

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 26, 2009


Date

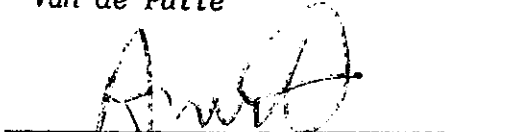
Honorable David Dewhurst  
President of the Senate

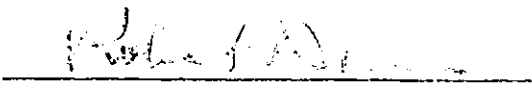
Honorable Joe Straus  
Speaker of the House of Representatives

Sirs:

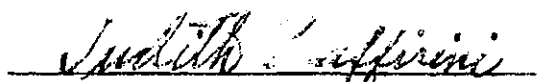
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on Senate Bill 93 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

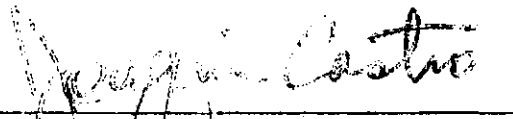
  
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Van de Putte


  
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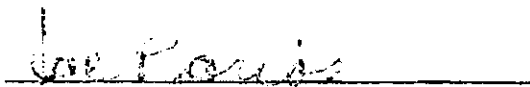
  
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Duncan

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Ogden


  
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On the part of the Senate  
Zaffirini

  
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Castro

  
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Branch

  
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Harris

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Morrison

  
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On the part of the House  
Pitts

## Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

S.B. No. 93

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to tuition and fee exemptions for certain military  
3 personnel and their dependents or spouse and permitting those  
4 personnel to assign the exemption to a child.

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

6 SECTION 1. This Act shall be known as the "Hazelwood Legacy  
7 Act."

8 SECTION 2. Section 54.203, Education Code, is amended by  
9 amending Subsections (a), (b), (b-1), (d), (g), and (h) and adding  
10 Subsections (a-1), (a-2), (k), (l), and (m) to read as follows:

11 (a) The governing board of each institution of higher  
12 education shall exempt the following persons from the payment of  
13 tuition, [all] dues, fees, and other required charges, including  
14 fees for correspondence courses but excluding general deposit fees,  
15 student services fees, and any fees or charges for lodging, board,  
16 or clothing, provided the person [persons] seeking the exemption  
17 [exemptions were citizens of Texas at the time they] entered the  
18 service at a location in this state, declared this state as the  
19 person's home of record in the manner provided by the applicable  
20 military or other service, or would have been determined to be a  
21 resident of this state for purposes of Subchapter B at the time the  
22 person entered the service [services indicated and have resided in  
23 Texas for at least the period of 12 months before the date of  
24 registration]:

1           (1) all nurses and honorably discharged members of the  
2 armed forces of the United States who served during the  
3 Spanish-American War or during World War I;

4           (2) all nurses, members of the Women's Army Auxiliary  
5 Corps, members of the Women's Auxiliary Volunteer Emergency  
6 Service, and all honorably discharged members of the armed forces  
7 of the United States who served during World War II except those who  
8 were discharged from service because they were over the age of 38 or  
9 because of a personal request on the part of the person that the  
10 person [~~he~~] be discharged from service;

11           (3) all honorably discharged men and women of the  
12 armed forces of the United States who served during the national  
13 emergency which began on June 27, 1950, and which is referred to as  
14 the Korean War; and

15           (4) all persons who were honorably discharged from the  
16 armed forces of the United States after serving on active military  
17 duty, excluding training, for more than 180 days and who served a  
18 portion of their active duty during:

19           (A) the Cold War which began on the date of the  
20 termination of the national emergency cited in Subdivision (3) [~~of~~  
21 ~~this subsection~~];

22           (B) the Vietnam era which began on December 21,  
23 1961, and ended on May 7, 1975;

24           (C) the Grenada and Lebanon era which began on  
25 August 24, 1982, and ended on July 31, 1984;

26           (D) the Panama era which began on December 20,  
27 1989, and ended on January 21, 1990;

1 (E) the Persian Gulf War which began on August 2,  
2 1990, and ends on the date thereafter prescribed by Presidential  
3 proclamation or September 1, 1997, whichever occurs first;

4 (F) the national emergency by reason of certain  
5 terrorist attacks that began on September 11, 2001; or

6 (G) any future national emergency declared in  
7 accordance with federal law.

