

**FLORIDA BOARD OF GOVERNORS
NOTICE OF PROPOSED REGULATION REPEAL**

DATE: June 30, 2008

REGULATION TITLE(S) AND NUMBER(S): Incentive/Efficiency Program – 6C-8.010

SUMMARY: Repeals Rule 6-C-8.010. The statute authorizing this program has been eliminated.

FULL TEXT OF THE REGULATION: The full text of the regulation proposed for repeal is posted on Board of Governor’s Web site at www.flbog.org. In addition, the full text of the regulation is available upon request to the Office of the Chancellor, at (850) 245-0466.

AUTHORITY TO REPEAL REGULATION(S): Section 7(d), Art. IX, Fla. Const.; BOG Regulation Development Procedure dated March 23, 2006.

THE BOARD OF GOVERNORS’ OFFICIAL INITIATING REPEAL OF THE REGULATION(S): Vikki Shirley, General Counsel.

COMMENTS REGARDING THE REPEAL OF THE REGULATION(S) SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW. The comments must identify the regulation(s) on which you are commenting:

Vikki R. Shirley, General Counsel, Board of Governors, State University System, 325 W. Gaines Street, Suite 1614, Tallahassee, Florida 32399, (850) 245-0466 (phone), (850) 245-9685 (fax), or generalcounsel@flbog.org.

~~6C 8.010 — Incentive/Efficiency Program~~

~~(1) Goal — The goal of the Incentive/Efficiency Program (IEP) is to improve the quality of the State University System through the reallocation of existing resources and the generation of new revenue. The IEP provides incentives to all employees to identify and implement procedures or ideas that generate new revenue or eliminate or reduce expenditures without reducing the quality of essential services.~~

~~(2) Definition — The term, "net savings or new revenue" as used in this rule, shall mean the estimated permanent savings or permanent new revenue generated, in the first year of full implementation of an employee suggestion for reducing expenditures or generating new revenue, less a pro rata share of the total investment necessary to implement the suggestion, if any, prorated on the basis of the estimated useful life of the investment.~~

~~(3) Administration~~

~~(a) Each president shall appoint an IEP Steering Committee and Program Administrator to be responsible for the IEP including recommending and administering internal procedures, ensuring appropriate evaluations, following up on recommendations to adopt or not adopt a suggestion and promoting the program.~~

~~(b) The Board may allocate funds specifically for the support and operation of the IEP.~~

~~(4) Eligible Participants — All current employees of the State University System are eligible to submit suggestions that generate net savings or new revenue. Two or more eligible employees may submit a joint suggestion.~~

~~(5) Eligible Suggestions — To be eligible, a suggestion must be implemented by a university or the Board Office. The following shall not be eligible for cash awards through the program:~~

~~(a) Suggestions that deal with issues which are also being pursued as a personal grievance or that deal with the compensation and classification of positions;~~

~~(b) Suggestions which the employee develops as a result of assigned responsibilities; and~~

~~(c) Suggestions which are a duplicate of, or significantly similar to, a suggestion which has been implemented by another university of the State University System and about which the university has been notified by the Board.~~

~~(6) Suggestion Processing~~

(a) Employee suggestions shall be processed, a final determination made, and the suggestion implemented in an expeditious manner.

(b) A suggestion which is not implemented will be kept on file for one year from the date it was originally received by the Program Administrator or the Steering Committee, whichever is earlier. The original proposer will be eligible for an award as provided in this rule if the suggestion is implemented during this period. Thereafter, the suggestion must be resubmitted by an eligible employee before it can be reconsidered.

(c) Suggestions will be recognized through cash and other awards. Cash awards for eligible suggestions shall be based upon net savings or new revenue.

(d) The acceptance of an award for any suggestion implemented through this program shall constitute an agreement by the employee that the employee waives all claims, immediate and future, on the State of Florida, regardless of the use of the suggestion.

(7) Use of Net Savings or New Revenue—The total resources allocated to the budget(s) of a university will not be reduced as a result of net savings or new revenue generated under the program.

(a) The net savings or new revenue may be used as follows:

1. Up to ten percent may be used as a cash bonus for the employee or employees who made the suggestion;

2. Up to ten percent may be used for Administrative Incentive bonuses;

3. Up to twenty percent may be used for bonuses for individuals in the work unit(s) which will generate the net savings or new revenue; and

4. The balance of the net savings or new revenue may be used to address critical funding needs related to the implementation of the university and system master plans.

(b) Notwithstanding the provisions of Paragraph (7)(a), above, an employee's bonus for each implemented suggestion shall be limited to the smaller of \$25,000 or ten percent of the net savings or new revenue. Further, no employee shall receive a bonus for submitting an implemented suggestion and, for the same suggestion, a bonus from the Administrative Incentive Component.

(8) Administrative Incentive Component—This Component is intended to provide an incentive for administrators to foster an atmosphere in which the identification of opportunities to reallocate resources and generate new resources in support of university goals and priorities are encouraged and in which appropriate responses to these opportunities are developed and implemented. In order to simulate this type of activity, the contributions of each organizational unit to the IEP shall be evaluated on an annual basis and incentive bonuses provided to supervisors of employees who have submitted suggestions that have been implemented. Administrative incentives shall be limited to the immediate

supervisor of an employee who submitted an implemented suggestion and to the next higher level supervisor. Supervisors at the level of Vice President or above, however, shall not be eligible for an administrative incentive under this program.

~~(9) Implementation Plan—Each university president shall submit an Implementation Plan, as well as amendments thereto, to the Chancellor for approval. The Implementation Plan will provide for:~~

~~(a) Promotion of the Program;~~

~~(b) Appropriate safeguards regarding conflict of interest in decisions leading to cash awards;~~

~~(c) A procedure for appeal of decisions made by the IEP Steering Committee;~~

~~(d) Procedures for allocating net savings or new revenue along with appropriate safeguards to assure that the quality of essential services are maintained and/or improved as a result of such allocations; and~~

~~(e) Identification of employees who are eligible to receive administrative incentive bonuses and the calculation and distribution of such bonuses.~~

~~(10) Adopted Suggestions~~

~~(a) Each university shall report quarterly to the Board information about suggestions implemented along with the net savings or new revenue, use of net savings or new revenue, and incentive awards provided through the IEP.~~

~~(b) The Board's Finance Committee shall review each implemented suggestion and shall distribute a copy of such suggestions to each university.~~

~~Specific Authority 240.209(1), (3)(g) FS. Law Implemented 240.2112 FS., Chapter 93-242, Laws of Florida, 1993. History—New 10-17-89, Amended 2-15-94.~~