



Shared Savings Initiative December, 2014 \$2 Million in Start-Up Funds

Seeing the potential for significant cost savings, the Board of Governors launched a Shared Savings Initiatives program in September 2014. The Board is partnering with Florida State University, which is the lead institution in this initiative, and the rest of the State University System to achieve significant savings through shared services. With \$2 million in startup funds to buy the infrastructure to share contract information between universities, the Board and the State University System can achieve significant annual savings on more than \$800 million in annual discretionary spending. The startup funding is absolutely essential to maximize the System’s ability to save funds and re-invest those resources back into the academic enterprise. Specifically, the SUS will purchase software for a system-wide spend analytics tool, which will enable transparency in SUS spending and target areas for shared procurements. The funds will also be used to establish a secure website for universities to share information and view contracts available for sharing.

\$10 M in Budget Holdbacks

As part of the shared initiatives effort, the Board is asking the Legislature to place \$10 million of currently appropriated SUS funds in reserve (as a holdback incentive) until each university can demonstrate significant savings. The holdback is based on a proportionate share of each school’s recurring Education & General appropriation:

UF: \$1,849,777	FSU \$1,635,742
FAMU: \$ 557,145	USE: \$1,373,747
FAU: \$ 691,604	UWF: \$ 421,723
UCF: \$1,371,933	FIU: \$1,052,183
UNF: \$ 448,429	FGCU: \$ 325,549
NCF: \$ 99,294	FPU \$ 172,875
GRAND TOTAL: \$10,000,000	

The funds will be released by the Chancellor as the universities demonstrate good faith efforts to achieve maximum potential savings. The Chancellor will report to the Board’s Budget & Finance Committee on a semi-annual basis, including actions taken to release funds to the SUS institutions. The intent of the program is to leverage spend to allow savings to be invested in academic programs within the institutions.