

HAZLEWOOD EXEMPTION



AN ISSUE BRIEF FROM LEGISLATIVE BUDGET BOARD STAFF

ID: 591

FEBRUARY 2013

OBJECTIVE

The Hazlewood Exemption provides an educational benefit to Texas veterans, and certain dependents or spouses of Texas veterans, by authorizing an exemption from tuition and required fees at public institutions of higher education in Texas. Institutions of higher education individually administer the exemption. The Hazlewood Legacy Act allows the transfer of any unused educational benefits relating to this exemption from a veteran to a qualified child. This program enables the dependent to receive an exemption from tuition and required fees for transferred hours at a public institution of higher education in Texas.

KEY FACTS

Since the implementation of the Hazlewood Legacy Act in fiscal year 2010, the total value of awards for this exemption has increased from approximately \$24.7 million in fiscal year 2009 to \$71.9 million in fiscal year 2011. This is an increase of 191 percent in the value of this exemption between fiscal year 2009 to fiscal year 2011.

STATUTORY REFERENCES

Texas Education Code 54.341

The Hazlewood Exemption was established to provide an exemption for veterans and, in certain cases, qualified spouses or dependents, for tuition and required fees to a Texas institution of higher education. This exemption applies to a maximum of 150 semester credit hours (SCH). Spouses and dependents are eligible for this exemption if the veteran spouse or parent died as a result of service-related injuries or illness, is classified as missing in action, or became disabled and 100 percent unemployable due to service-related injury or illness. The exemption applies to all required tuition, dues, fees, and other required charges. The exemption does not apply to deposit fees, student service fees, or charges for books, lodging, board, or clothing. The exemption is applicable at any public institution of higher education in Texas.

The Hazlewood Legacy Act, passed by the Legislature in 2009, authorizes a veteran to transfer this educational benefit to one of his or her children by assigning eligible unused semester credit hours to the child. This Hazlewood Legacy Program results in the child of the veteran being exempt from payment of the tuition and required fees at an institution of higher education in Texas for those transferred hours.

FEDERAL VETERAN EDUCATION BENEFITS

The Hazlewood Exemption is available for qualified veterans who do not receive federal veteran's education benefits or for those veterans with federal education benefits whose total amount for tuition and fees is lower than the value of the Hazlewood Exemption. The federal government provides educational benefits to veterans through several programs. The Post-9/11 Veterans Educational Assistance Act of 2008 (also known as the Post-9/11 G.I. Bill of 2008) provides educational assistance, including the payment of tuition and fees, for veterans pursuing post-secondary education including undergraduate and graduate degrees, as well as vocational and technical training. Effective August 1, 2009, the federal Post-9/11 G.I. Bill program began payments for tuition and fees up to the "established charges" at the most expensive public institution of higher education in the veteran's state. Veterans are not limited in their choice of institutions and are allowed to enroll in any institution of higher education meeting the federal program's criteria.

When determining eligibility for the Hazlewood Exemption, federal education benefits are reviewed for tuition and fees to decide if a veteran is eligible to receive the Hazlewood Exemption as well. A veteran is eligible if the federal dollars are lower than the total amount of funding a veteran would receive from the Hazlewood Exemption (which is tuition and required fees). The veteran cannot receive more funding from the exemption and federal benefits than the total amount of tuition and fees at the institution of higher education.

HAZLEWOOD LEGACY ACT

Beginning in the fall of 2009, the Hazlewood Legacy Program allows the transfer of unused semester credit hours, qualifying for the exemption, from a veteran to a qualified child. The veteran and child cannot use the exemption at the same time. Eligible candidates for The Legacy Program must:

- Be a Texas resident;
- Be the child (as defined below) of a veteran who is currently considered a Texas resident;
 - A child is defined as: biological child, stepchild, adopted child, or claimed as a dependent in the current or previous tax year.
- Be 25 years or younger on the first day of the semester or term for which the exemption is claimed (unless granted an extension due to a qualifying illness or debilitating condition); and
- Make satisfactory academic progress in a degree, certificate, or continuing education program as determined by the institution.

