University Budget Committee Meeting  
April 23, 2014

Present: Rajeev Bansal, Angela Brightly, Elizabeth Jockusch, Min Lin, Jim Marsden, Philip Mannheim, Katrina Spencer and Mohamed Hussein (Chair).


The Committee met on April 23rd 2014 to consider the following agenda items: (1) Graduate students changes and transition of the Graduate Assistant Health: Aliza Wilder, Kent Holsinger and Lori Vivian. (2) Fringe benefit rates for graduate students and postdocs charged to grants: Lori-Anne Hansen Roy. (3) The tax consequences of the Grad Medical change: Charlie Eaton.

(1) The Graduate Students Health Insurance: Aliza Wilder presented the attached PowerPoint slides to provide a history of the reasons for the change in the graduate assistant health insurance. Aliza Wilder, Kent Holsinger and Lori Vivian discussed the changes and transition of the Graduate Assistants’ (GAs) Health coverage. The GAs were included in the State employees’ health plan until 2003. At that time the State changed from full insurance to partially self insured. The State officials determined that GAs are not eligible for the employee plan. For a while the State managed the GAs health coverage on behalf of the University. However, the charges by the State to the University were exorbitant. Hence, the new changes to the GA health coverage. Although the new plan increases the premium paid by the GA, the University’s contribution and the quality of coverage is greater than those offered by our peers and aspirants.

(2) Tax consequences of the changes to the GA health insurance plan: Charlie Eaton discussed the tax consequences of the changes to the GA health insurance plan. When the GAs were covered under the State employee health plan, the insurance subsidy provided by the University was considered a tax free benefit because the Internal Revenue Code exempts employee health benefits. The subsidy by the University to the GAs health premium under the new health plan is considered aid to students. Any aid provided to a student for the cost of attendance, unless specifically excluded by the Internal Revenue Code, that exceeds the amount the student paid for Qualified Tuition and Related Expenses, is considered in the student’s taxable income calculation.

(3) Lori Hansen-Roy discussed sponsored fringe benefits rates. The fringe benefits rates set by the State have increased significantly due to retirements and increases in medical coverage provided by the State. The rate is set based on fringe benefits realized two years prior to the budget year. The rate for 2016 is 33% compared to 25.5% in 2014.