

University of Central Florida
Board of Trustees Meeting
November 15, 2012
Live Oak Center
Agenda

9:30 a.m. — 4:00 p.m.

Lunch 12:00 p.m.

800-442-5794, passcode, 463796

COMMITTEE MEETINGS

9:30 a.m. — 10:45 a.m.

Educational Programs, Ida Cook, Chair

10:45 a.m. — 11:00 a.m.

Finance and Facilities, Olga Calvet, Chair

11:00 a.m. — 12:00 p.m.

Advancement, Rich Crotty, Chair

BOARD MEETING: 1:00 p.m. — 4:00 p.m.

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| 1. | Welcome and Call to Order | Michael J. Grindstaff, Chair |
| 2. | Roll Call | Rick Schell, Associate Corporate Secretary |
| 3. | Minutes of September 27 meeting | Chair Grindstaff |
| 4. | Remarks and introductions | John C. Hitt, President |
| 5. | Information | |

INFO-1

2013 Finance and Facilities Committee Meeting
Dates (Merck)

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| 6. | Consent agenda | Chair Grindstaff |
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CL-1

Approval

Revision to the 2011-14 Performance Incentive
Measures and Goals (Sprouls)

CL-2

Approval

The 2009-12 Performance Unit Plan Goal
Accomplishments (Sprouls)

CL-3

Approval

Performance Unit Plan Payments for the 2009-12
Cycle (Sprouls)

	CL-4	Approval	2012-15 Performance Incentive Measures and Goals (Sprouls)
	CL-7	Approval	2012-15 Performance Unit Plan Awards (Sprouls)
	EP-1	Concurrence	Conferral of Degrees (Hitt)
	EP-2	Approval	2012 UCF Annual Report to the Board of Governors (Waldrop)
	EP-3	Approval	Tenure with Hire (Waldrop)
	FF-1	Approval	Electronic Funds Transfer Policy (Merck)
	FF-2	Approval	Release of Unrestricted UCF Convocation Corporation Revenues (Merck)
	FF-3	Approval	Lake Nona Distributed Antenna System (DAS) Participation Agreement (Waldrop)
7.	Advancement Committee report		Rich Crotty, Chair
8.	Audit, Operations Review, Compliance, and Ethics Committee report		Alan Florez, Vice Chair
9.	Compensation and Labor Ad Hoc Committee report		John Sprouls, Chair
	CL-5	Approval	Report on the Assessment of the President's Performance (Sprouls)
	CL-6	Approval	Report on the Presidential Compensation Review (Sprouls)
10.	Educational Programs Committee report		Ida Cook, Chair
11.	Finance and Facilities Committee report		Olga Calvet, Chair
	FF-4	Approval	Capital Improvement Fee Trust Fund Allocation (Merck)
12.	Nominating and Governance Committee report		Ray Gilley, Chair
13.	Strategic Planning Committee report		Alan Florez, Chair

14. New business Chair Grindstaff

15. Announcements and adjournment Chair Grindstaff

Upcoming meetings:

Board of Governors meeting	January 16-17, 2013 (University of Florida)
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Board of Trustees meeting	January 24, 2013 (Live Oak Center)
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AGB National Conference on Trusteeship	April 21-23, 2013 San Francisco
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**Minutes
Board of Trustees Meeting
University of Central Florida
September 27, 2012**

Chair Michael J. Grindstaff called the meeting of the Board of Trustees to order at 1:05 p.m. in the Live Oak Center on the UCF Orlando campus.

The following board members attended the meeting: Trustees Olga Calvet, Ida Cook, Alan Florez, Ray Gilley, Marcos Marchena, Harris Rosen, John Sprouls, and Cortez Whatley. Trustees Richard Crotty and Robert Garvy attended via teleconference.

WELCOME

Grindstaff reminded the board that the meeting was covered by the Florida Sunshine Law and that the public and press were invited to attend.

Grindstaff welcomed the board members and requested that the roll be called. A quorum was present.

Grindstaff called for approval of the July 26, 2012, board meeting minutes, which were approved as written.

REMARKS

President John C. Hitt expressed sympathy at the death of Al Burnett, one of UCF's largest benefactors. He remarked that the contributions of Al and Nancy Burnett have aided thousands of students in UCF classrooms, studios, research laboratories, and on our athletic fields.

Hitt announced that the UCF McNair Scholars Program received a five-year grant from the U.S. Department of Education totaling \$1.1 million. The UCF McNair program annually serves 28 students.

Hitt reported that the UCF women's soccer team achieved its highest national ranking in two decades, claiming the 6th spot in the National Soccer Coaches Association of America and Continental Tire Poll.

INTRODUCTIONS

Hitt recognized the following faculty and staff members for their accomplishments.

A. Faculty and Staff

Physics Professor **Daniel Britt** produced the calibration technology used by the Curiosity rover now exploring Mars to take pictures.

Under the direction of **Dr. Tom Cavanagh**, Assistant Vice President from the Center for Distributed Learning, UCF received the Sloan Consortium's Award for "Excellence in Institution-wide Online Education."

Dr. Paul Jarley, newly appointed dean of the College of Business Administration, joins UCF from the University of Nevada, Las Vegas, where he served as dean and professor of management.

Dr. Michael Georgiopoulos, recently named interim dean of the College of Engineering and Computer Science, is a UCF Pegasus Professor.

B. Employee of the Month

The Employee of the Month for July was **Jessica Brooks**, an accountant in the Physics Department.

The Employee of the Month for August was **Nola Pettit**, a senior technical assistant in the John C. Hitt Library.

The Employee of the Month for September was **Kady Tran**, the office manager for the History Department.

REPORTS

Grindstaff introduced Dr. Joel L. Hartman, Vice Provost and Chief Information Officer, who presented *A Briefing on Distributed Learning at UCF*.

INFORMATION

- **INFO-1 State University System Annual Status Report on Market Tuition** – Grindstaff introduced the item and announced that the information had been discussed in the Educational Programs Committee earlier in the day.

CONSENT AGENDA

Grindstaff read the consent agenda items into the record. A motion was made to accept the consent agenda, and members of the board unanimously approved the following actions.

- **EP-1 Tenure with Hire** – Approval of 2012-13 tenure-with-hire faculty members.

- **FF-1 Approvals Regarding University Depositories** – Approval of depositories into which university funds may be deposited, authorization for the president or his designee to transfer funds between depositories, and the designation of university employees to sign checks for payment of university obligations.
- **FF-2 Release of Unrestricted Golden Knights Corporation Revenues** – Approval of the release of revenues above budgeted obligations for the Golden Knights Corporation to the UCF Athletics Association for 2012-13.
- **FF-3 Naming of the Presentation Room in the Graduate Student Center** – Authorization to name the Presentation Room in the UCF Graduate Student Center “The Patricia Bishop Presentation Room.”
- **FF-4 Request to Establish Market Tuition Rate for Master of Science in Engineering Management Degree Program** – Approval of the Request to Establish a Market Tuition Rate for the Master of Science in Engineering Management Degree Program.

ADVANCEMENT COMMITTEE REPORT

Alan Florez, Vice Chair of the Advancement Committee, reported the highlights from the committee meeting earlier in the day.

- Robert Holmes, Vice President for Alumni Relations and Development and Foundation CEO, gave a campaign update.
- Dr. Dan Holsenbeck, Vice President for University Relations, presented an overview of the 2012-13 operating budgets of the Board of Governors and State University System of Florida.
- Holsenbeck gave an update on Base Realignment and Closure as it relates to UCF’s simulation and training activities.
- Al Harms, Vice President for Strategy, Marketing, Communications, and Admissions, reported the following:
 - fall enrollment is 59,806 students
 - the average FTIC student GPA is 3.91
 - the average FTIC student SAT score is 1244
 - diversity of students reached 36 percent compared to 34.6 percent last year
 - National Merit Scholars totaled 67, National Hispanic Scholars totaled 14, and National Achievement Scholars totaled 4
 - transfer students totaled 7,350 with 60 percent of those students coming from the UCF DirectConnect program
 - the UCF Tool Kit has been updated for 2012
 - and the university has purchased the license of WMFE and is now the sole owner of WUCF TV.

AUDIT, OPERATIONS REVIEW, COMPLIANCE, AND ETHICS COMMITTEE REPORT

Alan Florez, Vice Chair of the Audit, Operations Review, Compliance, and Ethics Committee, announced that there was no report for the committee.

COMPENSATION AND LABOR AD HOC COMMITTEE REPORT

John Sprouls, Chair of the Compensation and Labor Ad Hoc Committee, reported highlights of the committee's activities.

- Sprouls reported that consultant Constantine W. Curris, Curris Associates LLC, has been contracted to perform a three-year comprehensive evaluation of the performance of President Hitt.
- Sprouls reported that consultant Paul J. McConnell, McConnell & Company, has been engaged to review the president's compensation package as part of the three-year comprehensive evaluation. In addition, McConnell will review the performance measures and goals used in the Performance Unit Plan and make recommendations to the Compensation and Labor Ad Hoc Committee.
- Sprouls stated that he will present the results of the consultants' reports to the board at the November 15 meeting.

EDUCATIONAL PROGRAMS COMMITTEE REPORT

Ida Cook, Chair of the Educational Programs Committee, noted the Educational Programs Committee item approved in the consent agenda and reported the highlights from the committee meeting earlier in the day.

- Dr. Diane Chase, Executive Vice Provost for Academic Affairs, introduced the following university deans who shared their 2010-11 Academic Program Review reports:
 - Michael Johnson, Dean of the College of Sciences
 - Michael Frumkin, Dean of the College of Health and Public Affairs
 - Jose Fernandez, Dean of the College of Arts and Humanities
 - and Youcheng Wang, Associate Dean of the Rosen College of Hospitality Management.
- Dr. Tony Waldrop, Provost and Executive Vice President, presented the State University System Annual Status Report on Market Tuition.
- Janet Balanoff, Director of Equal Opportunity and Affirmative Action Programs, reported on protected classes, noting that the university presents these data to the Board of Trustees annually for approval in a format based on Florida Board of Governors' Rule 2.003, Equity and Access.

FINANCE AND FACILITIES COMMITTEE REPORT

Olga Calvet, Chair of the Finance and Facilities Committee, noted the items approved in the consent agenda.

Calvet reported highlights from the August 29, 2012, Finance and Facilities Committee meeting, which included a university operating budget report, Direct Support Organizations' quarterly reports, and a safety and security update presented by Richard Beary, Assistant Vice President for Safety and Security and UCF Chief of Police.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

Ray Gilley, Chair of the Nominating and Governance Committee, announced that there was no report for the committee.

STRATEGIC PLANNING COMMITTEE REPORT

Alan Florez, Chair of the Strategic Planning Committee, announced that there was no report for the committee.

ANNOUNCEMENTS AND ADJOURNMENT

Chair Grindstaff announced the following upcoming meetings:

UCF Diversity Breakfast	October 15, 8:00 a.m. Pegasus Ballroom
Board of Governors meeting	November 7-8, 2012 (New College of Florida)
Board of Trustees meeting	November 15, 2012 (Live Oak Center)
AGB National Conference on Trusteeship	April 21-23, 2013 San Francisco

Grindstaff adjourned the board meeting at 2:22 p.m.

Respectfully submitted: _____ Date: _____
John C. Hitt
Corporate Secretary

**University of Central Florida
Board of Trustees**

SUBJECT: 2013 Finance and Facilities Committee Meeting Dates

DATE: November 15, 2012

PROPOSED BOARD ACTION

Information only.

BACKGROUND INFORMATION

The 2013 Board of Trustees' Finance and Facilities Committee meetings are scheduled as follows and subject to change:

February 20	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
April 24	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
May 23	Time - TBD	Thursday	Live Oak Center
June 26	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
July 25	Time - TBD	Thursday	Live Oak Center
August 28	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
October 16	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
December 11	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393

Supporting documentation: None

Prepared by: William F. Merck II, Vice President for Administration and Finance
and Chief Financial Officer

Submitted by: William F. Merck II, Vice President for Administration and Finance
and Chief Financial Officer

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Revision to the 2011-14 Performance Incentive Measures and Goals

DATE: November 15, 2012

PROPOSED BOARD ACTION

Approve the following maximum goal for the College of Medicine 2011-14 Performance Incentive Measure and Goal. The maximum goal would be: *Achieve minimum and target goals as well as submit the initial application to the Accreditation Council for Graduate Medical Education for a residency program in at least one discipline in 2014.*

BACKGROUND INFORMATION

On November 17, 2011, the University of Central Florida Board of Trustees approved the 2011-14 Performance Measures and Goals for the president and senior officers. The College of Medicine performance measure stipulated that the maximum goal for 2011-14 would be revised if the UCF College of Dental Medicine was not approved by the Board of Governors in the 2011-12 fiscal year. The maximum goal was: *Pending approval by the Board of Governors, the UCF Health Science Center at Lake Nona will have a dean, associate deans, and a critical mass of faculty in place to prepare the application for initial accreditation of the UCF College of Dental Medicine.* The UCF College of Dental Medicine was not approved by the Board of Governors in the 2011-12 fiscal year, and the maximum goal must be revised.

Supporting documentation: None

Prepared by: Mark Roberts, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: The 2009-12 Performance Unit Plan Goal Accomplishments

DATE: November 15, 2012

PROPOSED BOARD ACTION

Approve the 2009-12 goal accomplishments documented by the University Audit Office.

BACKGROUND INFORMATION

On May 24, 2007, the University of Central Florida Board of Trustees approved the Performance Unit Plan. The plan requires the university performance during the Performance Period to be reviewed and certified as accurate by the University Audit office. The decision of the board regarding the performance results will be final.

Supporting documentation:

University Audit's Performance Unit Plan Results and Description of Review Process

Prepared by: Mark Roberts, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

University Audit's Performance Unit Plan Results and Description of Review Process

2009-12 Performance Incentive Matrix Year 3

		Performance Goals			Actual Performance			
Performance Measure	Weight	Minimum	Target	Maximum	Year 1	Year 2	Year 3	Final Data
Quality of Education								
Average SAT score for FTIC students admitted fall 2009-11	5%	1225	1229	1232	1225 fall 2009	1237 fall 2010	1250 Fall 2011	1237 average over fall 2009, 2010, 2011
Average six-year graduation rates for FTIC students in the 2003, 2004, and 2005 cohorts	10%	62.9%	63.5%	64.0%	63.1% 2003 cohort	63.2% 2004 cohort	62.8% 2005 cohort	63.0% average over 2009, 2010, 2011
Average four-year graduation rates for AA transfer students in the 2005, 2006, and 2007 cohorts	10%	70.7%	70.8%	71.0%	64.8% 2005 cohort	68.0% 2006 cohort	67.4% 2007 cohort	66.73% average over 2009, 2010, 2011
Institutional Development and Effectiveness								
Doctoral degrees conferred as a percentage of the doctoral degree-seeking 2011-12 headcount	5%	12.75%	13.5%	14.25%	15.20% 260 degrees FY 2009-10	15.77% 285 degrees FY 2010-11	13.18% 266 degrees FY 2011-12	13.18% FY 2011-12
Average one-year retention rates for FTIC students in the 2008, 2009, and 2010 cohorts	10%	86.5%	87%	87.5%	87.1% 2008 cohort	86.7% 2009 cohort	87.3% 2010 cohort	87.0% average over 2009, 2010, 2011
Average one-year retention rates for AA transfer students in the 2008, 2009, and 2010 cohorts	10%	78.8%	79.0%	79.2%	79.3% 2008 cohort	79.0% 2009 cohort	79.5% 2010 cohort	79.27% average over 2009, 2010, 2011
Achieve provisional accreditation, move the medical college, and establish a clinical practice plan	10%	Move medical college to Lake Nona campus spring 2010	Achieve minimum goal and provisional accreditation by fall 2011	Achieve target goal and establish an operational clinical practice plan by June 2012	Medical college moved to Lake Nona campus June 2010	Provisional accreditation granted June 2011	Clinical practice plan operational in October 2011	Achieved provisional accreditation, moved to Lake Nona, established the clinical practice plan

2009-12 Performance Incentive Matrix Year 3

		Performance Goals			Actual Performance			
Performance Measure	Weight	Minimum	Target	Maximum	Year 1	Year 2	Year 3	Final Data
Sustainability								
Reduce average greenhouse gas emissions generated from main campus electrical consumption (kilowatt hour) per square foot over 2009-12	10%	16.2 kwh/gsf	15.7 kwh/gsf	15.2 kwh/gsf	16.2 kwh/gsf FY 2009-10	15.96 kwh/gsf FY 2010-11	15.45 kwh/gsf FY 2011-12	15.45 kwh/gsf FY 2011-12
Fundraising								
Average extramural funding raised per tenured and tenure track faculty member FTE for 2009-12	15%	\$136,615	\$137,995	\$139,375	\$158,164 835.1 FTE FY 2009-10	\$130,790 815.25 FTE FY 2010-11	\$149,793 856.25 FTE FY 2011-12	\$146,249 835.53 FTE average over FY 2009-12
Total number of donors to the UCFAA for 2011-12	1%	3,500	3,575	3,680	2,942 FY 2009-10	3,311 FY 2010-11	3,248 FY 2011-12	3,248 FY 2011-12
Total philanthropy to the UCFAA over 2009-12	2%	\$13,000,000	\$14,000,000	\$15,150,000	\$5,119,719 FY 2009-10	\$4,557,181 FY 2010-11	\$4,139,263 FY 2011-12	\$13,816,163 total over FY 2009-12
Total philanthropy to the UCFF without athletic giving over 2009-12	10%	\$72,500,000	\$75,000,000	\$78,000,000	\$34,265,695 FY 2009-10	\$18,217,625 FY 2010-11	\$9,406,138 FY 2011-12	\$61,889,458 total over FY 2009-12
Total number of donors to the UCFF for 2011-12	2%	12,950	13,400	13,900	15,663 FY 2009-10	14,732 FY 2010-11	17,649 FY 2011-12	17,649 FY 2011-12

2010-13 Performance Incentive Matrix Year 2

		Performance Goals			Actual Performance		
Performance Measure	Weight	Minimum	Target	Maximum	Year 1	Year 2	Year 3
Quality of Education							
Average SAT score for FTIC students admitted fall 2010-11, 2011-12, and 2012-13.	2.5%	1230	1235	1240	1237 fall 2010	1250 Fall 2011	
Average ratio of full-time tenured and tenure track faculty members to total faculty members for 2010-11, 2011-12, and 2012-13.	2.5%	66.0%	66.5%	67.0%	61.4% fall 2010	62.4% fall 2011	
Average six-year graduation rates for FTIC students in 2004, 2005, and 2006 cohorts.	10%	63.2%	63.7%	64.2%	63.2% 2004 cohort	62.8% 2005 cohort	
Average four-year graduation rates for summer and fall full-time AA transfer students in the 2006, 2007, and 2008 cohorts.	10%	76.3%	76.5%	76.7%	75.1% 2006 cohort	75.3% 2007 cohort	
Institutional Development and Effectiveness							
Average doctoral degrees conferred as a percentage of the doctoral degree-seeking headcount for 2010-11, 2011-12, and 2012-13.	5%	13.00%	13.75%	14.5%	15.77% 285 degrees FY 2010-11	13.18% 266 degrees FY 2011-12	
Average of the one-year retention rates for FTIC students in the 2009, 2010, and 2011 cohorts.	10%	87.4%	87.9%	88.4%	86.7% 2009 cohort	87.3% 2010 cohort	
Average of the one-year retention rates for summer and fall full-time AA transfer students in the 2009, 2010, and 2011 cohorts.	10%	83.2%	83.5%	83.8%	82.3% 2009 cohort	82.3% 2010 cohort	

2010-13 Performance Incentive Matrix Year 2

		Performance Goals			Actual Performance		
Performance Measure	Weight	Minimum	Target	Maximum	Year 1	Year 2	Year 3
Institutional Development and Effectiveness (continued)							
Achieve provisional and full accreditation for the medical college. Also, establish an operational clinical practice plan.	10%	Achieve provisional accreditation by Fall 2011	Achieve minimum goal as well as establish an operational clinical practice on or before June 2012	Achieve minimum and target goal as well as full accreditation by 2013	Provisional accreditation granted June 20, 2011	Clinical practice plan operational in October 2011	
Sustainability							
Reduce the average greenhouse gas emissions generated from main campus electrical consumption (kilowatt hour) per square foot over 2010-2013.	10%	15.7 kwh/sf	15.2 kwh/sf	14.7 kwh/sf	15.96 kwh/gsf FY 2010-11	15.45 kwh/gsf FY 2011-12	
Fundraising							
Average extramural funding raised per tenured and tenure track faculty member FTE for 2010-11, 2011-12, and 2012-13	15%	\$143,445	\$144,895	\$146,345	\$130,790 815.25 FTE FY 2010-11	\$149,793 856.25 FTE FY 2011-12	
Total philanthropy to the UCFF and UCF Athletics Program for the period of 2010-13	9%	\$110,000,000	\$125,000,000	\$138,000,000	\$22,794,806 FY 2010-11	\$13,545,401 FY 2011-12	
Average annual number of UCFF and Athletics Program donors for the period July 1, 2010, to June 30, 2013.	3%	16,390	17,073	17,756	18,069 FY 2010-11	20,479 FY 2011-12	
Annual cost per dollar raised through philanthropy to UCFF for the period July 1, 2010, to June 30, 2013.	3%	\$.22	\$.20	\$.18	\$.36 FY 2010-11	\$.60 FY 2011-12	

2011-14 Performance Incentive Matrix Year 1

		Performance Goals			Actual Performance		
Performance Measure	Weight	Minimum	Target	Maximum	Year 1	Year 2	Year 3
Quality of Education							
Average SAT score for FTIC students admitted fall 2011-12, 2012-13, and 2013-14.	2.5%	1247	1250	1253	1250 fall 2011		
Average ratio of full-time tenured and tenure track faculty members to total faculty members for 2011-12, 2012-13, and 2013-14.	2.5%	61.4%	62.0%	62.5%	62.4% fall 2011		
Average six-year graduation rates for FTIC students in 2005, 2006, and 2007 cohorts.	10%	63.2%	63.7%	64.2%	62.8% 2005 cohort		
Average four-year graduation rates for summer and fall full-time AA transfer students in the 2007, 2008, and 2009 cohorts.	10%	75.1%	75.3%	75.5%	75.3% 2007 cohort		
Institutional Development and Effectiveness							
Average doctoral degrees conferred for 2011-12, 2012-13, and 2013-14.	5%	275	300	350	266 degrees FY 2011-12		
Average of the one-year retention rates for FTIC students in the 2010, 2011, and 2012 cohorts.	10%	86.7%	87.2%	87.7%	87.3% 2010 cohort		
Average of the one-year retention rates for summer and fall full-time AA transfer students in the 2010, 2011, and 2012 cohorts.	10%	82.1%	82.4%	82.7%	82.3% 2010 cohort		

2011-14 Performance Incentive Matrix Year 1

		Performance Goals			Actual Performance		
Performance Measure	Weight	Minimum	Target	Maximum	Year 1	Year 2	Year 3
Institutional Development and Effectiveness (continued)							
Establish an operational clinical practice plan, achieve full accreditation, and prepare the initial accreditation of the College of Dental Medicine.	10%	Establish an operational UCF COM clinical practice by June 2012	Achieve minimum goal as well as full accreditation by 2013	(To be revised because the Dental School was not approved by the BOG)	Clinical practice plan operational in October 2011		
Sustainability							
Average reduction in greenhouse gas emissions generated by natural gas, fleet vehicles, and electrical of 2011-12, 2012-13, and 2013-14.	10%	90,224	89,768	89,312	86,144 metric tons eCO2 FY 2011-12		
Fundraising							
Average extramural funding raised per tenured and tenure track faculty member FTE for 2011-12, 2012-13, and 2013-14	15%	\$130,268	\$131,585	\$132,902	\$149,793 856.25 FTE FY 2011-12		
Total philanthropy to the UCFF and UCF Athletics Program for the period of July 1, 2011, to June 30, 2014 (excludes Courtelis and state matching funds, but includes planned gifts).	9%	\$85,000,000	\$94,000,000	\$104,000,000	\$18,096,627 FY 2011-12 *		
Average annual number of UCFF and Athletics Program donors for the period July 1, 2011, to June 30, 2014.	3%	17,064	17,775	18,485	20,479 FY 2011-12		
Average cost per dollar raised through philanthropy to UCFF for the period July 1, 2011, to June 30, 2014.	3%	\$.22	\$.20	\$.18	\$.60 FY 2011-12		

* Data reported by UCF Foundation; to be verified by University Audit during 2012-13.

