

BILL ANALYSIS

Senate Research Center

S.B. 1158
By: Van de Putte et al.
Veteran Affairs & Military Installations
7/26/2013
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Veterans have unique requirements when making the transition from military service to being a student. This is particularly true for combat veterans. The United States Department of Veteran Affairs estimates that as many as 50 percent of veterans returning from Afghanistan have some type of disability, ranging from varying degrees of post-traumatic stress disorder and traumatic brain injury to physical wounds including severe burns and loss of limbs. Furthermore, the enactment of the Post-9/11 GI Bill has seen an unprecedented growth in the utilization of veterans programs in Texas.

With such an unprecedented growth of veteran presence on campuses and the increasingly complex needs of those veterans, it is important now more than ever that campuses be truly veteran friendly. However, current supports vary too much from one campus to another and among state agencies, resulting in an inconsistent "new normal" for veterans across the state.

Therefore, S.B. 1158 proposes three policies to better serve veterans throughout the state in regard to meeting their education and workforce needs. It transfers the administration of Hazlewood Act benefits from the Texas Higher Education Coordinating Board to the Texas Veterans Commission, creates veteran college resource counselors modeled after other efficient and effective veteran service programs, and establishes a state award recognizing universities and colleges for veteran education excellence.

S.B. 1158 amends current law relating to higher education for veterans and their families.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board (THECB) is modified in SECTION 1 (Section 54.341, Education Code) of this bill.

Rulemaking authority is expressly granted to the Texas Veterans Commission (TVC) in SECTION 1 (Section 54.341, Education Code), SECTION 3 (Section 434.0079), SECTION 5 (Sections 434.252, 434.253, and 434.306, Government Code), and SECTION 8 of this bill.

Rulemaking authority previously granted to THECB is transferred to TVC in SECTION 1 (Section 54.341, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 54.341, Education Code, by amending Subsections (a-2), (b), (d), (h), (i), (k), (k-1), (l), (m), and (n) and adding Subsections (a-4) and (o), as follows:

(a-2) Provides that the exemptions provided for in Subsection (a) (relating to certain persons exempted by the governing board of higher education institutions from certain payments) also apply to the spouse of:

(1) a member of the armed forces of the United States:

(A)-(D) Makes no change to these paragraphs; or

(E) who became totally and permanently disabled or meets the eligibility requirements for individual unemployability according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury, rather than who became totally disabled for purposes of employability according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury; or

(2) a member of the Texas National Guard or the Texas Air National Guard who:

(A) Makes no change to this paragraph; or

(B) is totally and permanently disabled or meets the eligibility requirements for individual unemployability according to the disability ratings of the Department of Veterans Affairs, regardless of whether the member is eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States, rather than is totally disabled for purposes of employability according to the disability ratings of the Department of Veterans Affairs, regardless of whether the member is eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States.

(a-4) Provides that a person who before the 2014-2015 academic year received an exemption under this section continues to be eligible for the exemption provided by this section as this section existed on January 1, 2013.

(b) Provides that the exemptions provided for in Subsection (a) also apply to :

(1) the children of members of the armed forces of the United States:

(A)-(D) Makes no change to these paragraphs; or

(E) who became totally and permanently disabled or meet the eligibility requirements for individual unemployability according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury, rather than who became totally disabled for purposes of employability according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury; and

(2) the children of members of the Texas National Guard and the Texas Air National Guard who:

(A) Makes no change to this paragraph; or

(B) are totally and permanently disabled or meet the eligibility requirements for individual unemployability according to the disability ratings of the Department of Veterans Affairs, regardless of whether the members are eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States, rather than are totally disabled for purposes of employability according to the disability ratings of the Department of Veterans Affairs, regardless of whether the members are eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States.

(d) Requires the governing board of each institution of higher education granting an exemption under this section to require each applicant claiming the exemption to submit to the institution, in the form and manner prescribed by the Texas Veterans Commission (TVC) for purposes of this section under Section 434.0079(b), Government Code, an application for the exemption and necessary, rather than satisfactory, evidence that the applicant qualifies for the exemption not later than the last class date of the semester or term to which the exemption applies, except that the governing board is authorized to encourage the submission of an application and evidence by the official day of record for the semester or term to which the exemption applies on which the institution must determine the enrollment that is reported to the Texas Higher Education Coordinating Board (THECB), rather than not later than one year after the earlier of the date the institution provides written notice to the applicant of the applicant's eligibility for the exemption or receives a written acknowledgement from the applicant evidencing the applicant's awareness of the applicant's eligibility for the exemption.

