

AN ACT

relating to higher education for veterans and their families.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

(a-2) The exemptions provided for in Subsection (a) also apply to the spouse of:

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

(A) who was killed in action;

(B) who died while in service;

(C) who is missing in action;

(D) whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States; or

(E) who became totally and permanently disabled or meets the eligibility requirements for individual unemployability [~~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) was killed since January 1, 1946, while on

1 active duty either in the service of this state or the United
2 States; or

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

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

15 (b) The exemptions provided for in Subsection (a) also apply
16 to:

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

19 (A) who are or were killed in action;

20 (B) who die or died while in service;

21 (C) who are missing in action;

22 (D) whose death is documented to be directly
23 caused by illness or injury connected with service in the armed
24 forces of the United States; or

25 (E) who became totally and permanently disabled
26 or meet the eligibility requirements for individual
27 unemployability [~~for purposes of employability~~] according to the

1 disability ratings of the Department of Veterans Affairs as a
2 result of a service-related injury; and

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

5 (A) were killed since January 1, 1946, while on
6 active duty either in the service of their state or the United
7 States; or

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

16 (d) The governing board of each institution of higher
17 education granting an exemption under this section shall require
18 each applicant claiming the exemption to submit to the institution,
19 in the form and manner prescribed by the Texas Veterans Commission
20 for purposes of this section under Section 434.0079(b), Government
21 Code, an application for the exemption and necessary [~~satisfactory~~]
22 evidence that the applicant qualifies for the exemption not later
23 than the last class date of the semester or term to which the
24 exemption applies, except that the governing board may encourage
25 the submission of an application and evidence by the official day of
26 record for the semester or term to which the exemption applies on
27 which the institution must determine the enrollment that is

1 reported to the Texas Higher Education Coordinating Board ~~[one year~~
2 ~~after the earlier of the date the institution:~~

3 ~~[(1) provides written notice to the applicant of the~~
4 ~~applicant's eligibility for the exemption; or~~

5 ~~[(2) receives a written acknowledgement from the~~
6 ~~applicant evidencing the applicant's awareness of the applicant's~~
7 ~~eligibility for the exemption].~~

8 (h) The governing board of each institution of higher
9 education shall electronically report to the Texas Veterans
10 Commission ~~[Higher Education Coordinating Board]~~ the information
11 required by Section 434.00791, Government Code, ~~[61.0516]~~ relating
12 to each individual receiving an exemption from fees and charges
13 under Subsection (a), (a-2), ~~[or]~~ (b), or (k). The institution
14 shall report the information not later than January 31 ~~[December~~
15 ~~31]~~ of each year for the fall semester, June 30 ~~[May 31]~~ of each year
16 for the spring semester, and September 30 of each year for the
17 summer session.

18 (i) The Texas Veterans Commission ~~[Texas Higher Education~~
19 ~~Coordinating Board]~~ may adopt rules to provide for the efficient
20 and uniform application of this section. In developing rules under
21 this subsection, the commission shall consult with the Texas Higher
22 Education Coordinating Board and institutions of higher education.

23 (k) The Texas Veterans Commission ~~[Higher Education~~
24 ~~Coordinating Board]~~ by rule shall prescribe procedures to allow:

25 (1) a person who becomes eligible for an exemption
26 provided by Subsection (a) to waive the person's right to any unused
27 portion of the ~~[maximum]~~ number of cumulative credit hours for

1 which the person could receive the exemption and assign the
2 exemption for the unused portion of those credit hours to a child of
3 the person; and

4 (2) following the death of a person who becomes
5 eligible for an exemption provided by Subsection (a), the
6 assignment of the exemption for the unused portion of the credit
7 hours to a child of the person, to be made by the person's spouse or
8 by the conservator, guardian, custodian, or other legally
9 designated caretaker of the child, if the child does not otherwise
10 qualify for an exemption under Subsection (b).