University Audit Review Process Used to Certify 2011-12 Data for the 2009-12 Performance Measures

University Audit confirmed the 2011-12 data reported by Institutional Knowledge Management, the College of Medicine, Facilities and Safety, the Office of Research and Commercialization, and the UCF Foundation.

Performance measure: Strengthen UCF's reputation by improving SAT scores of entering freshmen (average SAT score for first-time-in-college students admitted fall 2009-11)

Definitions:

- FTIC = first-time-in-college students, early admit students, or students admitted with fewer than 12 college credit hours earned after high school graduation (excludes dual enrollment credit).
- Average SAT composite score = highest separate verbal and math scores from any SAT attempt for each FTIC, where the combined verbal and math scores are higher than the highest concordant ACT score of the same FTIC.

Process:

- Obtained a report of SAT scores for fall 2011 FTICs from Institutional Knowledge Management.
- Obtained the population of fall 2011 FTIC students and their ACT and composite SAT test scores from PeopleSoft.
- Compared the total number of FTICs in the Institutional Knowledge Management report to the number in PeopleSoft to verify completeness of population.
- Using the SAT vs. ACT Concordance Table published by the Florida Department of Education, determined the higher of the ACT or composite SAT score.
- Excluded scores where the actual SAT is less than the concordant ACT, then determined the average of the remaining SAT scores and compared it to the average SAT score reported by Institutional Knowledge Management.
- Selected a sample of students for testing, including students with composite scores above and below the average, students with splits between verbal and math, and students with similar math and verbal scores. Recalculated the highest verbal and math scores and compared them to the reported composite test score.
- Calculated the unweighted average of the three average SAT scores across fall 2009, fall 2010, and fall 2011.
- Identified people with access in PeopleSoft to enter or change SAT scores. Found that no one has the access to correct or change the SAT score data without leaving an audit trail.

University Audit

Review Process Used to Certify 2011-12 Data for the 2009-12 Performance Measures

Performance measure: Strengthen UCF's reputation by improving six-year graduation rates for first-time-in-college students (average six-year graduation rates for FTIC students in the 2003, 2004, and 2005 cohorts)

Definition:

- Six-year graduation rate = summer or fall 2005 FTIC students enrolled full-time in fall 2005 and graduating prior to or during summer 2011.

Process:

- Obtained a graduation report of the 2005 full-time summer and fall FTIC cohort from Institutional Knowledge Management.
- Sorted the Institutional Knowledge Management data by degree term (semester of graduation) and verified the number of students graduating within six years.
- Selected a sample of students from the six-year and non-graduating groups and determined the accuracy of graduation data by comparing degree awarded in PeopleSoft to degree certification from the respective college.
- Calculated the unweighted average of the three average graduation rates for students in the 2003, 2004, and 2005 cohorts.

Performance measure: Strengthen UCF's effectiveness and reputation by improving four-year graduation rates for AA transfer students (average four-year graduation rates for AA transfer students in the 2005, 2006, and 2007 cohorts).

Definition:

- Four-year graduation rate = students who transferred directly to UCF with an AA degree from a Florida System College or Community College in summer or fall 2007, were enrolled part-time or full-time in fall 2007, and graduated prior to or during summer 2011.

Process:

- Obtained a graduation report of the 2007-08 summer and fall AA transfer cohort from Institutional Knowledge Management.
- Sorted the Institutional Knowledge Management data by degree term (semester of graduation) and verified the number of students graduating within six years.
- Selected a sample of students from the four-year and non-graduating groups and determined the accuracy of graduation data by comparing degree awarded in PeopleSoft to degree certification from the respective college.
- Calculated the unweighted average of the three average graduation rates for students in the 2005, 2006, and 2007 cohorts.

University Audit

Review Process Used to Certify 2011-12 Data for the 2009-12 Performance Measures

Performance measure: Strengthen UCF's effectiveness and prestige by increasing doctoral degrees conferred as a percentage of the degree-seeking 2011-12 headcount.

Process:

- Obtained fall 2011 enrollment data and the number of doctoral degrees conferred during 2011-12 from Institutional Knowledge Management.
- Obtained a listing of doctoral degrees conferred during 2011-12 from PeopleSoft. Compared this PeopleSoft number to Institutional Knowledge Management data to confirm the completeness of the population.
- Recalculated doctoral degrees conferred as a percentage of the degree-seeking head count.
- Selected a sample of doctoral degrees awarded and reviewed the college's certification that degree requirements were met.
- Identified people with access in PeopleSoft to award degrees. Found that no one has the access to correct or change degree data without leaving an audit trail.

Performance measure: Strengthen UCF's reputation by improving one-year retention rates for FTIC students (average the one-year retention rates for FTIC students in the 2008, 2009, and 2010 cohorts).

Definitions:

- Retention rate = summer or fall 2010 FTIC students who enrolled full-time in fall 2010 and were still enrolled in fall 2011, either part-time or full-time. Does not include early admits or students who transferred more than 12 credit hours not earned while in high school.

Process:

- Obtained the data set for the 2010-11 summer-fall full-time FTIC cohort from Institutional Knowledge Management. Filtered the data to determine the number and percentage of students who were still enrolled in fall 2011.
- Obtained the population of full-time summer-fall 2010 FTIC admits from PeopleSoft. Pulled in the number of credit hours for enrolled students in fall 2010 and 2011. Filtered the data to determine the number and percentage of FTIC students who were enrolled full-time in fall 2010 and were still enrolled in fall 2011. Compared this data to Institutional Knowledge Management's data.
- Calculated the unweighted average of the three retention rates for FTIC students in the 2008, 2009, and 2010 cohorts

University Audit

Review Process Used to Certify 2011-12 Data for the 2009-12 Performance Measures

Performance measure: Strengthen UCF's reputation by improving one-year retention rates for AA transfer students (average the one-year retention rates for AA transfer students in the 2008, 2009, and 2010 cohorts).

Definitions:

- Retention rate = summer or fall 2010 AA transfer students who enrolled full-time in fall 2010 and were still enrolled in fall 2011, either part-time or full-time. Does not include early admits or students who transferred more than 12 credit hours not earned while in high school.
- AA transfer student = student who transferred to UCF from a two-year Florida System College or Community College (not from a university or out of state school) with an AA (not AS) degree.

Process:

- Obtained the data set for the 2010-11 summer-fall full-time AA transfer cohort from Institutional Knowledge Management. Filtered the data to determine the number and percentage of students who were still enrolled in fall 2011.
- Obtained the population of full-time summer-fall 2010 AA transfer admits from PeopleSoft. Pulled in the number of credit hours for enrolled students in fall 2010 and 2011 and the name of the last institution attended. Filtered the data to determine the number and percentage of AA transfer students who were enrolled full-time in fall 2010 and were still enrolled in fall 2011. Compared this data to Institutional Knowledge Management's data.
- Calculated the unweighted average of the three retention rates for AA transfer students in the 2008, 2009, and 2010 cohorts

Performance measure: Strengthen UCF's prestige by achieving provisional accreditations, moving the medical college, and establishing a clinical practice plan.

Process:

- Reviewed the June 20, 2011, letter from the Liaison Committee on Medical Education granting provisional accreditation for the College of Medicine.
- Reviewed the April 18, 2012 College of Medicine presentation to the Finance and Facilities Committee of the Board of Trustees.
- Toured the Lake Nona campus.
- Reviewed the UCF Pegasus Health web site and visited a physician at the practice plan's facility at the corner of University Blvd. and Quadrangle Blvd.

University Audit

Review Process Used to Certify 2011-12 Data for the 2009-12 Performance Measures

Performance measure: Strengthen UCF's sustainability by reducing the average greenhouse gas emissions generated from main campus electrical consumption (kilowatt hour) per square foot over the three-year period from July 1, 2009, to June 30, 2012.

Definition:

- **Kilowatt hours (kwh)** = total of on-peak plus off-peak kwh shown on the main campus power bills from Progress Energy for July 2011 - June 2012.
- **Square Feet** = Gross square footage of buildings that are included on the main campus power bill, as shown on the Space Utilization Report prepared by UCF Space Planning Analysis.

Process:

- Obtained the Progress Energy bills for 2011-12 and totaled the on-peak and off-peak energy charges for the year.
- Obtained a list of the gross square feet for buildings on the main campus from Sustainability and Energy Management and verified that it agreed with the list maintained by Space Planning Analysis.
- Calculated the kwh per gross square feet.

Performance measure: Strengthen UCF's prestige by securing extramural grants and contracts (average dollars raised per tenured and tenure track faculty FTE for 2009-12).

Definition:

- Extramural grants and contracts = contract and grant funding secured from external sources.

Process:

- Prepared a report from the Office of Research and Commercialization's database of 2011-12 extramural funding and confirmed the total funding with the Office of Research and Commercialization (ORC).
- Tested a sample of 24 grants, including all grants with funding \geq \$1 million and a judgmental sample of other grants.
- For selected grants, determined whether the amount reported agreed to supporting documents from the granting agency and that the funding occurred during 2011-12.
- For 2011-12, reduced reported funding by \$173,493 for internal revenues from the Advanced Materials Processing and Analysis Center, by \$426,001 for 2010-11 Continuing Education revenues recorded incorrectly in 2011-12, and by \$148,136

University Audit

Review Process Used to Certify 2011-12 Data for the 2009-12 Performance Measures

for revenues that the UCF Foundation collected and reported for its fundraising measure.

- For 2011-12, increased reported funding by a net \$57,506 for differences between award documents and amounts recorded by ORC.
- For 2010-11, made a retroactive adjustment, increasing funding by \$426,001 for sponsored credit institute revenue from Continuing Education that the Office of Research and Commercialization did not record in the correct fiscal year.
- Obtained a list of tenured and tenure track faculty FTE as of December 2011 from Institutional Knowledge Management.
- Obtained a list of tenured and tenure track faculty as of December 2011 from PeopleSoft and verified that it agreed with the IKM list.
- Calculated the average extramural grant funding per tenured and tenure track faculty FTE for 2011-12.
- Calculated the average extramural grant funding per tenured and tenure track faculty FTE over 2009-12.

Performance measure: Total number of donors to the UCFAA for the period of July 1, 2011, to June 30, 2012.

Definition:

- Donor = person, company, or entity that made cash donations, net of any ticket price received for the contribution, or tangible in-kind gifts to the extent the gift can be reasonably valued based upon appraisal or other documentation, to UCF Athletics Association (UCFAA) or UCF Foundation (UCFF) on behalf of UCFAA.

Process:

- Obtained from UCFF a list of 2010-11 and 2011-12 donors who made contributions to UCFAA.
- Identified duplicate names and deleted those for whom UCFF could not provide documentation that they were distinct donors.
- Included “soft credit” donors who are UCF alumni married to athletic donors.
- Totaled UCFAA donors for 2010-11 and 2011-12.
- Selected a sample of 2010-11 and 2011-12 donors and traced to copies of donor checks, acknowledgement letters, and UCFAA gift spreadsheets in UCFF records.

University Audit

Review Process Used to Certify 2011-12 Data for the 2009-12 Performance Measures

Performance measure: Total philanthropy to the UCFAA for the period of July 1, 2009, to June 30, 2012.

Definition:

- Fundraising = contributions received by UCFF or UCFAA, net of any ticket price received for the contribution; tangible in-kind gifts are included to the extent they can be reasonably valued based upon appraisal or other documentation, Courtelis and Major Gift matching funds are included although not yet appropriated by or received from the State.

Process:

- Obtained from UCFF a Combined Revenue and Expense Report (from the accounting system) and a reconciliation of the accounting and donor systems. Verified that none of the tangible in-kind gifts had appraisals.
- Verified with Facilities and Safety that Courtelis matching funds were requested by the university in January 2011 for donations received in calendar year 2010, but not appropriated by the State.
- Retroactively added Major Gift matching funds requested but not received from the state for 2009-10 and 2010-11 due to a change in recognizing these funds that was approved by the BOT Compensation and Labor Committee in October 2011.
- Reviewed prior-year audited financial statements for UCFF to verify that financial data fairly presented the net assets, revenues, expenses, and changes in net assets. An external firm audits UCFF annually. That audit provides additional assurances as to the accuracy and completeness of the annual fundraising figures.
- Totaled UCFAA fundraising for 2009-12.

Performance measure: Total philanthropy to the UCFF without athletic giving for the period of July 1, 2009, to June 30, 2012.

Definition:

- Fundraising = contributions received by UCFF, including athletic donations, net of any ticket price received for the contribution; tangible in-kind gifts are included to the extent they can be reasonably valued based upon appraisal or other documentation, Courtelis and Major Gift matching funds are included although not yet appropriated by or received from the State.

Process:

University Audit

Review Process Used to Certify 2011-12 Data for the 2009-12 Performance Measures

- Obtained from UCFF a Combined Revenue and Expense Report (from the accounting system) and a reconciliation of the accounting and donor systems. Verified that none of the tangible in-kind gifts had appraisals.
- Verified with Facilities and Safety that Courtelis matching funds were requested by the university in January 2011 for donations received in calendar year 2010, but not appropriated by the state.
- Selected a sample of Courtelis and Major Gift donations received by UCFF and traced to copies of donor checks, acknowledgement letters in UCFF records.
- Reviewed prior-year audited financial statements for UCFF to verify that financial data fairly presented the net assets, revenues, expenses, and changes in net assets. An external firm audits UCFF annually. That audit provides additional assurances as to the accuracy and completeness of the annual fundraising figures.
- Totaled UCFF fundraising, excluding athletic fundraising, for 2009-12.

Performance measure: Total number of donors to the UCFF without athletic donors for the period of July 1, 2011, to June 30, 2012.

Definition:

- Donor = person, company, or entity that made cash donations, net of any ticket price received for the contribution, or tangible in-kind gifts to the extent the gift can be reasonably valued based upon appraisal or other documentation, to UCFF.

Process:

- Obtained from UCFF a list of 2011-12 donors, excluding donors who made contributions only for UCFAA.
- Identified duplicate names and deleted those for whom UCFF could not provide documentation that they were distinct donors.
- Included “soft credit” donors who are UCF alumni married to UCFF donors.
- Totaled UCFF donors for 2011-12.
- Selected a sample of 2011-12 donors and traced to copies of donor checks, acknowledgement letters in UCFF records.

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Performance Unit Plan Payments for the 2009-12 Cycle

DATE: November 15, 2012

PROPOSED BOARD ACTION

Approve the Performance Unit Plan payments earned by participants for the 2009-12 cycle for accomplishment of the three-year performance measures set by the Board of Trustees on November 19, 2009.

BACKGROUND INFORMATION

On May 24, 2007, the University of Central Florida Board of Trustees approved the Performance Unit Plan. The plan provided for payments to participants for the 2009-12 performance measures no later than December 31, 2012.

Supporting documentation:

Attachment A: Compensation Consultant Report
Attachment B: 2009-12 Performance Unit Plan Payments

Prepared by: Mark Roberts, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

MCCONNELL & COMPANY

Compensation Consulting

October 9, 2012

Mr. Mark Roberts
Chief Human Resources Officer
University of Central Florida
3280 Progress Drive
Suite 100
Orlando, FL 32826-3229

Dear Mr. Roberts:

I have reviewed the process prepared by the UCF internal audit team to certify performance under the 2009-2012 Long-Term Incentive plan. This process is reasonable and appears to accurately measure the performance of the University's executive team over this period – consistent with the goals established by the Board of Trustees. Using the actual performance determined by this review, I have calculated that management performed at 94.37% of Target performance for the period. My calculations are shown in Exhibit A.

Let me know if you or the Board require any further information in this matter.

Very truly yours,



Paul J. McConnell

2009-2012 Performance Incentive Matrix

Objective / Performance Measure	Weight	Performance Goals / Percent Earned			Actual Performance	% Earned	Weighted % Earned
		Minimum	Target	Maximum			
		25%	100%	150%			
Quality of Education							
Average SAT score for FTIC students admitted fall 2009-11	5%	1225	1229	1232	1237	150.0%	7.50%
Average six-year graduation rates for FTIC students in the 2003, 2004, and 2005 cohorts	10%	62.9%	63.5%	64.0%	63.0%	37.5%	3.75%
Average four-year graduation rates for AA transfer students in the 2005, 2006, and 2007 cohorts	10%	70.7%	70.8%	71.0%	66.73%	0.0%	0.00%
Institutional Development & Effectiveness							
Doctoral degrees conferred as a percentage of the doctoral degree-seeking 2011-12 headcount	5%	12.75%	13.50%	14.25%	13.18%	68.0%	3.40%
Average one-year retention rates for FTIC students in the 2008, 2009, and 2010 cohorts	10%	86.50%	87.00%	87.50%	87.00%	100.0%	10.00%
Average one-year retention rates for AA transfer students in the 2008, 2009, and 2010 cohorts	10%	78.80%	79%	79.20%	79.27%	150.0%	15.00%
Achieve provisional accreditation, move the medical college, and establish a clinical practice plan	10%	Move medical college to Lake Nona campus spring 2010	Achieve minimum goal and provisional accreditation by fall 2011	Achieve target goal and establish an operational clinical practice plan by 6/12	All achieved	150.0%	15.00%
Sustainability							
Reduce average greenhouse gas emissions generated from main campus electrical consumption (kilowatt hour) per gross square foot over 2009-12	10%	16.2 kwh/gsf	15.7 kwh/gsf	15.2 kwh/gsf	15.45 kwh/gsf	125.0%	12.50%
Fundraising							
Average extramural funding raised per tenured and tenure track faculty member FTE for 2009-12	15%	\$136,615	\$137,995	\$139,375	\$146,249	150.0%	22.50%
Total number of donors to the UCFAA for 2011-12	1%	3,500	3,575	3,680	3,248	0.0%	0.00%
Total philanthropy to the UCFAA over 2009-12	2%	\$13,000,000	\$14,000,000	\$15,150,000	\$13,816,163	86.2%	1.72%
Total philanthropy to the UCFF without athletic giving over 2009-12	10%	\$72,500,000	\$75,000,000	\$78,000,000	\$61,889,458	0.0%	0.00%
Total number of donors to the UCFF for 2011-12	2%	12,950	13,400	13,900	17,649	150.0%	3.00%
Total	100%						94.37%

Attachment B

University of Central Florida 2009-12 Performance Unit Plan Payments

Name	Position	Target Units 2009-12	2012 Payments Due ^[1]
Hickey, Terry ^[2]	Provost and Executive Vice President	440	\$13,841
Soileau, Marion	VP, Research	350	\$33,030
Merck, William	VP, Administration and Finance	330	\$31,142
Holmes, Robert	VP, Development and Alumni Relations	320	\$30,198
Cole, Scott	VP and General Counsel	290	\$27,367
Harms, Al	VP, Strategy, Marketing, Communications and Admissions	300	\$28,311
Holsenbeck, Daniel	VP, University Relations	270	\$25,480
Ehasz, Maribeth	VP, Student Development and Enrollment Services	280	\$26,424
Schell, Rick	VP and Chief of Staff, Office of the President	270	\$25,480
Donegan, Helen	VP, Community Relations	200	\$18,874
SubTotal		3,050	\$260,147
Hitt, John	President	2,000	\$188,740
Total		5,050	\$448,887

^[1] Amount owed for 2009-12 is 94.37% of the target units as computed by the compensation consultant for the 2009-12 cycle. Amounts earned are to be paid no later than December 31, 2012. Any payment which exceeds legislated Education and General salary cap will be paid from non-public funds.

^[2] Retired 06/30/2010, 365/1095 days worked for the 2009-12 cycle prorated per the Performance Unit Plan.

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: 2012-15 Performance Incentive Measures and Goals

DATE: November 15, 2012

PROPOSED BOARD ACTION

Approve the 2012-15 Performance Incentive Measures and Goals for the president and senior officers.

BACKGROUND INFORMATION

The Performance Unit Plan, approved by the board on May 24, 2007, requires annual board approval of the Performance Incentive Measures and Goals.

Supporting documentation: 2012-15 Performance Incentive Measures and Goals

Prepared by: Mark Roberts, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

2012-15 Performance Incentive Measures and Goals

Objective		Performance Goals		
Performance Measure	Weight	Minimum	Target	Maximum

Quality of Education

Strengthen UCF's reputation and effectiveness by improving six-year graduation rates for FTIC students. Average six-year graduation rates for FTIC students in 2006, 2007, and 2008 cohorts.	24%	64.2%	64.7%	65.2%
Strengthen UCF's reputation and effectiveness by improving one-year retention rates for FTIC students. Average of the one-year retention rates for FTIC students in the 2011, 2012, and 2013 cohorts.	14%	87.7%	88.2%	88.7%
Strengthen UCF's reputation and effectiveness by improving four-year graduation rates for summer and fall full-time AA transfer students. Average four-year graduation rates for summer and fall full-time AA transfer students in the 2008, 2009, and 2010 cohorts.	24%	75.10%	75.35%	75.50%

External Support

Strengthen UCF's reputation and effectiveness by securing extramural grants and contracts. Average of the dollars raised per tenured and tenure-track faculty member FTE for 2012-13, 2013-14, 2014-15.	19%	\$131,585	\$132,902	\$134,232
Total philanthropy to the UCF and UCF athletics program without Courtelis or state matching funds, but including planned gifts, gifts-in-kind, and pledges for the period of July 1, 2012, to June 30, 2015.	19%	\$247,500,000	\$275,000,000	\$302,500,000

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: 2012-15 Performance Unit Plan Awards

DATE: November 15, 2012

PROPOSED BOARD ACTION

Approve the 2012-15 Performance Unit Plan awards.