Due to the federal benefits available to veterans, many Texas veterans are choosing to allocate their unused semester credit hours that are eligible for the Hazlewood Exemption to a qualified child. This has led to an increase in the cost of the exemption to institutions of higher education. Fig. 1 shows the number of awards granted by each type of institution of higher education for the Hazlewood Exemption and also the aggregate value of the awards. This figure displays the information for the year before, during, and immediately following implementation of the Hazlewood Legacy Program in Fiscal Year 2010.

FIG. 1
HAZLEWOOD EXEMPTION AWARDS AND AWARD VALUE FROM FISCAL YEAR 2009 TO FISCAL YEAR 2011

INSTITUTION OF HIGHER EDUCATION	FISCAL YEAR 2009		FISCAL YEAR 2010		FISCAL YEAR 2011		PERCENTAGE CHANGE IN TOTAL AWARD VALUE FROM FY 2009 TO FY 2011
	NUMBER OF AWARDS	TOTAL VALUE OF AWARDS	NUMBER OF AWARDS	TOTAL VALUE OF AWARDS	NUMBER OF AWARDS	TOTAL VALUE OF AWARDS	
General Academic Institutions	5,112	\$19,342,529	7,171	\$26,946,237	11,564	\$57,845,436	200.0%
Community Colleges	4,383	3,959,392	6,229	5,915,518	10,307	11,449,478	189.0
Health-Related Institutions	191	1,069,751	179	988,971	269	1,624,778	52.0
Lamar State Colleges	95	113,801	82	133,373	198	288,631	154.0
Texas State Technical Colleges	101	171,305	176	279,730	247	641,887	275.0
Total	9,882	\$24,656,778	13,837	\$34,263,829	22,585	\$71,850,210	191.0%

NOTE: Data from the Hazlewood Legacy Program and Hazlewood Spouses began in Fiscal Year 2010.
SOURCE: Texas Higher Education Coordinating Board.

USEFUL REFERENCES:

College for All Texans: <http://www.collegeforalltexans.com>

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Hazlewood Exemption: Total Number of Awards and Award Value from Fiscal Year 2009 - Fiscal Year 2012
Award Value includes Tuition (designated and statutory), Dues, and Fees