11 (k-1) The procedures under Subsection (k) must provide:

12 (1) the manner in which a person may waive the
13 exemption;

14 (2) the manner in which a child may be designated to
15 receive the exemption;

16 (3) a procedure permitting the designation of a
17 different child to receive the exemption if the child previously
18 designated to receive the exemption did not use the exemption under
19 this section for all of the assigned portion of credit hours; ~~and~~

20 (4) a method of documentation to enable institutions
21 of higher education to determine the eligibility of the designated
22 child to receive the exemption; and

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

27 (1) To be eligible to receive an exemption under Subsection

(k), the child must:

(1) be a student who is classified as a resident under Subchapter B when the child enrolls in an institution of higher education; ~~and~~

(2) as a graduate or undergraduate student, maintain a grade point average that satisfies the grade point average requirement for making ~~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 institution's policy regarding eligibility for ~~of the institution's~~ financial aid; 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 ~~department, except that the institution may not require the child to enroll in a minimum course load~~.

(m) For purposes of this section, 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~~:

(1) the person is the stepchild or the biological or adopted child of the other person; or

(2) the other person claimed the person as a dependent on a federal income tax return filed for the preceding year or will claim the person as a dependent on a federal income tax return for the current year.

(n) The Texas Veterans Commission ~~Higher Education Coordinating Board~~ by rule shall prescribe procedures by which a

1 child assigned an exemption under Subsection (k) who suffered from
2 a severe illness or other debilitating condition that affected the
3 child's ability to use the exemption before reaching the age
4 described by Subsection (1)(3) [~~(m)~~] may be granted additional time
5 to use the exemption corresponding to the time the child was unable
6 to use the exemption because of the illness or condition.

7 (o) The Texas Higher Education Coordinating Board and the
8 Texas Veterans Commission shall coordinate to provide each
9 respective agency with any information required to ensure the
10 proper administration of this section and the proper execution of
11 each agency's statutory responsibilities concerning this section.

12 SECTION 2. Subchapter D, Chapter 54, Education Code, is
13 amended by adding Section 54.3411 to read as follows:

14 Sec. 54.3411. PERMANENT FUND SUPPORTING MILITARY AND
15 VETERANS EXEMPTIONS. (a) In this section, "trust company" means
16 the Texas Treasury Safekeeping Trust Company.

17 (b) The permanent fund supporting military and veterans
18 exemptions is a special fund in the treasury outside the general
19 revenue fund. The fund is composed of:

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

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

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

25 (c) The trust company shall administer the fund. The trust
26 company shall determine the amount available for distribution from
27 the fund, determined in accordance with a distribution policy that

1 is adopted by the comptroller and designed to preserve the
2 purchasing power of the fund's assets and to provide a stable and
3 predictable stream of annual distributions. Expenses of managing
4 the fund's assets shall be paid from the fund. Except as provided
5 by this section, money in the fund may not be used for any purpose.
6 Sections 403.095 and 404.071, Government Code, do not apply to the
7 fund.

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

17 (e) The amount available for distribution from the fund may
18 be appropriated only to offset the cost to institutions of higher
19 education of the exemptions required by Section 54.341(k). The
20 amount appropriated shall be distributed to eligible institutions
21 in proportion to each institution's respective share of the
22 aggregate cost to all institutions of the exemptions required by
23 Section 54.341(k), as determined by the Legislative Budget Board.
24 The amount appropriated shall be distributed annually to each
25 eligible institution of higher education.

26 (f) The governing board of an institution of higher
27 education entitled to receive money under this section may solicit

1 and accept gifts and grants to the fund. A gift or grant to the fund
2 must be distributed and appropriated for the purposes of the fund,
3 subject to any limitation or requirement placed on the gift or grant
4 by the donor or granting entity.

5 SECTION 3. Subchapter A, Chapter 434, Government Code, is
6 amended by adding Section 434.0079 to read as follows:

7 Sec. 434.0079. DUTIES REGARDING CERTAIN TUITION AND FEE
8 EXEMPTIONS FOR VETERANS AND FAMILY MEMBERS. (a) The commission,
9 through its veteran education program, shall assist veterans and
10 their family members in claiming and qualifying for exemptions from
11 the payment of tuition and fees at institutions of higher education
12 under Section 54.341, Education Code.

13 (b) The commission shall establish the application and
14 necessary evidence requirements for a person to claim an exemption
15 under Section 54.341, Education Code, at an institution of higher
16 education.