BACKGROUND INFORMATION

The Performance Unit Plan, approved by the board on May 24, 2007, requires annual board approval of any Performance Unit Plan awards for the president and senior officers.

Supporting documentation: 2012-15 Performance Unit Plan Awards

Prepared by: Mark Roberts, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

University of Central Florida

2012-15 Performance Unit Plan Awards

Name	Position	Unit Awards						2012-15		
		2009-12	2010-13	2011-14	2012-15	Increase #	Increase %	Minimum	Target	Maximum
Waldrop, Tony	Provost and Executive Vice President		530	540	540	0	0%	\$13,500	\$54,000	\$81,000
German, Deborah	VP, and Dean Medical Affairs		610	620	620	0	0%	\$15,500	\$62,000	\$93,000
Hickey, Terry	Retired	440								
Soileau, Marion	VP, Research and Commercialization	350	350	370	370	0	0%	\$9,250	\$37,000	\$55,500
Merck, William	VP, Administration and Finance	330	340	370	370	0	0%	\$9,250	\$37,000	\$55,500
Holmes, Robert	VP, Development and Alumni Relations	320	330	350	350	0	0%	\$8,750	\$35,000	\$52,500
Cole, Scott	VP and General Counsel	290	300	320	330	10	3%	\$8,250	\$33,000	\$49,500
Harms, Al	VP, Strategy, Marketing, Communications and Admissions	300	300	300	310	10	3%	\$7,750	\$31,000	\$46,500
Holsenbeck, Daniel	VP, University Relations	270	270	280	280	0	0%	\$7,000	\$28,000	\$42,000
Ehasz, Maribeth	VP, Student Development and Enrollment Services	280	280	280	280	0	0%	\$7,000	\$28,000	\$42,000
Schell, Rick	VP and Chief of Staff, Office of the President	270	270	270	270	0	0%	\$6,750	\$27,000	\$40,500
Donegan, Helen	VP, Community Relations	200	210	220	220	0	0%	\$5,500	\$22,000	\$33,000
	SubTotal	3,050	3,790	3,920	3,940	20	1%	\$98,500	\$394,000	\$591,000
Hitt, John	President	2,000	2,200	2,400	2,450	50	2%	\$61,250	\$245,000	\$367,500
	Total	5,050	5,990	6,320	6,390	70	1%	\$159,750	\$639,000	\$958,500

University of Central Florida
BOARD OF TRUSTEES

SUBJECT: Conferral of Degrees

DATE: November 15, 2012

PROPOSED BOARD ACTION

Concurrence: Conferral of degrees at the Fall 2012 commencement ceremonies.

BACKGROUND INFORMATION

UCF expects to award the following degrees at the Fall 2012 commencement ceremonies on December 14-15, 2012:

4,106	baccalaureate degrees
752	master's degrees
<u>125</u>	doctoral and specialist degrees
4,983	Total

Supporting documentation: Registrar's Graduation Count

Prepared by: Amy Swinford, Senior Administrative Assistant to the Vice President and
Chief of Staff

Submitted by: John C. Hitt, President

UCF Fall 2012 Commencement

Note: Procession of graduates begins 20 minutes prior to each ceremony.
 *Projected Attending (Baccalaureate only) is an estimate based on 70% attending rate

College	Baccalaureate					Master's					Doctorate				
	Intent to graduate	Projected* attending	Picked-up cap/gown	Head-count	Degree award	Intent to graduate	Indicated attending	Picked-up cap/gown	Head-count	Intent to graduate	Indicated attending	Picked-up cap/gown	Head-count	Intent to graduate	Picked-up cap/gown
Friday, 12/14, 9:00 a.m.															
College of Business Administration	763	534				123	123			5	5				
College of Engineering and Computer Science	339	237				136	136			36	36				
College of Medicine	82	57				13	13			3	3				
College of Optics and Photonics	0	0				5	5			11	11				
College Totals:	1,184	829	-	-	-	277	277	-	-	55	55	-	-	0	0
Total Students Anticipated in Attendance:	1,161														
Friday, 12/14, 2:30 p.m.															
College of Arts and Humanities	344	241				94	94			2	2				
College of Graduate Studies	0	0				1	1			0	0				
College of Sciences	982	687				42	42			30	30				
Office of Undergraduate Studies	251	176				0	0			0	0				
College of Nursing	151	106				27	27			6	6				
College Totals:	1,728	1,210	-	-	-	164	164	-	-	38	38	-	-	0	0
Total Students Anticipated in Attendance:	1,412														
Saturday, 12/15, 9:00 a.m.															
College of Education	341	239				158	158			28	28				
* Education Specialists						3	3								
Rosen College of Hospitality Management	255	179				12	12			0	0				
College of Health and Public Affairs	598	419				138	138			4	4				
College Totals:	1,194	836	0	0	0	311	311	0	0	32	32	0	0	0	0
Total Students Anticipated in Attendance:	1,179														
Degree level ITG totals:	4,106					752				125					
Combined ITG submissions:	4,983														
All ceremony projected* attending:	3,751	75.3% of all ITG's													
Anticipated attendance - cap/gown pickup:	0	0.0% of all ITG's													
Headcount totals:	0	0.0% of all ITG's													
Undergraduate degrees awarded:	0	0.0% of all UGRD ITG's													

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: 2012 UCF Annual Report to the Board of Governors

DATE: November 15, 2012

PROPOSED BOARD ACTION

Approval of the 2012 UCF Annual Report to the Board of Governors.

BACKGROUND

The Board of Governors has requested that each university file an annual report.

Supporting documentation: 2012 UCF Annual Report to the Board of Governors

Prepared by: M. Paige Borden, Assistant Vice President for Institutional Knowledge Management

Submitted by: Tony Waldrop, Provost and Executive Vice President

2011-12

Annual Accountability Report

UNIVERSITY OF CENTRAL FLORIDA



STATE UNIVERSITY SYSTEM *of* FLORIDA
Board of Governors



Key Achievements

Selected Accomplishments for University of Central Florida (July 2011 – June 2012)

STUDENT AWARDS/ACHIEVEMENTS

1. Students awards: Astronaut Scholarship, Boren Scholarship, American Medical Association Foundation Minority Scholarship, Fulbright Fellowships, Goldwater Scholarship, Gilman International Scholarships, National Defense Science and Engineering Graduate Fellowship, NSF Graduate Research Fellowships, and Pickering Undergraduate Fellowship.
2. Student-athlete awards: Conference USA Commissioner's Academic Medals, 221 student athletes named to the 2011-12 Commissioner's Academic Honor Roll, and the UCF football team is tied for third in the nation in the number of team members with earned bachelor's degrees.
3. Organization achievements: first place in the NASCAR Kinetics competition, first place in the U.S. Department of Energy's Clean Energy Challenge, first place in the SAS Data Mining Shootout, and third place in the National Collegiate Sales Competition.

FACULTY AWARDS/ACHIEVEMENTS

1. Faculty members were awarded Fulbright Fellowships and NSF Early Faculty CAREER awards.
2. Faculty member recognitions: William A. Niering Outstanding Educator, Optical Society Wood Prize, Allan Krause Thermal Management Medal, Jefferson Science Fellow, College of American Pathologists Lifetime Achievement Award, Richard L. Kegg Outstanding Young Manufacturing Engineering Award, and *Princeton Review's* "The Best 300 Professors."
3. Faculty member listed by Thomson Reuters as one of the top 100 researchers in the field of materials science achieving the highest citation impact scores for publications since January 2000.

PROGRAM AWARDS/ACHIEVEMENTS

1. Florida Interactive Entertainment Academy ranked fourth in the nation for Graduate Game Design by *Princeton Review*.
2. Sport Business Management MS ranked a top five graduate sport business management program by the *Wall Street Journal*, *New York Times*, and *ESPN The Magazine*.
3. The Sport and Exercise Science BS program was accredited by the National Council for the Accreditation of Coaching Education (only 13 accredited organizations in the nation).

RESEARCH AWARDS/ACHIEVEMENTS

1. UCF placed among the top 10 award recipients with five research grants from the Defense University Research Instrumentation Program.
2. UCF team of researchers discovered an exoplanet candidate designated UCF 1.01
3. UCF earned the James S. Cogswell Outstanding Industrial Security Achievement Award, the nation's highest honor for protecting national security information.

INSTITUTIONAL AWARDS/ACHIEVEMENTS

1. *Kiplinger* and *The Princeton Review* have recognized a UCF education as one of the best values in the country.
2. *US News & World Report* ranked UCF among the "Top Up-and-Coming" national universities for the seventh year in a row.
3. UCF was awarded the 2011 President's Gold Level Volunteer Service Award for the third consecutive year.



Narrative

ACCESS TO AND PRODUCTION OF DEGREES

Enrollment:

- Fall 2011 enrollment was 58,698 making UCF the second largest university in the nation. Undergraduate enrollment increased by 4.9 percent to 50,002 and graduate enrollment increased by 0.1 percent to 8,696,
- UCF enrolled 74 National Merit Scholars in the Fall 2011 semester, the second most in the state.
- The average high school GPA of the freshman class was 3.87, an increase of .05 points. the average SAT was 1250 for the fall freshman class; The Burnett Honors College SAT average was 1387. The national average for SAT scores was 1011, and the Florida average was 976.
- Fall 2011 African-American and Hispanic enrollment reached 16,129, an increase of 10 percent.
- Distance-learning student credit hours increased: web or video courses totaled 405,223 student credit hours, an increase of 12 percent, and reduced seat-time courses totaled 96,081 student credit hours, an increase of 5.1 percent.
- The Fall 2011 UCF student body reflected the demographics of its area: 55 percent women, 18 percent Hispanic, 10 percent African American, and 5 percent Asian American.
- The College of Medicine successfully matriculated 80 students into the medical education program's third class.
- UCF Student Financial Assistance awarded more than \$400 million in financial assistance and provided more than \$2 million in student employment opportunities through the federal work-study program.
- UCF awarded 259 minority scholarships in 2011-12.
- UCF students won prestigious scholarships and fellowships including the Astronaut Scholarship, Boren Scholarship, American Medical Association Foundation Minority Scholarship, Fulbright Fellowships, Goldwater Scholarship, Gilman International Scholarships, National Defense Science and Engineering Graduate Fellowship, National Science Foundation Graduate Research Fellowships, and Pickering Undergraduate Fellowship.

Retention:

- The freshman retention rate was to 87.3 percent, exceeding the university's comparison and peer institution averages.
- Student Development and Enrollment Services provided 34 orientation sessions for 27,495 new students and their families.
- The First Year Advising and Exploration Office served 15,926 students, including 93 percent of the freshman class.
- The Sophomore and Second Year Center served 5,797 students. It also helped 80 percent of undeclared second-year students identify an academic major.
- The Student Academic Resource Center provided tutoring and supplemental instruction to more than 85,000 (duplicated count) students.
- The Recreation and Wellness Center had 1,000,359 visits.
- Housing and Residence Life sponsored 1,842 programs with over 45,000 attendees.



Degrees:

- This spring, UCF recognized its 200,000 alumnus. John C. Hitt has conferred 176,000 of those degrees during his more than 20-year tenure as president.
- UCF set a school record by awarding 14,368 degrees this academic year.
- UCF awarded 11,682 bachelor's degrees, an increase of 8.0 percent over the previous academic year, and the university ranked third nationally in this area (2010-11 rankings).
- UCF awarded 2,391 master's degrees, an increase of 7.2 percent; and 265 doctoral degrees, an increase of 7.0 percent. Nationally, UCF ranked in the top quartile for master's degrees and doctoral degrees granted (2010-11 rankings).
- *Diverse: Issues in Higher Education* ranked UCF among the top 10 schools in awarding degrees to minority students, placing fifth in awarding engineering graduate degrees to Hispanic students, 12th for total undergraduate degrees awarded to Hispanic students, and 18th for total undergraduate degrees awarded to African-American students.

MEETING STATEWIDE PROFESSIONAL AND WORKFORCE NEEDS

Curricular:

- Seventy-one faculty members participated in the Provost's Diversity Enhancement Program, which supports the hiring of tenure and tenure-track faculty members, and university librarians, to increase diversity and attract underrepresented faculty members in specified academic disciplines.
- The College of Graduate Studies coordinated the Florida Professional Science Master's Statewide Initiative, resulting in 34 active programs using the PSM format, of which 27 are now nationally certified as PSM programs.

Engagement:

- Approximately 21,000 experiential-learning students practiced in their community what they learned in the classroom. More than 9,700 academic service-learning students contributed approximately 210,000 volunteer hours of service, and they also generated in-kind donations valued at more than \$500,000. These students saved community partners approximately \$4.5 million in labor costs. More than 7,100 students participated in internships, and 4,200 students worked in co-operative education placements.
- 337 students participated in short-term study abroad programs in 23 countries, and 188 students participated in reciprocal exchange programs in 13 countries.
- Student Development and Enrollment Services documented 89,964 hours of service by students participating in Student Leadership Development, Greek organizations, Volunteer UCF, Knights Pantry, Alternative Spring Break, Volunteers uKnighed, and Knights Give Back Day of Service.
- The College of Medicine established UCF Pegasus Health, the college's new faculty clinical practice where physicians who are training the next generation of doctors bring their expertise and state-of-the-art patient care to community residents.
- This past year was an historic one for television services when WUCF TV became Central Florida's primary PBS station, reaching more than 3.5 million potential viewers. In addition, UCF's purchase of



WMFE TV's public broadcasting license and broadcast equipment was approved by the Board of Trustees.

- UCF was mentioned 1,354 times in media outlets. Publications mentioning UCF included *The New York Times*, *USA Today*, *New York Daily News*, *Wall Street Journal*, *US World & News Report*, *Inside Higher Education*, *Christian Science Monitor*, and *Wired* magazine. UCF also designed, developed, and delivered an updated *Pegasus Magazine* to more than 200,000 print and online readers.
- UCF's marketing efforts engaged 3.8 million unique visitors from 215 countries via the Web site www.ucf.edu, attracted readers from 189 countries to read online stories on UCF Today at <http://today.ucf.edu/>, achieved 122,000 Facebook fans throughout the world, and attracted 372,000 viewers to UCF on YouTube.

Partnerships:

- Career Services hosted 11 job fairs and career expos with over 6,000 student attendees and 800 employers.
- Transfer and Transition Services drafted, completed, or updated 11 articulation agreements with partnering colleges, and five dual enrollment agreements with partnering school districts, private high schools, and home schools.
- The UCF Business Incubator Program grew to 10 locations, served more than 130 client companies, and graduated 74 client companies. The program has been credited with creating more than 3,000 jobs with an average salary of \$59,000 and an overall economic impact to our community of \$300 million annually.
- The GrowFL technical assistance program helped more than 300 companies create more than 1,400 jobs in the first two years of the pilot program.
- Activities of the Office of Research and Commercialization directly resulted in 14 new companies being formed this past year.

Other:

- Joining the Board of Trustees this year were Meg Crofton, Alan Florez, Robert Garvey, Marcos Marchena, John Sprouls, and Cortez Whatley.
- Board of Trustees members awarded chairman *emeritus* status to former chair and charter member Rick Walsh and vice chairman *emeritus* status to former vice chair and charter member Tom Yochum for their distinguished service.
- Harris Rosen, charter member of the Board of Trustees and chief benefactor of the Rosen College of Hospitality Management, was the *Orlando Sentinel's* 2011 Central Floridian of the Year.
- After a successful national search, UCF named Oregon State University Executive Associate Athletic Director Todd Stansbury as Vice President and Director of Athletics.
- Dean Jose Fernandez was named one of Central Florida's 25 most influential Hispanics by *Vision Magazine*.
- The Sloan Consortium awarded Vice Provost and Chief Information Officer Joel Hartman the Frank Mayadas Leadership Award for his contribution to the success of UCF's online learning initiative.
- Three faculty members were awarded Fulbright grants: Dr. John Weishampel, College of Sciences; Dr. Po-Ju Chen, Rosen College of Hospitality Management; and Ms. Tan Huaixiang, College of Arts and Humanities.



- The Office of Global Perspectives reached more than 30,000 people in person and 30,000 electronically, and started multiple new initiatives, such as The India Center.
- Community Relations staff members coordinated the UCF team efforts benefiting the American Heart Walk, raising \$41,511.

BUILDING WORLD-CLASS ACADEMIC PROGRAMS AND RESEARCH CAPACITY

World-class Academic Programs:

- The Carnegie Foundation designated UCF to be a "very high research activity" institution, its highest ranking in that category.
- *Kiplinger* and *The Princeton Review* have recognized a UCF education as one of the best values in the country.
- UCF was ranked the fourth "up and coming" school in the country, according to the "2012 Best Colleges" listing of *US News & World Report*.
- According to *Forbes* magazine, UCF was one of the top 50 most-affordable colleges and universities in the nation.
- The College of Business Administration's DeVos Sports Business Management Program was ranked in the top five such programs by *The Wall Street Journal* and *ESPN Magazine*.
- *The Princeton Review* ranked the Florida Interactive Entertainment Academy graduate-level video game design school fourth in the country.
- The College of Business Administration's Dr. P. Phillips School of Real Estate ranked fifth out of 40 schools, according to the International Council of Shopping Centers.

Student Research:

- 378 students along with their faculty sponsors presented 284 poster presentations at the Showcase of Undergraduate Research Excellence, and students published 10 articles in the *UCF Undergraduate Research Journal*.
- The Office of Undergraduate Research implemented a new collaborative NSF grant (with the University of Alabama and Washington State University) called EURO – Enhancing Undergraduate Research Opportunities – beginning with a semester-long Introduction to Research course (Spring 2012).
- The Office of Undergraduate Research initiated a new STEM living-learning undergraduate research community, the Learning Environment and Academic Research Network (LEARN) with students living together, taking three classes together, and getting involved in research as a first-year student, sponsored by a NSF TUES grant.
- 155 students graduated with Honors in the Major distinction.
- 163 graduate students presented at the 2012 Research Forum, a 60 percent increase over the prior year.

Faculty Member and Staff Member Research:

- UCF secured \$128.95 million in extramural funding, an amount which was exceeded only in 2010 with the help of stimulus funds. This is the eighth consecutive year of securing more than \$100 million in funding.



- The university earned five research grants worth approximately \$1.2 million from the Defense University Research Instrumentation Program, which placed UCF among the top 10 award recipients in the country.
- Stories showcasing UCF's leading-edge research appeared in more than 200 science- and technology-related publications, including *New Scientist*, *Popular Science*, and *Nature News*. In addition, two science research projects were featured on the National Science Foundation Web site.
- UCF faculty members published more than 106 books, 262 book chapters, 1,949 peer-reviewed journal articles, and 493 conference proceedings. Faculty members also gave 294 invited exhibitions or performances and 2,866 peer-reviewed conference presentations.

MEETING COMMUNITY NEEDS AND FULFILLING UNIQUE INSTITUTIONAL RESPONSIBILITIES

Economic Impact and Development:

- The State and Local Government Affairs Office expanded the Legislative Scholars Internship Program for the 2011 legislative session and placed nine UCF students in 13 key Central Florida legislative offices.
- UCF and the neighboring Central Florida Research Park created more than 45,000 jobs with an economic impact of \$4.3 billion on the regional economy.
- The Florida High-Tech Corridor Council pairs faculty researchers from the three Corridor universities (UCF, USF, and UF) with regional corporate partners on applied research projects, and in fiscal year 2010-11, it funded 74 projects with 54 companies totaling more than \$9.3 million.

Outreach:

- The Office of Student Outreach Programs served 390 socio-economically or educationally disadvantaged local students and their families.
- The Office of Emergency Management developed the first Florida Emergency Management Student Association, which was adopted by the Federal Emergency Preparedness Association as a model student organization.
- The UCF Center for Multicultural and Multilingual Studies served 1,918 students, an increase of 51 percent.
- The International Services Center served 7,223 students, an increase of 4.62 percent.
- The UCF Department of Purchasing awarded \$1,127,000 in contracts to new diverse vendors identified through the on-campus Supplier Diversity Day Exposition, an increase of 300 percent.
- The Office of Undergraduate Research hosted the 4th Annual Florida Statewide Symposium for Engagement in Undergraduate Research.
- Community Relations staff members served on more than 66 community boards in leadership capacities.
- Through the Office of Community Relations, the university holds memberships and actively participates in 10 area Chambers of Commerce.

Foundation Fundraising:

- UCF donors contributed \$37.5 million to the university and its programs. This included \$5.7 million from alumni, \$8.7 million from corporate partners, \$15.9 million from friends of the university, \$5.1



million from foundations, and \$2.1 million from other organizations. Also committed were \$22.9 million in pledges, \$3.4 million in planned gifts, \$10.6 million in cash, and \$582,000 in gifts-in-kind.

PROGRESS ON PRIMARY INSTITUTIONAL GOALS AND METRICS (as outlined in University Work Plan)

High Quality Undergraduate Education Providing Access To and Production of Degrees, With a Focus on Improving Baccalaureate Retention and Graduation:

Metric	Goals for 2012-13	2011-12 Data
first-year retention	87.9% (2011 cohort)	87.3% (2010 cohort)
six-year graduation	65.7% (2007 cohort)	62.8% (2005 cohort)
bachelor's degrees awarded	11,081 (2012-13)	11,691 (2011-12)
online learning	25% of total SCH (2012-13)	32.2% (2011-12)

Graduate and Professional Education:

The UCF College of Medicine was granted provisional LCME accreditation in 2011 and is on target to achieve full LCME accreditation in 2013. The College will graduate its inaugural class in 2013.

To enhance excellence in doctoral degree programs with a focus on increasing student quality, retention, and graduation rates, the College of Graduate Studies has focused on the following activities: completed the second cycle of doctoral satisfaction surveys, improved coordination between the College of Sciences (COS) and the College of Graduate Studies by meeting with each graduate program within COS to discuss retention rates, and implemented a new policy requiring doctoral students to have academic integrity training by organizing Collaborative Institutional Training Initiative, Responsible Conduct of Research training and professional development workshops as part of our Pathways to Success Program for graduate students.

Research and Development:

Metric	Goals for 2012	Fiscal Year 2011
federal academic R&D expenditures	\$93.8 million	\$69.1 million
total academic R&D expenditures	\$160 million	\$109.2 million
licenses or options executed	10	14
licensing income	\$700,000	\$500,966

ADDITIONAL INFORMATION ON QUALITY, RESOURCES, EFFICIENCIES AND EFFECTIVENESS

Facilities and Sustainability Efforts:

- UCF received recognition by Orange County for "Exemplary Performance" in the operational efficiency of buildings.
- UCF received from Progress Energy a \$647,000 grant to construct a 107-kilowatt photovoltaic system to generate energy for the campus.