(h) Requires the governing board of each institution of higher education to electronically report to TVC, rather than THECB, the information required by Section 434.00791, Government Code, rather than Section 61.0516 (Electronic System to Monitor Tuition Exemptions for Veterans and Dependents), relating to each individual receiving an exemption from fees and charges under Subsection (a) (relating to certain persons exempted by the governing board of higher education institutions from certain payments), (a-2), (b), or (k). Requires the institution to report the information not later than January 31, rather than December 31, of each year for the fall semester, June 30, rather than May 31, of each year for the spring semester, and September 30 of each year for the summer session.

(i) Authorizes TVC, rather than THECB, to adopt rules to provide for the efficient and uniform application of this section. Requires TVC, in adopting rules under this subsection, to consult with THECB and institutions of higher education.

(k) Requires TVC, rather than THECB, by rule to prescribe procedures to allow:

(1) a person who becomes eligible for an exemption provided by Subsection (a) to waive the person's right to any unused portion of the number of cumulative credit hours, rather than the maximum number of cumulative credit hours, for which the person could receive the exemption and assign the exemption for the unused portion of those credit hours to a child of the person; and

(2) Makes no change to this subdivision.

(k-1) Requires that the procedures under Subsection (k) provide:

(1)-(2) Makes no change to these subdivisions;

(3)-(4) Makes nonsubstantive changes; and

(5) a procedure permitting a person who waived the exemption and designated a child to receive the exemption to revoke that designation as to any unused portion of the assigned credit hours.

(l) Requires the child, to be eligible to receive an exemption under Subsection (k), to:

(1) Makes a nonsubstantive change;

(2) as a graduate or undergraduate student, maintain a grade point average that satisfies the grade point average requirement for making satisfactory academic progress in a degree, certificate, or continuing education program as determined by the institution at which the child is enrolled in accordance with the institution's policy regarding eligibility for financial aid, rather than make satisfactory academic progress in a degree, certificate, or continuing education program as

determined by the institution at which the child is enrolled in accordance with the policy of the institution's financial aid department, except that the institution is prohibited from requiring the child to enroll in a minimum course load; and

(3) be 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed.

(m) Provides that, for purposes of this section, a person is the child of another person if the person fulfills certain criteria, rather than a person is the child of another person if the person is 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed and fulfills certain criteria.

(n) Requires TVC, rather than THECB, by rule to prescribe procedures by which a child assigned an exemption under Subsection (k) who suffered from a severe illness or other debilitating condition that affected the child's ability to use the exemption before reaching the age described by Subsection (l)(3), rather than Subsection (m), is authorized to be granted additional time to use the exemption corresponding to the time the child was unable to use the exemption because of the illness or condition.

(o) Requires THECB and TVC to coordinate to provide each respective agency with any information required to ensure the proper administration of this section and the proper execution of each agency's statutory responsibilities concerning this section.

SECTION 2. Amends Subchapter D, Chapter 54, Education Code, by adding Section 54.3411, as follows:

Sec. 54.3411. PERMANENT FUND SUPPORTING MILITARY AND VETERANS EXEMPTIONS. (a) Defines "trust company" for this section.

(b) Provides that the permanent fund supporting military and veterans exemptions is a special fund in the treasury outside the general revenue fund. Provides that the fund is composed of:

(1) money transferred or appropriated to the fund by the legislature;

(2) gifts and grants contributed to the fund; and

(3) the returns received from investment of money in the fund.

(c) Requires the Texas Treasury Safekeeping Trust Company (trust company) to administer the fund. Requires the trust company to determine the amount available for distribution from the fund, determined in accordance with a distribution policy that is adopted by the comptroller of public accounts of the State of Texas (comptroller) and designed to preserve the purchasing power of the fund's assets and to provide a stable and predictable stream of annual distributions. Requires that expenses of managing the fund's assets be paid from the fund. Prohibits money in the fund, except as provided by this section, from being used for any purpose. Provides that Sections 403.095 (Use of Dedicated Revenue) and 404.071 (Disposition of Interest on Investments), Government Code, do not apply to the fund.

