

HOUSE BILL REPORT

SSB 6302

As Passed House - Amended:

March 5, 2004

Title: An act relating to persons ordered to active military service.

Brief Description: Establishing additional protections for persons ordered to active military service.

Sponsors: By Senate Committee on Government Operations & Elections (originally sponsored by Senators Murray, Schmidt, Rasmussen, Roach, Kastama, Winsley, Haugen and Oke).

Brief History:

Committee Activity:

Higher Education: 2/24/04, 2/27/04 [DPA].

Floor Activity:

Passed House - Amended: 3/5/04, 95-0.

Brief Summary of Substitute Bill (As Amended by House)

- Establishes rights for students enrolled in public higher education institutions who are called to active military duty for more than 30 days. Encourages private institutions to offer the same rights.
- Permits students to withdraw with a refund of tuition and fees; take an incomplete for a course and complete it on return; or complete the course with a grade and no penalty for missed classes as long as the instructor believes sufficient coursework has been completed.
- States that rights conveyed under the federal Servicemember's Civil Relief Act apply to deeds of trust under Washington law. Prohibits interest and penalties before April 30, 2005, on delinquent property taxes for military personnel participating in Operation Enduring Freedom.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended. Signed by 10 members: Representatives Kenney, Chair; Fromhold, Vice Chair; Cox, Ranking Minority Member; Boldt, Chase, Condotta, Jarrett, McCoy, Morrell and Ormsby.

Staff: Barbara McLain (786-7383).

Background:

Higher Education Laws and Policies

Current law establishes parameters for refunds of tuition and fees for students who withdraw from a public institution of higher education before the end of the academic term. However, institutions are also authorized to extend those refund or cancellation periods for students who are called into the military service of the United States. Under this broad authority, two and four-year institutions have adopted policies that cover a number of topics:

1. *Withdrawal from Course/Refund of Tuition.* Virtually all institutions offer students a full refund of tuition and fees and no other withdrawal penalty on their college transcripts if they withdraw from courses as a result of being called to active duty.
2. *Incompletes and Course Credit.* Institution policies vary regarding whether students may receive an incomplete for the course and finish it later or receive full credit and a grade for the course. This may be left up to the course instructor and may depend on how much of the course the student has completed before being called to active duty.
3. *Readmission.* Students called to active duty are not required to be readmitted to the institution or pay readmission fees if they return within one year of active duty.
4. *Room and Board.* Each of the four-year institutions releases students called to active duty from any housing contract. They also try to accommodate the student's spouse for the remainder of the year for those in married student housing.

Private institutions of higher education and private vocational schools are encouraged to offer students deployed in support of any Persian Gulf combat occurring after 1990 a choice of tuition refunds or one free academic term.

Federal and State Financial Aid

Under guidance from the United States Department of Education (US DOE), higher education institutions and lenders delay student loan repayment requirements for individuals called into active military service. There is also a state law that exempts students engaged in Persian Gulf combat from having to repay unused portions of the State Need Grant if they withdraw before the end of the term.

Military Laws and Policies

The federal Servicemembers Civil Relief Act (SCRA), signed into law in December 2003, provides a number of protections to federal military reservists or National Guard members called into active military service. For example, the SCRA provides protection from evictions, caps of interest rates on loans, and permissions for terminating certain leases. Tuition refunds are not addressed by the SCRA, although the US DOE strongly encourages all colleges and universities to offer full refunds and provide easy and flexible re-enrollment.

Foreclosures and Deeds of Trust

One of the provisions of the SCRA protects service members from foreclosures on property under a mortgage or deed of trust during or within 90 days after a period of military service. If the military service affects the service member's ability to meet the mortgage or deed of trust obligation, a court must either: (1) stay any judicial proceeding seeking to enforce the obligation; or (2) adjust the obligation to preserve everyone's interest.

In addition, the SCRA makes invalid a sale, foreclosure, or seizure of property for breach of a mortgage or deed of trust obligation if it occurs during or within 90 days after a period of military service, unless: (1) there is a court order for foreclosure granted prior to the foreclosure; or (2) the service member waived the protection against foreclosure in writing during or after the period of military service.

Property Taxes

Generally, property owners can pay one-half of the property tax amount on or before the 30th day of April and the other half on or before the 31st day of October of the tax year. Delinquent property tax payments are subject to interest and penalties specified in statute. A special provision was enacted in 1996, waiving interest and penalties on delinquent 1996 property taxes from April 30, 1996 through December 31, 1996, on the personal residences owned by military personnel who participated in the situation known as "Joint Endeavor."

Summary of Amended Bill:

Certain rights are created for students of public higher education institutions who are members of the Washington National Guard or other military reserve component and who are ordered into active state service or federal active military service for longer than 30 days. After providing documentation of orders, these students may:

1. Withdraw from courses without negative annotation on their transcript and have tuition and fees credited to their account;
2. Be given a grade of incomplete with an opportunity to complete the course upon release from duty; or
3. Continue and complete the course for full credit without penalty for any missed classes. The student may still be required to complete necessary assignments, and the award of a grade and credit is subject to the instructor's determination that sufficient work has been completed and sufficient progress demonstrated to justify the grade.

Students who withdraw must be readmitted and enrolled without penalty within one year following release from active duty. Students are also entitled to receive a refund of amounts paid for room, board, and fees that are attributable to the time they were in the military and did not use the facilities or services for which the amounts were paid. Any refunds of tuition and

fees or room and board are subject to requirements of state or federal financial aid programs that were the source of funds.

These protections are minimums and do not preclude institutions from providing additional options or protections for students.

Private institutions of higher education are encouraged to offer the same rights to any student called into active military duty. Current laws pertaining to tuition refunds and mid-term withdrawal are amended to reflect the new rights for students called to active duty.

A provision is added to the Deed of Trust Act stating that all of the rights and duties conveyed under the federal SCRA apply to deeds of trust under Washington law. Interest and penalties may not be imposed on delinquent 2003 and 2004 property taxes from April 30, 2003 through April 30, 2005, on the personal residences owned by military personnel who participated in the situation known as "Operation Enduring Freedom."

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: Providing consistent and clear policies for students who are called to the service of their country is the least we can do to support them in a difficult time. This provides a good set of protections for students who want to return and finish their degrees. The recent mobilization of over 4,000 service men and women involved at least 350 college students. The colleges have been very supportive, but deployment can happen very rapidly. These students don't have time to sort out what the rules are and try to negotiate individual exceptions.

Testimony Against: None.

Persons Testifying: Senator Murray, prime sponsor; and Frank Scoggins and Joe Huden, Washington State Military Department.

Persons Signed In To Testify But Not Testifying: None.