



# THE CALIFORNIA STATE UNIVERSITY

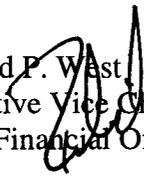
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**DAVID S. SPENCE**  
EXECUTIVE VICE CHANCELLOR  
CHIEF ACADEMIC OFFICER

Code: AA-2002-13  
February 13, 2002

**To:** CSU Presidents

**From:** David S. Spence   
Executive Vice Chancellor  
Chief Academic Officer

Richard P. West   
Executive Vice Chancellor  
Chief Financial Officer

**Subject: Revised Title 5 Regulations on Refund of Fees Including Nonresident Tuition**

At its November 14, 2001 meeting, the Board of Trustees adopted revisions to the policy governing the refund of student fees including nonresident tuition. The revised refund policy, Section 41802 in Title 5 of the *California Code of Regulations*, took effect upon filing with the Secretary of State which occurred on December 14, 2001. The revised policy removes the provision that students can receive a full refund of fees for withdrawal up to the fourteenth day of the term. It provides that students receive a full refund only if they cancel registration or drop all classes prior to the first day of instruction and requires that campuses refund nonresident tuition and other mandatory fees on a pro-rata basis up to the sixty percent point in the academic period.

Since the revised policy requires that campuses provide students with advance information regarding the revised policy and modify existing systems and processes for refunds, provision was included in the regulations for a transition period for implementation that ends with the beginning of the fall term 2002. Campuses may implement new refund provisions earlier than the fall term 2002 but are encouraged to ensure that students are provided with advance information regarding revised refund policies and procedures that may impact their enrollment and withdrawal decisions.

The revised refund policy is the culmination of deliberations of a systemwide task force convened to conduct a comprehensive review of the CSU's refund policies and procedures. The recommendations of the task force were modified based on consultation with the CSU Financial Aid Advisory Council, Chief Administrative and Business Officers, Vice Presidents of Students Affairs, Office of General Counsel, and CSU Presidents prior to distribution for public comment and adoption by the Board of Trustees at its November meeting.

The following changes to Title 5 were adopted by the Board of Trustees:

- §41802.1 regarding refunds for first-time students receiving federal Title IV student financial aid funds was deleted in its entirety;
- §41913 regarding the refund of nonresident tuition was deleted in its entirety;
- §41802 was modified to address the refund of all mandatory fees, including nonresident tuition, and to delegate authority to campuses for the establishment of refund policies governing tuition or fees required for enrollment in courses offered through a self-support instruction program.

A copy of revised §41802, which will be incorporated in the published *California Code of Regulations*, is included as Attachment A.

The following summarizes changes to and new provisions of the refund policy:

- Students will no longer be required to request a refund. Any refund for which a student is eligible will be “automatic” when a student follows campus-established procedures to cancel registration, drop courses, or withdraw for the academic period.
- Students will be entitled to a full refund of mandatory fees and nonresident tuition only if they cancel their registration or drop all courses prior to the first day of instruction for an academic term or, in the case of a short course, the first class meeting.
- Students who drop some but not all units resulting in a lower tuition and/or mandatory fee obligation within the campus designated drop period and in accordance with campus procedures will be entitled to a refund of the applicable difference in tuition and/or fee levels.
- For state-supported non-standard terms or courses of less than four (4) weeks in length, students are not entitled to any refund unless the student cancels registration prior to the first day of instruction of the non-standard term or the first scheduled meeting in the case of “short courses.”
- For state-supported semesters, quarters, and non-standard terms or courses of four (4) weeks or more in length, students who drop all courses prior to the end of the campus-designated drop period or who officially withdraw no later than the sixty percent point in the academic period shall be entitled to a pro-rata refund of nonresident tuition and mandatory fees.
- The pro-rata refund is determined on the basis of the date of the student’s withdrawal and the length of the academic period. The length of the academic period is calculated from the first day of instruction through the final exam day of the period and excludes any breaks of five (5) days or more.

Example: The first day of instruction for the fall semester is August 27, the final day of the exam period is December 14, and there are no breaks longer than 4 days. The length of the academic period is 110 days. The sixty percent point in the terms is day 66 which falls on October 31. No student who withdraws after October 31 is entitled to a refund. If a student withdraws on October 31,

the campus has “earned” sixty percent of the student’s fees and the student is entitled to a refund of forty percent of the fees. The campus may withhold an administrative fee from the refund amount.

