



Update: Hazlewood Exemption Program

Senate Committee on Veteran Affairs & Military Installations

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Connie Cooper, Assistant Director for Grants & Special Programs

(512) 427-6384 • Connie.Cooper@theccb.state.tx.us

Background

The Hazlewood Act provides an exemption of tuition and mandatory fees other than deposit and student service fees for up to 150 semester credit hours. The exemption is available at public institutions but does not apply to courses for which the institution does not receive formula funding unless the college or university chooses to do so.

Texas veterans who have completed at least 180 days of active military duty and have honorable discharges or separations from service are eligible for an exemption under the Hazlewood Act. If a Texas veteran is killed in the line of duty or disabled and determined 100 percent unemployable, the benefit can be received by a veteran's dependent or spouse. To use the benefit, a veteran or his/her dependent/spouse must complete the appropriate application and submit it to the institution he or she will be attending.

During FY 2009, 9,526 veterans and 21 dependents received a Hazlewood Exemption totaling over \$24.2 million.

Recent Changes to the Hazlewood Act

The 81st Texas Legislature, through the approval of SB 93, SB 297, and SB 847, made a variety of changes to the Hazlewood Act. The changes became effective for the fall 2009 semester and are outlined below.

❖ SB 93

Eligibility Expansions

Texas statute previously limited eligibility to veterans who entered the military in the state of Texas. Due to SB 93, the exemption is extended to veterans who declare Texas as their home of record, entered the military in Texas, or were residents at the time they entered the service. Eligibility is also extended to:

- 1)** A surviving spouse of a member of the Armed Forces who was killed in action, died in service, is missing in action, died as a result of service-connected injury or illness, or is totally disabled as a result of a service-related injury; or
- 2)** A surviving spouse of a member of the Texas National Guard or Texas Air National Guard who was killed or became completely disabled since January 1, 1946, while on active duty in the service to the state or the United States.

To qualify, a spouse must be classified as a Texas resident at the time of registration in an eligible institution of higher education. Under the current law, an eligible child must have resided in the state for at least 12 months immediately preceding his or her registration.

Hazlewood Legacy Act

SB 93 established the Hazlewood Legacy Act which permits eligible veterans to assign their unused hours to their child. A child must be:

- ✓ Veteran's stepchild, biological child, adopted child or claimed as dependent (previous or current year);
- ✓ Be less than 26 years old at the time he/she uses the exemption (hardship extensions possible); and
- ✓ Meet financial aid satisfactory academic progress requirements.

Federal Benefits

The legislation clarifies how the Hazlewood Act may be used in combination with federal benefits. Federal benefits may now be used with the Hazlewood exemption only if the federal benefits used to pay for tuition and fees do not exceed the Hazlewood exemption value. This provision allows federal benefits issued under Chapter 33 and Chapter 31 to be 'stacked' with Hazlewood. In addition, the combination of federal benefits for tuition and fees and the Hazlewood exemption may not exceed tuition and fee charges for the term.

❖ SB 847

Programs with Extraordinary Costs

All public two-year institutions may charge Hazlewood-eligible students a fee for courses with extraordinary costs. Extraordinary costs are defined by Hazlewood rules as tuition and fee costs that exceed the average tuition and fee charges of the institution. Prior to the passage of SB 847, this provision only applied to community colleges.

❖ SB 297

Combat Tuition Exemption

This legislation created a Combat Tuition Exemption. The exemption is for dependent children of U.S. Armed Forces members who are deployed on active duty for the purpose of engaging in a combative military operation outside the U.S. To be eligible, the child must be a resident of Texas *or entitled to pay the resident tuition rate*, a provision which makes the exemption an option for the children of out-of-state military personnel currently stationed in Texas. Fees are not exempted, and the state appropriated funds to reimburse institutions for the tuition foregone through this program.