Institutions	Fiscal Year 2009		Fiscal Year 2010		Fiscal Year 2011		Fiscal Year 2012		Percent Change from FY 2009 to FY 2012
	Number of Awards	Total Value of Awards	Number of Awards	Total Value of Awards	Number of Awards	Total Value of Awards	Number of Awards	Total Value of Awards	
Public Universities	5,112	\$19,342,529	7,171	\$26,946,237	11,564	\$57,845,436	16,884	\$89,591,687	363%
Angelo State University	38	\$107,300	58	\$174,867	138	\$610,738	245	\$1,260,006	1074%
Lamar University	162	\$433,241	137	\$1,127,320	211	\$1,297,036	840	\$2,372,063	448%
Midwestern State University	125	\$296,956	132	\$334,761	213	\$803,963	223	\$1,024,320	245%
Prairie View A&M University	45	\$144,392	70	\$308,180	149	\$747,269	226	\$1,402,244	871%
Sam Houston State University	147	\$437,200	211	\$681,396	378	\$1,434,067	680	\$3,675,872	741%
Stephen F. Austin State University	76	\$240,705	94	\$322,619	225	\$961,045	380	\$1,951,757	711%
Sul Ross State University	41	\$68,620	57	\$102,286	138	\$460,315	168	\$233,635	240%
Tarleton State University	170	\$409,432	110	\$272,837	234	\$956,136	357	\$1,549,542	278%
Texas A&M International University	30	\$79,722	47	\$84,263	99	\$237,596	123	\$430,544	440%
Texas A&M University	181	\$964,372	443	\$2,388,255	923	\$6,961,914	1,222	\$9,362,615	871%
Texas A&M University at Galveston	12	\$57,049	22	\$108,673	52	\$312,427	81	\$538,278	844%
Texas A&M University-Central Texas	0	\$0	110	\$246,970	159	\$279,863	201	\$537,467	N/A
Texas A&M University-Commerce	193	\$508,865	242	\$663,727	330	\$1,188,648	466	\$1,914,615	276%
Texas A&M University-Corpus Christi	155	\$470,514	210	\$595,492	388	\$1,549,292	560	\$2,669,805	467%
Texas A&M University-Kingsville	130	\$366,890	154	\$276,526	186	\$810,086	285	\$1,297,078	254%
Texas A&M University-San Antonio	0	\$0	85	\$254,018	158	\$399,250	226	\$656,831	N/A
Texas A&M University-Texarkana	26	\$43,824	26	\$50,412	67	\$80,538	41	\$119,372	172%
Texas Southern University	83	\$435,870	187	\$599,512	201	\$468,040	311	\$1,164,049	167%
Texas State University - San Marcos	261	\$1,119,988	656	\$2,082,047	1,158	\$5,716,685	1,586	\$9,662,961	763%
Texas Tech University	140	\$636,203	290	\$1,292,825	615	\$3,885,804	958	\$7,312,122	1049%
Texas Woman's University	128	\$446,398	159	\$611,309	208	\$830,147	379	\$1,214,245	172%
The University of Texas at Arlington	385	\$1,506,229	544	\$1,712,725	442	\$3,507,237	990	\$5,249,711	249%
The University of Texas at Austin	181	\$1,216,911	319	\$1,869,554	551	\$4,377,778	738	\$6,673,991	448%
The University of Texas at Brownsville	117	\$253,848	120	\$256,175	177	\$402,738	314	\$588,153	132%
The University of Texas at Dallas	188	\$997,636	212	\$1,194,099	312	\$2,719,029	30	\$120,695	-88%
The University of Texas at El Paso	233	\$719,758	242	\$746,037	369	\$1,354,966	618	\$2,532,111	252%
The University of Texas at San Antonio	380	\$1,528,176	521	\$2,209,227	914	\$4,872,972	1,178	\$7,378,203	383%
The University of Texas at Tyler	97	\$315,151	103	\$340,108	166	\$668,193	228	\$1,155,710	267%
The University of Texas of the Permian Basin	84	\$183,637	89	\$175,557	90	\$256,217	89	\$68,966	-62%

