

NAGPS Legislative Concerns Committee Meeting – April 21, 2011

Attendees:

Mary Winn, 2011 Legislative Concerns Chair
Chad Foerster, 2010 Legislative Concerns Chair
Joe Amisi, Grand Valley State University
Joe Reneker, MIT
Meredith Niles, UC Davis
Tiffany Thacker, George Mason University

Meeting Minutes:

1. Call to Order, 10:02 PM EDT
2. Approval of the Agenda
3. Current Issues
 - a. **Open Access**
 - b. **FY12 Budget**
 - i. Subsidized Loans – Updated and activated Legislative Action Center (LAC) with sample letter to Congress and call to action. SAGE put together a table of the financial impact of elimination of in-school interest subsidy. See attached – Appendix A.
 - ii. Javits Fellowship – Updated and activated LAC with sample letter to Congress and call to action.
 - c. **Taxes/Loans**
 - i. HR 953 - Make College Affordable Act of 2011
 1. Sponsor (Ron Paul [TX])
 2. <http://www.govtrack.us/congress/bill.xpd?bill=h112-953>
 - ii. All in favor of supporting HR 953
 - iii. Joe Amisi will head up organizing response to HR 953
 - d. **Healthcare Reform Bill**
 - i. NAGPS response to request for comments on CMS-9981-P, regarding student health plans (SHPs) and the Patient Protection and Affordable Care Act was approved by the board during April meeting. See Attached – Appendix B.
 - e. **Clery Act**
 - i. S 834 - Campus Sexual Violence Elimination Act
 1. Sponsors (Robert P. Casey Jr [PA] and Patty Murray [WA])
 2. http://www.securityoncampus.org/index.php?option=com_content&view=article&id=2069:bill-to-combat-sexual-violence-on-college-campuses-receives-widespread-support&catid=58:federallegislation
 3. <http://www.ncherm.org/documents/OCRDearColleagueLetter4.4.11.pdf>
 - ii. All in favor of supporting S 834
 - iii. Tiffany Thacker will head up organizing response to S 834
 - f. **Immigration**
 - i. H.R. 43 – To amend the Immigration and Nationality Act to eliminate the diversity immigrant program and to re-allocate those visas to

certain employment-based immigrants who obtain an advanced degree in the United States.

1. Sponsor (Darrel E. Issa [CA])
 2. <http://www.govtrack.us/congress/bill.xpd?bill=h112-43>
 3. [http://thomas.loc.gov/cgi-bin/bdquery/z?d112:h.r.43:](http://thomas.loc.gov/cgi-bin/bdquery/z?d112:h.r.43)
 4. <https://www.popvox.com/bills/us/112/hr43>
 - ii. Joe Reneker – MIT generally supportive of HR 43. HR 43 essentially eliminates the diversity visa program (i.e. random lottery).
 - iii. Meredith Niles – Informed committee Akos Nemezc recently met with Rep. Issa [R-CA] and discussed general feeling from meetings during spring LAD. Zoe Laufgren [D-CA] staffer said would not support HR 43. Mary will follow-up with Akos about Issa meeting.
 - iv. All in favor of supporting HR 43.
 - v. Joe Reneker will help organize response to HR 43.
4. Summer Legislative Action Week (May 16th – 20th)
 - a. Webpage is up and running: <http://www.nagps.org/events/summer-2011-legislative-action-week>. More information and materials will be posted soon.
 - b. Mary encouraged committee members to inform their GPSOs about LAW.
 5. Fall LAD (Oct 2nd – 4th)
 - a. Need to secure hotel block for Fall LAD.
 6. Open Floor/Questions – None
 7. Adjourn – 11:00 PM EDT

Committee Meetings (3rd Thursday at 10:00 PM Eastern)

May 19, 2011

June 16, 2011

July 21, 2011

August 18, 2011

September 15, 2011

October 20, 2011

November 17, 2011

December 15, 2011

Appendix A. SAGE Interest on Graduate Student Loans Over Length of Degree & Repayment