- Conservation initiatives yielded a reduction of 27 percent in electricity use, 27 percent in chilled water use, and 43 percent in natural gas use. Reductions saved approximately 4.4 million kilowatt hours of electricity valued at \$2 million, 3.6 million tons-per-hour of chilled water valued at \$440,000, and 64,000 therms of natural gas. The overall Energy Use Intensity of the Orlando campus has been reduced by 17 percent from the baseline year of 2005-06.
- UCF has restructured the natural gas purchasing rate, a move which will achieve an estimated \$200,000 in annual savings.
- Recent construction projects completed include 181 facilities-improvement projects throughout campus, the Barbara Ying Academic Center renovations, Baseball Stadium expansion, Campus Chilled Water System Piping expansion, Combined Heat and Power Facility, Computer Center I and II renovations, Deck and Tensile Awning Structure for Chick-fil-A, expansion of mass notification system for Towers I-IV and John T. Washington Center, Mechanical, Materials, and Aerospace Engineering Lab, Reclaimed Water System, Roth Tower Club Level restroom addition, UCF Pegasus Health Center.
- For the second consecutive year, the UCF Arena exceeded its financial goal by more than \$250,000.
- The Office of Emergency Management launched a new Web site, Knight S.H.A.R.E. (Students Helping Advocate Resources during Emergencies), that provides student information on emergency preparedness, campus safety, and violence prevention.
- The Department of Environmental Health and Safety received a City of Orlando Industrial Waste Pretreatment Program Certificate of Achievement for the UCF Health Sciences Campus at Lake Nona.
- Parking and Transportation Services partnered with the Student Government Association to provide two alternate modes of transportation: Zimride, a ride-sharing option, and Zipcar, a vehicle-lease option.
- UCF earned its second Tree Campus USA recognition from the Arbor Day Foundation.
- The UCF Shuttle Service transported 2,070,729 passengers, and the university implemented a courtesy tram transportation system for football game days.
- Business Services served more than 1.8 million on-campus meals.

Administrative Enhancements:

- UCF offers five baccalaureate and 24 graduate online degree programs, as well as 29 online graduate certificates.
- Online courses accounted for more than 94 percent of credit-hour growth between academic years 2010-11 and 2011-12.
- Nearly 59 percent, or 33,306 students, were enrolled in a fully-online or blended-learning course.
- Enrollments in online and blended-learning courses accounted for 32.7 percent of student credit hours.
- In partnership with the American Association of State Colleges and Universities, UCF received a \$250,000 Next Generation Learning Challenges grant to share its blended-learning model with other institutions.
- Online learning sections accounted for 32.2 percent of the university's total 1.55 million semester credit hours. Online courses generated over 94 percent of all SCH growth over the last year.
- Overall, online SCH production increased 10.4 percent. 72.1 percent of all UCF students registered in one or more online course.
- More than 3,300 online learning sections were offered in 2011-12, a five percent increase over the prior year.



- UCF's online courses are rated *excellent* by students more frequently than courses delivered by any other modality.
- The estimated savings in construction costs is nearly \$64 million.

Athletics:

- The American Football Coaches Association recognized UCF football for being one of just 17 institutions graduating at least 90 percent of the freshman student-athlete class of 2004.
- Spring Semester marked the ninth consecutive semester that UCF student-athletes have achieved at least a 3.0 grade point average.
- UCF led Conference USA's public institutions with 221 student-athletes named to the 2011-12 Commissioner's Academic Honor Roll, which requires a 3.0 grade point average or higher.
- In Spring Semester, 32 student-athletes achieved a perfect 4.0 grade point average for the semester.
- UCF boasts a competitive, broad-based athletics program that was 55th in the nationwide Directors' Cup rankings. That ranking placed UCF third among NCAA Division I institutions in the state of Florida.
- There were post-season appearances for both men's and women's soccer programs, including a run to the Elite Eight for the women's team.
- Men's basketball recorded its second consecutive season of 20-plus wins.
- Track and field athletes won a Conference USA championship and had a top-10 finish in the NCAA National Indoor Championships. Four student-athletes competed in the U.S. Olympic trials.
- UCF cheerleaders finished third at the 2012 College Cheerleading Championships. UCF has placed in the top 10 of the competition 17 times in the past 19 years.
- The UCF volleyball team received the 2010-11 Team Academic Award from the American Volleyball Coaches Association. To qualify for the award, the entire team must maintain a cumulative grade point average of 3.3 for the academic year.
- Women's outdoor track won its third-straight Conference USA championship. The team ranked 14th in the country.
- The UCF baseball team ranked 16th in the National Collegiate Baseball Writers Association poll.
- Softball advanced to the NCAA tournament for the fourth time in program history.
- UCF Women's golf team competed in the NCAA East Regional. Men's golf finished fifth at the NCAA Regionals at Stanford, and the team advanced to the NCAA championships.
- Golden Knights' Club Annual Fund pledges totaled \$1,736,274, a decrease of 1 percent.
- UCF athletics appeared on television a record 48 times, and 29 of those (also a record) were national television broadcasts.

ADDITIONAL RESOURCES

- **Carnegie Classification:**
http://classifications.carnegiefoundation.org/lookup_listings/view_institution.php?unit_id=132903&start_page=institution.php&clq=%7B%22first_letter%22%3A%22U%22%7D
- **Voluntary System of Accountability College Portrait of Undergraduate Education:**
http://www.iroffice.ucf.edu/college_portrait/index.html
- **Common Data Set:** <http://www.iroffice.ucf.edu/commondataset/index.html>
- **College Navigator:**
<http://nces.ed.gov/collegenavigator/?q=University+of+Central+Florida&s=all&id=132903>
- **University Institutional Research Unit:** <http://www.iroffice.ucf.edu/home.html>

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Tenure with Hire

DATE: September 27, 2012

PROPOSED BOARD ACTION

Approval of tenure with hire.

BACKGROUND INFORMATION

New faculty members are hired each year with tenure. Normally, such faculty members have earned tenure at their previous institution and meet UCF's requirements for tenure. For others, tenure is part of the hiring package when senior faculty members are hired for administrative positions. Department faculty members and the university's administrative officers have approved granting tenure to these faculty members.

Supporting documentation: 2012-13 Tenure with Hire Justifications

Prepared by: Diane Z. Chase, Executive Vice Provost

Submitted by: Tony Waldrop, Provost and Executive Vice President

2012-13 Tenure with Hire Justifications
Board of Trustees
November 15, 2012

College of Education

Dr. Jeffrey Stout, associate professor
Child, Family, and Community Sciences

Dr. Jeffrey Stout received his Ph.D. degree in exercise physiology from the University of Nebraska. Prior to joining UCF, he was an associate professor at Creighton University, at Florida Atlantic University, and at the University of Oklahoma. He has written more than 150 peer-reviewed articles, book chapters, and textbooks. His research in sports nutrition has generated more than \$2 million in grants related to nutritional intervention and led to over 30 invited international and national presentations over the past ten years. He has served as vice president of the board of directors of the National Strength and Conditioning Association (NSCA) and president of the board of the International Society of Sports Nutrition. In addition, he has achieved several honors including being listed among the Top 100 Externally-Funded Principle Investigators from the University of Oklahoma, Editorial Excellence Award from the *Journal of Strength and Conditioning Research*, and the 2001 Young Investigator of the Year Award from the NSCA. The College of Education and the Department of Child, Family, and Community Sciences support his tenure with hire.

Dr. Valerie Storey, associate professor
School of Teaching, Learning, and Leadership

Dr. Valerie Storey received her Ph.D. degree in educational leadership from Vanderbilt University. Prior to joining UCF, she served as associate professor in, and director of, the Educational Leadership Doctorate at the Ross College of Education at Lynn University. While at Lynn University, Dr. Storey served as representative to the Carnegie Project on the Education Doctorate (CPED). She is a member of the CPED Fund for the Improvement of Secondary Education research team and a member of the CPED Executive Committee. In addition to her research activities related to CPED, Dr. Storey has written more 25 publications, including peer-reviewed articles, executive and consulting reports, book chapters, and a book. The College of Education and the School of Teaching, Learning, and Leadership support her tenure with hire.

College of Optics and Photonics

Dr. Kathleen Richardson, professor

Dr. Kathleen Richardson received her Ph.D. degree in ceramics from Alfred University in New York. Before coming to UCF, she was a professor in, and director of, the School of Materials Science and Engineering at Clemson University. Prior to joining Clemson University, she was an associate professor at UCF. Her world-renowned research in optical ceramics and infrared glass has led to more than 125 refereed publications, proceedings, and book chapters, and she is the co-owner of five patents. In addition, she has served as the dissertation adviser for eight Ph.D. students. She is an elected fellow of the Optical Society of America, the International Society for Optics and Photonics, the American Ceramics Society (ACS), and the Society of Glass Technology. She also received the Outstanding Educator Award from ACS. She is also a member of the ACS board of directors, a member of the board of trustees at Alfred University, associate editor of *International Journal for Applied Glass Science*, and past-president of the National Institute of Ceramic Engineers and of the Glass and Optical Materials Division. She serves as an advisor to Virginia Tech's Materials Science and Engineering Department, the National Science Foundation Engineering Research Center on Mid-Infrared Technologies for Health and the Environment at Princeton University, and the Australian Research Council's Centre of Excellence for Ultrahigh-bandwidth Devices for Optical Systems, in Sydney, Australia. The College of Optics and Photonics supports her tenure with hire.

**University of Central Florida
Board of Trustees**

SUBJECT: Electronic Funds Transfer Policy

DATE: November 15, 2012

PROPOSED BOARD ACTION

Approve the university's Electronic Funds Transfer Policy.

BACKGROUND INFORMATION

Florida Statute 1010.11 requires the University Board of Trustees to adopt a written policy prescribing the accounting and control procedures under which university funds are allowed to be moved by electronic transaction for any purpose, including direct deposit, wire transfer, withdrawal, investment, or payment.

We request approval of the university's Electronic Funds Transfer Policy No. 3-121. This policy requires all university employees comply with the procedures prescribed in the university's Electronic Funds Transfer Procedure Manual. These procedures are designed to ensure electronic transactions are initiated, approved, and executed in a secure manner to prevent loss of university funds arising from fraud, employee error, misrepresentation by third parties, and/or imprudent actions by university employees.

Supporting documentation:

UCF Policy No. 3-121 Electronic Funds Transfer Policy (Attachment A)
Copy of Florida Statutes 1010 (Attachment B)

Prepared by: Tracy Clark, Assistant Vice President for Finance and Controller

Submitted by: William F. Merck II, Vice President for Administration & Finance
and Chief Financial Officer

Attachment A

UCF Policy No. 3-121 Electronic Funds Transfer Policy



SUBJECT: Electronic Funds Transfer Policy	Effective Date: 09/10/12	Policy Number: 3-121	
	Supersedes:	Page 1	Of 2
	Responsible Authority: Assistant Vice President for Finance and Controller		

APPLICABILITY/ACCOUNTABILITY

Office of the President

This policy sets forth the requirements for the accounting and control of funds processed electronically for any purpose, including direct deposit, wire transfer, withdrawal, or investment of funds.

POLICY STATEMENT

The Controller's office is responsible for the daily management of university bank balances and the general oversight of Electronic Funds Transfer (EFT) activity. All university employees involved with direct deposits and payment of funds transmitted electronically are required to comply with the UCF Electronic Funds Transfer Procedure Manual. This policy is adopted pursuant to Florida Statute 1010.11 and sets forth the university's written policies prescribing a system of accounting, internal controls, and operational procedures for the execution of EFTs.

DEFINITIONS

Electronic Funds Transfer. The electronic exchange or transfer of funds from one account to another, either within a single financial institution or across multiple institutions, through electronic messaging to a financial institution. Examples include wire transfers received, student refund direct deposits, ACH payments to vendors, Fedwire payments to vendors and employee direct deposits.

PROCEDURES

These procedures are designed to ensure that the receipt and withdrawal of all EFTs are initiated, approved, and executed in a secure manner to prevent loss of university funds arising from fraud, employee error, misrepresentation by third parties, and/or imprudent actions by

university employees. EFT payments are processed by Finance and Accounting, and Human Resources.

EFT procedures are detailed in the Electronic Funds Transfer Procedure Manual. These procedures must be followed by all university employees. The manual is available at http://www.fa.ucf.edu/Vendor_Payables/Publications/Electronic_Funds_Procedures_Manual_final.pdf

RELATED INFORMATION

FS 1010.11, Electronic Transfer of Funds, Florida Statutes Website:
http://www.leg.state.fl.us/statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App_mode=Display_Statute&Search_String=1010.11&URL=1000-1099/1010/Sections/1010.11.html

INITIATING AUTHORITY

Vice President for Administration and Finance and Chief Financial Officer

POLICY APPROVAL	
(For use by the Office of the President)	
Policy Number: 3-121	
Initiating Authority: <u>Will A. Martin</u>	Date: <u>9-10-12</u>
Policies and Procedures Review Committee Chair: <u>John P. Miller</u>	Date: <u>8-22-12</u>
President or Designee: <u>John C. Hitt</u>	Date: <u>9/10/12</u>

Attachment B

Florida Statutes 1010.11

1010.11 Electronic transfer of funds.— Pursuant to the provisions of s. 215.85, each district school board, Florida College System institution board of trustees, and university board of trustees shall adopt written policies prescribing the accounting and control procedures under which any funds under their control are allowed to be moved by electronic transaction for any purpose including direct deposit, wire transfer, withdrawal, investment, or payment. Electronic transactions shall comply with the provisions of chapter 668.

**University of Central Florida
Board of Trustees**

SUBJECT: Release of Unrestricted UCF Convocation Corporation Revenues

DATE: November 15, 2012

PROPOSED BOARD ACTION

Approve the release of revenues above budgeted obligations from the UCF Convocation Corporation to the university.

BACKGROUND INFORMATION

When the UCF Convocation Corporation issued certificates of participation to provide funding for the construction of the convocation center and renovation of the existing arena, the debt covenants required the establishment of a restricted surplus fund. Excess funds are transferred into that fund until certain conditions are met. The conditions requiring the establishment and maintenance of the fund have now been met and the balance on hand can be released without restriction. We request approval to:

- transfer excess funds held with the trustee in the current year to the university
- continue with transfers to the university in future years for the excess amounts that will be paid into the surplus fund.

The amounts transferred will be used to offset any obligations of the university to the convocation center.

Supporting documentation: N/A

Prepared by: John C. Pittman, Assistant Vice President for Debt Management,
Administration and Finance

Submitted by: William F. Merck II, Vice President for Administration and Finance
and Chief Financial Officer

**University of Central Florida
Board of Trustees**

SUBJECT: Lake Nona Distributed Antenna System (DAS) Participation Agreement

DATE: November 15, 2012

PROPOSED BOARD ACTION

Approval to enter a Distributed Antenna System Participation Agreement with Lake Nona DAS in regard to developing a multi-user DAS that will serve UCF facilities located at Medical City. The term of this agreement is greater than 10 years.

BACKGROUND INFORMATION

UCF, Nemours, the VA Hospital, Sanford-Burnham, the University of Florida and Lake Nona have jointly designed a multi-user DAS that will serve each of the Medical City agencies from a shared central equipment location facility. This approach reduces the cost and duplication of services that would result from each agency developing its own separate DAS. Each agency will sign a DAS Participation Agreement.

Supporting documentation: DAS Participation Agreement

Prepared by: Jordan P. Clark, Associate General Counsel
Joel L. Hartman, Vice Provost and CIO for Information Technologies
and Resources

Submitted by: Tony G. Waldrop, Provost and Executive Vice President

DAS PARTICIPATION AGREEMENT

THIS DAS PARTICIPATION AGREEMENT (this “**Agreement**”) is made effective as of the Effective Date (as defined herein) and is among **UNIVERSITY OF CENTRAL FLORIDA REAL ESTATE FOUNDATION, LLC**, a Florida limited liability company, whose address is 4000 Central Florida Boulevard, Millican Hall, Suite 360, Orlando, Florida 32816-0015, and **UNIVERSITY OF CENTRAL FLORIDA**, on behalf of its Board of Trustees, whose address is c/o UCF Foundation, 12424 Research Parkway, Suite 250, Orlando, Florida 32826-3257 (collectively, the “**Owner**”), and **LN DAS, LLC**, a Florida limited liability company (the “**LN DAS**”). As used herein, the “**Effective Date**” of this Agreement shall mean the date the last party executes this Agreement.

RECITALS:

- A. Owner is the fee simple owner and lessee of certain improved real property located in Orlando, Florida, which real property is more particularly described on **Exhibit “A”** attached hereto and incorporated by reference herein (the “**Land**”). The Land is improved with certain buildings and is intended to be operated and used by Owner as a medical campus as part of a state university (the “**Buildings**”; and, together with the Land, the “**Property**”).
- B. The Property is part of the Lake Nona Development of Regional Impact / Planned Development lying in Orlando, Florida (the “**Project**”). LN DAS has licenses and easements in and to various segments of the Backhaul Network (as defined in Recital D below) and either owns or will own the Telecom Hotel (as defined in Recital E).
- C. Owner intends to own, install and operate a distributed antenna system in the Buildings (the “**In-Building DAS**”), for the seamless provision of telecommunication services to the Building, and Owner intends to own, install, maintain and replace underground conduit on the Property to be licensed to LN DAS as part of its Backhaul Network (as defined herein) to facilitate the provision of Communication Services (the “**Telecom Conduit**”), subject to the terms set forth herein below.
- D. The parties intend that the In-Building DAS will be connected to a conduit system containing a fiber optic network lying within private and public lands throughout various portions of the Project which shall include the Telecom Conduit lying within the Property (the “**Backhaul Network**”), subject to the terms set forth herein below.
- E. On or before June 30, 2013, LN DAS intends to construct on certain real property lying within the Project a central plant (the “**Telecom Hotel**”) for purposes of housing radio and other equipment necessary for the Wireless Service Providers (as defined in Recital F below) to interconnect their respective wireless network to the In-Building DAS via the Backhaul Network.
- F. LN DAS intends to enter contractual relationships with various commercial mobile radio service providers (collectively, the “**Wireless Service Providers**”) for interconnection of these Wireless Service Providers' networks via the Backhaul Network from the Telecom Hotel to the In-Building DAS on the Property.

NOW THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars, in hand paid, the mutual premises of this Agreement, and other good and valuable consideration, the receipt, sufficiency, and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The parties acknowledge and agree that the recitals set forth above are true and correct and are incorporated herein by reference.
2. Infrastructure.

(a) Owner's Infrastructure. Owner intends to construct such communications infrastructure and facilities within or adjacent to the Buildings as are appropriate and consistent with the operation of an In-Building DAS therein, which may include, as appropriate and in Owner's discretion, indoor telecommunications lines, antennas, amplifiers, and other equipment and appurtenances, all as may from time to time be modified, replaced, and upgraded in keeping with technological development and innovation. Owner's In-Building DAS infrastructure shall include a "**Remote Head-End**" located within or immediately adjacent to the Buildings for access to the In-Building DAS. Owner has installed the Telecom Conduit on the Property. All of the above (In-Building DAS, Remote Head-End and Telecom Conduit) shall be owned and maintained by Owner and shall be referred to herein as "**Owner's Infrastructure**". The Owner's Infrastructure shall be designed and constructed pursuant to plans and specifications that Owner deems reasonably appropriate. Owner shall enter into a maintenance contract with General Electric, or such other third-party maintenance entity reasonably approved by LN DAS in writing (which approval shall not be unreasonably withheld, conditioned or delayed), for the maintenance, repair and restoration of the Owner's Infrastructure (the "**Maintenance Agreement**") which shall be, and shall remain, in effect at all times hereunder.

Owner shall test the In-Building DAS in accordance with the acceptance criteria detailed in Exhibit "B" attached hereto and incorporated herein by this reference (the "**Acceptance Criteria**"). Owner shall provide LN DAS five (5) Business Days prior written notice of the date and time of when Owner shall conduct testing to determine whether the Acceptance Criteria have been met. In no event shall LN DAS delay Owner's performance of testing necessary to determine compliance with the Acceptance Criteria for a period greater than five (5) days beyond the date specified in Owner's written notice. LN DAS shall have the right to have LN DAS personnel present to observe such testing. When Owner has determined that the Acceptance Criteria have been met and is able to present the final reports that show that the In-Building DAS has been properly installed and are operating in conformity with the Acceptance Criteria, Owner shall promptly provide to LN DAS an executed original of a "DAS System Completion Notice" in such form substantially consistent with Exhibit "B" attached hereto and incorporated herein by this reference.

Within ten (10) days of receipt of a DAS System Completion Notice, LN DAS shall provide Owner with a written notice accepting or rejecting the In-Building DAS, specifying in reasonable detail, if rejected, the defect or failure in the Acceptance Criteria upon which such rejection is based. In the event of any good faith rejection by LN DAS, Owner shall take such action as reasonably necessary, and as expeditiously as practicable, to correct or cure such defect or failure; and, the Acceptance Criteria process, including notification to LN DAS and provision

of a DAS System Completion Notice, shall be repeated with respect to such rejected In-Building DAS. In the event Owner is unable to cure such defect or failure, after good faith attempts, within one hundred (120) days after the date of receipt of the first rejection notice from LN DAS, then LN DAS shall have the right to terminate this Agreement. In the event of a dispute between the parties as to whether the In-Building DAS fails to meet the Acceptance Criteria, the parties shall select an independent third-party with expertise in the industry (or if the parties cannot mutually agree upon an independent third-party then each party shall select their own independent third-party and such independent parties shall select a third independent third-party) whose opinion as to whether the Acceptance Criteria has been satisfied shall be binding upon the parties.

(b) LN DAS's Infrastructure. LN DAS intends to install the fiber in the Telecom Conduit on the Property to interconnect with the In-Building DAS at the Remote Head-End. Owner hereby grants LN DAS a non-exclusive license for the right to install, maintain, repair, replace and operate, at LN DAS's sole cost and expense, the fiber within the Telecom Conduit, as further described on Exhibit "C" attached hereto and made a part hereof, and in the locations on the Property and description of physical infrastructure as shown on Exhibit "C" attached hereto and incorporated by reference herein, all of which together with the Backhaul Network and the Telecom Hotel shall constitute and may be referred to herein as "LN DAS's Infrastructure".

(c) No Other Rights. LN DAS shall not have any right to use any portion of the Property other than the Telecom Conduit. Owner reserves the right to use the Telecom Conduit for other purposes and to grant other parties the right to install, operate, maintain and replace fiber optic or other cable within the Telecom Conduit, provided it does not interfere with the Telecom Conduit or LN DAS's use of the Telecom Conduit for the purposes contemplated hereunder. If it does interfere, Owner shall promptly remove such interference.

(d) "As Is". LN DAS shall accept the Property, the Telecom Conduit and the Remote Head-End in their "AS IS, WHERE IS" condition with all faults and without any representation or warranty by Owner, including without limitation, any representation as to suitability or fitness of the Telecom Conduit or the Remote Head-End for LN DAS's intended use.

