

BILL ANALYSIS

C.S.S.B. 1159
By: Van de Putte
Defense & Veterans' Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Recently enacted legislation sought to update provisions of the Hazlewood Act; however, interested parties report that the reorganization of those provisions had unintended consequences for some veterans. The Texas Higher Education Coordinating Board responded by making recommendations to clarify existing law and codify provisions necessary to effectively administer Hazlewood benefits for Texas veterans. C.S.S.B. 1159 seeks to implement those recommendations by amending current law relating to tuition and fee exemptions for certain veterans and other military personnel and their dependents.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.S.B. 1159 amends the Education Code to prescribe requirements relating to the readmission of certain military personnel who were previously offered admission to, or were enrolled in, a graduate program or professional program at a general academic teaching institution or medical and dental unit; who did not initially enroll in a program, or withdrew from the program, as applicable, because of deployment with the U.S. military serving on active duty for the purpose of engaging in a combative military operation outside the country; and who seek readmission to the program following such military deployment. The bill requires the institution or unit, regardless of the time since such a person was initially offered admission to, or withdrew from, the program, to readmit the person to the applicable graduate or professional program, to apply credit toward the program for any course work previously completed by the person under the program, and to accept a standardized test score previously submitted by that person for admission to the program.

C.S.S.B. 1159 establishes as an alternative to the in-state residency required for eligibility for the tuition and fee exemption for certain military veterans a residency outside of Texas that is due to the person's military assignment or the military assignment of the person's spouse. The bill, beginning with tuition and fees for the 2013 fall semester, clarifies that the extension of the military veterans exemption to the spouses and children of certain disabled veterans applies to the spouses and children of members of the U.S. military, Texas National Guard, or Texas Air National Guard who became totally and permanently disabled or who 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.

C.S.S.B. 1159 restricts the tuition and fee exemptions for spouses and children of certain deceased service members or disabled veterans to the spouse and children of a member or veteran who entered the service at a location in Texas, declared Texas as the person's home of record in the manner provided by the applicable military or other service, or would have been determined to be a Texas resident, for purposes of the tuition rates charged to resident and

nonresident students, at the time the person entered the service. The bill establishes that such a member is not required to meet any other eligibility requirements prescribed by applicable statute.

C.S.S.B. 1159, beginning with tuition and fees for the 2013 fall semester, authorizes a person who is entitled for a semester or other term to receive more than one type of federal benefit that may be used only for the payment of tuition and fees to choose which benefit to apply for that semester or other term. The bill requires the extent to which an exemption applies to the person to be based on the value of the federal benefit or benefits the person chooses to use for that semester or other term. The bill clarifies that the cap on the combined amount of the federal benefit or benefits that may be used only for the payment of tuition and fees plus the amount of the exemption received in a semester or other term applies to the federal benefit or benefits that are received in that semester or other term. The bill requires the procedures prescribed by Texas Higher Education Coordinating Board rule to provide 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. The bill requires a child, in order to be eligible to receive an exemption under such designation, to be 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed and removes a provision establishing that such a person is considered to be another person's child for purposes of eligibility to receive an exemption as a child designee.

C.S.S.B. 1159 adds a temporary provision, set to expire January 31, 2015, to require the Legislative Budget Board (LBB), in consultation with the coordinating board and the Texas Veterans Commission, as the LBB considers necessary, to study and evaluate the tuition and fee exemptions provided to veterans and other military personnel and their dependents. The bill requires the LBB to consider in the study any available historical data and the projected data regarding recipients of such tuition and fee exemptions, disaggregated by veteran, dependent, spouse, and legacy recipient, for specified categories of information. The bill requires the LBB, to the greatest extent possible, to include in its study a review of all federal education benefits for veterans in order to comprehensively review the sustainability of state and federal benefits for veterans, and to use applicable data from the 2008-2009 academic year or a more recent academic year as a baseline in the study. The bill requires institutions of higher education, to the greatest extent possible, to cooperate with the LBB by providing any requested data and ensuring the reliability and validity of the data collected and submitted for the purpose of the study. The bill requires the LBB, not later than December 1, 2014, to submit to the coordinating board, the Texas Veterans Commission, the governor, the lieutenant governor, and the speaker of the house of representatives a written report of the results of the study, together with any recommendations for legislative or administrative action, including any changes to eligibility criteria or other changes necessary to promote sustainability, fiscal efficiency, and effectiveness in the use of the exemption provided to veterans and other military personnel and their dependents. The bill requires a recommendation included in the report to include an explanation of the basis for that recommendation.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.S.B. 1159 may differ from the engrossed version in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED

No equivalent provision.