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Institutions	Fiscal Year 2009		Fiscal Year 2010		Fiscal Year 2011		Fiscal Year 2012		Percent Change from FY 2009 to FY 2012
	Number of Awards	Total Value of Awards	Number of Awards	Total Value of Awards	Number of Awards	Total Value of Awards	Number of Awards	Total Value of Awards	
The University of Texas-Pan American	145	\$407,831	149	\$452,795	263	\$846,618	402	\$1,611,555	295%
University of Houston	359	\$2,411,079	433	\$2,556,112	598	\$3,326,242	757	\$4,866,403	102%
University of Houston-Clear Lake	166	\$536,176	164	\$489,531	191	\$636,740	271	\$952,875	78%
University of Houston-Downtown	159	\$456,399	156	\$422,075	201	\$565,277	273	\$790,623	73%
University of Houston-Victoria	84	\$200,839	87	\$205,398	114	\$302,723	180	\$439,778	119%
University of North Texas	286	\$1,063,542	412	\$1,384,920	674	\$3,160,820	909	\$5,576,863	424%
University of North Texas - Dallas	0	\$0	0	\$0	60	\$124,048	91	\$161,329	N/A
West Texas A&M University	105	\$277,776	120	\$353,627	212	\$732,978	258	\$1,075,301	287%
Public Junior/Community Colleges	4,383	\$3,959,392	6,229	\$5,915,518	10,307	\$11,449,478	13,309	\$17,350,198	338%
Alamo Community College District	393	\$439,357	459	\$644,676	1,085	\$1,011,323	1,208	\$1,289,677	194%
Alvin Community College	84	\$69,014	124	\$80,551	174	\$158,254	174	\$156,972	127%
Amarillo College	117	\$84,718	172	\$119,821	278	\$298,040	451	\$496,390	486%
Angelina College	21	\$9,297	30	\$20,348	35	\$29,261	65	\$68,669	639%
Austin Community College	520	\$510,742	745	\$762,015	1,276	\$1,503,167	1,609	\$2,387,666	367%
Blinn College	72	\$61,174	78	\$78,368	185	\$238,380	341	\$610,046	897%
Brazosport Junior College	33	\$18,180	36	\$16,511	70	\$43,749	99	\$101,717	459%
Central Texas College	133	\$59,536	187	\$93,228	358	\$223,214	431	\$309,707	420%
Cisco College	20	\$26,535	26	\$26,587	60	\$89,796	81	\$132,504	399%
Clarendon College	17	\$15,193	12	\$14,758	23	\$38,566	19	\$31,087	105%
Coastal Bend College	14	\$9,006	34	\$29,111	69	\$104,237	62	\$126,681	1307%
College of the Mainland Community College District	38	\$27,534	42	\$32,695	48	\$36,368	77	\$81,160	195%
Collin County Community College District	98	\$49,212	158	\$77,899	224	\$121,773	289	\$168,243	242%
Dallas County Community College District	303	\$240,997	428	\$469,148	439	\$298,705	633	\$409,311	70%
Del Mar College	182	\$212,966	353	\$406,100	528	\$635,661	712	\$922,195	333%
El Paso Community College District	136	\$207,238	214	\$294,561	317	\$915,632	333	\$1,307,619	531%
Frank Phillips College	0	\$0	*	\$3,636	7	\$13,213	11	\$15,962	N/A
Galveston College	16	\$14,156	15	\$12,621	22	\$28,099	30	\$36,874	160%
Grayson County College	43	\$24,133	53	\$35,595	82	\$64,139	100	\$111,374	362%
Hill College	19	\$13,574	20	\$18,512	77	\$75,385	81	\$102,152	653%
Houston Community College	369	\$379,994	423	\$417,787	650	\$641,846	758	\$906,036	138%

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Howard College	17	\$19,475	30	\$35,092	58	\$66,532	67	\$93,860	382%
Kilgore College	34	\$17,114	45	\$61,782	105	\$171,312	143	\$232,307	1257%
Laredo Community College	36	\$27,795	55	\$38,623	142	\$133,743	171	\$231,403	733%
Lee College	92	\$53,274	266	\$87,416	240	\$85,762	182	\$119,179	124%
Lone Star College System District	275	\$195,533	363	\$254,581	568	\$485,283	786	\$733,799	275%
McLennan Community College	28	\$45,865	50	\$81,581	93	\$240,834	170	\$355,156	674%
Midland College	43	\$35,111	56	\$45,163	112	\$100,331	108	\$126,438	260%
Navarro College	47	\$46,422	120	\$109,041	219	\$311,039	293	\$472,219	917%
North Central Texas College	28	\$22,441	44	\$48,213	85	\$103,216	110	\$157,844	603%
Northeast Texas Community College	15	\$15,703	21	\$32,113	28	\$49,127	52	\$91,813	485%
Odessa College	29	\$24,462	37	\$36,353	46	\$52,177	51	\$74,500	205%
Panola College	10	\$14,223	10	\$16,010	19	\$26,444	27	\$52,390	268%
Paris Junior College	31	\$29,373	41	\$39,106	49	\$53,021	95	\$125,863	328%
Ranger College	0	\$0	0	\$0	12	\$15,579	42	\$46,716	N/A
San Jacinto College Central Campus	229	\$174,141	347	\$265,385	416	\$323,288	513	\$462,632	166%
South Plains College	52	\$57,619	64	\$73,923	160	\$222,190	276	\$448,921	679%
South Texas College	61	\$83,986	83	\$112,690	183	\$304,572	217	\$443,334	428%
Southwest Texas Junior College	18	\$25,088	26	\$39,312	34	\$57,843	50	\$88,668	253%
Tarrant County College District	275	\$154,551	387	\$209,529	633	\$376,394	726	\$449,790	191%
Temple College	70	\$90,980	100	\$144,667	154	\$271,440	244	\$495,046	444%
Texarkana College	15	\$9,956	22	\$16,192	14	\$14,600	38	\$64,119	544%
Texas Southmost College	68	\$98,525	107	\$170,171	290	\$624,161	345	\$690,694	601%
Trinity Valley Community College	67	\$34,470	84	\$45,175	91	\$71,022	167	\$193,526	461%
Tyler Junior College	85	\$90,640	105	\$127,181	201	\$309,152	284	\$495,055	446%
Vernon College	22	\$28,073	26	\$28,072	67	\$88,814	91	\$177,931	534%
Victoria College, The	26	\$27,590	34	\$32,387	71	\$94,819	172	\$254,578	823%
Weatherford College	18	\$19,899	29	\$33,027	56	\$73,755	89	\$115,835	482%
Western Texas College	41	\$24,786	37	\$22,853	42	\$29,205	72	\$69,856	182%
Wharton County Junior College	23	\$19,740	29	\$55,350	112	\$125,018	164	\$214,683	988%