- Any refund due a student is to be applied first toward any required return of student financial aid funds from federal, state, institutional, or external sources and then the balance may be returned to the student or, with the student’s concurrence, carried as a credit balance on the student’s account with the university.
- Exceptions to the policy, providing that the full amount of nonresident tuition and mandatory fees be refunded, are authorized where the fees were assessed or collected in error, the course for which the tuition and fees were assessed or collected was cancelled by the campus, the campus makes a delayed decision that a student was not eligible to enroll in the term for which mandatory fees were assessed and collected and the delayed decision was not due to a student not providing complete or accurate information, or the student was activated for compulsory military service.
- Campuses must implement a process for a student or an authorized representative to petition for a refund under exceptional circumstances under which the campus chief financial officer or designee is able to determine that the tuition and fees have not been earned by the campus.
- Penalty fees are not subject to refund and, in assessing any security or guaranty fees, the campus must stipulate any conditions for the collection of the fees and provisions for refund.
- §41802(d)(3) of the revised refund policy delegates to campuses the authority for establishing refund policies for special session and extension course tuition fees offered through self-support programs. Policies and implementing procedures should be appropriately made known to prospective students prior to their registration for such courses.

As indicated earlier, while changes to Title 5 are effective upon filing with the Secretary of State, the regulation stipulates that campuses have a transition period that ends with the beginning of the fall term 2002 to implement the new refund policies. Selected provisions of the new refund policy may be implemented earlier as administrative processes are adapted (e.g., not requiring a written application for refunds) and sufficient disclosures are provided to prospective students in advance of registration (e.g., extended education courses for summer enrollment periods.) Campuses should ensure that all references to the refund policies and procedures are updated appropriately in all publications (e.g., catalog copy, schedules of classes, other registration materials), both paper and electronic. Attachment B provides mandatory catalog copy regarding refunds of student fees and tuition.

As of the effective date for modification of the refund policy, the authorized administrative charges for refunds were \$5.00 for mandatory systemwide fees, \$10.00 for special session fees, and a maximum of \$20.00 for extension course fees. These fee levels were established in Title 5 Section 41802 prior to the November 2001 revision. The revised Title 5 Section 41802 no longer includes reference to “refund administrative charge” fee levels. Therefore, campus presidents have the authority to adjust the "refund administrative charge," a Category IV fee as outlined in the Executive Order 740 governing CSU Student Fee Policy, using the above-referenced levels as the base fees.

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Several questions have been posed regarding the refund policy. Attachment C includes these questions and responses that may assist campuses in implementing the revised policy.

Questions regarding the revised refund policy provisions in Title 5 and the information in this memorandum may be directed to Ms. Mary L. Robinson, Associate Director, Academic Affairs, Student Academic Support at [mlrobinson@calstate.edu](mailto:mlrobinson@calstate.edu) or (562) 951-4737 or to Ms. Chris Canfield, Budget Analyst, Business and Finance at [ccanfield@calstate.edu](mailto:ccanfield@calstate.edu) or (562) 951-4558.

DSS/RPW:mlr

Attachments (3)

cc: Chancellor Charles B. Reed  
Dr. Gary A. Hammerstrom  
Mr. Allison G. Jones  
Provosts/Vice Presidents of Academic Affairs  
Vice Presidents of Administration  
Vice Presidents of Student Affairs  
Deans of Extended Education  
Business Managers  
Directors, Admissions and Records  
Directors, Financial Aid  
Public Affairs Officers

**TITLE 5. TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**

**Title 5, California Code of Regulations  
Division 5 — Board of Trustees of the California State Universities  
Chapter 1 — California State University  
Subchapter 5 — Administration  
Article 3 — Fees**

**§ 41802. Refund of Fees Including Nonresident Tuition.**

(a) General. Money collected as a mandatory fee or nonresident tuition, may be refunded in accordance with the provisions of this section.

(b) Cancellation of Registration. A student who registers for classes for an academic period and who drops all classes or otherwise cancels registration for the period prior to the first day of instruction for that period shall be entitled to a refund of all tuition and mandatory fees paid less an administrative charge established by the campus.