3. Maintenance, Repairs, and Upgrades.

(a) LN DAS's Infrastructure. LN DAS and/or a maintenance company, designated by LN DAS, at no expense to Owner, shall maintain, repair and replace the LN DAS's Infrastructure at any time and from time to time, and in so doing shall have the right to access that portion of the Property minimally necessary to complete such tasks and LN DAS's Infrastructure seven (7) days a week, twenty four (24) hours a day, upon prior notice to Owner except in the case of an emergency. LN DAS shall have the right to use such portions of the Property that are contiguous, adjoining, or surrounding the LN DAS's Infrastructure as may be reasonably required to exercise its rights hereunder, including upon the initial installation of LN DAS's Infrastructure. In performing any work on the Property pursuant to such rights, LN DAS shall make commercially reasonable efforts not to interfere with Owner's ongoing business and operations on the Property. LN DAS, at no expense to Owner, shall promptly repair any damage to the Property caused by it or its approved contractors' entry onto the Property. To ensure that

LN DAS can exercise the rights granted in this paragraph, Owner shall not, without the prior written consent of LN DAS (such consent not to be unreasonably withheld), conduct any excavation, construct any buildings or other improvements where LN DAS's Infrastructure may be located, as shown on Exhibit "C", unless Owner amends the Agreement to provide an alternative location on the Property for installation of the fiber in the Telecom Conduit for an identical use to that herein; pays all expenses of LN DAS for such relocation of the fiber and Telecom Conduit on the Property and provided such relocation does not, at any time, interfere with LN DAS's operation of the Backhaul Network for purposes of facilitating the provision of telecommunication services. Owner shall have no obligation to maintain LN DAS's Infrastructure.

(b) Access. LN DAS shall provide to Owner notice at least five (5) days prior to commencing LN DAS's installation of the fiber in the Telecom Conduit. As used in this Agreement, "**Authorized Personnel**" means employees, engineers, technicians or contractors of LN DAS or of any Wireless Service Provider. All access to the Property by LN DAS or its Authorized Personnel shall be subject in each instance to the reasonable security requirements and reasonable rules and regulations from time to time in effect at the Building, of which Owner shall inform LN DAS in writing.

(c) Relocation. To ensure that LN DAS can exercise the rights granted in this paragraph, Owner shall not, without the prior written consent of LN DAS (such consent not to be unreasonably withheld), conduct any excavation, construct any permanent buildings or other improvements where the Telecom Conduit is located, unless Owner amends the Agreement to provide an alternative location on the Property for installation of the fiber in the Telecom Conduit for an identical use to that herein. Notwithstanding the foregoing, Owner shall have the right to use and improve the surface above the Telecom Conduit for parking areas, driveways, walkways, common areas, lawns and landscape areas and to install other temporary improvements. In the event LN DAS is required to relocate the LN DAS's Infrastructure to any alternative location as a result of Owner's actions or for other reasons caused by Owner, Owner shall reimburse LN DAS for all costs and expenses incurred by LN DAS for such relocation; provided, however, if Owner is required to relocate the Telecom Conduit for reasons caused by a third-party whereupon Owner is neither compensated nor reimbursed for the relocation costs incurred thereby, then LN DAS agrees to relocate the LN DAS's Infrastructure to an alternative location mutually agreed upon by the parties and Owner, at Owner's expense, shall relocate the Telecom Conduit. In connection with any relocation activities contemplated hereunder, Owner shall take commercially reasonable efforts to minimize any interference with LN DAS's operation of the Backhaul Network and Telecom Hotel and shall repair any damage caused to same. Owner shall have no obligation to maintain LN DAS's Infrastructure.

(d) Maintenance of Owner's Infrastructure. Owner shall be solely responsible, at its expense, for the maintenance of the Owner's Infrastructure (including the Telecom Conduit) directly with a nationally known telecommunications maintenance company as required herein. LN DAS shall have no obligation to maintain Owner's Infrastructure.

(e) Installation. All fiber optic cable installed and other work conducted within the Telecom Conduit or on the Property by LN DAS shall be installed and performed in a good and

workmanlike manner, shall be routed and attached in accordance with the then current, state-of-the-art, best industry practices, and shall be tagged and identified as belonging to LN DAS.

(f) Permits. All work by LN DAS shall be performed in compliance with applicable laws. Prior to the commencement of any installation, LN DAS shall, at its expense, obtain any licenses, permits, authorizations, consents and approvals required of any governmental agency, authority or unit having jurisdiction thereof for the commencement and prosecution of such work, and, upon completion, for the final approval of such work, and shall cause all such work to be performed in compliance therewith.

4. License of Owner's Infrastructure; Rebate.

(a) Grant of License. Subject to the terms and conditions of this Agreement, Owner hereby grants to LN DAS the right to connect LN DAS's Infrastructure with the Owner's Infrastructure at the Remote Head-End to allow for interconnection of the Wireless Service Providers with the In-Building DAS, for the transmission of communications signals from the Wireless Service Providers' networks to the In-Building DAS. LN DAS acknowledges that the rights created by this Agreement are license rights only and no leasehold, easement or any other interest is created by this Agreement.

(b) Rebate. LN DAS intends to enter into a separate DAS System License Agreement with each of the following providers of telecommunication services: SprintCom, Inc., Verizon Wireless Personal Communications LP and BellSouth Telecommunications, Inc., d/b/a AT&T Florida (each referred to as a "**Provider**" and collectively the "**Providers**"), for the participation of each Provider in the distributed antenna system described herein for the benefit of the Property. LN DAS agrees to deliver to Owner a rebate (on a per-Provider basis) if, and only if, the following conditions are satisfied as to each Provider (collectively, the "**Conditions**");

(i) LN DAS shall have accepted the In-Building DAS in accordance with Section 2(a) above;

(ii) Owner shall have entered into, and shall continuously have in full force and effect during the Term (as defined herein), a binding, written Maintenance Agreement for the Owner's Infrastructure.

(iii) The Provider shall have completed the interconnection of its network from the Telecom Hotel to the In-Building DAS in accordance with the DAS System License Agreement entered into between such Provider and LN DAS.

The amount of the rebate payable to Owner on a per-Provider basis is more particularly described in the allocation schedule set forth in Exhibit "D" attached hereto and made a part hereof (each a "**Rebate**" and collectively the "**Rebates**") and shall be paid via wire transfer of immediately available funds no later than the date which is fifteen (15) days after the date all Conditions are satisfied as to each Provider. Owner agrees to pay any and all taxes or assessments payable on, or in connection with, the Rebate. Owner hereby acknowledges and agrees that (1) nothing contained herein shall be deemed a guaranty by LN DAS of a Rebate to Owner, and (2) the Rebate is subject to reimbursement in accordance with Section 10(n) below.

5. Term of Agreement.

(a) Term. The initial term of five (5) years shall commence upon LN DAS's initiation of construction of LN DAS's Infrastructure (including the fiber within the Telecom Conduit on the Property) (the "**Initial Term**"). The Agreement shall automatically renew for four (4) successive terms of five (5) years each (collectively, the "**Extension Terms**", and, together with the Initial Term, the "**Term**"), unless LN DAS provides Owner written notice of termination at least one hundred eighty (180) days prior to the expiration of the Initial Term or any Extension Term, whichever is applicable.

(b) Owner's Termination Right. Owner shall have the right to terminate this Agreement and the license granted herein by written notice delivered to LN DAS (i) in the event that LN DAS fails to fully install and make operational the LN DAS's Infrastructure on or before December 31, 2013; or (ii) upon written notice to LN DAS at least one hundred eighty (180) days prior to the end of the third Extension Term or any Extension Term thereafter, which termination shall be effective at the end of any then current Extension Term.

(c) End of Term. Owner acknowledges and agrees that all of LN DAS's Infrastructure shall remain the personal property of LN DAS and LN DAS shall have the right to remove the same at any time during the Term, whether or not said items are considered fixtures and attachments to real property under applicable laws.

6. Interference. It is the intent of the parties to operate the LN DAS's Infrastructure and Owner's Infrastructure as a unified, seamless, and functional distributed antenna system, free from radio frequency or other interference, interconnecting the Wireless Service Providers' networks via the Backhaul Network from the Telecom Hotel to the In-Building DAS on the Property. All operations by LN DAS shall be in compliance with all applicable laws, including without limitation, Federal Communications Commission rules and regulations. LN DAS shall use its commercially reasonable efforts to cause any Wireless Service Provider using the LN DAS's Infrastructure to be in compliance with all applicable laws, including without limitation, Federal Communications Commission rules and regulations with respect to such use of the of the LN DAS's Infrastructure. Owner shall not have any responsibility for the licensing, operation and/or maintenance of the LN DAS's Infrastructure. Each party agrees to only install or permit the installation of equipment on the Property (whether as part of the In-Building DAS or otherwise) of the type and frequency that will not cause harmful interference which is measurable in accordance with existing industry standards to any equipment of the other, priority being afforded to equipment that exists first-in-time. In the event any such after-installed equipment by either party causes such interference, and after the aggrieved party notifies the offending party in writing of such interference, the offending party shall take all steps necessary to correct and eliminate the interference within forty-eight (48) hours of such written notice. To the extent the offending party is unable to cure the interference within this timeframe, the offending party shall power down the interfering equipment, except for intermittent testing until such time as the interference is remedied. If the offending party is unable to cure the interference within thirty (30) days of receipt of written notice of such interference, then the offending party shall remove the equipment which caused the interference. Notwithstanding the foregoing, if the offending party is actively procuring a cure for the interference, but said interference cannot be cured within thirty (30) days of receipt of the written notice of such interference, then the

offending party shall have an additional thirty (30) days to pursue the cure during which the offending party shall not be required to remove the equipment that is causing the interference, but shall keep the interfering equipment powered down, except for intermittent testing, until the interference is cured. The parties acknowledge that there shall not be an adequate remedy at law for noncompliance with the provisions of this section, and therefore, either party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance. The remedies described in this Section 7 shall be the sole and exclusive remedies of the parties hereunder with respect to any claim of interference.

7. Subordination and Non-Disturbance. Within a reasonable period of time following the execution of this Agreement, Owner shall obtain a Non-Disturbance Agreement, as set forth below, from its existing mortgagees and ground lessors, if any, of the Property, for the benefit of LN DAS. The Non-Disturbance Agreement shall include the encumbering party's ("**Lender's**") agreement that, if Lender or its successor-in-interest or any purchaser of Lender's or its successor's interest (a "**Purchaser**") acquires an ownership interest in the Property, Lender or such successor-in-interest or Purchaser will not disturb LN DAS's rights under this Agreement so long as LN DAS is not in default of its obligations under this Agreement.

8. Insurance and Indemnity.

(a) Required Insurance. LN DAS shall, at LN DAS's sole cost and expense, procure and continue in force during the Term:

(i) workers' compensation insurance (at statutory limits); and

(ii) commercial general liability and property damage insurance (including completed operations and contractual liability) on an occurrence basis in at coverage amounts consistent with best industry standards in Florida for contractors and subcontractors performing services and work of the nature contemplated by this Agreement.

(b) Form of Policies. All policies shall be written by an insurer licensed to do business in Florida and shall provide that such coverage shall not be cancelled or materially, adversely changed without a minimum of 30 days written notice to Owner. The insurance described in (a -ii) above shall name Owner as an additional insured. LN DAS may procure and maintain such coverage required under Paragraph 8(a) under one or more blanket policies of insurance covering the Property and other locations of LN DAS, provided any such blanket policy specifically provides that the portion of the total coverage of such policy that is allocated to the Property is in the amounts required pursuant to this Paragraph 8.

(c) Evidence. LN DAS shall, and shall cause each approved contractor to, produce, prior to commencing any installation, repair, or maintenance work at the Property or entry onto the Property, a certificate or original insurance policy evidencing the existence of the insurance described in clauses (i) and (ii) of Paragraph 8(a).

(d) Mutual Release. LN DAS agrees that Owner and its directors, trustees, employees and agents (collectively, "**Owner Parties**") shall not be liable to LN DAS, and LN DAS hereby releases the Owner Parties, for any personal injury or damage to or loss of personal

property in the Property from any cause whatsoever unless such damage, loss or injury is the result of the gross negligence or willful misconduct of the Owner Parties; and the Owner Parties shall not be liable to LN DAS for any such damage or loss whether or not the result of their gross negligence to the extent LN DAS is compensated therefore by LN DAS's insurance required to be maintained hereunder or actually maintained by LN DAS and Owner Parties shall in no event be liable to LN DAS for any consequential, exemplary or punitive damages in connection with the foregoing.

Owner agrees that LN DAS and its directors, employees and agents (collectively, "**LN DAS Parties**") shall not be liable to Owner, and Owner hereby releases the LN DAS Parties, for any personal injury or damage to or loss of personal property in the Property from any cause whatsoever unless such damage, loss or injury is the result of the gross negligence or willful misconduct of the LN DAS Parties; and the LN DAS Parties shall not be liable to Owner for any such damage or loss whether or not the result of their gross negligence to the extent Owner is compensated therefore by Owner's insurance maintained by Owner and LN DAS Parties shall in no event be liable to Owner for any consequential, exemplary or punitive damages in connection with the foregoing.

(e) Mutual Indemnity. LN DAS shall defend, indemnify and save harmless Owner Parties against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys' fees actually incurred, which may be imposed upon or incurred by or asserted against the Owner Parties for (i) any work or act done in, on or about the Property or Building or any part thereof at the direction of LN DAS, its agents, contractors, subcontractors or employees, except if such work or act is done or performed by Owner Parties or their contractors, agents or employees; and (ii) any act or omission on the part of LN DAS or any of its agents, contractors, subcontractors or employees; excluding in each event for liability, obligations, damages, penalties, claims, costs, charges and expenses caused or resulting from the negligent acts or omissions or willful misconduct of Owner Parties or their contractors or subcontractors while acting within the scope of their employment or agency.

Owner shall defend, indemnify and save harmless LN DAS Parties against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys' fees actually incurred, which may be imposed upon or incurred by or asserted against the LN DAS Parties for (i) any work or act done in, on or about the Property or Building or any part thereof at the direction of Owner, its agents, contractors, subcontractors or employees, except if such work or act is done or performed by LN DAS Parties or their contractors, agents or employees; and (ii) any act or omission on the part of Owner or any of its agents, contractors, subcontractors or employees; excluding in each event for liability, obligations, damages, penalties, claims, costs, charges and expenses caused or resulting from the negligent acts or omissions or willful misconduct of LN DAS Parties or their contractors or subcontractors while acting within the scope of their employment or agency. Notwithstanding anything contained herein to the contrary, Owner shall not be construed or interpreted as (1) denying any remedy or defense available to Owner under the laws of the State of Florida; (2) the consent of the State of Florida or its agents and agencies to be sued other than Owner; or (3) a waiver of sovereign immunity of the State of Florida beyond the waiver provided in Section 768.28, Florida Statutes.

9. Liens. LN DAS shall pay or cause to be paid all costs for work performed or materials provided by or at the direction of LN DAS or related to the LN DAS's Infrastructure. LN DAS shall not suffer or permit any mechanic's, laborer's, or materialman's lien to be filed against the Building and the Property or any part thereof by reason of work, labor, services, or materials requested and supplies claimed to have been requested by or for LN DAS or any approved contractor; and if such lien shall at any time be so filed, LN DAS shall cause it to be canceled and discharged of record (by bonding or otherwise), within 30 days after notice of the filing thereof, and LN DAS shall indemnify and hold harmless Owner from any loss incurred in connection therewith.

10. Miscellaneous.

(a) Recording. Owner agrees to execute a memorandum of this Agreement, the form of which is set forth in Exhibit "E" hereto, which LN DAS may, at its sole cost and expense, record in the appropriate public records.

(b) Taxes. LN DAS shall pay any personal property taxes, assessments, or charges owed on the LN DAS's Infrastructure, and Owner shall pay any personal property taxes, assessments, or charges owed on the Owner's Infrastructure. Owner and LN DAS shall each be responsible for the payment of any taxes, levies, assessments and other charges imposed including franchise and similar taxes imposed upon the business conducted by Owner or LN DAS, as applicable, at the Property. Owner shall pay any personal property, real estate taxes, assessments, or charges owed on the Property and shall do so prior to the imposition of any lien on the Property.

(c) Notices. Any notices and deliveries which may be permitted or required hereunder must be in writing and addressed to the parties as set forth below, or to such other addresses within the continental United States (excluding post office boxes) as any party may designate to the other by notice. All notices and deliveries must be sent by one of the following means: (a) personal delivery, (b) nationally-recognized overnight courier (for example, Federal Express), or (c) United States Postal Service certified mail, postage prepaid, return receipt requested. Notices that are personally delivered, delivered by nationally-recognized overnight courier, or mailed are deemed received upon actual delivery. If any receiving party rejects or refuses to accept any notice, or if a notice is undeliverable because the receiving party has changed its address without providing notice of such change, that party will be deemed to have received the notice as of the date of the first attempted delivery by personal delivery, overnight courier, or USPS, as the case may be.

LN DAS's Address:

LN DAS, LLC
9801 Lake Nona Road
Orlando, FL 32827
Attn: Michael Voll

Owner's Address:

University of Central Florida Foundation
12424 Research Parkway, Suite 140
Orlando, Florida 32826
Attn: Mr. Robert Holmes, Chief Executive, and
Margaret Cole, General Counsel

University of Central Florida
400 Central Florida Boulevard
Millican Hall, Suite 360
Orlando, Florida 32816-0015
Attn: Tony Waldrop, Provost, and
W. Scott Cole, Vice President and General Counsel

(d) No Partnership. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture of or between LN DAS and Owner.

(e) Governing Law. This Agreement shall be governed, interpreted, construed and regulated by the laws of the State of Florida, without regard to its principles governing conflicts of law, and applicable federal laws.

(f) Third Party Beneficiaries. No non-party is intended to be or shall be a third-party beneficiary of this Agreement, except for those limited third-party beneficiary rights established in favor of the Wireless Service Providers under Section 10(n) below.

(g) Binding Effect. This Agreement inures to the benefit of and is binding upon the parties hereto and their respective successors and assigns. LN DAS may not assign this Agreement without the prior written consent of Owner, which such consent shall not be unreasonably withheld. LN DAS may assign this Agreement and its rights to any person or business entity which is an Affiliate of LN DAS without the prior consent of Owner. For purposes of this section, an "Affiliate" is any corporation or other entity which (i) directly or indirectly (through one or more subsidiaries) controls LN DAS, or (ii) is controlled directly or indirectly (through one or more subsidiaries) by LN DAS, or (iii) is under the common control directly or indirectly (through one or more subsidiaries) with LN DAS by the same parent corporation or other entity, or (iv) is the successor or surviving entity by a merger or consolidation of any such entity pursuant to applicable law, or (v) purchases all or substantially all of the assets of LN DAS as a going concern.

(h) Entire Agreement. This Agreement is the final, complete, and exclusive statement of the parties' intent and agreement, with respect to the subject matter hereof, and supersedes any written or oral representations, statements or agreements that may have been made or given by either party prior to or contemporaneously with the execution and delivery of this Agreement.

(i) Amendment. This Agreement may be amended only by written instrument signed by each of the parties.

(j) Severability. If any provision of this Agreement is found to be unenforceable or void, the offending provision is to be construed as valid and enforceable only to the extent permitted by law, and the remainder of this Agreement will remain in full force and effect.

(k) Litigation and Attorneys' Fees. In the event that either party finds it necessary to employ an attorney to enforce any provision of this Agreement, the predominantly prevailing party will be entitled to recover from the other party its reasonable attorneys' fees and costs incurred in connection therewith (including costs of collection), at both trial and appellate levels; including bankruptcy proceedings, in addition to any remedies to which such party may be entitled. The requirement to pay the predominantly prevailing party's reasonable attorneys fees and costs shall survive any termination of this Agreement. Nothing herein shall serve as a waiver or limitation of any defenses of University of Central Florida, on behalf of its Board of Trustees, pursuant to Section 768.28, Florida Statutes.

(l) Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed to be an original, but all of which together constitute one and the same instrument.

(m) Cooperation. Owner covenants and agrees that it will, at any time and from time to time, upon request of LN DAS, to work in good faith with LN DAS to provide for the interconnection of the Wireless Service Providers' networks via the Backhaul Network from the Telecom Hotel to the In-Building DAS on the Property or other in-building DAS on other properties. The grant of any licenses, easements or other rights of way shall be issued and agreed upon in Owner's reasonable discretion; provided, however, a decision to not provide such access shall not be a breach of this Agreement if such access is denied because such access is not required for the interconnection of the Wireless Service Providers' networks via the Backhaul Network from the Telecom Hotel to the In-Building DAS on the Property. Further, such rights or access shall not impose any additional costs on Owner and do not have a materially adverse impact on Owner's development and use of the Property. In the event the Property or Building is sold to a third-party, Owner agrees to cause such third-party to enter into an assignment of this Agreement evidencing its agreement to be bound by all the terms and provisions hereof.

(n) Default and Right to Cure.

(i) Default by Owner. In the event Owner fails to perform any obligation hereunder, or breaches any terms or provisions hereof, within thirty (30) days after receipt of written notice from LN DAS specifying such failure or breach, and such default is not cured within said thirty (30) day period, then LN DAS shall have the right to exercise any and all rights and remedies available to it under law and equity including, without limitation, the right to terminate this Agreement, to cure Owner's default, at LN DAS's cost to be reimbursed by Owner within thirty (30) days after receipt of written invoice from LN DAS detailing the actual, reasonable costs incurred thereby, and to suspend or discontinue telecommunication services to Owner provided through the In-Building DAS.

Owner hereby acknowledges and agrees that LN DAS and the Wireless Service Providers are placing material reliance on Owner's agreement to perform its obligations hereunder including, without limitation, the obligation to enter into, and continually keep in full force and effect during the term hereof, a Maintenance Agreement, and that any default by Owner hereunder will cause substantial injury and harm to LN DAS and the Wireless Service Providers for which monetary damages alone may be insufficient. In the event of a default by Owner, Owner acknowledges and agrees that the Wireless Service Providers shall be deemed third-party beneficiaries and shall be afforded all rights and remedies afforded to LN DAS as described hereunder.

All remedies available to LN DAS and the Wireless Service Providers shall be cumulative and non-exclusive (except for the refund of the Rebate(s) described in subparagraph (iii) below).

(ii) Default by LN DAS. In the event LN DAS fails to perform any covenant, agreement or obligation hereunder within thirty (30) days after receipt of written notice from Owner specifying such failure, and such default is not cured within said thirty (30) day period, then Owner shall have: (i) the right to sue for specific performance, or (ii) terminate this Agreement

(iii) Refund of Rebate(s) Upon Termination During the Initial Term. Owner hereby acknowledges and agrees that the Rebate(s) represent full and fair consideration for the license rights granted pursuant to Section 4(a) and that LN DAS and the Wireless Service Providers are placing material reliance on such license rights being available during the Initial Term and any Extension Term for the purposes contemplated hereunder, and that any termination of this Agreement prior to the expiration of the unexpired Initial Term (other than due to an event of default by LN DAS), will cause substantial injury and harm to LN DAS and the Wireless Service Providers for which monetary damages alone may be insufficient. In the event of any termination of this Agreement during the Initial Term, LN DAS (and the Wireless Service Providers, as intended third party beneficiaries) shall be entitled to receive a portion of the Rebate, within fifteen (15) days after such termination, calculated on a pro-rata sliding scale basis as follows: if during year 1 of the Initial Term, Owner shall refund 80% of the Rebate; if during year 2 of the Initial Term, Owner shall refund 60% of the Rebate; if during year 3 of the Initial Term, Owner shall refund 40% of the Rebate, if during year 4 of the Initial Term, Owner shall refund 20% of the Rebate; if during year 5 of the Initial Term, Owner shall refund 10% of the Rebate but for all years during the Term thereafter, Owner shall have no obligation to refund any portion of the Rebate. In the event that any Wireless Service Providers have exercised their third-party beneficiary rights hereunder, such party shall be entitled to receive that portion of the refund payable to LN DAS allocated to such provider as described in Exhibit "C" hereto whereupon the total amount of the refund payable to LN DAS hereunder shall be reduced by such amount.

