

SENATE BILL REPORT

HB 2113

As Reported By Senate Committee On:
Higher Education, April 3, 2003

Title: An act relating to refunds of federal financial aid to students who withdraw from institutions of higher education before the end of a quarter or semester.

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

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

Brief History:

Committee Activity: Higher Education: 3/31/03, 4/3/03 [DP].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Carlson, Chair; Schmidt, Vice Chair; Horn, Kohl-Welles, Mulliken, B. Sheldon and Shin.

Staff: Dario de la Rosa (786-7484)

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.

Students may be obligated to return some portion of any state or federal financial aid they received. The Higher Education Coordinating Board requires institutions to have a policy regarding return of state financial aid, but each institution sets its own return policy. 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, 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.

Summary of Bill: 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.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Sometimes, events happen in students' lives that require them to withdraw from school. However, when they withdraw, they may be required to return federal financial aid. In some cases, the amount of financial aid that must be returned is greater than the tuition reimbursement. For Washington State University, this is a technical issue that would grant the institution permission to refund tuition as it did in the past, prior to the change in federal law.

Testimony Against: None.

Testified: Representative Dawn Morrell, prime sponsor; James McMahan, Washington Student Lobby (pro); Jane Yung Dennie, Washington State University (pro).