(c) Adjustment of Registration. A student who, within the campus designated drop period and in accordance with the campus procedures, drops units resulting in a lower tuition and/or mandatory fee obligation shall be entitled to a refund of applicable tuition and mandatory fees less an administrative charge established by the campus.

(d) Withdrawals.

(1) For state-supported semesters, quarters and non-standard terms or courses of four (4) weeks or more: A student who, on or after the first day of instruction and up to a date that includes the sixty percent point in the academic period, either

(A) drops all of the courses in which the student enrolled prior to the end of the campus-designated drop period, or

(B) officially withdraws for the enrollment period in accordance with university procedures,

shall be entitled to a refund of tuition and mandatory fees on the basis of the proportion represented by the number of days in the academic period, excluding breaks of five days or more. A student who officially withdraws from the university after the sixty percent point in the academic period, fails to drop classes prior to the end of the campus drop period, or fails to officially withdraw from the campus, shall not be entitled to any refund of tuition or mandatory fees.

(2) For state-supported, non-standard terms or courses of less than four (4) weeks: a student registered for a state-supported, academic period or any course of less than four (4) weeks in duration shall not be entitled to any refund of tuition and mandatory fees if the student fails to either drop the courses or cancel registration prior to the first day of instruction for state-supported, non-standard terms or the first scheduled meeting of a state-supported course of less than four weeks that occurs during a regular semester or quarter.

- (3) For self-support, special sessions and extension course tuition fees: Refunds of tuition and fee charges for self-support, special sessions and extension courses shall be made in accordance with policies and procedures established by the campus offering the session or course.
- (e) Exceptions. Notwithstanding subdivision (d):
- (1) Tuition and mandatory fees shall be refunded and an administrative charge may not be retained if
    - (A) The tuition and mandatory fees were assessed or collected in error;
    - (B) The course for which the tuition and mandatory fees were assessed or collected was cancelled by the university;
    - (C) The university makes a delayed decision that the student was not eligible to enroll in the term for which mandatory fees were assessed and collected and the delayed decision was not due to incomplete or inaccurate information provided by the student; or
    - (D) The student was activated for compulsory military service.
  - (2) Tuition and mandatory fees may be refunded if the student or an authorized representative petitions the university for a refund demonstrating exceptional circumstances and the chief financial officer of the university or designee makes a determination that the tuition and mandatory fees have not been earned by the university.
- (f) Payment of Refunds: Any refund of tuition and mandatory fees shall be applied in the following order:
- (1) Any refunds shall first be applied toward any required return of funds that had been received by the student or on his/her behalf from federal, state, institutional, or external sources that were conditioned on the student's enrollment.
  - (2) The balance of any refunds shall be returned to the student or, with the student's concurrence, carried as a credit balance on the student's account with the university.
- (g) Penalty Fees, Deposits, and Security or Guaranty Fees. Fees assessed to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property are not subject to refund. Fees collected as a security or guarantee shall be refundable as determined by the university based on terms stipulated at the time and in accordance with conditions of their collection.
- (h) "Mandatory fees," as used in this section, means systemwide fees and campus fees that are required to be paid in order to enroll in state-supported academic programs.
- (i) Since the change arises in the middle of an academic year, campuses may refund fees including nonresident tuition fees following the former refund standards during a transition period that shall end with the commencement of the Fall term 2002.

Note: Authority cited: Sections 68051, 89030 and 89700, Education Code. Reference: Section 68051 and 89700, Education Code.

**Modifications to CSU Mandatory Catalog Copy  
To Reflect Revised Refund Policies**

In order to ensure that all prospective and currently enrolled students are advised of policies regarding the refund of student fees and nonresident tuition, campuses are encouraged to incorporate the following revised mandatory catalog copy statements in official publications as soon as feasible.

The following revised statements correspond with the numbering system (Attachment \_\_) used for the most recent version of mandatory catalog copy released on December 20, 2001 and include the current revision date. For ease in identifying the required modifications the following pages reflect additions with underlines and deletions with strike-through marks.

