

By: Van de Putte, et al.  
(Menendez)

S.B. No. 1158

Substitute the following for S.B. No. 1158:

By: Menendez

C.S.S.B. No. 1158

A BILL TO BE ENTITLED

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 official day of record for the semester or term to which  
24 the exemption applies on which the institution must determine the  
25 enrollment that is reported to the Texas Higher Education  
26 Coordinating Board or on another day, not later than the end of the  
27 semester, as determined by the governing board [~~one year after the~~

1 ~~earlier of the date the institution:~~

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

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

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

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

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

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

1 exemption for the unused portion of those credit hours to a child of  
2 the person; and

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

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

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

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

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

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

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

26           (1) To be eligible to receive an exemption under Subsection  
27 (k), the child must:

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

4           (2) make satisfactory academic progress in a degree,  
5 certificate, or continuing education program as determined by the  
6 institution at which the child is enrolled in accordance with the  
7 policy of the institution's financial aid department, except that  
8 the institution may not require the child to enroll in a minimum  
9 course load; and

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

13           (m) For purposes of this section, a person is the child of  
14 another person if ~~[the person is 25 years of age or younger on the~~  
15 ~~first day of the semester or other academic term for which the~~  
16 ~~exemption is claimed and]~~:

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

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

23           (n) The Texas Veterans Commission ~~[Higher Education~~  
24 ~~Coordinating Board]~~ by rule shall prescribe procedures by which a  
25 child assigned an exemption under Subsection (k) who suffered from  
26 a severe illness or other debilitating condition that affected the  
27 child's ability to use the exemption before reaching the age

described by Subsection (1)(3) [~~(m)~~] may 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) The Texas Higher Education Coordinating Board and the Texas Veterans Commission shall 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. Subchapter D, Chapter 54, Education Code, is amended by adding Section 54.3411 to read as follows:

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

(b) The permanent fund supporting military and veterans exemptions is a special fund in the treasury outside the general revenue fund. 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) The trust company shall administer the fund. The trust company shall determine the amount available for distribution from the fund, determined in accordance with a distribution policy that is adopted by the comptroller and designed to preserve the purchasing power of the fund's assets and to provide a stable and predictable stream of annual distributions. Expenses of managing

1 the fund's assets shall be paid from the fund. Except as provided by  
2 this section, money in the fund may not be used for any purpose.  
3 Sections 403.095 and 404.071, Government Code, do not apply to the  
4 fund.

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

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

23 (f) The governing board of an institution of higher  
24 education entitled to receive money under this section may solicit  
25 and accept gifts and grants to the fund. A gift or grant to the fund  
26 must be distributed and appropriated for the purposes of the fund,  
27 subject to any limitation or requirement placed on the gift or grant



1 by the donor or granting entity.

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

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

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

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

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

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

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

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

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

5       (b) The commission [~~board~~] shall ensure [~~develop~~] a system  
6 to electronically monitor the use of tuition and fee exemptions at  
7 institutions of higher education under Section 54.341, Education  
8 Code, is developed. The system must allow the commission [~~board~~] to  
9 electronically receive, for each semester, the following  
10 information from institutions of higher education:

11           (1) the name of the institution;

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

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

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

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

24     (c) Not later than January 1, 2014, the Texas Higher  
25 Education Coordinating Board, under an agreement with the  
26 commission, shall provide access to the system developed by the  
27 coordinating board that meets the requirements of this section.

This subsection expires September 1, 2015.

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

SUBCHAPTER F. VETERAN EDUCATION EXCELLENCE RECOGNITION AWARD  
NETWORK

Sec. 434.251. DEFINITIONS. In this subchapter:

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

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

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

(b) For purposes of receiving an award under Subsection (a), the commission shall 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;

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

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

16           SUBCHAPTER G. VETERANS EDUCATION COUNSELING

17       Sec. 434.301. DEFINITIONS. In this subchapter:

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

21       Sec. 434.302. VETERANS EDUCATION COUNSELING; PROGRAM  
22 MANAGER. (a) The commission shall designate a commission employee  
23 as a program manager whose primary duty is to coordinate with  
24 institutions of higher education to ensure that veterans programs  
25 at institutions of higher education:

26           (1) create a hospitable and supportive environment for  
27 veterans;

1           (2) enhance awareness of and encourage participation  
2 in veterans educational programs and commission programs providing  
3 other services to veterans, including employment and claims  
4 assistance services;

5           (3) develop programs providing ancillary assistance  
6 to veterans based on the unique needs of veterans and their family  
7 members;

8           (4) assist veterans to successfully complete their  
9 education; and

10          (5) promote the establishment of a student veterans  
11 group on each campus.

12          (b) In addition to the primary duties under Subsection (a),  
13 the program manager may, in cooperation with institutions of higher  
14 education:

15           (1) 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           (2) work with local workforce development boards to:  
20               (A) ensure that persons providing educational  
21 counseling to veterans are aware of available nontraditional  
22 educational opportunities, including on-the-job training programs  
23 and apprenticeships; and

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

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

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

(4) create and manage publicity campaigns in concert with the commission 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;

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

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

(7) perform other activities, as assigned by the commission, to enhance the educational opportunities of veterans and their family members in the higher education region and throughout this state.

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

1       Sec. 434.304. RULEMAKING AUTHORITY. The commission may  
2 adopt rules to implement this subchapter. In developing rules  
3 under this section, the commission shall consult with the Texas  
4 Higher Education Coordinating Board and institutions of higher  
5 education.

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

15       SECTION 7. The changes in law made by this Act to Sections  
16 54.341(d), (h), (i), (k), and (n), Education Code, apply beginning  
17 with tuition and fees for the 2014 fall semester. Tuition and fees  
18 for a term or semester before the 2014 fall semester are covered by  
19 the law in effect immediately before the effective date of this Act,  
20 and the former law is continued in 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. This Act takes effect immediately if it receives  
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect on the 91st day after the last day of the  
4 legislative session.