

# HAZLEWOOD EXEMPTION



AN ISSUE BRIEF FROM LEGISLATIVE BUDGET BOARD STAFF

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## 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 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 shows 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%
Community Colleges	4,383	3,959,392	6,229	5,915,518	10,307	11,449,478	189
Health-related Institutions	191	1,069,751	179	988,971	269	1,624,778	52
Lamar State Colleges	95	113,801	82	133,373	198	288,631	154
Texas State Technical Colleges	101	171,305	176	279,730	247	641,887	275
<b>Total</b>	<b>9,882</b>	<b>\$24,656,778</b>	<b>13,837</b>	<b>\$34,263,829</b>	<b>22,585</b>	<b>\$71,850,210</b>	<b>191%</b>

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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