(o) Time of the Essence. Time is of the essence of this Agreement.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

“OWNER”

Signed, sealed and delivered
in the presence of:

**UNIVERSITY OF CENTRAL FLORIDA
REAL ESTATE FOUNDATION, LLC, a
Florida limited liability company**

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

STATE OF FLORIDA)
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by _____, as _____ of University of Central Florida Real Estate Foundation, LLC, a Florida limited liability company, on behalf of the company. He/She is personally known to me or has produced _____ as identification.

Print Name: _____
 Notary Public, State of Florida
 Commission No.: _____
 My Commission Expires: _____

**UNIVERSITY OF CENTRAL
FLORIDA**, a state university organized and
existing under the laws of the State of
Florida

By: William F. Merck II, Vice President
for Administration & Finance

Executed on: _____

[illegible]

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by William F. Merck II, as Vice President for Administration & Finance of University of Central Florida, a state university organized and existing under the laws of the State of Florida, on behalf of the University. He is personally known to me or has produced _____ as identification.

Print Name: _____
Notary Public, State of Florida
Commission No.: _____
My Commission Expires: _____

Exhibit "A"

LAND

LAKE NONA SOUTH UCF (WEST PARCEL):

That part of Section 26, Township 24 South, Range 30 East, Orange County, Florida, described as follows:

Commence at the Southeast corner of the Southeast 1/4 of said Section 26; thence N89°17'38"W along the South line of the Southeast 1/4 of said Section 26 for a distance of 371.16 feet; thence N43°43'49"E, 229.28 feet; thence N30°56'19"E, 288.27 feet; thence N47°29'38"W, 18.00 feet; thence N40°26'49"W, 200.13 feet; thence N26°23'48"W, 360.97 feet; thence S27°24'00"W, 61.96 feet; thence N34°54'59"W, 352.22 feet; thence N25°05'40"E, 127.07 feet; thence N56°41'49"W, 225.45 feet; thence N14°57'30"W, 18.00 feet; thence N75°02'30"E, 14.55 feet; thence N14°57'30"W, 60.00 feet to the POINT OF BEGINNING; thence S75°02'30"W, 205.56 feet to the point of curvature of a curve concave Southerly having a radius of 780.00 feet and a chord bearing of S71°47'07"W; thence Westerly along the arc of said curve through a central angle of 06°30'47" for a distance of 88.67 feet to the point of tangency; thence S68°31'43"W, 184.19 feet to the point of curvature of a curve concave Northerly having a radius of 729.00 feet and a chord bearing of S86°54'39"W; thence Westerly along the arc of said curve through a central angle of 36°45'51" for a distance of 467.77 feet to the point of tangency; thence N74°42'25"W, 270.45 feet to the point of curvature of a curve concave Southerly having a radius of 800.00 feet and a chord bearing of N75°43'12"W; thence Westerly along the arc of said curve through a central angle of 02°01'33" for a distance of 28.29 feet to the point of reverse curvature of a curve concave Northerly having a radius of 800.00 feet and a chord bearing of N75°43'12"W; thence Westerly along the arc of said curve through a central angle of 02°01'33" for a distance of 28.29 feet to the point of tangency; thence N74°42'25"W, 5.00 feet to the point of curvature of a curve concave Southerly having a radius of 425.00 feet and a chord bearing of N75°48'47"W; thence Westerly along the arc of said curve through a central angle of 02°12'44" for a distance of 16.41 feet to the point of reverse curvature of a curve concave Northeasterly having a radius of 40.00 feet and a chord bearing of N36°14'53"W; thence Northwesterly along the arc of said curve through a central angle of 81°20'31" for a distance of 56.79 feet to the point of tangency; thence N04°25'22"E, 29.85 feet to the point of curvature of a curve concave Westerly having a radius of 430.00 feet and a chord bearing of N01°10'12"E; thence Northerly along the arc of said curve through a central angle of 06°30'21" for a distance of 48.83 feet to the point of tangency; thence N02°04'59"W, 450.70 feet to the point of curvature of a curve concave Southeasterly having a radius of 40.00 feet and a chord bearing of N41°51'21"E; thence Northeasterly along the arc of said curve through a central angle of 87°52'39" for a distance of 61.35 feet to the point of reverse curvature of a curve concave Northerly having a radius of 1850.00 feet and a chord bearing of N78°44'05"E; thence Easterly along the arc of said curve through a central angle of 14°07'10" for a distance of 455.90 feet to the point of tangency; thence N71°40'30"E, 54.22 feet to the point of curvature of a curve concave Northwesterly having a radius of 1976.87 feet and a chord bearing of N62°57'10"E; thence Northeasterly along the arc of said curve through a central angle of 17°26'40" for a distance of 601.89 feet to the point of reverse curvature of a curve concave Southerly having a radius of 40.00 feet and a chord

bearing of S81°56'05"E; thence Easterly along the arc of said curve through a central angle of 87°40'12" for a distance of 61.21 feet to the point of tangency; thence S38°05'59"E, 266.99 feet; thence S42°33'20"E, 154.46 feet; thence S38°05'59"E, 480.65 feet to the point of curvature of a curve concave Westerly having a radius of 40.00 feet and a chord bearing of S15°50'09"W; thence Southerly along the arc of said curve through a central angle of 107°52'16" for a distance of 75.31 feet to the point of tangency; thence S69°46'17"W, 344.39 feet to the point of curvature of a curve concave Northerly having a radius of 624.00 feet and a chord bearing of S72°24'24"W; thence Westerly along the arc of said curve through a central angle of 05°16'13" for a distance of 57.40 feet to the POINT OF BEGINNING.

TOGETHER WITH:

LAKE NONA SOUTH UCF (EAST PARCEL):

That part of Sections 25 and 26, Township 24 South, Range 30 East, Orange County, Florida, described as follows:

Commence at the Southeast corner of the Southeast 1/4 of said Section 26; thence N89°17'38"W along the South line of the Southeast 1/4 of said Section 26 for a distance of 371.16 feet; thence N43°43'49"E, 229.28 feet; thence N30°56'19"E, 288.27 feet; thence N47°29'38"W, 18.00 feet; thence N40°26'49"W, 200.13 feet; thence N26°23'48"W, 360.97 feet; thence S27°24'00"W, 61.96 feet; thence N34°54'59"W, 352.22 feet; thence N25°05'40"E, 127.07 feet; thence N56°41'49"W, 225.45 feet; thence N14°57'30"W, 18.00 feet; thence N75°02'30"E, 14.55 feet to the point of curvature of a curve concave Northerly having a radius of 684.00 feet and a chord bearing of N72°24'24"E; thence Easterly along the arc of said curve through a central angle of 05°16'13" for a distance of 62.92 feet to the point of tangency; thence N69°46'17"E, 396.18 feet to the point of curvature of a curve concave Southerly having a radius of 3250.00 feet and a chord bearing of N71°08'11"E; thence Easterly along the arc of said curve through a central angle of 02°43'49" for a distance of 154.86 feet to a non-tangent line; thence N17°29'55"W, 60.00 feet to a point on a non-tangent curve concave Northerly having a radius of 40.00 feet and a chord bearing of N72°47'57"W and to the POINT OF BEGINNING; thence Westerly along the arc of said curve through a central angle of 69°23'56" for a distance of 48.45 feet to the point of tangency; thence N38°05'59"W, 591.98 feet to the point of curvature of a curve concave Easterly having a radius of 40.00 feet and a chord bearing of N05°20'45"E; thence Northerly along the arc of said curve through a central angle of 86°53'27" for a distance of 60.66 feet to the point of reverse curvature of a curve concave Northwesterly having a radius of 2356.87 feet and a chord bearing of N38°06'57"E; thence Northeasterly along the arc of said curve through a central angle of 21°21'03" for a distance of 878.27 feet to a non-tangent line; thence S68°16'58"E, 405.02 feet; thence N90°00'00"E, 235.12 feet; thence S00°00'00"W, 890.50 feet to the point of curvature of a curve concave Northwesterly having a radius of 40.00 feet and a chord bearing of S42°31'46"W; thence Southwesterly along the arc of said curve through a central angle of 85°03'33" for a distance of 59.38 feet to the point of reverse curvature of a curve concave Southerly having a radius of 3310.00 feet and a chord bearing of S78°46'49"W; thence Westerly along the arc of said curve through a central angle of 12°33'27" for a distance of 725.46 feet to the POINT OF BEGINNING.

EXHIBIT "B"

DAS SYSTEM ACCEPTANCE CRITERIA

Verizon:

The DAS System will be ready to accept signals from Verizon. The coverage area as depicted in the pages following will support the Verizon services and technologies specified below with 95% coverage at the specified levels specified below.

The specified levels are as follows:

The system will support the 700MHz LTE band with the following technologies and their specified coverage requirements:

SISO Technology with 1 carrier, 0 dB of backoff power, and -70 RSSI

The system will support the PCS1900 band with the following technologies and their specified coverage requirements:

SISO Technology with 4 carriers, 0 dB of backoff power, and -85 RSSI

Sprint:

The DAS System will be ready to accept signals from Sprint. The coverage area as depicted in the pages following will support the Sprint services and technologies specified below with 95% coverage at the specified levels specified below.

The specified levels are as follows:

The system will support the LMR800 band with the following technologies and their specified coverage requirements:

SISO Technology with 12 carriers, 0 dB of backoff power, and -85 RSSI

The system will support the SMR900 band with the following technologies and their specified coverage requirements:

SISO Technology with 12 carriers, 0 dB of backoff power, and -85 RSSI

The system will support the PCS1900 band with the following technologies and their specified coverage requirements:

SISO Technology with 4 carriers, 6 dB of backoff power, and -85 RSSI

AT&T:

The DAS System will be ready to accept signals from AT&T. The coverage area as depicted in the pages following will support the AT&T services and technologies specified below with 95% coverage at the specified levels specified below.

The specified levels are as follows:

The system will support the 700MHz LTE band with the following technologies and their specified coverage requirements:

SISO Technology with 1 carrier, 0 dB of backoff power, and -70 RSSI

The system will support the CELL850 band with the following technologies and their specified coverage requirements:

SISO Technology with 4 carriers, 0 dB of backoff power, and -85 RSSI

The system will support the PCS1900 band with the following technologies and their specified coverage requirements:

SISO Technology with 1 carrier, 8 dB of backoff power, and -85 RSSI

Exhibit "C"
Location of LN DAS's Infrastructure

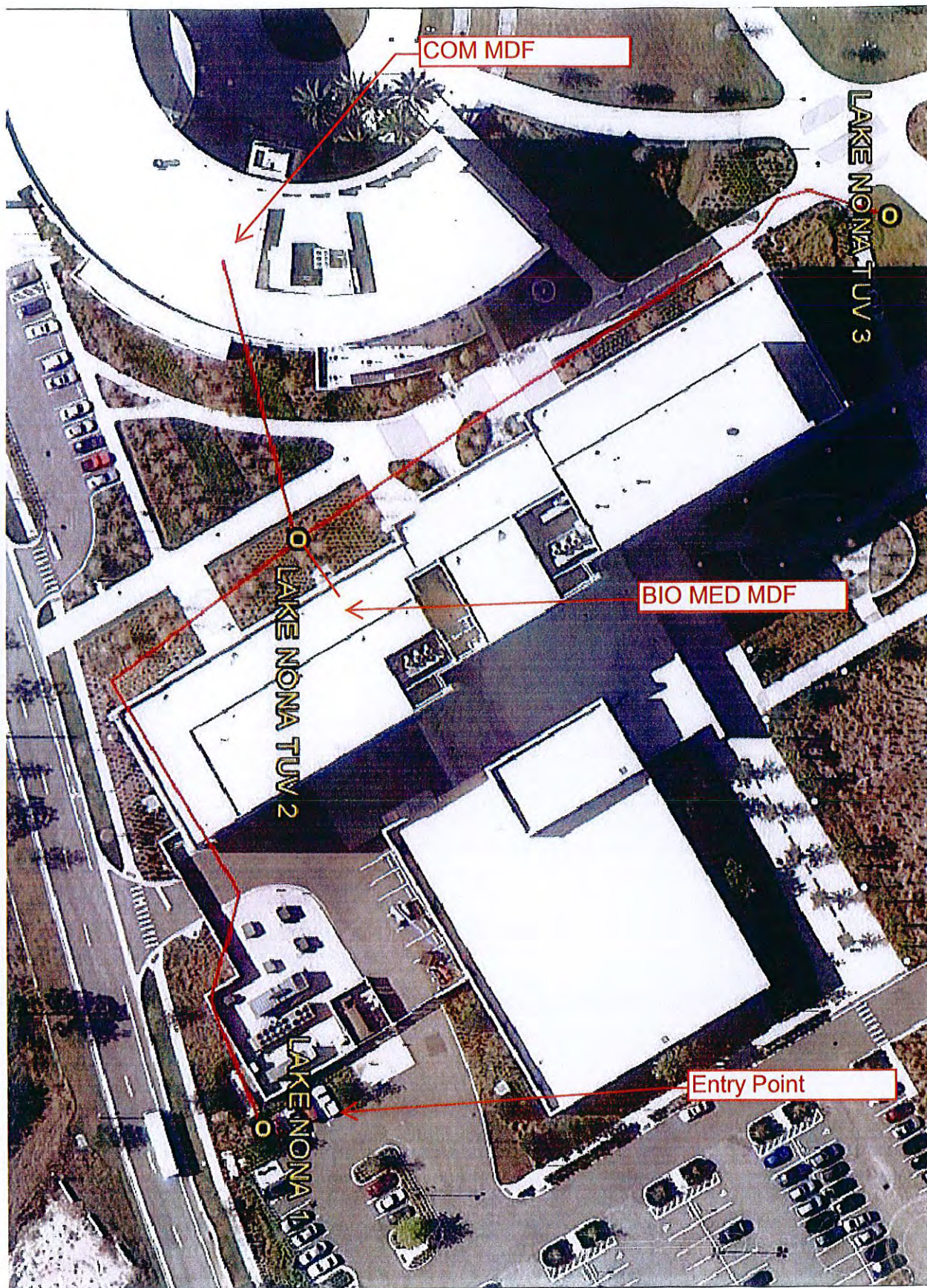


EXHIBIT "D"

REBATES

Verizon:	\$66,198.00
Sprint:	\$66,198.00
AT&T:	\$66,198.00

Exhibit "E"
Form of Memorandum of License Agreement

After recording return to:

Sara W. Bernard, Esquire
Broad and Cassel
Bank of America Center
Post Office Box 4961
Orlando, Florida 32802

MEMORANDUM OF LICENSE AGREEMENT

This Memorandum of License Agreement (this "**Memorandum**"), dated to be effective as of _____, 2012, is entered into by and among **UNIVERSITY OF CENTRAL FLORIDA REAL ESTATE FOUNDATION, LLC**, a Florida limited liability company, whose address is 4000 Central Florida Boulevard, Millican Hall, Suite 360, Orlando, Florida 32816-0015, and **UNIVERSITY OF CENTRAL FLORIDA**, on behalf of its Board of Trustees, whose address is c/o UCF Foundation, 12424 Research Parkway, Suite 250, Orlando, Florida 32826-3257 (collectively, the "**Owner**"), and **LN DAS, LLC**, a Florida limited liability company ("**LN DAS**").

RECITALS:

- A. Owner is the fee simple owner and lessee of certain improved real property located in Orlando, Florida, which real property is more particularly described on **Exhibit "A"** attached hereto and incorporated by reference herein (the "**Land**"). The Land is improved with certain buildings currently being operated and used by Owner as a pediatric hospital (the "**Buildings**"; and, together with the Land, the "**Property**").
- B. The Property is part of the Lake Nona DRI development (the "**Project**"). LN DAS controls certain parcels of property within the Project, through easements with the developer of the Project, including easements immediately adjacent to the Property (the "**LN DAS's Property**").
- C. LN DAS and Owner have executed a certain License Agreement on or about the date hereof (the "**Agreement**"), which Agreement governs the parties' respective rights and responsibilities regarding the construction, installation, interconnection, and operation of an DAS on the Property.
- D. The parties have executed this Memorandum to be recorded in the Official Records of Orange County, Florida, to evidence the existence and certain terms set forth in the Agreement.

NOW THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars, in hand paid, the mutual premises of this Agreement, and other good and valuable consideration, the

receipt, sufficiency, and adequacy of which are hereby acknowledged, the parties agree as follows:

1. LN DAS's Infrastructure. The Agreement grants, subject to the terms and conditions set forth therein, LN DAS a license to install, maintain, repair, and operate, at LN DAS's sole cost and expense, communications infrastructure and facilities on the Property in the locations shown on Exhibit "B" attached hereto and made a part hereof, all of which constitute "**LN DAS's Infrastructure**", as such term is defined in the Agreement. LN DAS's Infrastructure shall be owned by LN DAS. LN DAS also has the right, subject to the terms and conditions set forth in the Agreement, at LN DAS's sole cost and expense, to maintain, repair, replace and upgrade the LN DAS's Infrastructure at any time and from time to time, and in so doing to access the Property and LN DAS's Infrastructure seven (7) days a week, twenty four (24) hours a day.
2. License of Owner's Infrastructure. The Agreement further grants to LN DAS the right to interconnect LN DAS's Infrastructure with Owner's In-Building DAS via the Remote Head-End (as such term is defined in the Agreement) and to interconnect the Wireless Carriers (as such term is defined in the Agreement) with Owner's In-Building DAS for the transmission of communications signals from the Wireless Carriers' network, to the In-Building DAS (as such term is defined in the Agreement), all subject to the terms and conditions of the Agreement.
3. Term of Agreement. The Agreement is effective as of the date of execution by both parties, and will continue for an initial term of five (5) years thereafter (the "**Initial Term**"). The Agreement will automatically renew for four (4) successive five (5) year terms (the "**Extension Terms**", and, together with the Initial Term, the "**Term**"), unless LN DAS provides Owner written notice of termination at least 180 days prior to the then-current expiration of the Term. Owner has certain termination rights as set forth in the Agreement, including the right to terminate the Agreement at any time after December 31, 2013, at the end of the then current Extension Term, on at least 180 days prior notice to LN DAS. Following the termination of the Agreement, Owner shall have the right to execute and file a termination of license notice, without the need for such to be executed by LN DAS.
4. Purpose. This Memorandum is prepared for the purpose of recordation only, and it in no way modifies the provisions of the Agreement. In the event of any inconsistency between the provisions of this Memorandum and the Agreement, the provisions of the Agreement shall prevail.

(Signatures commence on the next page.)

Exhibit "A" - Land

Exhibit "B" - Locations of LN DAS's Infrastructure

IN WITNESS WHEREOF, this Memorandum has been duly executed on this _____ day of _____, 2012.

Witnesses:

LN DAS, LLC,
a Florida limited liability company

Name: _____

By: _____

Print Name: _____

Title: _____

Name: _____

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by _____, the _____ of LN DAS, LLC, on behalf of said company. _____ has produced _____ as identification.

(SEAL)

Notary Public - State of Florida

Commission Number: _____

**UNIVERSITY OF CENTRAL FLORIDA
REAL ESTATE FOUNDATION, LLC, a
Florida limited liability company**

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

STATE OF FLORIDA)
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, as _____ of University of Central Florida Real Estate Foundation, LLC, a Florida limited liability company, on behalf of the company. He/She is personally known to me or has produced _____ as identification.

Print Name: _____
 Notary Public, State of Florida
 Commission No.: _____
 My Commission Expires: _____

**UNIVERSITY OF CENTRAL
FLORIDA**, a state university organized and
existing under the laws of the State of
Florida

By: William F. Merck II, Vice President
for Administration & Finance

Executed on: _____

STATE OF FLORIDA)
)
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by William F. Merck II, as Vice President for Administration & Finance of University of Central Florida, a state university organized and existing under the laws of the State of Florida, on behalf of the University. He is personally known to me or has produced _____ as identification.

Print Name: _____
 Notary Public, State of Florida
 Commission No.: _____
 My Commission Expires: _____

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Report on the Assessment of the President's Performance

DATE: November 15, 2012

PROPOSED BOARD ACTION

Accept the report on the president's performance from the independent consultant, Dr. Constantine Curris, and approve the committee's recommendations.

BACKGROUND INFORMATION

On November 30, 2004, the Presidential Performance and Compensation Review Policy was approved by the University of Central Florida Board of Trustees. This policy provides for the review of the president's performance and compensation on an annual basis by the board and also at three-year intervals by independent consultants. The comprehensive assessment was last completed in 2009 and was due again in 2012.

In addition, the charter of the Compensation and Labor Committee, approved by the board on March 19, 2009, states that the committee will submit an annual recommendation to the board for the president's performance and compensation.

Supporting documentation:

Attachment A: 2011-12 Compensation and Labor Committee Presidential
Assessment Report and Recommendations

Attachment B: University of Central Florida Presidential Evaluation Report
submitted by Constantine Curris

Prepared by: Mark Roberts, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

**2011-12
Compensation and Labor Committee
Presidential Assessment Report and Recommendations**

UCF Board of Trustees

The Compensation and Labor Committee held public meetings on April 12, June 27, and October 18, 2012. In accordance with the Board of Trustees' Presidential Performance and Compensation Review Policy, a comprehensive performance assessment of President Hitt was conducted by Dr. Constantine Curris, an independent consultant selected by the committee. After talking with approximately 100 individuals, Dr. Curris wrote the following in his report.

“Several interviews with higher education leaders in Florida and beyond drew highly complementary assessments of President Hitt’s leadership and collegiality. He is viewed as one of the nation’s leaders in establishing working relationships between universities and the regions they serve and in developing a prototype metropolitan university. He is likewise seen as a valued contributor to adapting the higher education enterprise to societal needs. As one of his peers noted, “Central Florida is the model for the universities of tomorrow.”

“President Hitt possesses, as well as any university president in the nation, the constellation of leadership qualities governing boards seek in their executives.”

“Interviews with each of the UCF Trustees and with President Hitt confirmed the perception held by many that there is a strong, working partnership between the Board and its chief executive. These interviews did not identify a single issue that has frayed or threatens to fray the mutual respect and trust evident in these relationships. Many of the “best practices” gleaned from publications of the Association of Governing Boards (AGB) are operational at UCF.”