8 (a-1) A person who before the 2009-2010 academic year  
9 received an exemption provided by Subsection (a) continues to be  
10 eligible for the exemption provided by that subsection as that  
11 subsection existed on January 1, 2009, subject to the other  
12 provisions of this section other than the requirement of Subsection  
13 (a) that the person must have entered the service at a location in  
14 this state, declared this state as the person's home of record, or  
15 would have been determined to be a resident of this state for  
16 purposes of Subchapter B at the time the person entered the service.

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

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

20 (A) who was killed in action;

21 (B) who died while in service;

22 (C) who is missing in action;

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

26 (E) who became totally disabled for purposes of  
27 employability according to the disability ratings of the Department

1 of Veterans Affairs as a result of a service-related injury; or

2 (2) a member of the Texas National Guard or the Texas  
3 Air National Guard who:

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

7 (B) is totally disabled for purposes of  
8 employability according to the disability ratings of the Department  
9 of Veterans Affairs, regardless of whether the member is eligible  
10 to receive disability benefits from the department, as a result of a  
11 service-related injury suffered since January 1, 1946, while on  
12 active duty either in the service of this state or the United  
13 States.

14 (b) The exemptions provided for in Subsection (a) [~~of this~~  
15 ~~section~~] also apply [~~and inure~~] to [~~the benefit of~~]:

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

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

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

20 (C) who are missing in action;

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

24 (E) who became totally disabled for purposes of  
25 employability according to the disability ratings of the Department  
26 of Veterans Affairs as a result of a service-related injury; and

27 (2) the [~~orphans or~~] children of members of the Texas

1 National Guard and the Texas Air National Guard who:

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

5 (B) are totally disabled for purposes of  
6 employability according to the disability ratings of the Department  
7 of Veterans Affairs, regardless of whether the members are eligible  
8 to receive disability benefits from the department, as a result of a  
9 service-related injury suffered since January 1, 1946, while on  
10 active duty either in the service of this state or the United  
11 States.

12 (b-1) To qualify for an exemption under Subsection (a-2) or  
13 (b), the spouse or child [~~a person must be a citizen of Texas and~~  
14 must be classified as a resident under Subchapter B on [~~have resided~~  
15 ~~in the state for at least 12 months immediately preceding~~] the date  
16 of the spouse's or child's [~~person's~~] registration.

17 (d) The governing board of each institution of higher  
18 education granting an exemption under this section [~~exemptions~~]  
19 shall require every applicant claiming the [~~benefit of an~~]  
20 exemption to submit satisfactory evidence that the applicant  
21 qualifies for [~~he fulfills~~] the exemption [~~necessary citizenship~~  
22 ~~and residency requirements~~].

23 (g) The governing board of a junior college district may  
24 establish a fee for extraordinary costs associated with a specific  
25 course or program and may provide that the exemptions provided by  
26 this section [~~Subsections (a) and (b)~~] do not apply to this fee.

27 (h) The governing board of each institution of higher

1 education shall electronically report to the Texas Higher Education  
2 Coordinating Board the information required by Section 61.0516  
3 relating to each individual receiving an exemption from fees and  
4 charges under Subsection (a), (a-2), or (b). The institution shall  
5 report the information not later than December 31 of each year for  
6 the fall semester, May 31 of each year for the spring semester, and  
7 September 30 of each year for the summer session.

8 (k) The Texas Higher Education Coordinating Board by rule  
9 shall prescribe procedures to allow a person who becomes eligible  
10 for an exemption provided by Subsection (a) to waive the person's  
11 right to any unused portion of the maximum number of cumulative  
12 credit hours for which the person could receive the exemption and  
13 assign the exemption for the unused portion of those credit hours to  
14 a child of the person. The procedures shall provide:

15 (1) the manner in which a person may waive the  
16 exemption and designate a child to receive the exemption;

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

21 (3) a method of documentation to enable institutions  
22 of higher education to determine the eligibility of the designated  
23 child to receive the exemption.

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

26 (1) be a student who is classified as a resident under  
27 Subchapter B when the child enrolls in an institution of higher

1 education;

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

8 (3) be 25 years of age or younger on the first day of  
9 the semester or other academic term for which the exemption is  
10 claimed, except that the Texas Higher Education Coordinating Board  
11 by rule shall prescribe procedures by which a child who suffered  
12 from a severe illness or other debilitating condition that affected  
13 the child's ability to use the exemption before reaching that age  
14 may be granted additional time to use the exemption corresponding  
15 to the time the child was unable to use the exemption because of the  
16 illness or condition.