SECTION 1. Section 54.341, Education Code, is amended.

No equivalent provision.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter W, Chapter 51, Education Code, is amended by adding Section 51.844 to read as follows:

Sec. 51.844. READMISSION OF CERTAIN MILITARY PERSONNEL TO GRADUATE AND PROFESSIONAL PROGRAMS. (a)

This section applies only to a person who:

(1) was previously offered admission to, or was enrolled in, a graduate program or professional program at a general academic teaching institution or medical and dental unit;

(2) did not initially enroll in the program, or withdrew from the program, as applicable, because of the person's deployment as a member of the armed forces of the United States serving on active duty for the purpose of engaging in a combative military operation outside the United States; and

(3) seeks readmission to the program following the person's military deployment under Subdivision (2).

(b) A general academic teaching institution or a medical and dental unit must, regardless of the time since the person was initially offered admission to, or withdrew from, the program, as applicable:

(1) readmit a person to whom this section applies to the applicable graduate or professional program;

(2) apply credit toward the program for any course work previously completed by the person under the program; and

(3) accept a standardized test score previously submitted by that person for admission to the program.

SECTION 2. Same as engrossed version.

SECTION 3. Subchapter D, Chapter 54, Education Code, is amended by adding Section 54.3411 to read as follows:

Sec. 54.3411. STUDY REGARDING TUITION AND FEE EXEMPTIONS FOR CERTAIN MILITARY PERSONNEL AND DEPENDENTS. (a) The Legislative Budget Board, in consultation with the Texas Higher Education Coordinating Board and the Texas Veterans Commission, as the Legislative Budget Board considers necessary, shall study and evaluate the tuition and fee exemptions provided under Section 54.341. In the study,

the Legislative Budget Board shall consider any available historical data and the projected data regarding recipients of the exemptions provided under Section 54.341, disaggregated by veteran, dependent, spouse, and legacy recipient, for each of the following categories of information:

(1) the total number of recipients, disaggregated by gender, race and ethnicity, institution, and socioeconomic background as indicated in the Free Application for Federal Student Aid (FAFSA);

(2) the number of undergraduate, graduate, and doctoral credit hours attempted and earned by semester;

(3) the number of degrees attempted and earned, and the associated semester credit hours required for those degrees, per recipient;

(4) the grade point average of recipients after completing the first, second, third, and fourth academic years, and subsequent academic years, as applicable, and to the extent allowed under the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g);

(5) the average time to graduation;

(6) the four-year and six-year graduation rates, retention rates, and noncompletion rates;

(7) the number of semester credit hours of developmental education courses attempted and earned by recipients;

(8) the proportion of federal education benefits, including veteran and non-veteran benefits, and of the exemption provided under Section 54.341, used for undergraduate, graduate, and doctoral semester credit hours attempted and earned by recipients; and

(9) the average cost of tuition and mandatory fees for an undergraduate, graduate, and doctoral recipient enrolled in a full course load at an institution of higher education compared to the average cost for a nonrecipient student enrolled in a full course load at the same institution for the same degree level.

(b) To the greatest extent possible:

(1) the Legislative Budget Board shall:

(A) include in its study a review of all federal education benefits for veterans in order to comprehensively review the sustainability of state and federal benefits for veterans; and

(B) use applicable data from the 2008-2009 academic year or a more recent academic year

as a baseline in the study; and

(2) institutions of higher education shall cooperate with the Legislative Budget Board by providing any requested data and ensuring the reliability and validity of the data collected and submitted for the purpose of the study.

(c) Not later than December 1, 2014, the Legislative Budget Board shall submit to the Texas Higher Education Coordinating Board, the Texas Veterans Commission, the governor, the lieutenant governor, and the speaker of the house of representatives a written report of the results of the study conducted under this section, together with any recommendations for legislative or administrative action, including any changes to eligibility criteria or other changes necessary to promote sustainability, fiscal efficiency, and effectiveness in the use of the exemption provided under Section 54.341. A recommendation included in the report must include an explanation of the basis for that recommendation.

(d) This section expires January 31, 2015.

SECTION 2. (a) The changes in law made by this Act by amending Subsection (a), Section 54.341, Education Code, and by adding Subsection (a-4), Section 54.341, Education Code, apply immediately.

(b) Except as provided by Subsection (a) of this section, the changes in law made by this Act to Section 54.341, Education Code, apply beginning with tuition and fees for the 2013 fall semester. Tuition and fees for a term or semester before the 2013 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 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

SECTION 4. Same as engrossed version.

SECTION 5. Same as engrossed version.