In summary, the committee endorses the consultant’s report and commends the president on the exceptional work he has accomplished over the last three years, as well as the last twenty years. The committee recommends your approval of the assessment of the president as outstanding. The committee also recommends adopting the consultant’s recommendation that a board retreat be held in the near future to discuss major issues impacting the success of the University of Central Florida.

Prepared by: Mark Roberts, Associate Vice President and
Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

11-15-2012

Attachment B

University of Central Florida Presidential Evaluation

A Report to the UCF Trustees

The University of Central Florida Board of Trustees requested Dr. Constantine (Deno) Curriss, former president of Murray State, Northern Iowa, and Clemson Universities to conduct a comprehensive evaluation of the leadership performance of President John Hitt. While Dr. Hitt's tenure at UCF has extended over two decades, this evaluation focused on the three years since the last comprehensive evaluation was undertaken. A special emphasis was placed on identifying the key issues which the University's leadership will need to address in the coming years.

This presidential review was conducted in September 2012 through two visits to the campus as well as through telephonic interviews with community leaders, national higher education officials, and UCF officers and trustees not available during the campus visits. The observations of over 100 individuals were received and weighed, along with the consultant's review of innumerable reports generated by UCF offices, the Florida Board of Governors, and data collected and published by the US Office of Education. The minutes of UCF Trustee meetings were likewise read and studied.

A full effort was made to convey the sentiments expressed by University constituent groups, as well as to offer, when helpful and appropriate, personal assessments and conclusions. While every effort has been made to insure the accuracy of information and data incorporated in this report, should there be factual errors, apologies are extended. The consultant was grateful for the candor and constructive suggestions offered by all interviewees, including each member of the UCF Board of Trustees.

I. OVERVIEW

Dr. John Hitt has served as President of the University of Central Florida for two decades, a tenure remarkable in both length and achievements. During this 20 year period student enrollment has grown from nearly 22,000 to approximately 59,000 students, campus facilities have doubled, academic programs have expanded with a significant expansion of doctoral programs and the monumental establishment of a school of medicine. This consultant is unaware of another university that has experienced a transformation of comparable scope and complexity in such a limited time period.

This transformation has been accomplished with a few minor, but no major difficulties or disruptions. Central to these outstanding achievements have been five goals enunciated by President Hitt during his inaugural year and unfailingly reiterated throughout his presidency. They have been embraced by the University community as articles of faith. Nearly every

individual interviewed these past weeks has referenced the five and volunteered that they are strongly and emphatically embraced by the UCF community. They are:

1. Offer the best undergraduate education available in Florida,
2. Achieve international prominence in key programs of graduate study and research,
3. Provide international focus to our curricula and research programs,
4. Become more inclusive and diverse, and
5. Be America's leading partnership university.

These goals have been woven into the fabric of the institutional culture. Subsequent sections in this report discuss how key issues before the campus community flow from concerns that contemporary fiscal and political realities are impairing or will soon impair the University's ability to be faithful to these goals.

A brief summary of institutional advancement provides the context for better understanding the sentiments expressed by key constituencies within and without the campus proper.

Student enrollment increases now position Central Florida as the nation's second largest university.

The "Direct Connect" program has expanded transfer student enrollment to a point where the number of transfers nearly matches the number of entering freshmen.

Entering freshmen recorded an average 1250 SAT score with a composite 3.87 high school grade point average.

External research funding has exceeded \$100 million for four consecutive years.

The College of Medicine is fully operational and will graduate its first class next year.

The University's "blended learning" model of campus-based and on-line coursework has received national acclaim.

Its nationally-recognized commitment to "partnerships" is manifest in the rejuvenation of the Central Florida Research Park, the creation of the Florida High Tech Corridor and the Medical City at Lake Nona as well as eleven off-campus UCF locations.

All eligible academic programs are professionally accredited.

Six year graduation rates have improved to 64%.

The number of UCF graduates has passed the 200,000 mark.

President Hitt's presidency enjoys strong and widespread support from campus constituencies as determined by the extensive interviews conducted during this evaluation. A capable and stable

administrative leadership team is outspoken in its support of the President's leadership, expressing personal and professional loyalty to UCF and its President. As one Vice-President observed, "We feel as if we are part of an epic undertaking." The deans of several colleges, though anxious (as nationwide most deans are) about future funding prospects, endorse the President's leadership, and in the main are optimistic about the University's future and excited about its growing research profile. They relish opportunities to enhance the University's national reputation.

Faculty governance leaders and those faculty holding endowed chairs, as well as several instructors with whom informal conversations were struck, similarly endorse President Hitt's leadership. They note, with considerable pride, the significant advances recorded the last two decades. Yet, within all academic ranks, major concerns were expressed relative to the heavy teaching burdens borne by most faculty, the growing and troubling student-faculty ratios, and the increased reliance on part-time and adjunct faculty. As a prominent academic leader on campus expressed, "The faculty is at the breaking point."

The more critical of these observations were made by designated representatives of the faculty union. While expressing reservations whether the University was inclined to correct these problems, they were complimentary of the University's progress and the quality of its academic leadership.

Clerical staff and mid-level management indicated both unstinting support for President Hitt's leadership and anxiety over how the University will be affected by the President's retirement, whenever that may occur. Despite considerable agreement that fiscal constraints in the past few years have hampered their ability to do their work as well as they wish, these individuals affirmed marked loyalty to the University and praised UCF as a great place to work.

Student leaders, as well as students randomly met in several campus venues during the lunch hour, like President Hitt. Student leaders hail his accessibility and his respectful and caring attitude toward students, while several students not holding leadership roles noted his visibility on campus and his presence at events students attend. Kudos were given the "administration" for providing students with a beautiful campus, outstanding physical facilities, and a collegiate environment comparable if not superior to any in the state. Those compliments, however, did not extend to student parking. Students, to a person, lamented the absence of sufficient parking spaces. It is interesting to note that students active in student governance and activities are very much aware of the interrelated issues of limited course offerings, large class sizes, declining state appropriations and tuition increases.

Interviews were held with several individuals not regularly on campus. These included members of the UCF Alumni Association, heads of two of UCF's off-campus centers, elected officials, members of the UCF Foundation, and a few personal friends residing in the greater Orlando area. They were unanimous in their praise of President Hitt's leadership and the University's accomplishments. In a few interviews their words came close to adulation. Key to these effusive expressions were 1) immense pride in the transformation of UCF into a major, nationally recognized university, and 2) the engagement of the University with community leaders promoting economic development and an enhanced life quality in the greater Orlando

region. While “partnerships” can be interpreted in several ways, there is no doubt but that under John Hitt’s leadership, UCF has been woven into the fabric of central Florida and is now seen as indispensable to the future of the entire region.

Several interviews with higher education leaders in Florida and beyond drew highly complimentary assessments of President John Hitt’s leadership and collegiality. He is viewed as one of the nation’s leaders in establishing working relationships between universities and the regions they serve and in developing a prototype metropolitan university. He is likewise seen as a valued contributor to adapting the higher education enterprise to societal needs. As one of his peers noted, “Central Florida is the model for the universities of tomorrow.”

While there are challenges wrought by economic forces as well as social and political movements, President John Hitt is viewed as an extraordinarily effective president, a respected and influential community leader, and a leading higher education spokesman in the state. One individual observed that he is “the living logo of the University.”

II. LEADERSHIP QUALITIES

President Hitt possesses, as well as any university president in the nation, the constellation of leadership qualities governing boards seek in their executives. These qualities, discussed in the following paragraphs, were compiled from statements volunteered by interviewees and from deductive judgments of descriptive materials prepared by the university, the State University System, and reports issued by the US Department of Education.

Foremost among these leadership qualities is the President’s visionary capabilities. Virtually every interviewee noted the President’s farsightedness in enunciating a vision of UCF five to ten years down the road. The materialization of these foresights has left many observers awe-struck. A retired local journalist, for example, recalls the day a colleague walked into newsroom chortling about the President’s wild-haired idea that the University would build a medical school.

A more compelling attribute has been the President’s ability both to mobilize the financial, human, and political resources, as well as to generate institutional and public support to achieve these visionary goals. These accomplishments, in turn, have engendered a leadership aura that has positioned the President as one of the more influential and powerful public figures in central Florida. That reputation is a considerable accomplishment for an individual not viewed as egocentric or overly extroverted.

Every individual interviewed responded he or she has never had cause to question the President’s integrity or his ethical values. Given the length of his presidential tenure and the breadth of his responsibilities and engagements, these insights are significant. Colleagues particularly close to the President see him as a deeply religious individual, whose decisions consistently support his stated values, especially his commitment to insuring educational access and his passion for institutional improvement.

His understanding of political and community interests and his insight into human behavior, combined with unimpeachable personal integrity and a known and solid value system, define John Hitt and explain his successful leadership.

The University has benefitted from a strong and stable leadership team. The President's managerial philosophy emphasizes consultation and collaboration, but with an appreciation that in the end a leader must decide. He welcomes divergent viewpoints but expects all to rally around the final decision. While a majority of individuals who report to him indicate no reluctance to express opinions, and any disagreements, a few members of his leadership team are reluctant to do so, suggesting that the President is averse to controversy. Nevertheless, a clear picture emerges outlining the President's working relationship with his leadership team. That relationship is characterized by: 1) an enunciation of what is to be accomplished, 2) the President's strong backing, and 3) sufficient delegated authority. Every member of the leadership team acknowledges there is neither ambiguity about these expectations, nor any micromanagement. This managerial philosophy is extensively appreciated and has helped to create a sentiment that theirs is a "leadership team" where every member is valued.

This management style, nevertheless, can be a two-edged sword. Last year's unhappy developments in the administration of intercollegiate athletics are viewed by several as an example where the President should have exerted greater oversight and may have been "loyal to a fault." These individuals quickly added that when the facts were known, the President acted promptly, decisively, and effectively. Such compliments for the President's response, it should be noted, are widely shared on and off the campus, and in athletic and non-athletic circles.

In the several interviews conducted as part of this evaluation process, certain presidential attributes were repeatedly expressed – in addition to those reported and discussed in the previous paragraphs. In no particular order the following descriptors were often proffered: authentic, caring, thoughtful, well informed, accessible, strategic, bold, trustworthy and trusting. Noteworthy is that not a single negative descriptor was provided by the over one hundred individuals interviewed, though two interviewees, referring to the President's collegiate athletic prowess, noted that the former offensive lineman does not hesitate to throw a pancake block when needed. In summary, after twenty years in the public limelight, President John Hitt is a known quantity – liked, respected and admired.

III. LEADERSHIP CHALLENGES

As one would expect in a presidential evaluation, participants identified several key issues facing the university for which presidential leadership will expectedly be front and center. In 2012, the

fourth consecutive year of state funding reductions, the leadership challenges are significant and timely. They are discussed in the ensuing paragraphs.

Educational Implications of Funding Constraints

UCF's remarkable growth and development has been facilitated by many factors, not the least of which has been annual increases in state appropriations to support UCF's dramatic enrollment growth and the qualitative improvements to both the educational program and campus facilities.

Over a five year period (FY 2008 – 2013) state appropriations have been reduced by a staggering \$ 118 million, with \$ 52 million having been commandeered this past year alone. As a result, the pattern of state support has become distressingly skewed in ways that undercut the ability of UCF to fulfill its educational obligations. The following data compare the state's four largest universities on each institution's percentage of the state system's enrollment, graduates, and state funding. Appropriation figures are for 2012-13; other official data are the latest available (2010), but a quick scan of recent data does not suggest the following percentages have changed.

	UF	FSU	USF	UCF
FTE Enrollment	17%	14%	15%	17%
Degrees Awarded	21%	15%	15%	17%
State Appropriations (excluding special unit funding)	19%	15%	13%	13%

These data sets indicate marked underfunding for the University. This information should not be viewed as reflecting ill-will or unfavorable intent. Rather they reveal that while appropriations to universities may be based on many factors, the education of students does not stand out as paramount. This disparity in funding further explains the context for serious discussions on the campus regarding the choices facing the University in this period of financial constraint. As one knowledgeable University official affirmed, "The current financial path is not sustainable."

The resulting impact on the campus has been a marked increase in an already hefty student-faculty ration, now exceeding 30 –1, expanded reliance on temporary and part-time instructors, and heavier work loads for faculty and staff. The University appears to have managed the previous reductions as well as could be expected, perhaps better, but there is widespread acknowledgment by trustees, faculty, staff, administrators, students, as well as the President, that difficult decisions lie ahead and will probably need to be made in the next 12 to 18 months. At issue are three significant questions that come to the heart of the University's future:

1. Can UCF continue to be an institution of opportunity, or should access be restricted?
2. Can UCF continue to pursue the goal of providing the state undergraduate education in Florida?
3. Can UCF continue on its path to becoming a recognized metropolitan research university, recognizing that the state may choose neither to appropriate base funding or accord program approvals necessary to fulfill that status?

As the UCF community analyzes and debates these issues, there is an expectation that presidential leadership will be instrumental in their resolution. Many individuals are not sure how these issues will be resolved, but express confidence that the President will come up with the answers. Others wonder if the President will choose to prioritize his long-standing goals. A couple of respondents wonder if he will be able to “pivot” in a new direction. Importantly, no one has suggested that the challenges are beyond his ability to address.

It is not within the purview of this review to suggest how the disparity between goals and revenues should be resolved. However, it may be helpful to relate what individuals on and off the campus expressed during the interviews. A very strong consensus emerged within the University community, echoed as well by several Trustees and alumni, that the University needs to focus its efforts on improving the quality of undergraduate education. Central to this observation was the frequently cited objective to reduce student-faculty ratios.

The focus on student-faculty ratios may have been accentuated by a recent Newsweek magazine feature that labeled Central Florida as academically the “least rigorous” of 200 more institutions with selective admissions. While the methodology employed by the magazine to arrive at its rankings may be questioned and the presence of several other Florida institutions in lower rankings ignored, the impact of this designation on the UCF academic community should not be minimized. While the University community generally takes pride in having UCF recognized for its quality and value in publications such as the Princeton Review, US News & World Report, and the Kiplinger magazine, it should be remembered that these approbations build public support and student pride, but are not interpreted as reflecting academic standards.

The other notable observation bearing on the University’s future is a divided judgment on whether the “Direct Connect” program should be modified. There is manifest pride in Central Florida being a university of opportunity as reflected in its freshman admissions, its growing ethnic minority student populations, and the fact that approximately 30% of all community college graduates enrolling in the state’s public universities matriculate at UCF. Continuing this “access” to higher education is very important to many individuals and constituencies.

On the other hand some question whether the growth of community college transfers unduly contributes (in the absence of sufficient state funding) to the financial strains the campus is experiencing. Several individuals, including some students, question the fairness of increasingly stringent standards for freshmen admission, while community college graduates retain automatic acceptance with the proverbial 2.0 grade point standing. There were also a few observations relative to a performance differential between these two groups of students. Data that would confirm or refute those anecdotal observations were not reviewed (they may or may not be readily available) so these observations are forwarded without commentary.

The establishment of a medical school, the expansion of advanced graduate programs and considerable external research funding give substance to the President’s vision of UCF as one of the nation’s “great metropolitan research universities.” There is strong support for this vision and accompanying initiatives within the University’s academic leadership, though somewhat less elsewhere in the university. There does not seem to be a clear understanding of the implications of this vision relative to five goals long an integral part of the University’s mission and ethos.

There is a concomitant concern that state higher education and governance officials may not be favorably disposed or committed to this vision.

Athletic Compliance

The growing visibility of the University's intercollegiate athletic program is a source of considerable pride for students, many employees, and alumni. Athletic success across the full gamut of men's and women's sports was cited by several interviewees. Acceptance into the Big East Conference is seen as another important step in UCF's development and growing national reputation. For some Golden Knights, however, the violation of NCAA regulations and the concomitant penalties represent a stain on that reputation. Such stains, it should be noted, are not necessarily long lasting if the University avoids additional infractions and repeated penalties.

The University's strong and decisive response to the athletic misdeeds appears to have minimized the danger of lasting stigma. Many university officials and community representatives expressed confidence in the current Athletic Director. Central administration was applauded for delineating in unambiguous terms expectations for a rules compliant, ethically sound, and academically respectable athletic program, and for providing the financial resources and personnel support to establish and sustain an effective athletic compliance program.

The NCAA has tightened its standards for certifying compliant programs and it is important that UCF achieve and maintain this certification. The larger challenge will be to build a "culture of compliance" in all sports and throughout the department. "Cultures" do not form overnight; they require time, training and Trustee affirmation that compliance be inculcated in all facets of the athletic program and incorporated in contractual arrangements and personnel evaluations.

Inclusion and Diversity

The University has made excellent progress in building an inclusive student body, representative of Florida's and the nation's changing demography. The President's most recent Annual Report indicates that African-American and Hispanic enrollments have increased ten percent to over 16,000 students. Clearly the University is fulfilling its overarching mission to provide educational opportunity to all Floridians.

Concerns were expressed by lay representatives of the Multi-Cultural Council that the excellent progress in extending opportunity to students has not yet been replicated within tenured faculty and administrative ranks. While data show that progress has been made, it has not been as strong and dramatic as evidenced in enrollment data.

Similar observations have been expressed within and without the campus proper. There is both a desire for the University to play a greater role in advancing educational, employment, and commercial opportunities for minorities, and a concern that any fiscally-driven enrollment adjustments not disproportionately impact minority communities.

Fund Raising

Despite its youth and the phenomenal surge in its popularity and stature, the University is positioned remarkably well vis-a-vis older and better funded institutions. The one area where UCF remains appreciably behind sister research institutions is in raising private funds and growing Foundation assets. This weakness is strikingly evident when endowment assets among the four largest universities in the state are compared:

UF	FSU	USF	UCF
\$1.237 b	\$525 m	\$347 m	\$130 m

To address this deficiency and enable the University to build a stronger financial base, UCF is planning a major capital campaign. The focus of the campaign will be to expand scholarships and financial aid for students as well as to build faculty resources and enhance academic excellence. This upcoming capital campaign is a critically important initiative and one meriting the full support of the UCF family.

Given both the significance of this campaign and the less-than-robust economy of both state and nation, it is vitally important the University have a strong infrastructure to support the campaign and the full engagement of trustees and benefactors. This undertaking will require significant Presidential engagement and oversight.

V. TRUSTEE - PRESIDENT RELATIONSHIPS

Interviews with each of the UCF Trustees and with President Hitt confirmed the perception held by many that there is a strong, working partnership between the Board and its chief executive. These interviews did not identify a single issue that has frayed or threatens to fray the mutual respect and trust evident in these relationships. Many of the “best practices” gleaned from publications of the Association of Governing Boards (AGB) are operational at UCF.

Board members, all of whom are abreast of those challenges confronting the University, are satisfied that the President is knowledgeable about higher education in general, as well as the specific issues facing UCF. The President is viewed as being “on top of his game.”

Trustees noted that the specific information they need to fulfill their governance responsibilities is provided in a timely manner. A review of Board minutes and conversations with University officials confirmed these judgments. Particularly noteworthy is the Board’s periodic review of University finances, including institutional debt obligations, as well as the access accorded University compliance and internal audit officials.

The President was also applauded for informing the Board about important issues as well as matters of controversy always in a timely manner.

In contrast to the remarkable stability in the University's executive ranks, there has been considerable change in the composition of the Board of Trustees, with six new members having joined the Board the last fifteen months. Given the likelihood that major and complex issues will confront the University in the next year or two, consideration should be given to an additional retreat or a special meeting with a limited agenda so that Trustees and the President will have ample time for discussion. It is important that the President and the Trustees, as the old saying goes, "sing from the same hymnal."

No more important issue will confront the Board in the coming years than planning and implementing the transition from John Hitt to the next president, whenever that transition may occur. Though President Hitt's retirement from office is not imminent, many of the interviewees, both on- and off-campus, volunteered their concerns – perhaps better stated as their anxieties -- as to whether the next President will maintain similar commitments to providing educational opportunity, striving for academic excellence, and sustaining economic and educational partnerships. Though as one Trustee expressed, "It may be impolitic to discuss..." the University's future after the President's retirement is widely pondered and politely discussed.

Compounding the prospects of presidential transition is a recognition that many of the University's vice-presidents may likewise retire simultaneously or near the time the President chooses to step down. With six of the twelve vice-presidents aged 65 or older, there is a reasonable likelihood that UCF will experience several leadership changes in a very short time period.

The responsibility for developing plans for leadership transitions, not necessarily now but in a reasonable time frame, quite naturally falls to the Board of Trustees. Discussions with the President and members of UCF's leadership team may be fruitful in developing those plans.

Lastly, consideration should be given to the establishment of a modest leadership training program within the University designed to identify prospective senior leaders from both faculty and administrative ranks and to provide in-depth exposure to both theoretical and real leadership challenges at UCF. The University has emerged from a being a regional teaching-focused university to a large, complex, cutting edge metropolitan research university with significant outreach partnerships, yet one that is still student-centered. The next generation of its leadership will probably not have the ecumenical knowledge of the University possessed by its current leaders, who in the main have grown with the institution.

Because there are very few true "peers" of UCF, it is reasonable to expect that over the coming years a good number of its future leaders will be internally promoted. They need to be prepared.

IV. Concluding Observations

John Hitt has served the University of Central Florida superbly well these past three years just as he has throughout his two decades as President.

His passion for the University and his commitment to fulfilling its leadership needs remain undiminished. He enjoys the respect and support of the campus community as well as constituent groups beyond campus walls, and from all indications the citizens of greater Orlando and the state of Florida. Perhaps most importantly he enjoys their collective confidence in his leadership and service.

Constantine W. Curris

October 8, 2012

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Report on the Presidential Compensation Review

DATE: November 15, 2012

PROPOSED BOARD ACTION

Accept the presidential compensation report submitted by Paul McConnell, McConnell and Company, and approve the committee's recommendations.

BACKGROUND INFORMATION

On November 30, 2004, the Presidential Performance and Compensation Review Policy was approved by the University of Central Florida Board of Trustees. This policy provides for review of the president's performance and compensation on an annual basis by the board and also at three-year intervals by independent consultants. The comprehensive assessment was last completed in 2009 and is due again in 2012.

In addition, the charter of the Compensation and Labor Committee that was approved by the board on March 19, 2009, states that the committee will submit an annual recommendation to the board for the president's performance and compensation.

Supporting documentation:

Attachment A: 2011-12 Compensation and Labor Committee Compensation Report and Recommendations

Attachment B: Market Competitive Compensation for University President submitted by Paul McConnell, McConnell and Company

Prepared by: Mark Roberts, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

**2011-12
Compensation and Labor Committee
Compensation Report and Recommendations**

UCF Board of Trustees

The Compensation and Labor Committee held public meetings on April 12, June 27, and October 18, 2012. A comprehensive assessment of the president's compensation was conducted by Paul McConnell of McConnell and Company, an independent consultant selected by the committee in accordance with the Board of Trustees' Presidential Performance and Compensation Review Policy. The compensation consultant surveyed presidential positions by Carnegie Class, UCF Peer Group, Florida public universities, and a cross-industry group. Following this comparison, the consultant concluded:

The outcome of this analysis is that President Hitt's current compensation 'package is between the 20th and 86th percentile depending on the university's performance vis-à-vis the Performance Unit Plan performance goals for the 2012-15 cycle. At target or expected performance, the package is equal to the 64th percentile – a very appropriate level given Dr. Hitt's long tenure (20 years).'