17 (m) For purposes of this section, a person is the child of  
18 another person if:

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

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

25 SECTION 3. Subsections (e) and (e-1), Section 54.203,  
26 Education Code, as amended by Chapters 443 (H.B. 125) and 1334 (S.B.  
27 1640), Acts of the 80th Legislature, Regular Session, 2007, are



1 reenacted and amended to read as follows:

2 (e) The exemption from tuition, fees, and other charges  
3 provided for by this section [~~in Subsection (a)~~] does not apply to a  
4 person who at the time of registration is entitled to receive  
5 educational benefits under federal legislation that may be used  
6 only for the payment of tuition and fees if the value of those  
7 benefits received in a semester or other term is equal to or exceeds  
8 the value of the exemption for the same semester or other term. If  
9 the value of federal benefits that may be used only for the payment  
10 of tuition and fees and are received in a semester or other term  
11 does not equal or exceed the value of the exemption for the same  
12 semester or other term, the person is entitled to receive both those  
13 federal benefits [~~the federal benefit~~] and the exemption in the  
14 same semester or other term. The combined amount of the federal  
15 benefit that may be used only for the payment of tuition and fees  
16 plus the amount of the exemption received in a semester or other  
17 term may not exceed the cost of tuition and fees for that semester  
18 or other term. [~~A person is covered by the exemption if the~~  
19 ~~person's right to benefits under federal legislation is~~  
20 ~~extinguished at the time of the person's registration, except that~~  
21 ~~a person may not receive an exemption from fees under this section~~  
22 ~~if the person's right to benefits under federal legislation is~~  
23 ~~extinguished because the person is in default of repayment of a loan~~  
24 ~~made to the person under a federal program to provide or guarantee~~  
25 ~~loans for educational purposes.~~]

26 (e-1) A person may not receive an exemption under this  
27 section if the person is in default on a loan made or guaranteed for

1 educational purposes by the State of Texas.

2 SECTION 4. (a) Section 54.203, Education Code, as amended  
3 by this Act, applies beginning with tuition, dues, fees, and other  
4 charges for the 2009 fall semester. If a person who becomes  
5 eligible for an exemption in that semester under that section has  
6 paid the tuition, dues, fees, and other charges for that semester,  
7 the institution of higher education shall refund to the student the  
8 amount of those charges paid by the person in the amount of the  
9 exemption. Tuition, dues, fees, and other charges for a term or  
10 semester before the 2009 fall semester are covered by the law in  
11 effect immediately before the effective date of this Act, and the  
12 former law is continued in effect for that purpose.

13 (b) The Texas Higher Education Coordinating Board shall  
14 prescribe the procedures required by Sections 54.203(k) and (l),  
15 Education Code, as added by this Act, as soon as practicable after  
16 the effective date of this Act. For that purpose, the coordinating  
17 board may adopt the initial rules prescribing those procedures in  
18 the manner provided by law for emergency rules.

19 SECTION 5. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2009.

**Senate Bill 93**  
Conference Committee Report  
Section-by-Section Analysis

SENATE VERSION

No equivalent provision.

SECTION 1. Section 54.203, Education Code, amends Subsections (a), (b), (b-1), and (d) and adds Subsections (a-1) and (k) as follows:

(a) Includes in the exemptions for certain military personnel at public institutions of higher education the payment of tuition and other required charges, in addition to dues and fees. Requires as a condition of eligibility that the person seeking the exemption 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 resident of Texas for purposes of provisions relating to tuition rates at the time the person entered the service. Removes the requirement that the person seeking the exemption have been a citizen of Texas at the time the person entered the service and had resided in Texas for at least the period of 12 months before the date of registration and makes a change that conforms to the removal.

(a-1)

No equivalent provision.

HOUSE VERSION

SECTION \_\_. Requires the bill to be known as the *Hazlewood Legacy Act*.

SECTION 1. Section 54.203, Education Code, amends Subsections (a), (b), (b-1), (d), (g), and (h) and adds Subsections (a-1), (a-2), (k), (l), and (m) as follows:

(a) Same as Senate version, except extends the exemption to all persons who were honorably discharged from the Texas State Guard after serving on active duty in the Texas State Guard by call or order of the governor under provisions relating to active duty in the guard, excluding training, for a cumulative period of more than 90 days and served a portion of such active duty on or after September 1, 1971.

(a-1) Same as Senate version.

(a-2) Provides that the exemptions provided for in Subsection (a) also apply to the spouse of a member of the armed forces of the United States who was killed in

CONFERENCE

SECTION 1. Same as House version, except requires the bill to be known as the *Hazelwood Legacy Act*.

