



LEGISLATIVE BUDGET BOARD

Hazlewood Exemption

PRESENTED TO HOUSE APPROPRIATIONS COMMITTEE

LEGISLATIVE BUDGET BOARD STAFF

FEBRUARY 2015

Overview of the Hazlewood Exemption

The Hazlewood Exemption provides an educational benefit to veterans, and certain dependents and spouses of veterans, through an exemption from tuition and required fees at public institutions 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. This Hazlewood Legacy Program results in the child of the veteran being exempt from payment of tuition and required fees at a public institution of higher education.

Hazlewood Exemption Program

- The program provides for the exemption of tuition and mandatory fees for a maximum of 150 semester credit hours.
- This exemption can be used at general academic institutions, community colleges, Lamar State Colleges, Texas State Technical Colleges, and health related institutions.
- The exemption is available for individuals without access to federal veterans' education benefits or for individuals whose federal veterans' education benefits do not cover 100 percent of tuition and fees.

Hazlewood Exemption Eligibility

Hazlewood Exemption Recipient Eligibility:

- Veterans are generally eligible if they served over 180 days of active service, were discharged under honorable conditions and also either entered the armed services in Texas, declared Texas as their home of record, or would have been determined to be a resident of Texas at the time of entering the armed services.
- The Legacy Program authorizes an eligible veteran to waive his or her right to the exemption and pass it on to an eligible child under the age of 25.
- Spouses/Dependents are eligible if the veteran was killed in action, died as a result of a service related injury, is missing in action, or is permanently disabled as a result of service.

Hazlewood Exemption Waived Tuition and Fees Fiscal Years 2012 – 2017*

IN MILLIONS

Fiscal Year	Veterans	Dependents / Spouses	Legacy	Total	Percent Change - Total
2012	\$43.4	\$4.1	\$62.7	\$110.2	N/A
2013	\$50.0	\$5.3	\$90.9	\$146.1	32.6%
2014	\$49.8	\$8.0	\$111.3	\$169.1	15.7%
2015*	\$73.5	\$9.6	\$125.4	\$208.6	23.3%
2016*	\$80.3	\$12.1	\$153.3	\$245.6	17.8%
2017*	\$87.6	\$14.8	\$183.8	\$286.2	16.5%

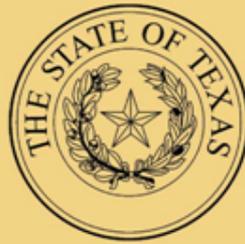
*Projected

NOTE: Totals may not sum due to rounding.

SOURCE: Legislative Budget Board, Texas Higher Education Coordinating Board Hazlewood Database.

Hazlewood Exemption Lawsuit

- In Spring 2014, a lawsuit relating to the Hazlewood Exemption was filed in The United States District Court for the Southern District of Texas, Houston Division, by a veteran against the University of Houston, Texas Higher Education Coordinating Board, and Texas Veterans Commission.
- The lawsuit challenges the fixed point residency requirement of the Hazlewood Exemption.
 - Eligibility for the Hazlewood Exemption requires that a veteran have entered the service at a location in Texas, declared Texas as the person's home of record in the manner provided by the applicable service branch, or would have been determined to be a resident of Texas at the time of entering the armed services. This is known as the fixed point residency requirement.
- On January 26, 2015, the U.S. District Court issued a judgment ruling the fixed point residency requirement as unconstitutional.



LEGISLATIVE BUDGET BOARD

Contact the LBB

Legislative Budget Board

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