

FINAL BILL REPORT

HB 2113

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Synopsis as Enacted

Brief Description: Regarding refunds of federal financial aid to students who withdraw from institutions of higher education.

Sponsors: By Representatives Morrell, Cox, Kenney, Fromhold, Jarrett, Chase, Priest, McCoy and Buck.

House Committee on Higher Education
Senate Committee on Higher Education

Background:

Students who withdraw from courses or withdraw entirely from a college or university before the end of a semester or quarter may be eligible to receive a full or partial refund of their tuition, depending on when they withdraw. They also may be obligated to return some portion of any state or federal financial aid they received.

Tuition Refund. Four-year institutions are permitted, but not required, to refund tuition to students who withdraw according to a schedule that is outlined in statute. If the student withdraws before the fifth instructional day, 100 percent of tuition is refunded. If the student withdraws between the sixth and 30th calendar day, up to 50 percent of tuition is refunded. The statute is silent regarding refunds for withdrawal after the 30th day; in practice institutions provide no refund. Institutions may also adopt a different refund schedule if required by federal law to maintain eligibility for federal financial aid funds. In practice, two of the institutions (Eastern Washington University and Washington State University) have slightly different refund policies than the statutory schedule.

Federal Financial Aid Return. Since 2000 the schedule for return of federal financial aid from students who withdraw from college has been a scale based on the number of lapsed days in the semester or quarter at the time of withdrawal. If the student withdraws after 60 percent of the term has lapsed (approximately day 48 in a quarter system and day 65 in a semester system), no return is required.

The use of different calculation methods for tuition refunds and financial aid returns can lead to situations where students owe the federal government more in returned financial aid than they receive in refunded tuition (or vice versa).

State Financial Aid Return. The Higher Education Coordinating Board requires

institutions to have a policy regarding return of state financial aid, but leaves it up to each institution to set the policy. For ease of administration, institutions generally follow the federal return schedule.

Summary:

Four-year institutions of higher education may adopt tuition refund policies using the same formula the federal government uses for return of financial aid if withdrawing students would pay more back in financial aid than they receive in a tuition refund. The tuition refund policy may treat all students at the institution in the same manner.

Votes on Final Passage:

House 96 0
Senate 49 0

Effective: July 27, 2003