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	Number of Awards	Total Value of Awards	Number of Awards	Total Value of Awards	Number of Awards	Total Value of Awards	Number of Awards	Total Value of Awards	
Health-Related Institutions	191	\$1,069,751	179	\$988,971	269	\$1,624,778	346	\$2,659,600	149%
Texas A&M University System Health Science Center-College of Medicine	8	\$65,909	24	\$169,326	26	\$255,573	32	\$432,514	556%
University of North Texas Health Science Center	18	\$133,494	16	\$92,683	21	\$118,916	32	\$196,304	47%
Texas Tech University Health Sciences Center School of Medicine	59	\$353,566	57	\$268,892	106	\$582,305	117	\$776,371	120%
The University of Texas Health Science Center at Tyler	0	\$0	0	\$0	0	\$0	0	\$0	N/A
The University of Texas M.D. Anderson Cancer Center	0	\$0	0	\$0	*	\$4,258	*	\$10,701	N/A
The University of Texas Medical School, Galveston	40	\$162,093	28	\$131,118	27	\$156,763	40	\$330,707	104%
The University of Texas Medical School, Houston	21	\$103,951	22	\$119,733	30	\$186,069	25	\$111,770	8%
The University of Texas Medical School, San Antonio	40	\$197,619	26	\$147,032	50	\$233,152	87	\$682,798	246%
The University of Texas Southwestern Medical Center	5	\$53,119	6	\$60,187	8	\$87,742	*	\$118,434	123%
Lamar State Colleges	95	\$113,801	82	\$133,373	198	\$288,631	299	\$410,222	260%
Lamar Institute of Technology	41	\$70,836	54	\$93,789	130	\$183,829	200	\$225,823	219%
Lamar State College-Orange	15	\$14,105	17	\$22,856	25	\$38,676	48	\$89,882	537%
Lamar State College-Port Arthur	39	\$28,860	11	\$16,728	43	\$66,126	51	\$94,517	228%
Texas State Technical Colleges	101	\$171,305	176	\$279,730	247	\$641,887	399	\$831,232	385%
Texas State Technical College, Harlingen	32	\$42,326	55	\$100,635	111	\$240,289	267	\$384,414	808%
Texas State Technical College, Marshall	6	\$7,018	10	\$20,079	10	\$35,121	20	\$64,367	817%
Texas State Technical College, Waco	51	\$97,607	97	\$135,935	113	\$343,462	89	\$321,071	229%
Texas State Technical College, West Texas	12	\$24,354	14	\$23,081	13	\$23,015	23	\$61,380	152%
Grand Total Across Public Institutions	9,882	\$24,656,778	13,837	\$34,263,829	22,585	\$71,850,210	31,237	\$110,842,939	350%

Source: Texas Higher Education Coordinating Board