

**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS  
ON REFERRAL BY THE UNIVERSITY OF ALASKA**

IN THE MATTER OF )  
 )  
 J. S. ) Case No. OAH-07-0521-PFE  
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**DECISION**

**I. Introduction**

The appellant, J. S., appeals a claim on his permanent fund dividend by the University of Alaska. Administrative Law Judge Dale Whitney heard the appeal on September 26, 2007. Mr. S. appeared by telephone. Assistant General Counsel Amanda Eklund represented the University by telephone.

The administrative law judge finds that Mr. S. has not met his burden of proving that the amount he owes is less than the amount the University claimed from his permanent fund dividend.

**II. Facts**

On June 22, 2006, Mr. S. registered for an art class, ART A201, at the University of Alaska Anchorage (UAA) using an online registration form for the Fall 2006 term. After a change in his employment situation, Mr. S. decided not to take the class after all. Mr. S. did not, however, take any steps to withdraw from the class.

Mr. S. testified that after he enrolled in Art A201 he received a tuition bill in the mail, although he did not recall precisely when. To the best of his recollection, Mr. S. received this bill around September, 2007, the time when the class would have begun. In October of 2007 Mr. S. moved, and he did not receive all of his mail after that time. Mr. S. did not notify the university of his new address, as he assumed he would be dropped from the class if he did not show up for it. Mr. S. testified that he may have received emails the university sent between the time he registered and the withdrawal deadline that advised him of his financial responsibility. Mr. S. stated that prior to the hearing he searched his email account to see if he could find any such emails without success, but he could not say one way or the other whether he had actually received such messages.

For UAA's 2006 fall term classes began on September 28, 2006. September 1, 2006, was the deadline for full refunds of tuition for students who withdraw. Fifty percent refunds were allowed for students who withdrew by September 11, 2006. These dates are published in UAA's academic calendar.

Mr. S. testified that in the past he had registered for classes at the University of Alaska Fairbanks, and then decided not to attend. In that case, Mr. S. testified, when he did not appear for the first day of classes the university, his name was deleted from the class roster and he was not charged any fees or tuition even though he never formally withdrew. Mr. S. testified that he assumed policies between the two schools within the University of Alaska system would be the same. Mr. S. testified that he never received a printed copy of the school's catalog, but he did view the school's website when he registered online. Mr. S. testified that he was generally aware that policies on tuition, fees, and payments would be available on the university's website, but he did not look at those pages; he only looked at the schedule and other pages that he believed applied to him. Mr. S. established that it was possible for a student to enroll for a class online without seeing a screen that notified the student of the financial obligations incurred by students when they registered.

The University claimed \$725.00 against Mr. S.'s permanent fund dividend for payment of tuition, fees and interest.

### **III. Discussion**

By law, the University of Alaska is entitled to claim from a person's permanent fund dividend amounts owed to the university for tuition, fees, and other charges when these obligations are in default.<sup>1</sup> When the university makes a claim against a PFD, it must provide the alleged debtor with an opportunity for a hearing on the claim, but the grounds on which the debtor can challenge the claim are limited to just three:

1. the university did not send a notice of default in compliance with the law;
2. the notice of default has been rescinded;
3. "the amount owed by the individual is less than the amount claimed from the permanent fund dividend."<sup>2</sup>

At a hearing, the individual, in this case Mr. S., has the burden of proving one of these three elements.<sup>3</sup> Mr. S. asserts that the amount he owes is less than the amount claimed from his PFD, specifically that he owes nothing to UAA.

Mr. S. asserts that he is not obligated to pay for a class he registered for but never attended, even if he never withdrew from the class. Mr. S. argues that he was not specifically

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<sup>1</sup> AS 14.40.251; AS 43.23.073.

<sup>2</sup> AS 43.23.073(c).

<sup>3</sup> *Id.*

notified of the financial obligation, and that the university incurs no expenses for students who register but do not appear.

Mr. S. understates the student's responsibility. Students who enroll in the university enter into a contractual agreement whereby they agree to pay a certain amount of tuition in exchange for specific educational programs. The terms of the contract are detailed in the university catalog, which is readily available both in print versions and online. A student who declines to read the university's policies on tuition payment and refunds does so at his own peril.

The fact that UAA accepts applications online does not excuse a student from the obligation to pay tuition. While it appears to be true that a person could register online without ever seeing the university's policies on payment of tuition and fees, the same is also true of students applying in the traditional method using paper forms. Students may simply decline to read the printed catalog, or decline to read the pages containing policies regarding tuition and payment.

Mr. S. argues that because he did not appear for his class, the university incurred no expense. Mr. S. overlooks the possibility that class sizes might be limited, and that other students could be denied the opportunity that Mr. S. declined; that classes with insufficient enrollment might be cancelled, or that multiple sections of the same class might be joined in the case of low enrollment, thus freeing professors to teach other classes. It is difficult to imagine how a large university could function if professors had the burden of taking attendance on the first day of class and closing accounts for all students who happened to miss the first day.

It is unnecessary to speculate as to whether the university suffered any actual monetary loss as a result of Mr. S.'s non-attendance. At the time he registered, Mr. S. incurred a contractual obligation to pay tuition and applicable fees unless he formally withdrew before September 1, 2006. Mr. S. still has not formally withdrawn. The university is entitled to collect unpaid tuition and fees from Mr. S.'s permanent fund dividends.

#### **IV. Conclusion**

Mr. S. failed to meet his burden of proving that he owes the university less than the amount it claimed from his permanent fund dividend. The university is entitled to maintain its claim on Mr. S.'s permanent fund dividends until the claim is satisfied.

DATED this 10<sup>th</sup> day of January, 2008.

By: Signed  
DALE WHITNEY  
Administrative Law Judge

### Adoption

The undersigned, on behalf of the University of Alaska and in accordance with AS 44.64.060, adopts this Decision and Order as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 11<sup>th</sup> day of February, 2008.

By: Signed  
Signature  
Fran Ulmer  
Name  
Chancellor  
Title

[This document has been modified to conform to technical standards for publication.]