Notes		Interest on Graduate Student Loans Over Length of Degree & Repayment																		
		Debt Statistics						Typical Law Degree			Typical Medical Degree			Typical Six Year PhD Degree						
		Yearly Loan		Interest Rate		End of Year		End of Year		End of Year		End of Year		End of Year		End of Year				
		1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	
<p>* On average, the cumulative loan debt is over \$50,000 for master's students and \$77,000 for doctoral students. Debt for medical and dental student ranges between \$160,000 and \$186,500.</p> <p>* Approximately 67% of Ph.D. students and 73% of master's students graduate with debt.</p>		\$	1,000	6.80%	\$	1,068	\$	1,141	\$	1,218	\$	1,301	\$	1,389	\$	1,484				
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<p>The Obama Administration has proposed the elimination of the Federal Subsidized Program for graduate students in the FY2012 budget. As can be seen from the table, this would ensure a much higher cost of graduate education. The projections to the right are the ADDITIONAL costs resulting from this elimination. That is, the accrued interest during the degree and the interest on the in-school accrued interest over the repayment period. In other words, assuming a 20 year repayment, \$10,000 of unsubsidized loans over a 5 year program costs the same as \$14,094 of subsidized loans.</p>		Loan (Principal)		\$	1,000	\$	2,000	\$	3,000	\$	4,000	\$	5,000	\$	6,000					
		Debt		\$	1,068	\$	2,209	\$	3,427	\$	4,728	\$	6,117	\$	7,601					
		Interest on Loan		\$	68	\$	209	\$	427	\$	728	\$	1,117	\$	1,601					
		Increased Cost During Program		\$	6.80%	\$	10.43%	\$	14.23%	\$	18.20%	\$	22.35%	\$	26.69%					
		Interest on the interest over 10 year repayment		\$	26	\$	79	\$	163	\$	277	\$	426	\$	610					
		Interest on the interest over 20 year repayment		\$	57	\$	174	\$	355	\$	606	\$	930	\$	1,332					
		Interest on the interest over 30 year repayment		\$	92	\$	281	\$	575	\$	980	\$	1,505	\$	2,157					
		Total Additional Interest (20 years)		\$	125	\$	382	\$	782	\$	1,333	\$	2,047	\$	2,934					
		As % of Principal (20 Year Repayment)		\$	12.46%	\$	19.11%	\$	26.06%	\$	33.34%	\$	40.94%	\$	48.89%					
		<p>The Obama Administration has proposed the elimination of the Federal Subsidized Program for graduate students in the FY2012 budget. As can be seen from the table, this would ensure a much higher cost of graduate education. The projections to the right are the ADDITIONAL costs resulting from this elimination. That is, the accrued interest during the degree and the interest on the in-school accrued interest over the repayment period. In other words, assuming a 20 year repayment, \$10,000 of unsubsidized loans over a 5 year program costs the same as \$14,094 of subsidized loans.</p>		Loan (Principal)		\$	8,500	\$	17,000	\$	25,500	\$	34,000	\$	42,500	\$	51,000			
Debt				\$	9,078	\$	18,773	\$	29,128	\$	40,187	\$	51,997	\$	64,611					
Interest on Loan				\$	578	\$	1,773	\$	3,628	\$	6,187	\$	9,497	\$	13,611					
Increased Cost During Program				\$	6.80%	\$	10.43%	\$	14.23%	\$	18.20%	\$	22.35%	\$	26.69%					
Interest on the interest over 10 year repayment				\$	220	\$	676	\$	1,382	\$	2,357	\$	3,618	\$	5,185					
Interest on the interest over 20 year repayment				\$	481	\$	1,475	\$	3,018	\$	5,147	\$	7,902	\$	11,325					
Interest on the interest over 30 year repayment				\$	779	\$	2,389	\$	4,887	\$	8,333	\$	12,792	\$	18,333					
Total Additional Interest (20 years)				\$	1,059	\$	3,249	\$	6,646	\$	11,334	\$	17,399	\$	24,936					
As % of Principal (20 Year Repayment)				\$	12.46%	\$	19.11%	\$	26.06%	\$	33.34%	\$	40.94%	\$	48.89%					

DRAFT VERSION (Ed. 5) *Insert Source of Data

Student Advocates for Graduate Education - April 15, 2011

Appendix B. NAGPS response to request for comments on CMS-9981-P

April 11, 2011

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-9981-P
P.O. Box 8010
Baltimore, MD 21244-8010

Re: CMS-9981-P

To Whom It May Concern:

We are responding to a request for comments in response to CMS-9981-P, regarding student health plans (SHPs). These comments are submitted and are intended to help form the final regulations for these plans.

The National Association of Graduate-Professional Students (NAGPS) is concerned about the potential consequences of the HHS proposed rule and the impact of the Affordable Care Act (ACA) regulations on SHPs. Specifically, we are concerned about the potential cost increase to SHPs prior to the envisioned safety net of exchanges and public programs. Our main concern is that the proposed rule will create a crisis of affordability for students, effectively increasing the number of uninsured students as a result.

Most states are facing difficult choices in balancing their budgets for the fiscal year. Cuts to state sponsored education funding, student loan restrictions and the proposed elimination of the in-school interest subsidy on graduate-professional student loans all conspire to negatively impact tuition costs for financially challenged students and their families. Increasing the cost of insurance for students at this juncture creates both affordability and access issues.

Further, we would like to caution that estimates of students insured through an employer plan (67%) in the 2008 GAO report on student insurance are based on 2006 data. The average annual unemployment rate in 2006 was 4.6%. In 2010, that rate more than doubled to 9.6%. As a result, SHPs play an even more vital role in protecting students in an economy challenged on several fronts.

Recommendation: Allow Us to Retain Low Cost Illness and Injury Plans for Our Students

The proposed rule will convert our current affordable illness and injury SHP that we have designed especially for our students into an unaffordable individual plan. We could have selected individual plans previously if we had felt it was in the best interest of our students. However, the cost to convert the average SHP into a type of individual plan may be too costly. As illustrated by Milliman, for a hypothetical "Bronze" level plan the annual cost of an insured student plan is \$1,433. This level requires large increases in benefits and premiums. A "low" benefit plan premium increases 116% and a "medium" benefit plan premium increases 31.2%. Those students who could not previously afford an individual plan would now not be able to afford our SHP either. We fully expect the number of uninsured students to increase under these circumstances.

Our SHP serves several purposes. It provides an affordable alternative for coverage of illness and injury to our students, and it provides financial support to the unique delivery systems offered by our SHCs,

which are tailored to students' needs. If fewer students are able to pay for a SHP, then we and the students both lose because our SHP meets the specific needs of our students, and our SHC.

Recommendation: Keep the SHP Subject Only to State Law Mandates

Our SHP is filed with the State's Department of Insurance, and is subject to product specific State enacted insurance mandates. The State laws providing for our SHPs have been enacted, in part, for the purpose of allowing us to provide affordable illness and injury plans to our students. Further regulation by the federal government is not necessary because the Department of Insurance provides the necessary regulation.

Summary

We ask that the regulatory guidance forthcoming from the HHS address and confirm the positions presented herein and empower SHCs to continue to play a vital role as healthcare service providers for their students.

Sincerely,

Jon Kowalski
President
National Association of Graduate-Professional Students (NAGPS)
president@nagps.org