

MINUTES
BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
STUDENT AFFAIRS COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
JUNE 13, 2007

Ms. Sheila McDevitt, Chair, convened the meeting of the Student Affairs Committee of the Board of Governors at 2:50 p.m., in the Ballroom, Graham Center, Florida International University, Miami, Florida, June 13, 2007, with the following members present: Jorgé Arrizurieta, Dr. Arlen Chase, Charlie Edwards, Frank Martin, Ryan Moseley, Ava Parker, Carolyn K. Roberts, Tico Perez, and Gus Stavros.

1. Approval of Minutes of Meeting held January 25, 2007

Dr. Chase moved that the Committee approve the Minutes of the meeting held January 25, 2007, as presented. Ms. Parker seconded the motion, and members of the Committee concurred.

2. Discussion: Student Health Insurance

Ms. McDevitt said the Student Affairs Committee had been discussing many interconnected issues and projects in the past year, including student access and diversity, financial aid, and student health insurance. She said a Task Force had been assembled to discuss best practices and study what other public universities were doing regarding student health insurance. She indicated to Committee members that the purpose of the day's meeting was informational, and cautioned them that discussions regarding the possibility of mandating student health insurance had to be framed

within the context of other costs for higher education. Given that the report from the Task Force was to be preliminary in nature, Ms. McDevitt encouraged Committee members to let staff know if there were additional issues they wanted the Task Force to address before a final report was submitted.

Dr. Dorothy Minear said the Committee had heard about the benefits to be offered to FSU students with the implementation of mandatory student health insurance. She said the Task Force had been working the past several months and were prepared to share preliminary recommendations.

Dr. Minear said the Task Force included representatives from all 11 universities. The Task Force had reviewed many student health insurance plans and benefits documents. The Task Force had met several times, had consulted with three national experts and had surveyed colleagues from many other university systems and individual institutions. She said they were working on a comprehensive report of their findings, but wanted to share some preliminary information at this meeting.

Dr. Minear introduced the co-chairs of the Task Force, Ms. Lesley Sacher, Director, Thagard Health Center, FSU, and current President, American College Health Association, and Dr. Robert Dollinger, Executive Director, University Health Services, FIU. Dr. Dollinger said he was passionate that students should have student health insurance, especially millennial students who entered school with many more complex physical and mental problems than earlier generations of students. He said current students were the largest group of individuals without insurance. He noted that, if a student were in a bad accident without insurance, it could have a devastating impact. He said students with better insurance tended to do better academically, because some of the stress could be eliminated and students could receive early identification and treatment. He commented that there was a high withdrawal rate by students for medical conditions. He said that access to health care was expensive; some specialists

would not see students without insurance. He said universities “invested” in students; it was costly if these students withdrew for medical reasons.

He explained that Florida currently had voluntary student insurance and that, with fewer students carrying the insurance, costs increased as benefits were reduced. He said that, in North Carolina, 10 of the 16 public universities required student health insurance; Georgia had a state policy requiring some student groups to carry health insurance. He said the Task Force recommended a mandatory insurance plan with a hard waiver. He noted that any recommendation requiring insurance would have to consider the consequences for the many students who could not afford this additional expense. He said the American College Health Association had adopted best practices for a student health insurance package. In addition, he said Florida should also look like other states in providing mental health coverage.

Ms. Sacher said she would emphasize three major areas of the student population. She said health insurance was key to the support of students throughout the SUS. She said that, in her dialog with student leaders, she had found that they understood and supported philosophically the need for this cost-effective “safety net,” but they were concerned that economically disadvantaged students might suffer if there were an additional cost involved. She said that, for the population of graduate assistants, research assistants and teaching assistants, health insurance was a competitive issue, as many states were covering 100 percent of these health insurance costs. In Florida, only UF fully covers this health insurance cost. She said studies frequently cited the provision of health insurance as a key benefit when graduate students were considering graduate programs. She described a special population, international students, who were required to show proof of health insurance as a condition of enrollment. She explained that, if a university required health insurance coverage, this could be an approved expense covered by financial aid. This was important to assure university access to the most economically disadvantaged students.