No change is being included in this document to Attachment XIX of mandatory catalog copy, "AVAILABILITY OF INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION," which reflects that:

Information concerning the refund policies of (name of institution) for the return of unearned tuition and fees or other refundable portions of institutional charges is available from (name of officer, campus address, and phone number).

CSU campuses should ensure that the university official named in this section of the current and all recent versions of catalog copy are apprised of the changes in the university's refund policies and procedures and provided with appropriate references and informational materials for distribution to prospective and current students.

Attachment VIII

**REFUND OF FEES INCLUDING NONRESIDENT TUITION**

Regulations governing the refund of mandatory fees, including nonresident tuition, for students enrolling at the California State University are included in §41802. Details regarding which fees may be refunded, the circumstances under which fees may be refunded, and the appropriate procedure to follow in seeking refunds may be obtained by consulting Section 42201 (parking fees), 41913 (nonresident tuition), 42019 (housing charges), and 41802 (all other fees) of Title 5, *California Code of Regulations*. In all cases, it is important to act quickly in applying for a refund. For purposes of the refund policy, mandatory fees are defined as those systemwide fees and campus fees that are required to be paid in order to enroll in state-supported academic programs at the California State University. Refunds of fees and tuition charges for self-support programs at the California State University (courses offered through extended education) are governed by a separate policy established by the University.

In order to receive a full refund of mandatory fees, including nonresident tuition, a student must cancel registration or drop all courses prior to the first day of instruction for the term. Information on procedures and deadlines for canceling registration and dropping classes is available (location of information, e.g., in the *Schedule of Classes*).

For state-supported semesters, quarters, and non-standard terms or courses of four (4) weeks or more, a student who withdraws during the term in accordance with the university's established procedures will receive a refund of mandatory fees, including nonresident tuition, based on the portion of the term during which the student was enrolled. No student withdrawing after the 60 percent point in the term will be entitled to a refund of any mandatory fees or nonresident tuition.

For state-supported semesters, quarters, and non-standard terms or courses of less than four (4) weeks, no refunds of mandatory fees and nonresident tuition will be made unless a student cancels registration or drops all classes prior to the first day in accordance with the university's established procedures and deadlines.

Students will also receive a refund of mandatory fees, including nonresident tuition under the following circumstances:

- The tuition and mandatory fees were assessed or collected in error;
- The course for which the tuition and mandatory fees were assessed or collected was cancelled by the university;
- The university makes a delayed decision that the student was not eligible to enroll in the term for which mandatory fees were assessed and collected and the delayed decision was not due to incomplete or inaccurate information provided by the student; or
- The student was activated for compulsory military service.

Students who are not entitled to a refund as described above may petition the university for a refund demonstrating exceptional circumstances and the chief financial officer of the university or designee may authorize a refund if he or she determines that the fees and tuition were not earned by the university.

Information concerning any aspect of the refund of fees may be obtained from (appropriate campus officer).

Attachment IX

**FEES AND DEBTS OWED TO THE INSTITUTION**

Should a student or former student fail to pay a fee or a debt owed to the institution, the institution may “withhold permission to register, to use facilities for which a fee is authorized to be charged, to receive services, materials, food or merchandise or any combination of the above from any person owing a debt” until the debt is paid (see Title 5, *California Code of Regulations*, Sections 42380 and 42381).

Prospective students who register for courses offered by the university are obligated for the payment of fees associated with registration for those courses. Failure to cancel registration in any course for an academic term prior to the first day of the academic term gives rise to an obligation to pay student fees including any tuition for the reservation of space in the course.

~~For example, (The institution may withhold permission from any person owing a debt to register or to receive official transcripts of grades or other services offered by the institution from anyone owing fees or another debt to the institution. If a student person believes he or she does not owe all or part of an asserted unpaid obligation that person may, the student should contact the campus business office. The business office, or another office on campus to which the business office may refer the person student, will review the all pertinent information, including information provided by the person and available to the campus student, and will advise the person student of its conclusions.~~

Attachment XXII

**CANCELLATION OF REGISTRATION OR WITHDRAWAL FROM THE INSTITUTION**

Students who find it necessary to cancel their registration or to withdraw from all classes from (name of institution) after enrolling for any academic term are required to follow the university's official withdrawal procedures. Failure to follow formal ~~withdrawal~~ university procedures may result in an obligation to pay fees as well as the assignment of failing grades in all courses and the need to apply for readmission before being permitted to enroll in another academic term. Information on canceling registration and withdrawal procedures is available from (name of officer, campus address, and phone number).