17 (c) The commission shall adopt rules governing the
18 coordination of federal and state benefits of a person eligible to
19 receive an exemption under Section 54.341(k), Education Code,
20 including rules governing:

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

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

SECTION 4. Section 61.0516, Education Code, is transferred to Subchapter A, Chapter 434, Government Code, redesignated as Section 434.00791, Government Code, and amended to read as follows:

Sec. 434.00791 [~~61.0516~~]. ELECTRONIC SYSTEM TO MONITOR TUITION EXEMPTIONS FOR VETERANS AND FAMILY MEMBERS [~~DEPENDENTS~~].

(a) In this section, "institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(b) The commission [~~board~~] shall ensure [~~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. The system must allow the commission [~~board~~] to electronically receive, for each semester, the following information from institutions of higher education:

(1) the name of the institution;

(2) the name, identification number, and date of birth of each individual attending the institution and receiving benefits for the semester under Section 54.341, Education Code;

(3) for each individual receiving benefits, the number of credit hours for which the individual received an exemption for the semester;

(4) for each individual receiving benefits at the institution during the semester, the total cumulative number of credit hours for which the individual has received an exemption at the institution; and

(5) any other information required by the commission [~~board~~].

(c) Not later than January 1, 2014, the Texas Higher

1 Education Coordinating Board, under an agreement with the
2 commission, shall provide access to the system developed by the
3 coordinating board that meets the requirements of this section.
4 This subsection expires September 1, 2015.

5 SECTION 5. Chapter 434, Government Code, is amended by
6 adding Subchapters F and G to read as follows:

7 SUBCHAPTER F. VETERAN EDUCATION EXCELLENCE RECOGNITION AWARD

8 NETWORK

9 Sec. 434.251. DEFINITIONS. In this subchapter:

10 (1) "Commission" means the Texas Veterans Commission.

11 (2) "Institution of higher education" has the meaning
12 assigned by Section 61.003, Education Code.

13 Sec. 434.252. VETERAN EDUCATION EXCELLENCE RECOGNITION
14 AWARD NETWORK. (a) The commission by rule shall establish an
15 award program under which institutions of higher education may
16 receive recognition from the commission for excellence in providing
17 education and related services to veterans.

18 (b) For purposes of receiving an award under Subsection (a),
19 the commission shall evaluate an institution of higher education
20 regarding, as applicable, the existence and quality at the
21 institution of:

22 (1) a centralized place for students who are veterans
23 to meet or find assistance and information;

24 (2) an institution employee who serves as a central
25 point of contact for students who are veterans;

26 (3) a United States Department of Veterans Affairs
27 work-study program;

1 (4) admissions and enrollment policies for veterans;
2 (5) new student orientation and courses for veterans;
3 (6) a student organization for veterans;
4 (7) academic support services for students who are
5 veterans;
6 (8) mental health and disability services;
7 (9) a housing policy that applies to veterans;
8 (10) faculty and staff training on issues affecting
9 students who are veterans;
10 (11) career services for students who are veterans;
11 and
12 (12) any other criteria considered necessary or
13 appropriate by the commission.

14 Sec. 434.253. RULEMAKING AUTHORITY. The commission may
15 adopt rules as necessary to administer this subchapter. In
16 developing rules under this section, the commission shall consult
17 with the Texas Higher Education Coordinating Board and institutions
18 of higher education.

19 SUBCHAPTER G. VETERANS EDUCATION COUNSELORS PROGRAM

20 Sec. 434.301. DEFINITIONS. In this subchapter:

21 (1) "Commission" means the Texas Veterans Commission.
22 (2) "Institution of higher education" has the meaning
23 assigned by Section 61.003, Education Code.