(d) Authorizes the trust company, in managing the assets of the fund, through procedures and subject to restrictions the trust company considers appropriate, to acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(e) Authorizes the amount available for distribution from the fund to be appropriated only to offset the cost to institutions of higher education of the exemptions required by Section 54.341(k). Requires that the amount appropriated be distributed to eligible institutions in proportion to each institution's respective share of the aggregate cost to all institutions of the exemptions required by Section 54.341(k), as determined by the Legislative Budget Board. Requires that the amount appropriated be distributed annually to each eligible institution of higher education.

(f) Authorizes the governing board of an institution of higher education entitled to receive money under this section to solicit and accept gifts and grants to the fund. Requires that a gift or grant to the fund be distributed and appropriated for the purposes of the fund, subject to any limitation or requirement placed on the gift or grant by the donor or granting entity.

SECTION 3. Amends Subchapter A, Chapter 434, Government Code, by adding Section 434.0079, as follows:

Sec. 434.0079. DUTIES REGARDING CERTAIN TUITION AND FEE EXEMPTIONS FOR VETERANS AND FAMILY MEMBERS. (a) Requires TVC, through its veteran education program, to assist veterans and their family members in claiming and qualifying for exemptions from the payment of tuition and fees at institutions of higher education under Section 54.341 (Veterans and Other Military Personnel; Dependents), Education Code.

(b) Requires TVC to establish the application and necessary evidence requirements for a person to claim an exemption under Section 54.341, Education Code, at an institution of higher education.

(c) Requires TVC to adopt rules governing the coordination of federal and state benefits of a person eligible to receive an exemption under Section 54.341(k), Education Code, including rules governing:

(1) the total number of credit hours assigned under that section that a person is authorized to apply to an individual degree or certificate program, consistent with the standards of the appropriate recognized regional accrediting agency; and

(2) the application of the assigned exemption to credit hours for which the institution of higher education does not receive state funding.

SECTION 4. Transfers Section 61.0516, Education Code, to Subchapter A, Chapter 434, Government Code, redesignates it as Section 434.00791, Government Code, and amends it as follows:

Sec. 434.00791. New heading: ELECTRONIC SYSTEM TO MONITOR TUITION EXEMPTIONS FOR VETERANS AND FAMILY MEMBERS. Redesignates existing Section 61.0516 as Section 434.00791. (a) Defines "institution of higher education" for this section.

(b) Requires TVC, rather than THECB, to ensure, rather than develop, a system to electronically monitor the use of tuition and fee exemptions at institutions of higher education under Section 54.341, Education Code, is developed. Makes conforming and nonsubstantive changes.

(c) Requires THECB, not later than January 1, 2014, under an agreement with TVC, to provide access to the system developed by THECB that meets the requirements of this section. Provides that this subsection expires September 1, 2015.

SECTION 5. Amends Chapter 434, Government Code, by adding Subchapters F and G, as follows:

SUBCHAPTER F. VETERAN EDUCATION EXCELLENCE RECOGNITION AWARD
NETWORK

Sec. 434.251. DEFINITIONS. Defines "commission" and "institution of higher education" in this subchapter.

Sec. 434.252. VETERAN EDUCATION EXCELLENCE RECOGNITION AWARD NETWORK. (a) Requires TVC, by rule, to establish an award program under which institutions of higher education are authorized to receive recognition from TVC for excellence in providing education and related services to veterans.

(b) Requires TVC, for purposes of receiving an award under Subsection (a), to evaluate an institution of higher education regarding, as applicable, the existence and quality at the institution of:

- (1) a centralized place for students who are veterans to meet or find assistance and information;
- (2) an institution employee who serves as a central point of contact for students who are veterans;
- (3) a United States Department of Veterans Affairs work-study program;
- (4) admissions and enrollment policies for veterans;
- (5) new student orientation and courses for veterans;
- (6) a student organization for veterans;
- (7) academic support services for students who are veterans;
- (8) mental health and disability services;
- (9) a housing policy that applies to veterans;
- (10) faculty and staff training on issues affecting students who are veterans;
- (11) career services for students who are veterans; and
- (12) any other criteria considered necessary or appropriate by TVC.