Students who receive financial aid funds must consult with (name of office) prior to withdrawing from the university regarding any required return or repayment of grant or loan assistance received for that academic term or payment period. If a recipient of student financial aid assistance funds under federal Title IV financial aid programs withdraws from the institution during an academic term or a payment period, the amount of grant or loan assistance received may be is subject to return and/or repayment provisions ~~governed by federal law~~.

**California State University**  
**Refund Policies - Implementation Guidance**  
**Questions and Answers**

- Q. What is the effective date for the change in the refund policy and when is the latest date for implementation? Must all of the provisions for the revised policy be implemented at the same time?**

These amendments to the *California Code of Regulations* took effect on December 14, 2001 when they were filed with the Secretary of State. Since the revision of the CSU refund policy was made in the middle of an academic year, the regulation includes provision for a transition period that ends with the beginning of the fall term 2002.

Campuses may elect to implement some aspects of the revised refund policy prior to the fall term 2002, e.g., cease requiring that students file a written application for a refund. Another example would be the implementation of campus defined refund policies and procedures for self-support sessions or courses for summer 2002 courses or special sessions.

- Q. How does the revised refund policy relate to Executive Order 740, the CSU Student Fee Policy, and the various fee types defined in the Executive Order?**

Executive Order (EO) 740 relates to setting all fees while the Title 5 change addresses refunding some fees. The refund policy, §41802 of Title 5, governs the refund of mandatory fees and nonresident tuition. "Mandatory fees" are defined for purposes of the regulation as "systemwide fees and campus fees that are required to be paid in order to enroll in state-supported academic programs." Executive Order 740 defines Category I fees as those fees that must be paid to apply to, enroll in, or attend the university. Category II fees are defined as fees to pay the full cost of instruction required of some students by statute (i.e., nonresident tuition.) These two categories are clearly governed by the refund policy in §41802.

Category III fees are defined as those fees, other than Category I fees, paid to receive materials, services or for the use of facilities provided by the university, or to enroll in a course offered through a self-support instructional program. The regulations (§41802(d)(3)) delegate authority to campuses to establish policies and procedures for refunds of tuition and fee charges for self-support, special sessions and extension courses. Refund provisions for other Category III fees, typically "user fees," are not addressed in §41802 because they are not "mandatory fees." To the extent that many of these fees are for services and for materials that cannot be returned (e.g., course material fees such as art supplies) they could appropriately be considered nonrefundable. If the fees are collected in advance of receipt of materials, service, or use of facilities, they might be considered a

“deposit” and therefore subject to §41802(d)(3)) of the regulations. Because of the wide range of Category III fees, campuses are in the best position to determine whether or not these fees should be subject to a refund and the conditions under which they are refunded. Campuses could elect to make refunds of certain Category III fees according to §41802 for administrative simplicity or to make appropriate refunds based on another formula. A principal consideration should be designating which Category III fees are subject to refund and the policies and procedures for any refund.

Category IV fees are defined as fees or deposits to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property or as a security or guaranty. Section 41802(d)(3) of the regulation addresses refunds of Category IV fees.

**Q. Does the new policy mean that a campus “Transit Fee” must be refunded even though the student has the decal and identification card that provides the privilege to ride buses and light rail for the nominal amount paid in the form of this mandatory campus fee?**

The refund policy governing your “Transit Fee” depends on whether or not it is a “mandatory fee” as defined in §41802. If the fee is mandatory, the refund must be made, provided the student follows campus-established procedures and deadlines for canceling enrollment or withdrawing from the university. The campus may, in conjunction with procedures for canceling registration or withdrawal, require that students return certain evidence of enrollment that entitles them to services or privileges for enrolled students (e.g., the transit decal and identification card).

If the Transit Fee is not a “mandatory fee” within the meaning of §41802, the campus has flexibility about the conditions for issuance and “recall” of the decal and identification card as they relate to potential refund of the transit fee. The campus could require return of the decal and card as a condition for a refund or it could treat the fee as non-refundable with the student continuing to receive the benefits of the fee even though the individual is no longer enrolled. Campuses may wish to ensure that any negotiations with external entities regarding services for or discounts to enrolled students address cancellation of enrollment or withdrawal from the institution.