SECTION 2. Same as House version, except as follows:

(a) Same as Senate version.

(a-1) Same as Senate version.

(a-2) Same as House version.

**Senate Bill 93**  
Conference Committee Report  
Section-by-Section Analysis

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HOUSE VERSION

CONFERENCE

action, who died while in service, who is missing in action, whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States, or who became totally disabled for purposes of employability as a result of a service-related injury. Provides that the exemptions apply also to the spouse of a member of the Texas National Guard or the Texas Air National Guard who was killed since January 1, 1946, while on active duty either in the service of this state or the United States, or is totally disabled for purposes of employability as a result of a service-related injury suffered since January 1, 1946, while on active duty.

(b)

(b-1) Requires a child of a member of the armed forces who was killed in action or died while in service or is missing in action or either died or became totally disabled as a result of a service-related illness or injury to be classified as a resident under provisions relating to tuition rates for an institution of higher learning on the date of the child's registration and removes a provision requiring a child to have resided in the state for at least 12 months immediately preceding the registration date.

(d)

No equivalent provision.

(b) Same as Senate version.

(b-1) Same as Senate version, except includes the spouse of a member of the armed forces.

(d) Same as Senate version.

(g) – (h) Makes conforming changes reflecting the

(b) Same as Senate version.

(b-1) Same as House version.

(d) Same as Senate version.

(g) – (h) Same as House version.

**Senate Bill 93**  
Conference Committee Report  
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SENATE VERSION

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changes made to the tuition exemption above.

No equivalent provision.

(k) Requires the Texas Higher Education Coordinating Board by rule to prescribe procedures allowing a person who becomes eligible for an exemption to waive the right to any unused portion of the maximum number of cumulative credit hours for which the person could receive the exemption and to assign the exemption for the unused portion of those credit hours to the person's child. Requires these procedures to provide the manner in which a person may waive the exemption and designate a child to receive the exemption, a procedure permitting the person to designate a different child to receive the exemption if the previously designated child did not use the exemption for all of the assigned portion of credit hours, and a method of documentation to enable institutions of higher education to determine the eligibility of the designated child to receive the exemption.

(k) Same as House version.

No equivalent provision.

(l) Requires a child, in order to be eligible for an exemption under Subsection (k), to be a student who is classified as a resident under provisions relating to tuition rates when the child enrolls in an institution of higher education; make satisfactory academic progress in a degree, certificate, or continuing education program as determined by the institution in accordance with the financial aid department, except that the institution may not require the child to enroll in a minimum course load;

(l) Same as House version.

**Senate Bill 93**  
Conference Committee Report  
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and be 25 years of age or younger on the first day of the academic term for which the exemption is claimed, except in certain cases relating to a child suffering from a severe illness or other debilitating condition.

(k)

No equivalent provision.

(m) Same as Senate version.

(m) Same as Senate version..

SECTION \_\_. Reenacts and amends Subsections (e) and (e-1), Section 54.203, Education Code, as amended by Chapters 443 (H.B. 125) and 1334 (S.B. 1640), Acts of the 80th Legislature, Regular Session, 2007, as follows:

SECTION 3. Same as House version.

(e) – (e-1) Removes a provision establishing that a person is covered by an exemption provided for in Section 54.203, Education Code, if a person's right to educational benefits under federal legislation is extinguished at the time of the person's registration, with certain exceptions. Clarifies that the exemption from tuition fees does not apply to a person entitled to receive federal educational benefits restricted to tuition and fees only, if the value of the federal benefits equals or exceeds the value of the exemption, and makes conforming changes to provisions entitling a person to receive both the federal benefits and the exemption under certain circumstances.

SECTION 2. Makes the bill's provisions applicable beginning with tuition and other fees charged for the 2009 fall semester, and requires an institution of higher

Same as Senate version, except includes dues and other charges charged for the 2009 fall semester.

[See SECTION 4 below.]

**Senate Bill 93**  
Conference Committee Report  
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SENATE VERSION

education to refund the exempted amount of tuition and fees to a student who has already paid tuition and fees and becomes eligible for an exemption in that semester.

[See SECTION 2 above.]

No equivalent provision.

No equivalent provision.

SECTION 3. Makes the effective date on passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

HOUSE VERSION

SECTION \_\_\_. (a) Makes the bill's provisions applicable beginning with tuition, dues, fees and other charges charged for the 2009 fall semester, and requires an institution of higher education to refund the exempted amount of tuition and fees to a student who has already paid tuition and fees and becomes eligible for an exemption in that semester.

