

**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: HB3952** by Turner, Chris (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 would add the spouse of a member of the armed forces who was killed or died while in the service or who was disabled to the existing exemption from payment of tuition and fees.

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 based on information from the Veterans Administration, 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, for a total of 35,128 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. The Higher Education Coordinating Board 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 then 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 assume that the number of spouses qualifying to participate in the program will increase by 3 percent through fiscal year 2014.

The Higher Education Coordinating Board calculated the award amounts and average value of Hazlewood exemptions received in fiscal year 2007 to determine the percentage of participants using these exemptions per type of institution. The average award amounts for fiscal year 2007 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. Based on these assumptions the institutions will experience additional losses of tuition and fee revenue through the exemption estimated at \$999,786 in fiscal year 2010 and \$1,029,780 in fiscal year 2011, with slight increases in tuition losses 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, 758 Texas State University System, 781 Higher Education Coordinating Board

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