

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: HB4415 by Farias (Relating to tuition and fee exemptions at public institutions of higher education for certain military personnel and the spouses of certain deceased and missing military personnel.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would modify tuition and fee exemptions under the Hazlewood Act for certain military personnel and the spouses of certain deceased and missing military personnel. The Veterans Administration estimates that the current number of 100%-disabled veterans in Texas is 17,564 and estimate that the number of deceased veterans equals the number of disabled veterans. The Higher Education Coordinating Board assumed that 50 percent of these 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 (8,782) by 50 percent, and then multiplied that by 52.8 to arrive at an estimate of 4,637 spouses. They assumed that of the 4,637 eligible spouses, 5 percent, or 232, of these spouses would enroll under the Hazlewood exemption in fiscal year 2010. In fiscal year 2007, 9112 veterans and their dependents used the Hazlewood Exemption. Of these 9112 participants, they further estimate that an additional 1 percent, or 91 veterans and qualifying children, will enroll in fiscal year 2010, for a total of 323 students in fiscal year 2010. They further assume that the total number of veterans, children, and spouses qualifying to participate in the program will increase by 3 percent through fiscal year 2014.

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 \$695,896 in fiscal year 2010 with slight increases in the future years as more students participate in the program.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 758 Texas State University System, 781 Higher Education Coordinating Board, 769 University of North Texas System Administration

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