(b) Authorizes the coordinating board to adopt the initial rules prescribing the procedures required by Sections 54.203(k) and (l) in the manner provided by law for emergency rules.

SECTION \_\_\_. Provides that the bill does not make an appropriation and takes effect only if a specific appropriation for the implementation of the bill is provided in a general appropriations act of the 81st Legislature.

SECTION 3. Same as Senate version.

CONFERENCE

SECTION 4. Same as House version.

Same as Senate version.

SECTION 5. Same as Senate version.

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 30, 2009**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** SB93 by Van de Putte (Relating to tuition and fee exemptions for certain military personnel and their dependents or spouse and permitting those personnel to assign the exemption to a child.), **Conference Committee Report**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill amends the Hazlewood Exemption statute which exempts certain military personnel and their dependents from paying tuition and fees. The statute will now be known as the Hazelwood Legacy Act.

The Higher Education Coordinating Board estimates that in fiscal year 2007, 9,113 veterans and their dependents used the Hazlewood exemption. The tuition and fees they were exempted from paying totaled \$19.6 million. The Texas Veterans Commission estimates 1.7 million veterans live in Texas, but has no data about the share of them who are originally from Texas. The Higher Education Coordinating Board assumed that: 1) the number of people qualifying to participate in the program because of the change in eligibility requirements will increase per year through fiscal year 2014, but the percentage of that increase will vary depending on the student population group (i.e. veterans formally ineligible due to residency restrictions, spouses, Legacy.), and 2) their enrollment pattern among types of institutions will remain the same as in fiscal year 2007.

They first calculated the award amounts and average value of Hazlewood exemptions received in fiscal year 2007 to determine the percentage of participants using these exemptions per type of institution. Applying these same percentages to the fiscal year 2010 estimated number of students, they calculated the number of additional students that would enroll using the exemption if enrollments increased each year (see below). They estimated the number of students using the exemption would increase as follows:

Veterans: 182 in fiscal year 2010, increasing by 2 percent and a new cohort each year and reaching 928 by fiscal year 2014.

Spouses: 464 in fiscal year 2010, increasing by 3 percent, and reaching 522 by fiscal year 2014.

Legacy Participants: 850 in fiscal year 2010, increasing by 1 percent, reaching 884 in fiscal year 2014.

The average award amounts for Hazlewood participants were \$3,208 at universities, \$4,697 at health related institutions, \$964 at community colleges, \$858 at state colleges, and \$1,334 at technical institutions. Applying the applicable percentage of total fiscal year 2007 Hazlewood exemptions for each type of institution to the estimated numbers of additional students, they estimated the amount of tuition and fee revenue that institutions would forego as a result of the additional students.

Based on these assumptions, the institutions will experience additional losses of tuition and fee revenue through the exemption estimated at \$3,223,529 in fiscal year 2010 and \$3,668,308 in fiscal year 2011. Additional losses are estimated at \$4,118,134 in fiscal year 2012, \$4,573,077 in fiscal year 2013, and \$5,033,205 in fiscal year 2014. It is assumed the cost will be absorbed by the



institutions of higher education since the bill does not require the State to reimburse the institutions.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

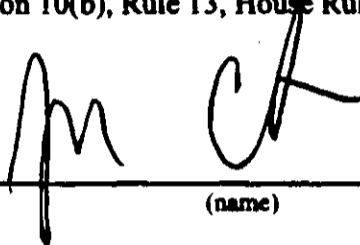
**Source Agencies:** 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 783 University of Houston System Administration

**LBB Staff:** JOB, SD, RT, GO, KK

## Certification of Compliance with Rule 13, Section 6(b), House Rules of Procedure

Rule 13, Section 6(b), House Rules of Procedure, requires that a copy of a conference committee report signed by a majority of each committee of the conference must be furnished to each member of the committee in person or if unable to deliver in person by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Section 10(a) of this rule. The paper copies of the report submitted to the chief clerk under Section 10(b) of this rule must contain a certificate that the requirement of this subsection has been satisfied, and that certificate must be attached to the printed copy of the report furnished to each member under Section 10(d) of this rule. Failure to comply with this subsection is not a sustainable point of order under this rule.

I certify that a copy of the conference committee report on S. B. 93 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Section 10(b), Rule 13, House Rules of Procedure.

  
\_\_\_\_\_  
(name)

5-29-09  
\_\_\_\_\_  
(date)