**Q. How is the length of the academic term or the enrollment period determined?**

For purposes of the refund policy, the length of the academic term or enrollment period is determined by the number of calendar days (excluding any breaks of five days or more) from the first day of instruction in the term or period through the last exam day in the period. For individual “short” courses within an enrollment period, the number of days for the course is determined in the same manner, beginning on the first meeting day of the course and ending with the final class meeting or exam day. Since breaks of five days or more are excluded for purposes of determining the length of the course, “weekend classes” would not include the intervening weekdays in the course length.

**Q. Has the pro-rata refund schedule been determined?**

There is no “schedule” or table of pro-rata refund amounts. The pro-rata refund calculation will be determined individually based on the length of the term or course, the withdrawal date, and the fees paid and subject to refund.

**Q. The policy states that a student must cancel registration or drop all classes prior to the first day of instruction to receive a full refund. On our campus, the system is not available from Thursday-Sunday for students to drop classes. Can we permit students to cancel registration (drop all classes) on the first day of instruction and receive a full refund?**

The regulation is clear that full refunds are reserved for students who cancel registration or drop all classes prior to the first day of instruction. The campus should ensure that students are advised when registering for classes of the last date on which they can cancel registration and still receive a full refund. This date does not need to be the day immediately preceding the first day of instruction.

**Q. Does the revised refund policy apply to financial aid recipients who are subject to the return of Title IV funds policy?**

The revised refund policy applies to all students without respect to their receipt of financial aid. The calculation of the portion of funds “earned” for the return of Title IV funds provisions for aid recipients enrolled in state-supported semesters, quarters, and non-standard terms or courses of four (4) weeks or more should correspond with the calculation of the amount of the fees that the institution “earned” for purposes of the refund calculation for those students.

**Q. Will additional guidance be provided about the “exceptional circumstances” under which refunds can be granted based on a student petition?**

The regulation stipulates that the chief financial officer of the university or designee may authorize a refund based on the petition of a student or an authorized representative if the official determines that the tuition and/or mandatory fees have not been earned by the university. The revised refund policy extends the length of time into the term that a refund may be made and any student who withdraws prior to the sixty percent point in the term will receive a refund of some portion of fees paid. The university will also have incurred costs associated with the student’s planned enrollment that may be far greater than the costs associated with the portion of the term for which the student was registered or enrolled.

Each campus is responsible for establishing procedures enabling a student or an authorized representative to petition under exceptional circumstances for the refund of fees or nonresident tuition on the basis that the university did not earn some portion of the fee or tuition that is not subject to refund under the provisions of §41802.

**Q. It is not clear how to address situations in which medical conditions or death cause a student's withdrawal. Are withdrawals under these circumstances subject to a pro-rata refund up to the 60 percent point or a full refund at any time during the term?**

No specific provision is included in the regulations to address situations where the student's cancellation of registration or withdrawal is the result of medical conditions or death of either the student or a family member. In situations involving health or death, the general refund regulations are applicable. In addition, the provision permitting petition for and granting of a refund under exceptional circumstances remains available.

**Q. How is the "campus-designated drop period" determined? How does the drop date relate to the census date? How do the drop period and the census date relate to the 60 percent point in the term?**

The "campus-designated drop period" referred to in the regulation is established by the campus for each state-supported semester, quarter, or non-standard term or course of four weeks or more in length. Since fees and tuition for state-supported non-standard terms or a course of less than four weeks are not subject to a refund unless registration is cancelled or the course is dropped prior to the first day of instruction, there is no need for a designation of drop period for refund purposes for these short terms or courses.

The "census date" for CSU enrollment reporting purposes is the point at which official enrollment counts for the term are captured. For sessions that are equivalent in length to semesters or quarters, census dates are defined as the close of business on the 20<sup>th</sup> day of instruction in a semester and the 15<sup>th</sup> day of instruction in a quarter. The "census date" for a non-standard term (i.e., a term not equivalent in length to a semester or a quarter) is established by the campus.