24 Sec. 434.302. VETERANS EDUCATION COUNSELORS. The
25 commission shall employ veterans education counselors. The
26 veterans education counselors shall:

27 (1) work with institutions of higher education and any

1 existing veterans programs at those institutions to:

2 (A) create a hospitable and supportive
3 environment for veterans;

4 (B) enhance awareness of and encourage
5 participation in veterans educational programs and commission
6 programs providing other services to veterans, including
7 employment and claims assistance services;

8 (C) develop programs providing ancillary
9 assistance to veterans based on the unique needs of veterans and
10 their family members;

11 (D) ensure that veterans successfully complete
12 their education; and

13 (E) promote the establishment of a student
14 veterans group on each campus of those institutions;

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

19 (3) work with local workforce development boards to:

20 (A) ensure that the veterans education
21 counselors are aware of available nontraditional educational
22 opportunities, including on-the-job training programs and
23 apprenticeships; and

24 (B) advise employers of potential opportunities
25 to create on-the-job training programs for veterans;

26 (4) work with education services officers at military
27 installations to encourage active duty members of the armed forces

1 of the United States and veterans to use federal and state
2 educational benefits;

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

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

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

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

21 Sec. 434.303. SUPPORT FROM INSTITUTIONS OF HIGHER
22 EDUCATION. Each institution of higher education shall cooperate
23 with the commission to provide information, as permitted by law,
24 related to student veterans at the institution, provide access to
25 veteran resource centers or other student meeting areas, and
26 otherwise support the work of veterans education counselors.

27 Sec. 434.304. RULEMAKING AUTHORITY. The commission may

1 adopt rules to implement this subchapter. In developing rules
2 under this section, the commission shall consult with the Texas
3 Higher Education Coordinating Board and institutions of higher
4 education.

5 SECTION 6. Subdivision (4), Subsection (b), Section 9.01,
6 Chapter 1049 (Senate Bill No. 5), Acts of the 82nd Legislature,
7 Regular Session, 2011, which would repeal Subsection (h), Section
8 54.203, Education Code, effective September 1, 2013, is repealed
9 and does not take effect, and Subsection (h), Section 54.341,
10 Education Code, which was redesignated from Subsection (h), Section
11 54.203, Education Code, by Chapter 359 (Senate Bill No. 32), Acts of
12 the 82nd Legislature, Regular Session, 2011, remains in effect as
13 amended by this Act.

14 SECTION 7. The changes in law made by this Act by amending
15 Subsections (d), (h), (i), (k), and (n), Section 54.341, Education
16 Code, apply beginning with tuition and fees for the 2014 fall
17 semester. Tuition and fees for a term or semester before the 2014
18 fall semester are covered by the law in effect immediately before
19 the effective date of this Act, and the former law is continued in
20 effect for that purpose.

21 SECTION 8. In adopting rules under this Act, including
22 rules implementing authority transferred by this Act from the Texas
23 Higher Education Coordinating Board, the Texas Veterans Commission
24 shall engage institutions of higher education in a negotiated
25 rulemaking process as described by Chapter 2008, Government Code.

26 SECTION 9. As soon as practicable after the effective date
27 of this Act, the Texas Veterans Commission shall employ the

1 veterans education counselors as required by Subchapter G, Chapter
2 434, Government Code, as added by this Act.

3 SECTION 10. (a) Except as provided by Subsection (b) of
4 this section:

5 (1) this Act takes effect immediately if it receives a
6 vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution; and

8 (2) if this Act does not receive the vote necessary for
9 immediate effect, this Act takes effect on the 91st day after the
10 last day of the legislative session.

11 (b) Subchapter F, Chapter 434, Government Code, as added by
12 Section 5 of this Act, takes effect September 1, 2014.

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| <hr/> <p>President of the Senate</p> | <hr/> <p>Speaker of the House</p> |
| <p>I hereby certify that S.B. No. 1158 passed the Senate on April 25, 2013, by the following vote: Yeas 19, Nays 9; May 24, 2013, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 25, 2013, House granted request of the Senate; May 26, 2013, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.</p> | |

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| | <hr/> <p>Secretary of the Senate</p> |
| <p>I hereby certify that S.B. No. 1158 passed the House, with amendments, on May 22, 2013, by the following vote: Yeas 147, Nays 1, two present not voting; May 25, 2013, House granted request of the Senate for appointment of Conference Committee; May 26, 2013, House adopted Conference Committee Report by the following vote: Yeas 146, Nays 1, two present not voting.</p> | |

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| | <hr/> <p>Chief Clerk of the House</p> |
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Approved:

Date

Governor