

Summary Document

Tuition Refunds for Medical Withdrawal and Tuition Insurance Availability among 215 Institutions of Higher Education

Summary:

The cost of attending college today, (2009 Trends In College Pricing by the College Board estimates that the cost of attendance for the average in-state public school student is \$15,213 and the average private school student is \$35,636 (inclusive of tuition, fees, room and board).) **combined with increasingly strict or inconsistent refund policies by colleges and the previously limited availability of tuition refund insurance to mitigate this risk, has created new financial risks and vulnerability for college families.**

Overview:

Withdrawal refund policies are highly variable. While some policies stipulate pro-rated refunds, others offer set amounts. These set amounts vary from 0% after just ten days to more generous refunds through the term until finals week. Historically, refund policies for students receiving federal financial aid diverge from normal withdrawal refund policies, as the return of unearned federal financial aid is regulated according to 34 CFR 668.22. Finaid.org explains that 34 CFR 668.22 (or “R2T4”) stipulates "federal student aid that was or could have been disbursed is earned pro-rata based on the percentage of the period of enrollment that was completed through the date of withdrawal. If the percentage is more than 60% the student is considered as having earned 100% of the aid. Any unearned aid must be returned to the government (in the case of grants) or the lender (in the case of loans). There is a preference order for the return of the student aid that generally returns loan funds before grants." Lastly, depending on school policy, some students who are withdrawing for medical reasons may be able to appeal or petition their refund for a greater amount—or even for the full cost of tuition and fees.

Number of universities included in the research: 215

- 92 Public Schools
- 122 Private Schools
- 1 State-Related School (University of Pittsburgh)

Of the 215 schools researched,

- 181 schools, 84% of those researched, have set tuition refund schedules for medical withdrawal without a refund appeal mechanism.
- 34 schools, 16% of those researched, were found to offer an appeals process for students asking for a larger refund either as a standalone process or as a part of their medical withdrawal refund policy.
- 81 schools (38%) offer school-sponsored tuition insurance.
 - 79 of these do not offer a refund appeal process.

Looking at those schools that do not offer appeals processes,

- Most colleges and universities do not provide a full refund of fees in the event a student must withdraw from school for the term due to medical reasons.
- 129 colleges and universities, or 60% of the total number of schools researched, refund less than 50% of tuition and fees with no appeal.
- 99 colleges and universities (46%) have a policy that stipulates that those students not receiving financial aid who file for medical withdrawal receive 0% after 5 weeks with no appeal.
 - These 99 colleges and universities have an aggregate student population of 1.63 million.
 - 63 such schools, a total student body of 1.245 million students, do not offer tuition insurance
- 117 schools (54%) refund 25% or less with no appeal.
 - These 117 colleges and universities have an aggregate student population of 1.82 million.
- 145 colleges and universities (67%) refund 50% or less with no appeal.
 - These 145 colleges and universities have an aggregate student population of 2.19 million.
- Only 41 schools, less than 20% of those researched, offer an automatic (non-appeal) medical withdrawal refund of more than 50% after 5 weeks in a term.

On Refund Appeals:

While schools may provide an appeal or petition mechanism for grade adjustment due to medical withdrawal, fewer have a mechanism for tuition and fee adjustments due to medical withdrawal. For those schools featuring such an appeals process, the process and refund for students differ greatly. Some appeals, like the University of Florida and Florida State University, provide a full refund upon receiving medical withdrawal verification. Reed College's policy states that "no deviations from the refund schedule will be made except in cases of extreme hardship, of which the college shall be the sole judge." The University of Missouri's policy states that students may appeal for a *greater* refund and that such medical withdrawal refunds are approved on a case-by-case basis. From the language alone, it should be clear that not all refund appeals are equal in appeal process or amount, nor are some as automatic as others.

- Of those schools offering an appeals process, the general withdrawal policy is frequently very strict.
 - 25 colleges and universities do not refund any tuition and fees for withdrawal after 5 weeks
 - 4 colleges and universities refund more than 0% of tuition and fees but less than 50%
 - 5 colleges and universities refund more than 50% of tuition and fees

Information Regarding Methodology:

Data were obtained from direct, passive sources for each school. The direct sources were a combination of university bursar, registrar, student financial services and business office websites, as well as academic calendars, college and course catalogs, student handbooks, university policy books and, when available, the stand-alone tuition refund schedule. The withdrawal tuition and fees refund data reflects information found for long terms only, not for shortened winter or summer sessions or half-sessions. A school was judged to have an appeals process if one was found through the refund policy search or discovered through a separate search specifically for such an appeal or petition for a greater refund. Policies have not been verified or confirmed by colleges and universities and actual refund policies may vary by school. A school was judged to have tuition insurance if a plan could be found on their school website in the aforementioned sources or through A.W.G Dewar's website. Information about A.W.G. Dewar's Tuition Refund Plan and Meridian Management Group LLC's Tuition Protect were found through their websites and brochures, including those found on school websites.