Executive Order 792 includes a couple of references to the census date and related constraints on the campus-designated drop date. In defining the "W" (Withdrawal) grading symbol, EO 792 states that withdrawal from a course (or courses) may be permitted during a time period "established by the campus that shall not extend beyond the census date." The provision further indicates that withdrawal (W) grade symbols may be assigned "after the census date and prior to the last twenty percent of instruction" only with certain permissions.

Campuses have established "drop periods," "add-periods," and "add-drop periods" in order to accommodate schedule changes required on the part of students and the institution. Campuses may have established the "drop period" to end on the 14<sup>th</sup> day of term to coincide with the final date for payment of a full refund under the previous refund policy. Many campuses have "add periods" that extend beyond the "drop period" in order to permit schedule adjustments to compensate for students who dropped classes (i.e., allow students who could not get the class/session they originally wanted to take the place of a student who dropped the class/session).

The revised refund policy does not permit students a penalty-free, 14-day enrollment period during which they can drop all classes or withdraw. Prospective students must be made aware that registration for classes at the CSU – unless cancelled prior to campus-established deadlines – will involve payment of at least a portion of the mandatory fees. The policy does provide for a period of schedule adjustment (i.e., a drop period) designated by the campus, during which students who drop one or more but not all classes are entitled to a refund if the revised unit load subjects them to a lower mandatory fee or nonresident tuition level. The period need not be 14 days.

It is essential that campuses publicize the change in the refund provisions and highlight any changes in associated campus processes.

The official CSU “census date” used for reporting purposes should not be confused with various dates and deadlines that campuses establish and utilize for registration, enrollment, grading, and refund purposes. The 60 percent point in the term that is used as a “delimiter” for purposes of refunds and the return of federal Title IV financial aid funds need not have any bearing on either the CSU census date for enrollment reporting purposes or campus designated drop periods of other administrative or academic deadlines.

**Q. Students frequently add and drop classes after the first day of instruction. Is it anticipated that the campus will make a refund after each drop and then charge the student if another course is added?**

It is anticipated that campuses will attempt to accommodate changes in scheduling that are made in accordance with campus prescribed procedures and within a defined schedule adjustment period at the beginning of each term. Procedures and timeframes for schedule adjustments, including reference to fee payments and refunds, should be made known to all students or prospective students in advance of their reserving space and paying fees. Campus procedures might rightfully provide that no refunds will be issued until the end of the period for schedule adjustments or “x” days after that date.

**Q. Students who cancel registration or drop all courses prior to the first day of the academic period will be entitled to a full refund of tuition and mandatory fees. Does this mean that there is no withholding of a charge for administrative expenses?**

The administrative charge withheld from a refund is treated as a Category IV fee under Executive Order 740.

The administrative charges that were in place in December 2001 when the CSU refund policies were revised are being “grand-fathered” in as Category IV fees for each campus at the level previously authorized by the Title 5 regulation at the following levels:

|  |        |
|--|--------|
| Systemwide and campus mandatory fees<br>(attributed to the State University Fee) | \$5.00 |
|--|--------|

|                       |         |
|-----------------------|---------|
| Special session fees  | \$10.00 |
| Extension course fees | \$20.00 |

Any changes to these authorized fee levels must be made in accordance with the provisions of Executive Order 740.

**Q. The regulation states that with the student's concurrence, the institution may carry a credit balance on the student's account for a future semester. Does the institution have to carry credit balances?**

No. The provision is permissive and is intended to ensure that the institution has the student's concurrence to carry the credit balance rather than making any required refund directly to the student.

**Q. There appears to be the potential for inequitable treatment. The student who drops only some units during the designated drop period and is subject to the "Adjustment of Registration" provision is eligible for a full refund of the difference in the two State University fee levels or the difference in the applicable nonresident tuition. The student who drops all courses or withdraws by the designated drop period only receives a pro-rata refund. What if the student who received an "Adjustment of Registration" refund subsequently drops all remaining courses or withdraws by the 60 percent point in the term - is only the balance for the part-time fee pro-rated or does the campus compute the pro-rata refund on the basis of fees originally assessed for the term?**

Section 41802(c) provides that students who adjust their registration during the campus designated drop period are entitled to a refund if the dropped course or courses result in a lower mandatory fee or nonresident tuition being assessed. This applies only to students who drop some courses but remain enrolled as of the end of the drop period.

