H.B. NO. 2767

## A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. At the University of Hawaii, a financial 2 obligation hold can be placed on a student's financial account 3 due to an outstanding tuition balance. However, such a hold 4 also prevents a student from dropping academic courses. In 5 addition, such a hold may be placed on a student's financial 6 account prior to the last day by which students are allowed to 7 drop a course and thereby receive a refund of their tuition. 8 Accordingly, a student who wishes to lower the student's tuition 9 balance by dropping a course or courses is prevented from 10 achieving this goal.

11 The legislature finds that students at the University of 12 Hawaii should be permitted to obtain a refund of their tuition 13 as long as certain reasonable conditions are met. The 14 legislature further finds that this issue is a matter of 15 statewide concern that falls under its purview pursuant to 16 article X, section 6, of the Hawaii State Constitution.



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1 The purpose of this Act is to prohibit the University of 2 Hawaii from placing a financial obligation hold on a student's 3 financial account due to an unpaid tuition balance, prior to the last day by which students are allowed to drop a course or 4 5 receive a refund of tuition. 6 SECTION 2. Subpart A of part II of chapter 304A, Hawaii 7 Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows: 8 9 "§304A- Tuition balance; financial obligation hold. 10 Notwithstanding any law to the contrary, the University of 11 Hawaii shall not place a financial obligation hold on a 12 student's financial account due to an unpaid tuition balance, prior to the last day by which students are allowed to drop a 13 14 course or receive a refund of tuition." 15 New statutory material is underscored. SECTION 3. 16 This Act shall take effect on July 1, 2016. SECTION 4. 17 INTRODUCED BY: RHIT xangi m HB HMS 2016-1409-1 JAN 2 7 2016

# H.B. NO. 2767

#### Report Title:

University of Hawaii; Students; Tuition; Financial Obligation Hold

#### Description:

Prohibits the University of Hawaii from placing a financial obligation hold on a student's financial account due to an unpaid tuition balance, prior to the last day by which students are allowed to drop a course or receive a refund of tuition.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



### ichiyama2-Brandon

From:	mailinglist@capitol.hawaii.gov
Sent:	Monday, February 08, 2016 8:02 AM
To:	HEDtestimony
Cc:	bp32@hawaii.edu
Subject:	Submitted testimony for HB2767 on Feb 9, 2016 14:00PM

#### <u>HB2767</u>

Submitted on: 2/8/2016 Testimony for HED on Feb 9, 2016 14:00PM in Conference Room 309

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Bret Polopolus-Meredith	Individual	Support	No

Comments: There are multiple points at which a student may drop. The very last day to drop is well into the semester but the student receives a W, meaning withdrawal, on their record. I am in favor but the bill should include language to indicate the first withdrawal deadline.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Legislative Testimony



Testimony Presented Before the House Committee on Higher Education February 9, 2016 at 2:00 p.m. By Risa E. Dickson, Vice President for Academic Affairs University of Hawai'i System

### HB 2767 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Choy, Vice Chair Ichiyama, and members of the committee:

I am providing testimony on behalf of the University of Hawai'i on HB 2767 that prohibits the University of Hawai'i from placing a financial obligation hold on a student's financial account due to an unpaid tuition balance, prior to the last day by which students are allowed to drop a course or receive a refund of tuition.

The University of Hawai'i (UH) appreciates the interest of the legislature in initiatives supportive of our students and their access to higher education. However, we oppose this bill and would like to correct inaccuracies reflected in the language of the bill around UH procedures on holds and refunds.

First, UH procedures for issuing student refunds are guided by UH Administrative Procedure 8.770, and already allow for a schedule of refunds. A student is refunded a 100% refund for complete withdrawal or when change in status is made on or before the last day of late registration. And, even after that, students can receive a 50% refund up to the third week of instruction. While semester payment is due the month before classes start, a financial hold is not placed on the student account until after the third week of instruction. If payment in full or a payment plan is not completed, the hold will prevent a student from registering for the <u>following</u> semester.

To remove holds or allow students to continue to register without tuition payment affects the University's ability to operate in a fiscally sound manner. The University does not think it is a good business practice to allow delinquent accounts to continually increase the debt on non-payments.

Second, UH has taken initiatives to streamline the withdrawal process for students. Prior to Fall 2015, students were able to drop all courses online except for the last course (which would result in withdrawal from the University) which had to be processed in person. Beginning fall 2015, students across the UH System have had the ability to process a complete withdrawal online, including dropping their last class via the MyUH Portal online system.

This measure should be deferred because the process of holds, refunds and collection of delinquent accounts is an internal operation of the University, guided by UH Administrative Procedures, and within the governance purview of the U.H. Board of Regents.

Thank you for the opportunity to provide testimony.

Kevin Wilson Individual College Student Testimony HB 2767



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Tuesday, February 8, 2016

To: Representative Choy, Chair Representative Ichiyama, Vice Chair Members of the House Committee on Higher Education

From: Kevin Wilson

Re: HB 2767-RELATING TO THE UNIVERSITY OF HAWAII House Committee on Higher Education Tuesday, February 9, 2016 at 2:00 p.m.

**Position: Support** 

Good afternoon Chair Choy, Vice Chair Ichiyama, and members of the House Committee on Higher Education.

My name is Kevin Wilson, a current student at the University of Hawaii at Manoa and a Leeward Community College (LCC) alumni. I write in support of HB 2767 Relating to the University of Hawaii. The current measure at hand will allow students to receive a tuition refund or drop a course with a letter grade with an unpaid tuition balance.

It is essential the committee passes the measure, because it will provide future and existing students with a layer of protection from the University's administration system. Whether a student has paid his or her tuition in full or partial, it is essential for any student(s) to successfully navigate the University's system. According to the Spring 2016 Academic Calendar, the last day for a restricted in-person course withdrawal is Friday, March 11 at 4p.m. On Tuesday, February 2, 2016, the University of Hawaii Cashier's Office placed a financial obligation hold on student's accounts with an outstanding tuition balance. Even though the deadline for a restricted in-person withdraw is more than a month away, any student with a financial obligation hold will be prohibited from dropping a course.

Additionally, students who do not meet the requirements to receive financial assistance have until Friday, April 15, 2016, to complete a 2015-2016 Satisfactory Academic Progress Appeal Form. If a student's appeal form is approved and the student receives an award package, the University will not backdate the student's award package to a date which allows the students to drop a course or receive a refund.

A student may remove his or her financial obligation hold once the outstanding tuition balance is paid in full or is granted a successful appeal by the respected University Cashier's Office. If a student does not pay his or her tuition balance, the student will not be able to graduate and enroll for future courses.

Thank you for the opportunity to testify.