portion of credit hours, and a method of documentation to enable institutions of higher education to determine the eligibility of the designated child to receive the exemption.

C.S.H.B. 1550 requires a child, in order to be eligible for an exemption, to be a student who is classified as a resident under provisions relating to tuition rates when the child enrolls in an institution of higher education; make satisfactory academic progress in a degree, certificate, or continuing education program as determined by the institution in accordance with the financial aid department, except that the institution may not require the child to enroll in a minimum course load; and be 25 years of age or younger on the first day of the academic term for which the exemption is claimed, except in certain cases relating to a child suffering from a severe illness or other debilitating condition. The bill requires the coordinating board to prescribe by rule procedures, as soon as practicable after the effective date of the bill, by which a child who suffered from a severe illness or other debilitating condition that affected the child's ability to use the exemption before reaching the age of 25 may be granted additional time to use the exemption corresponding to the time the child was unable to use the exemption due to the illness or condition. The bill establishes, for the purposes of these provisions, that a person is the child of another person if the person is the stepchild or the biological or adopted child of the other person, or the other person claimed the person as a dependent on a federal income tax return for the preceding year or will claim the person as such for the current year.

C.S.H.B. 1550 reenacts and amends Sections 54.203(e) and (e-1), Education Code, as amended by Chapters 443 (H.B. 125) and 1334 (S.B. 1640), Acts of the 80th Legislature, Regular Session, 2007, to remove a provision establishing that a person is covered by this exemption if a person's right to educational benefits under federal legislation is extinguished at the time of the person's registration, and to remove an exception that prohibits the person from receiving an exemption from fees if the person's right to educational benefits under federal legislation is extinguished because the person is in default of repayment of a loan made to the person under a federal program to provide or guarantee loans for educational purposes. The bill clarifies that the exemption from tuition fees does not apply to a person entitled to receive federal educational benefits restricted to tuition and fees only, if the value of the federal benefits equals or exceeds the value of the exemption, and makes conforming changes to provisions entitling a person to receive both the federal benefits and the exemption under certain circumstances.

C.S.H.B. 1550 makes its provisions applicable beginning with tuition and other fees charged for the 2009 fall semester, and requires an institution of higher education to refund the exempted amount of tuition and fees to a student who has already paid tuition and fees and becomes eligible for an exemption in that semester. The bill authorizes the coordinating board to adopt the initial rules prescribing the procedures described above in the manner provided by law for emergency rules.

#### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 1550 adds a provision not in the original specifying that a person who received an exemption before the 2009-2010 academic year continues to be eligible for that exemption under that provision as it existed on January 1, 2009, with certain exceptions. The substitute adds clarifying and conforming changes not in the original to provisions extending the exemption to the children of certain military personnel.