PROPOSED RULES PREAMBLE

Brief explanation of proposed rule
The Texas Higher Education Coordinating Board proposes amendments to Sections 21.2105 and 21.2107 of Board rules, concerning the Exemption Program for Veterans and their Dependents (The Hazlewood Act). Specifically, the purpose of the Hazlewood amendments is to authorize institutions to collect applications and supporting documentation on an annual or per-semester basis, whichever they choose. Annual documentation can lessen paperwork for the schools and students, but raises the possibility of required refunds if the applicant's eligibility changes in the course of a given academic year. The proposed amendments to the rules will let the institutions decide which approach to follow.

Fiscal note and estimated cost to state and local government (or estimated reduction in costs to state and local government, and/or estimated loss of increase in revenue to state and local government)
Dan Weaver, Assistant Commissioner for Business and Support Services, has determined that for each year of the first five years the amendments are in effect, there will be no fiscal implications to state or local government as a result of enforcing or administering the rules.

Public Benefit and local employment impact
Dan Weaver has also determined that, for each year of the first five years the amendments are in effect, the public benefit anticipated as a result of administering the sections will be a clearer understanding of the requirements and restrictions of benefits of the program. There is no effect on small businesses. There are no anticipated economic costs to persons who are required to comply with the section as proposed. There is no impact on local employment.

Request for comments
Comments on the proposal may be submitted to Dan Weaver, P. O. Box 12788, Austin, Texas 78711, 512-427-6165, Dan.Weaver@thecb.state.tx.us. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

Statutory basis for amendments
The amendments are proposed under the Texas Education Code, Section 54.341, which provides the Coordinating Board with the authority to adopt rules to administer the program.

Statutes, articles, codes affected by the proposed action
The amendments affect Texas Education Code, Section 54.341.

Certification of Review by Legal Counsel

The Coordinating Board certifies that the proposed rules have been reviewed by legal counsel and found to be within the agency's authority to adopt.

CHAPTER 21. STUDENT SERVICES

SUBCHAPTER NN. EXEMPTION PROGRAM FOR VETERANS AND THEIR DEPENDENTS (THE HAZLEWOOD ACT)

21.2105. The Application.

(a) Board staff shall produce and distribute a state-wide Hazlewood Act Exemption Application, requiring institutions to obtain the following information from applicants for the exemption:

(1) general information about the veteran, spouse, and/or child,

(2) point of entry, home of record, or residency information for the time that the veteran entered the service,

(3) residency information for the time that the veteran, spouse or child wishes to use the exemption,

(4) a certification of the validity of the information provided by the veteran, spouse, or child, and

(5) a statement granting permission to the institution to release current term or semester and historic credit hour information to the Board and granting permission for the Board to share such data with any institution that the veteran, spouse, or child might attend.

(b) For an otherwise eligible veteran, spouse, or child to be entitled to a Hazlewood Act exemption in a given term or semester, he or she must have [~~provide~~] a completed Hazlewood Act Exemption Application and [~~provide~~] the supporting documentation on file with [~~to~~] the institution no later than one year after the institution provides written notice to the applicant of his or her eligibility or receives written confirmation from the applicant acknowledging the applicant's awareness of his or her eligibility for the exemption, whichever is earlier.

(c) All institutions shall require the completed Hazlewood Act Exemption Application Form with supporting documentation at least once each year in which an exemption [~~for each exemption that~~] is granted.

21.2107. Subsequent Hazlewood Exemption Awards.

(a) For each subsequent [~~term or semester of an~~] academic year in which the veteran, spouse, or child receives a Hazlewood Act Exemption, the institution shall confirm that the veteran, spouse, or child:

(1) has not exhausted his or her 150 credit hours of eligibility through the program since Fall 1995,

(2) resides in Texas or qualifies for an exception as provided in Section 21.2102 of this subchapter (relating to Eligible Veterans) (applies only to veterans), or is still classified as a

resident student (applies only to a spouse or child),

(3) has no federal veteran's benefits that may be used only to pay tuition and fees, or, if he or she has such benefits, the value of such benefits is less than the person's Hazlewood Act Exemption, and

(4) is not in default on an education loan made or guaranteed by the State of Texas.

(b) At least once for [~~For~~] each [~~term or semester of an~~] academic year in which the veteran, spouse, or child receives a Hazlewood Act Exemption, he or she shall, as instructed by the institution, submit the appropriate program application to his or her institution.