She said the trend for universities since 2003, when FSU began its exploration, was toward mandatory health insurance.

Ms. Sacher reviewed the preliminary recommendations from the Task Force. She said it was important to address need-based financial aid, and appropriate competitive support for graduate assistants. She said the Task Force had recommended mandatory student health insurance, with a hard waiver. She commented that if the universities entered consortia agreements to purchase insurance, the larger institutions could help the smaller institutions with a better price. She said the Task Force had also recommended revisions to the previous Board of Regents rule on insurance coverage for international students.

Mr. Perez commented that he was concerned that this would add another layer of access barriers for many students. He inquired about the main reason for student withdrawal. Ms. Sacher said that depression was the top reason for students leaving school. She added that the universities did not track whether students leaving school had insurance or not. She said that approximately 25 to 30 percent of students were not insured. She said that the Student Health Center provided access to basic services, but that some students might need more services. She said that, if students needed further care, they might not go to see a specialist or get the prescription.

Ms. McDevitt said there was additional work to be done. She said there needed to be additional review of the recommendations and the impact on students and their families.

Ms. Sacher said there had been about 63,000 patient visits to the Thagard Center during the past year, with 300 referrals out to the community. She commented that she had been informed that no orthopedic specialist in Tampa would see an un-insured student. She said all the universities experienced many withdrawals for medical

conditions; the universities were beginning to ask the question as to whether a lack of insurance had contributed to the student's withdrawal. Chancellor Rosenberg inquired about the numbers of these withdrawals. Dr. Dollinger said that FIU had about 600 per year; Ms. Sacher estimated that there were thousands at FSU. Dr. Minear said that, systemwide, there were between 3000 to 4500 withdrawals for medical reasons per year. She said the percentage was from below 20% in the smaller schools up to 38 percent at UF. She said she did not have the numbers for students who left for lack of medical insurance. Ms Sacher commented that FSU had now completed orientation for three fourths of the incoming freshmen who would have to pay the mandatory health insurance, and no one had complained.

Mr. Moseley said he was concerned any time students were asked to pay additional fees. He said he was most interested in data about students in the group just above the group of students who qualified for need-based aid. He inquired whether the universities would be recommending preferred vendors for health insurance. Ms. Sacher responded that the universities would issue an RFP with the criteria outlining the expected plan benefits. She explained that FSU had five minimum criteria, as follows: Coverage had to be provided in Tallahassee; coverage was for a minimum of \$250,000 per year; there had to be prescription coverage; there had to be mental health coverage, including both in-patient and out-patient mental health coverage; and pregnancy would be covered. Mr. Moseley inquired how many plans met these criteria.

Dr. Chase inquired about graduate assistants. Ms. Sacher said the Task Force had recommended that the universities underwrite 100 percent of health insurance costs for graduate assistants. She estimated this would cost about \$12 million a year to cover students working at least 20 hours per week.

Ms. McDevitt inquired why FSU had determined to make this a mandatory program. Dr. Abele said that requiring all students to participate drove the price down

for all students. He said that, while 80 percent of freshmen had participated in the voluntary program, these percentages declined as the students progressed through the university.

Ms. McDevitt commented that the preliminary recommendations from the Task Force raised many philosophical issues. She said the Committee needed to gain a better statewide picture on this issue. She noted that some universities were able to provide better care than others. She said a tangential issue involved security conditions. She noted that the Vice Presidents for Student Affairs had advised the Committee about student mental health issues and the resulting drop-out rates by students. The ACHA report, based on student self-reporting, indicated some of the primary reasons for seeking medical attention included depression, eating disorders, and anxiety. More than 50 percent of the reporting students identified seeking help for these reasons. She added that mental health coverage was the least robust.

Mr. Martin inquired about the cost to students. Ms. Sacher responded that the cost would be \$1443 per year at FSU. The cost would be fixed for the next two years, and the requirement for students would be added one class a year, beginning with the incoming freshmen.