Sec. 434.253. RULEMAKING AUTHORITY. Authorizes TVC to adopt rules as necessary to administer this subchapter. Requires TVC, in developing rules under this section, to consult with THECB and institutions of higher education.

SUBCHAPTER G. VETERANS EDUCATION COUNSELORS PROGRAM

Sec. 434.301. DEFINITIONS. Defines "commission" and "institution of higher education" for this subchapter.

Sec. 434.302. VETERANS EDUCATION COUNSELORS. Requires TVC to employ veterans education counselors. Requires the veterans education counselors to:

- (1) work with institutions of higher education and any existing veterans programs at those institutions to create a hospitable and supportive environment for veterans; enhance awareness of and encourage participation in veterans

educational programs and TVC programs providing other services to veterans, including employment and claims assistance services; develop programs providing ancillary assistance to veterans based on the unique needs of veterans and their family members; ensure that veterans successfully complete their education; and promote the establishment of a student veterans group on each campus of those institutions;

(2) work with local, state, and national veterans groups, including the Veterans of Foreign Wars and the American Legion, to promote educational opportunities and benefits to the veteran population;

(3) work with local workforce development boards to ensure that the veterans education counselors are aware of available nontraditional educational opportunities, including on-the-job training programs and apprenticeships and advise employers of potential opportunities to create on-the-job training programs for veterans;

(4) work with education services officers at military installations to encourage active duty members of the armed forces of the United States and veterans to use federal and state educational benefits;

(5) create and manage publicity campaigns in concert with TVC and institutions of higher education to promote the use of education benefits under the federal Post-9/11 Veterans Educational Assistance Act of 2008 (38 U.S.C. Section 3301 et seq.), the tuition exemption program for veterans and their family members under Section 54.341, Education Code, and any other education benefit for veterans or their family members under federal or state law;

(6) support programs to assist students who are combat veterans in readjusting and reintegrating into a noncombat environment;

(7) maintain statistical information regarding demographics of veterans assisted, application success, program completion rates, dropout rates, and reasons for success or failure, as appropriate; and

(8) perform other activities, as assigned by TVC, to enhance the educational opportunities of veterans and their family members.

Sec. 434.303. **SUPPORT FROM INSTITUTIONS OF HIGHER EDUCATION.** Requires each institution of higher education to cooperate with TVC to provide information, as permitted by law, related to student veterans at the institution, provide access to veteran resource centers or other student meeting areas, and otherwise support the work of veterans education counselors.

Sec. 434.304. **RULEMAKING AUTHORITY.** Authorizes TVC to adopt rules to implement this subchapter. Requires TVC, in developing rules under this section, to consult with THECB and institutions of higher education.

SECTION 6. Provides that Section 9.01(b)(4), Chapter 1049 (S.B. 5), Acts of the 82nd Legislature, Regular Session, 2011, which would repeal Section 54.203(h), Education Code, effective September 1, 2013, is repealed and does not take effect, and Section 54.341(h), Education Code, which was redesignated from Section 54.203(h) (relating to the governing board of each institution of higher education electronically reporting certain information to THECB), Education Code, by Chapter 359 (S.B. 32), Acts of the 82nd Legislature, Regular Session, 2011, remains in effect as amended by this Act.

SECTION 7. Provides that the changes in law made by this Act to Sections 54.341(d), (h), (i), (k), and (n), Education Code, apply beginning with tuition and fees for the 2014 fall semester. Provides that tuition and fees for a term or semester before the 2014 fall semester are covered by

the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 8. Requires TVC, in adopting rules under this Act, including rules implementing authority transferred by this Act from THECB, to engage institutions of higher education in a negotiated rulemaking process as described by Chapter 2008 (Negotiated Rulemaking), Government Code.

SECTION 9. Requires TVC, as soon as practicable after the effective date of this Act, to employ the regional veterans education counselors as required by Subchapter G, Chapter 434, Government Code, as added by this Act.

SECTION 10. (a) Provides that, except as provided by Subsection (b) of this section:

(1) Effective date: upon passage; and

(2) Effective date if this Act does not receive the vote necessary for immediate effect: the 91st day after the last day of the legislative session.

(b) Effective date: Subchapter F, Chapter 434, Government Code, as added by Section 5 of this Act: September 1, 2014.