Student A enrolls for 9 units, paying the \$714 State University Fee. The student drops 3 units by the ending date of the designated drop period which at this particular campus is 14 days into the 110 day semester and receives a refund of \$300, the difference between the \$714 fee assessed for regular enrollment (more than 6 units) and the \$414 fee assessed for limited enrollment (6 units or less). The student was subject to no financial penalty (other than a drop fee that might have been imposed by the campus) for dropping a course within the campus-designated drop period and remaining enrolled for the term.

Student B also enrolls for 9 units, paying the \$714 State University Fee and withdraws on the same date, 14 days into the 110 day semester. Student B was enrolled for 12.7 percent of the term and is therefore eligible for a refund of 87.3 percent of the fee or \$623.32. Student B paid a fee, net of refund, of \$90.67 (or \$10 per unit) for utilizing university services associated with his or her planned enrollment for the term and the actual 14 days of registration.

Student C enrolls for 6 units, paying the \$414 State University Fee for limited enrollment and withdraws 28 days into the 110 day semester. Student C was enrolled for 25.5 percent of the term and receives a refund of 74.5 percent of the fee, \$308.43. Student C paid a fee, net of refund, of \$105.57 (or \$17.60 per unit) for utilizing university services associated with his or her planned enrollment for the term and the actual 28 days of registration.

If Student A, after receiving an “adjustment of registration” refund within the drop period, subsequently withdraws 28 days into the term (the same as Student C), Student A would be subject to the same pro-rata refund at the time of withdrawal as Student C.

Campuses may wish to review timeframes associated with the establishment of the campus-designated drop period if there are concerns about potential inequities associated with implementation of the revised refund policy.

**Q. Our state-supported summer term includes multiple sessions of varying lengths. Is this considered a summer semester or are the individual sessions considered non-standard terms? How should refunds be determined?**

Enrollment for state-supported summer terms that do not correspond to a regular semester or quarter will present challenges. Students who register for these terms may face different treatment for CSU fee refunds and return of Title IV financial funds purposes.

Student A registers and pays fees for the state-supported summer term in 3 units for Session I (a 3-week session), 3 units in Session II (another 3 week session), and 3 units in Session III (an 8 week session.) The campus uses the standard State University Fee for the summer term so the student paid \$714. The student decides prior to the first day of instruction for Session II to drop the 3 units for that session. The student would be entitled to a refund of \$300 based on the adjusted enrollment in 6 units.

If the student failed to drop the units for Session II until after the first day of instruction, the student would not be entitled to a refund since the session/course is less than 4 weeks long.

Student B registers and pays fees for the same units and sessions as Student A. Student B drops the 3 units in Session III after the campus-designated drop date for that session. The student would not be entitled to a refund because he/she maintained enrollment in Sessions I and II. Had the student dropped the 3 units in Session III by the designated drop date, he/she would have been eligible for a \$300 refund based on the adjusted enrollment in 6 units.

Student C registers and pays fees for 9 units in Session III, the 8 week session. Student C withdraws on day 20 of the 56-day session, which is 35.7 percent of the term length and after the campus-designated drop date for that session. The student would be entitled to a pro-rata refund of \$459.10, 64.3 percent of the \$714 fee paid for the summer term.

**Q. During regular semesters (i.e., fall and spring semesters of 15-16 weeks), the campus provides students an opportunity to include in their enrollment individual courses that take place during the semester for shorter periods (e.g., 3, 6, and 9-week long courses). How are these courses treated for purposes of refunds?**

Student A registers and pays fees for 9 units in the fall semester, 3 of which are for a 3 week course that occurs in the middle of the semester. If the student drops the 3 unit short course prior to the end of the campus-designated drop period for the semester the student would be eligible for an adjustment of registration refund of the difference between the \$714 fee for more than 6 units and the \$414 fee for 6 units or less. If the student waited until after the drop period to drop the course he/she would not be entitled to a refund. The student could file a petition for a refund if there were exceptional circumstances necessitating dropping the course and, if the drop occurred prior to the first day of the course, the campus could determine that the university had not earned the fee and make a refund.