

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 13, 2009

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

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

IN RE: HB812 by Gallego (Relating to tuition and fee exemptions at public institutions of higher education 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 of higher education exempt from tuition and fees 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) died as direct result of service, or 5) became totally disabled because of service. The eligibility of a spouse for this benefit expires on the earlier of: 1) the date the spouse remarries; or 2) the 10th anniversary of: a) the date of the death of the member of the Texas National Guard, or, b) the date the member was initially determined to be totally disabled. The bill applies to the first term or semester that begins after the effective date of the bill, but not earlier than the 2009 fall semester.

Based on information provided by the Texas Army National Guard to the Higher Education Coordinating Board, the total number of Texas Army and Air National Guard (TAANG) men and women is 22,603. Statistics also show that since 2004, the number of TAANG veterans who have been wounded or killed in action is 79, or 0.35% (of 22,603). The Higher Education Coordinating Board assumed that 50 percent of TAANG veterans, or 11,302, 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 TAANG veterans (11,302) by 50 percent, and then multiplied that by 52.8 to arrive at an estimate of 5,967 TAANG spouses. Based on an average of 15 TAANG veterans wounded or killed in action each year, they estimated that of the 5,967 spouses, only 9, or 0.15% percent, of these spouses would meet the requirements and 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 per year through fiscal year 2014. Applying the applicable percentage of total fiscal year 2007 Hazlewood exemptions for each type of institution (general academic institutions, health-related institutions, community colleges, state colleges and technical colleges) to the estimated numbers of additional students, the Higher Education Coordinating Board estimated the amount of tuition and fee revenue that institutions would forego in fiscal year 2010 was \$19,287 with small increases in the subsequent years. The revenue losses are not considered significant.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 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

LBB Staff: JOB, KK, RT, GO