

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 8, 2009

**TO:** Honorable Frank Corte Jr., Chair, House Committee on Defense & Veterans' Affairs

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB333** by Aycock (Relating to tuition and fee exemptions for the spouses of certain military personnel.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill amends Section 54.203 (b) and adds Section 54.203 (b-2) to the Education Code to specify that institutions exempt tuition and fees for the children and current or surviving spouse of a member of the U.S. armed forces who: 1) was killed in action, 2) died while in service, 3) is missing in action, 4) death directly caused by service, or 5) became totally disabled caused by service. Spouses are eligible for this benefit until marriage is dissolved by divorce or annulment. The bill applies to the first term or semester that begins after the effective date of this Act, but not earlier than the 2009 fall semester

The number of Texas veterans eligible for the Hazlewood exemption who were killed in the line of duty or have died from injuries or illness associated with their service since the end of the Korean War is unknown but the Veterans Administration has indicated that the current number of 100%-disabled veterans in Texas is 17,564. The Higher Education Coordinating Board used this same number to estimate the number of deceased veterans. They then assumed 50 percent of these veterans, or 17,564, of the deceased or disabled veterans would have met program requirements for the Hazlewood exemption. The U.S. Census Bureau indicates 52.8 percent of the population is married. They multiplied the estimated number of deceased or 100%-disabled veterans (17,564) by 50 percent, and then multiplied that by 52.8 to arrive at an estimate of 9,274 spouses. They assumed that of the 9,274 eligible spouses, 5 percent, or 464, of these spouses would enroll under the Hazlewood exemption in fiscal year 2010. They further assumed that the number of spouses qualifying to participate in the program will increase by 3 percent through fiscal year 2014. Their enrollment pattern among types of institutions and average award amount will remain the same as in fiscal year 2007.

In fiscal year 2007, the average award amounts for Hazlewood participants was \$3,208 at universities, \$4,697 at health-related institutions, \$964 at community colleges, \$858 at state colleges, and \$1,334 at technical institutions. Applying the applicable percentage of total fiscal year 2007 Hazlewood exemptions for each type of institution to the estimated numbers of additional students, the Higher Education Coordinating Board estimated the amount of tuition and fee revenue that institutions would forego as a result of the additional students to be \$999,786 in fiscal year 2010 with slight increases in the future years as more spouses use the exemption.

#### Local Government Impact

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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