

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
November 7, 2012**

SUBJECT: 2013-14 State University System Legislative Budget Request (LBR) Update

PROPOSED COMMITTEE ACTION

For Information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Not applicable

BACKGROUND INFORMATION

In September the Board approved the 2013-2014 LBR which was transmitted to the Governor and Legislature on October 15. At the request of the Board, one adjustment was made related to retirement benefits. In addition, further information has been collected on the performance-based funding initiative.

- Retirement Benefits Adjustment (\$13.3 M) - During the 2012 session, contribution rates for the Florida Retirement System were adjusted for certain retirement classes resulting in a \$33 million reduction to the SUS. This reduction was calculated based on all SUS employees, E&G and non-E&G personnel, using the Division of State Retirement's employment file. The non-E&G employees included are funded from federal and private grants, contracts, self-generated auxiliary operations, local fund intercollegiate athletics revenues and student activity fees. The retirement calculation should have only been made using E&G employees which would have resulted in a \$19.7 million reduction, a difference of \$13.3 million. Thus, \$13.3 million has been requested to correct this calculation.
- Performance-based Funding - The primary issue included in the 2013-2014 LBR is \$118 million for performance funding. After the approval of the LBR, these funds were allocated to the universities. Universities were requested to allocate their portion of the performance funding to metrics identified in the June 2012 work plans and indicate how projected goals would be impacted by an infusion of additional resources.

Included in this packet are three university submissions: FAU, UCF, and UNF. Each university will provide a quick overview of the process used to allocate funds to particular metrics and decisions made for modifications to metrics identified in the June Work Plan.

Supporting Documentation Included:

1. 2013-2014 Final Executive Summary
2. Summary of Performance-based Funding Submissions
3. FAU, UCF and UNF LBR Submissions

Facilitators/Presenters: University Representatives