3. Discussion: Student Loan Issues

Ms. McDevitt said the former Attorney General for New York, Eliot Spitzer, had opened an investigation into potential conflicts of interests within the higher education student lending industry in November 2006. His successor, Andrew Cuomo, continued and expanded the investigation to additional lenders and colleges and universities in New York and other states. He was interested in the “preferred lender lists” and revenue-sharing arrangements. Ms. McDevitt said they were also concerned about a

lack of disclosure about arrangements with the schools. She added that students viewed these "preferred lists" as no-option lists.

Ms. Shirley explained that the Federal law, the Higher Education Act of 1965, was full of gray areas and an anti-inducement program only applied to federal loan programs. The only guidance given, through a "dear colleague" letter, allowed counseling, outreach, computer support and training by the lenders. She noted that over the past several years, there had been a 64 percent growth in the number of loans and only a 39 percent growth in higher education enrollment.

Ms. Shirley advised the Committee that the Chancellor had sent the Presidents a number of questions related to their student loan processing practices. She said the Attorney General, Bill McCollum, had spoken with Mr. Cuomo and other Attorneys General, and had also begun his own inquiry. She emphasized the investigation was of the lenders, not of the universities. The questions had been sent to the universities, community colleges and private institutions in Florida. The institutions had been asked about the manner in which the institutions had determined the rank order of the lenders on their "preferred lists." The universities were asked about staffing arrangements with the lenders and whether there were agreements with alumni associations. The U.S. Department of Education had proposed rulemaking, but had not been successful. Several universities had reached settlement agreements. A Code of Conduct governing relationships was being discussed.

Ms. Shirley reported that all but one of the SUS institutions had preferred lender lists. There were no revenue-sharing agreements. Two universities had reported that their Financial Aid Directors sat on lender advisory boards. She said Mr. McCollum was interested in adopting a Code of Conduct and developing a set of best practices for the universities.

Mr. Edwards inquired why universities kept preferred lender lists. Ms. Shirley responded that these represented research done by the universities and a culling process to benefit students and parents seeking student loans. She said there were approximately 352 lenders in this market in Florida. He asked why the universities could not benefit from having preferred lenders, for example, to pay the expenses of a financial aid office. Ms. Shirley said there was a direct prohibition on providing services. Ms. McDevitt inquired about the savings. Ms. Shirley noted that one settlement agreement would require a \$3.2 million payment. Ms. McDevitt said it was important to understand the full picture. She noted that it was not clear to her what was quite so bad. Ms. Shirley said the investigation was whether students were being directed to certain lenders who were then providing "kickbacks" to the institutions directing the students.

Ms. Parker commented that UF did not need a preferred lender list as the university goes directly through a federal loan program. Mr. Edwards said it would be good if through disclosure, and a preferred list, there would be some way to benefit the institution. Dr. Chase wondered if there were some way to make this beneficial for students to get them better interest rates. Ms. McDevitt urged caution in the discussions with the Attorney General that the SUS not agree to a remedy for something the universities had not done.

Dr. Rosenberg commented on the 64 percent growth in the number of student loans. He said it was important to understand the financial aid needs of the students. It appeared that the needs were greater than the ability of the institutions to meet them. Mr. Norman Tripp, Chair, FAU Board of Trustees, expressed concern about all the individual charges and fees imposed on students, such as the \$1500 insurance add-on for FSU students. He said there were more charges and less financial aid support.

Ms. Parker said she was concerned about legislating more requirements. Ms. Duncan commented on the significant growth in private loans and students hitting the maximum federal loan limits of \$23,000. Mr. Perez commented that \$23,000 was not borrowed to cover tuition. Dr. Dan Cohen-Vogel noted that students take on a great deal of debt above the cost of tuition and other university fees. He said most students had to cover \$17,000 in cost-of-living expenses even with \$3,000 in Bright Futures funds. Dr. Minear noted that there were discussions in Congress about bringing down interest rates.

Ms. McDevitt said the discussions would continue.

4. Adjournment

Meeting adjourned at 4:25 p.m., June 13, 2007.

Sheila McDevitt, Chair

Mary-Anne Bestebreurtje