In committee discussion with the consultant, it was noted that the president had not received a base salary increase since 2006, although his performance units had been increased during that time. The study also reflected that the president's compensation is more heavily weighted toward "at risk" remuneration than the typical university president. "At risk" compensation is only paid if the board's three-year performance measures were achieved. The committee determined that a modest increase in base salary and performance units was merited given the market study results of the consultant and due to the president's 20 years of highly successful results. In summary, the committee recommended raising the president's base salary to \$490,000 (from \$463,500) and increasing his incentive performance target units to \$245,000 or 50% of salary (from \$240,000). This is an increase of 5.7% in base salary and guaranteed pay and 4.6% in total opportunity. These increases will position Dr. Hitt's compensation between the 27th and 90th percentile depending on performance, with target performance positioned at the 72nd percentile.

The president's compensation paid from public funds is capped at \$200,000 so any compensation in excess of this maximum public expenditure is paid from non-public funds.

Prepared by: Mark Roberts, Associate Vice President and
Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

11-15-2012

University of Central Florida

Market Competitive Compensation for University President

October 8, 2012

Prepared for the Compensation and Labor Committee of the UCF Board of Trustees by McConnell & Company

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Market Competitive Compensation

Forms of Compensation

- Presidents of universities in the United States are paid through a variety of means:
 - Base Salary: Like all employees, presidents receive a base salary, typically payable monthly or bimonthly. Unlike most faculty members and most administrative staff, the base salary is a smaller percentage of the total compensation package.
 - Deferred Compensation: Through various federal tax qualified plans (e.g., 457(f) or 403(b)) money is put away for their retirement. These funds are typically fully vested. In addition, some institutions utilize non-tax qualified plans which require an element of forfeiture to avoid current taxation of the money received.
 - Retention Payments: These consist of simple retention bonuses (e.g., stay three years, receive \$x) or other similar arrangements.
 - Incentive Payments: These consist of various incentive arrangements formally linking compensation to future performance (e.g., the UCF

PUP) or subjective after the fact payments made based on previous performance (i.e., bonuses).

- Benefits: University presidents also participate in the school's various broad based benefit plans (health, life insurance, retirement, etc.) and almost universally receive housing and an automobile – either directly or as an allowance. For the purpose of this study, we have ignored any competitive difference in these benefits.
- In our analysis, we have examined the competitive ranges for base salaries; Guaranteed Compensation and Total Opportunity.
 - We define Guaranteed Compensation as base salary plus deferred compensation and retention payments. Although some of these elements do require continued employment to be received, they are typically paid in all situations except voluntary termination or termination for cause.
 - Total Opportunity is defined as Guaranteed Compensation plus the total incentive opportunity that can be earned for the year. For plans that measure performance over multiple years, opportunities are annualized.

Competitive Frames of Reference

- In order to provide the Board of Trustees with a broad perspective on suitable compensation of for the UCF President position, we developed a number of relevant frames of reference for determining competitive compensation.
- Major Florida Public Universities: Exhibit A provides a detailed look at the compensation provided to five major public universities in the state of Florida (including UCF). This data was assembled by reviewing the specific provisions of their individual contracts¹, with updated information as to current salaries as obtained by Mr. Mark Roberts – UCF’s Chief Human Resources Officer. Because this information was derived from contract specifics, it is our opinion that these figures are the most accurate indicator of current compensation levels/opportunities.
 - Deferred compensation and retention payments are reported on an accrual basis over the course of the agreement. Thus for example, a retention payment of \$300,000 payable at the end of a four year contract is shown as \$75,000 per year.
 - Incentive clauses are shown at the full opportunity available, annualized for multi-year performance periods.

¹ Available through public records.

- **UCF Peers:** Exhibit B presents a detailed list of the compensation provided to the presidents of the institutions that are included in UCF's comparison and aspirational peer groups -- universities that are used by UCF for a variety of comparisons. This data, from a Chronicle of Higher Education database, is derived from information provided by the universities. Although this data is accurate, it is not complete. Guaranteed pay elements such as retention bonuses are generally not reported until actually paid. Similarly, incentive payments only reflect amounts actually paid not multi-year opportunities that are still being earned or the unearned portion of total incentive opportunities². The table below compares the Guaranteed Compensation and Total Opportunity from the contract data (Exhibit A) and the Chronicle of Higher Education.

	Contract Data		Chronicle Data		% Under	
	<u>Guar</u>	<u>Total</u>	<u>Guar</u>	<u>Total</u>	<u>Guar</u>	<u>Total</u>
University of Florida	742,198	742,198	507,808	507,808	46%	46%
Florida State University	655,995	798,852	411,945	511,945	59%	56%
Florida International University	676,250	676,250	561,875	561,875	20%	20%
University of South Florida	643,400	818,400	395,000	545,000	63%	50%
University of Central Florida	<u>575,513</u>	<u>935,513</u>	<u>463,500</u>	<u>648,800</u>	<u>24%</u>	<u>44%</u>
Average	658,671	726,457	468,026	511,556	41%	42%

² For example, if an individual had the opportunity to earn a bonus of up to \$100,000, but only received \$40,000, the other \$60,000 opportunity is not reported.

- On average the Chronicle data is about 40% underreported. To ensure consistent complete comparisons, we have adjusted the Chronicle total pay data by 20% -- about half the estimated underreporting. Base salary data shown was not adjusted by the 20% since there was no underreporting issue with this component of pay.
- Top Paid Public Universities: Exhibit C shows the range of pay for the top twenty highest paid universities as reported by the Chronicle of Education. Measured by enrollment, a key measure of university size, UCF is the 7th largest University in this database. While we would not expect pay to directly correlate with size (measured by enrollment or otherwise), we do believe that this is a relevant perspective. It should be noted that for 2010-11, Dr. Hitt's compensation package ranked #9 on this list. This data was also adjusted by 20% for underreporting described for Exhibit B.
- General Industry: UCF is an educational institution, but it is also a business with annual revenues and expenses of about \$750 million per year. The UCF President has a management challenge similar to and is required to make many of the same types of decisions (personnel, fundraising, growth, and changing environment) as any other CEO in an organization that size. We computed the range of cash compensation earned by a group of about 200 public companies whose revenue bracketed UCF's size. These companies represent a broad cross section of American industry. This

analysis, based on proxy reports of 2011 compensation, only considered cash compensation (i.e., salary plus annual bonus). Equity compensation was excluded from this analysis. For companies this size, equity values would increase the typical CEO pay package by 50% to 100%.

Market Pay Ranges

- The following tables summarize the range of competitive compensation provided for each of the market perspectives described above. All data has been trended to 12/31/2012 assuming a 2% annual increase, and is shown in thousands of dollars. Each table shows a different form of compensation (e.g., base salary, guaranteed, etc.).
- Each market perspective shows the range of compensation³ and a box which shows our opinion as to an appropriate competitive range. For example, the entire range of the four Florida schools is considered appropriate, as is the higher end of the UCF peer group – since UCF is larger than most of these schools and is generally higher performing. Lastly, the competitive ranges have been weighted by the percentages shown to produce a recommended competitive range of pay.
- In our opinion, the two most relevant market perspectives are the Major Florida Public Universities and the UCF Peers. We have weighted each of

³ “p10” is the 10th percentile of the data – the level below which 10% of the values fall.

these perspectives by 40%. The Top Paid Universities and the General Industry perspectives were each weighted 10%⁴.

- The table below shows the range of Base Salaries reported for these market perspectives.

<u>Market Perspective</u>	<u>Market Base Salary (\$000's)</u>					<u>Wgt</u>	<u>Competitive Range</u>		
	<u>p10</u>	<u>p25</u>	<u>Med</u>	<u>p75</u>	<u>p90</u>		<u>Low</u>	<u>Mid</u>	<u>High</u>
Major Florida Public Universities	403.0		455.1		486.9	40%	405	455	485
UCF Peers	350.7	381.0	426.1	502.7	549.0	40%	425	505	550
Top Paid Public Universities	437.3	468.4	513.0	636.4	697.7	10%	470	515	635
General Industry	465.1	576.3	688.5	790.9	1,008.0	10%	465	575	690
Weighted Average Competitive Pay Range							425	495	545

- The table below shows the range of Guaranteed Compensation reported for these market perspectives.

<u>Market Perspective</u>	<u>Market Guaranteed Compensation (\$000's)</u>					<u>Wgt</u>	<u>Competitive Range</u>		
	<u>p10</u>	<u>p25</u>	<u>Med</u>	<u>p75</u>	<u>p90</u>		<u>Low</u>	<u>Mid</u>	<u>High</u>
Major Florida Public Universities	643.4		666.1		742.2	40%	645	665	740
UCF Peers	425.2	490.3	517.5	662.4	794.4	40%	515	660	795
Top Paid Public Universities	626.3	742.6	823.3	900.0	1,124.4	10%	745	825	900
General Industry	465.1	576.3	688.5	790.9	1,008.0	10%	465	575	690
Weighted Average Competitive Pay Range							585	670	775

⁴ We tested the sensitivity of the answers to the weighting chosen. Elimination or doubling of either of these two 10% weighted perspectives does not materially change the resulting weighted average pay range.

- The table below shows the range of Total Opportunities reported for these market perspectives.

<u>Market Perspective</u>	<u>Market Total Opportunity (\$000's)</u>					<u>Wgt</u>	<u>Competitive Range</u>		
	<u>p10</u>	<u>p25</u>	<u>Med</u>	<u>p75</u>	<u>p90</u>		<u>Low</u>	<u>Mid</u>	<u>High</u>
Major Florida Public Universities	676.3		770.5		818.4	40%	675	770	820
UCF Peers	425.2	505.5	614.4	682.9	795.6	40%	615	685	795
Top Paid Public Universities	747.7	817.8	885.9	957.9	1,346.8	10%	820	885	960
General Industry	631.1	867.0	1,279.1	1,785.0	2,308.4	10%	630	865	1,280
Weighted Average Competitive Pay Range							660	755	870

Pay Comparison

Current Compensation

- Dr. John Hitt, President of the University of Central Florida is paid according to the terms of an employment agreement - the Third Amended and Restated Employment Agreement). This agreement, which runs from July 1, 2011 to June 30, 2016 provides him with the following amounts and forms of compensation:
 - A base salary of \$463,500 annually. (His salary was increased to \$450,000 in August of 2006 and by a 3% general increase in October of that year. It has not been increased in almost six years.)
 - Deferred compensation equal to 20% of salary. This is provided through various tax qualified and non-qualified plans (e.g., 403(b), 457, 401(a)).
 - A retention payment equal to one year of base salary for completion of the full term of the contract⁵.

⁵ Due to changes in tax regulations, this clause replaced a one-year sabbatical upon retirement or resignation that was provided in his previous contracts. Dr. Hitt was not paid for this sabbatical. Although this payment is incorporated in this contract and subject to five years' service to earn, we have chosen to spread it's accrual over Dr. Hitt's entire employment period for comparison purposes. Thus it is valued at \$19,313 annually or \$463,500 divided by 24 years – his 20 years to date plus the 4 additional required under the contract.

- Incentive Compensation pursuant to the UCF Performance Unit Plan (PUP). For the 2012-2015 performance cycle, Dr. Hitt was awarded 2,400 units. These units have a threshold unit value of \$25 per unit (\$60,000); a target or expected value of \$100 per unit (\$240,000) and a maximum unit value of \$150 (\$360,000).
- Standard benefits provided to administrative faculty employees; a full-size automobile; an expense allowance of \$4,000 per month for spousal travel, memberships at Interlachen Country Club and the Citrus Club; and housing at the university-owned Burnett House.
- The various benefits provided to Dr. Hitt are relatively standard for university presidents and we have ignored any differences in these benefits in our competitive analysis.

Comparison

- The table below presents for each of the various forms of compensation, the range of market competitive compensation that were previously developed (see pages 7 through 8). These market rates represent the “middle” of the market or the 25th, median and 75th percentile corresponding to “Low”, “Mid” and “High” respectively.

Market Range		Base Salary	Guaranteed Pay
	High	545,000	775,000
	Mid	495,000	670,000
	Low	425,000	585,000
Dr. Hitt		463,500	575,513
percentile		38%	23%

- Dr. Hitt’s base salary of \$463,500 is at about the 38th percentile relative to the market.
- His Guaranteed Pay consists of salary, deferred compensation (20% of salary or \$92,700) and a retention payment accrual of \$19,313 (see footnote 5 on page 9) for a total of \$575,513. This is below the Low market range and equal to the 23rd percentile.

- The competitive comparison of Total Opportunity depends on the level of PUP performance. The adjacent table shows the competitive market range and the value of Dr. Hitt's total package under various performance scenarios.
- The package is between the 20th and 86th percentile depending on the school's performance vis-à-vis the PUP goals for the 2012-2015 cycle. At target or expected performance, the package is equal to the 64th percentile – a very appropriate level given Dr. Hitt's long tenure (20 years).
- In our opinion, the package is very suitably positioned relative to the market. Compensation will be low, but within range, if performance is at the threshold. Conversely, total compensation will be very high but appropriately so if maximum performance is earned under the PUP.

		Total Opportunity
Market Range	High	870,000
	Mid	755,000
	Low	660,000
Dr. Hitt with PUP Performance at:		
Threshold (i.e., Unit Value = \$25) percentile		635,513 20%
Target (i.e., Unit Value = \$100) percentile		815,513 64%
Maximum (i.e., Unit Value = \$150) percentile		935,513 86%

Opinion

- Section 4958 of the Internal Revenue Code, which applies to organizations like the University of Central Florida that are exempt under section 501(c)(3), provides for intermediate sanctions in the form of excise taxes (i.e., penalties) on any person who receives an excess benefit from a covered organization and on each manager or director who approves the excess benefit transaction. The single most likely way that such an excess benefit would occur is when an individual receives a salary in excess of “Reasonable Compensation.”
- Reasonable compensation is defined by regulation 1.162-7(b)(3) as the amount that would ordinarily be paid for like services by like organizations in like circumstances. Although there are many factors involved in determining reasonable compensation, the test for a given executive can simply be described as: “is compensation paid to the UCF President similar to that provided to other executives with similar responsibilities in similarly situated organizations?”
- Based on the data described herein, it is my professional opinion that the total compensation currently provided (and proposed to be provided) by the

University of Central Florida to its President is reasonable compensation within the meaning of IRC §162.

Exhibit A – Major Florida Universities

<u>Institution</u>	<u>President</u>	<u>Contract</u>	<u>Pay Components</u>	<u>Annual Value</u>	<u>Comments</u>
University of Florida	J. Bernard Machen Hired in 2004	6 12/20/09	Base Salary	440,158	
			Retention Bonus	100,000	\$400,000 payable at the end of 3 & 4 years
			Sabbatical	110,040	Sabbatical leave (1 year salary) can be paid in cash
			Deferred Compensation	75,000	457(f) Deferred Compensation
				17,000	403(b) Retirement (10.42% of salary)
			Subtotal - Guaranteed	742,198	
			Performance Bonus	0	Bonuses eliminated after 2009
			Total	742,198	
Florida State University	Eric J. Barron Hired in 2010	5 yrs 1/15/10	Base Salary	402,959	
			Retention Bonus	95,000	\$225,000 at 5 years + \$400,000 at 8 years
			Sabbatical	80,592	Sabbatical leave (1 year salary) can be paid in cash
			Deferred Compensation	60,444	457(f) Deferred Compensation (15% of salary)
				17,000	403(b) Retirement (10.42% of salary)
			Subtotal - Guaranteed	655,995	
			Capital Campaign	142,857	\$100,000 per million raised - \$1B over 7 yrs
			Total	798,852	
Florida International University	Mark Rosenberg Hired in 1986	5 yrs 8/3/09	Base Salary	486,875	
			Retention Bonus	0	
			Sabbatical	97,375	Sabbatical leave (1 year salary) if stays thru 2014
			Deferred Compensation	75,000	457(f) Deferred Compensation
				17,000	403(b) Retirement (10.42% of salary)
			Subtotal - Guaranteed	676,250	
			Performance Bonus	0	None
			Total	676,250	
University of South Florida	Judy L. Genshaft Hired in 2000	5 yrs 7/1/11	Base Salary	470,000	
			Retention Bonus	100,000	\$500,000 payable at the end 5 years
			Sabbatical	0	None
			Deferred Compensation	56,400	457(f) Deferred Compensation (12% of salary)
				17,000	403(b) Retirement (10.42% of salary)
			Subtotal - Guaranteed	643,400	
			Performance Bonus	175,000	Maximum bonus
			Total	818,400	
University of Central Florida	John C. Hitt Hired in 1992	5 yrs 7/1/11	Base Salary	463,500	
			Retention Bonus	19,313	One year's salary (spread over 24 years)
			Sabbatical	0	None
			Deferred Compensation	75,700	457(f) Deferred Compensation (20% total)
				17,000	403(b) Retirement (10.42% of salary)
			Subtotal - Guaranteed	575,513	
			Three-year Goal Bonus	360,000	Maximum value of 2,400 units awarded for 2011-14
			Total	935,513	

Exhibit B – UCF Aspirational and Comparison Peers

Institution	President/Chancellor	Tenure	Base Pay	Deferred Comp.	Retention Pay	Guaranteed Pay	Bonus Pay	Total Compensation
University of Delaware	Patrick T. Harker	5	\$669,120			\$669,120	\$59,209	\$728,329
Auburn University	Jay Gogue	5	\$472,500	\$250,000		\$722,500		\$722,500
Arizona State University - Tempe	Michael Crow	10	\$566,200	\$85,500		\$651,700		\$651,700
Kent State University	Lester A. Lefton	6	\$401,576			\$401,576	\$170,394	\$571,970
Florida International University	Mark B. Rosenberg	3	\$486,875	\$75,000		\$561,875		\$561,875
Virginia Commonwealth University	Michael Rao	3	\$488,500	\$66,500		\$555,000		\$555,000
University of South Florida	Judy Genshaft	12	\$395,000			\$395,000	\$150,000	\$545,000
Oregon State University	Edward J. Ray	9	\$421,931	\$114,300		\$536,231		\$536,231
University of South Carolina - Columbia	Harris Pastides	4	\$535,000			\$535,000		\$535,000
Georgia State University	Mark P. Becker	3	\$515,100			\$515,100		\$515,100
University of Houston	Renu Khator	4	\$500,000			\$500,000		\$500,000
University of Akron	Luis Proenza	13	\$405,000			\$405,000	\$89,152	\$494,152
Portland State University	Marinus W. Wiewel	4	\$354,694	\$114,300		\$468,994		\$468,994
North Carolina State University	W. Randolph Woodson	2	\$420,000			\$420,000		\$420,000
University of Texas at Arlington	James Spaniolo	8	\$417,339			\$417,339		\$417,339
University of Cincinnati	Gregory H. Williams	3	\$410,000			\$410,000		\$410,000
University of Nebraska - Lincoln	Harvey S. Perlman	11	\$366,519	\$42,150		\$408,669		\$408,669
Florida Atlantic University	Mary Jane Saunders	2	\$345,000	\$36,161		\$381,161		\$381,161
University of New Mexico	David J. Schmidly	5	\$380,000			\$380,000		\$380,000
University of Colorado - Boulder	Philip DiStefano	3	\$340,000			\$340,000		\$340,000
University of North Carolina - Charlotte	Phillip L. Dubois	7	\$315,000			\$315,000		\$315,000
San Diego State University	Stephen L. Weber	17	\$299,435			\$299,435		\$299,435
90th Percentile			\$533,010			\$642,718	\$164,276	\$643,727
75th Percentile			\$488,094			\$535,923	\$155,099	\$552,500
50th Percentile			\$413,670			\$418,670	\$119,576	\$497,076
25th Percentile			\$369,889			\$396,644	\$81,666	\$409,002
10th Percentile			\$340,500			\$344,000	\$68,192	\$344,000

Exhibit C – Top 20 Highest Paid Public University Presidents

Institution	President/Chancellor	Tenure	Base Pay	Deferred Comp.	Retention Pay	Guaranteed Pay	Incentive Pay	Total Compensation
Ohio State University	E. Gordon Gee	5	\$814,157	\$881,278		\$1,695,435	\$296,786	\$1,992,221
Texas A&M University system	Michael D. McKinney	6	\$444,847	\$150,000	\$683,000	\$1,277,847		\$1,277,847
Pennsylvania State University at University Park	Graham B. Spanier	17	\$660,002	\$208,761		\$868,763	\$200,000	\$1,068,763
University of Kentucky	Lee T. Todd Jr.	11	\$511,050			\$511,050	\$461,056	\$972,106
University of Michigan system	Mary Sue Coleman	10	\$570,105	\$175,000		\$745,105	\$100,000	\$845,105
Texas Tech University system	Kent R. Hance	6	\$420,240	\$187,500		\$607,740		\$607,740
University of Texas system	Francisco G. Cigarroa	3	\$751,680			\$751,680		\$751,680
University of Minnesota-Twin Cities	Robert H. Bruininks	10	\$447,955			\$447,955		\$447,955
University of Central Florida	John C. Hitt	20	\$463,500	\$92,700		\$556,200	\$185,300	\$741,500
Virginia Tech	Charles W. Steger	12	\$457,040	\$245,000		\$702,040	\$36,563	\$738,603
University of Delaware	Patrick T. Harker	5	\$669,120			\$669,120	\$59,209	\$728,329
Auburn University	Jay Gogue	5	\$472,500	\$250,000		\$722,500		\$722,500
George Mason University	Alan G. Merten	16	\$468,000			\$468,000	\$150,000	\$618,000
University System of Georgia	Erroll B. Davis	6	\$425,000	\$200,000	\$86,019	\$711,019		\$711,019
University of Illinois system	Michael Hogan	2	\$620,000	\$30,000		\$650,000	\$45,000	\$695,000
Minnesota State Colleges and Universities	James H. McCormick	11	\$360,000		\$272,965	\$632,965	\$50,000	\$682,965
University of Texas at Austin	William C. Powers	6	\$617,212	\$50,000		\$667,212		\$667,212
University of Virginia	Teresa A. Sullivan	2	\$485,000	\$180,000		\$665,000		\$665,000
Temple University	Ann Weaver Hart	6	\$580,000			\$580,000		\$580,000
Arizona State University - Tempe	Michael Crow	10	\$566,200	\$85,500		\$651,700		\$651,700
90th Percentile			\$677,376			\$909,671	\$313,213	\$1,089,671
75th Percentile			\$617,909			\$728,151	\$196,325	\$775,036
50th Percentile			\$498,025			\$666,106	\$125,000	\$716,760
25th Percentile			\$454,769			\$600,805	\$52,302	\$661,675
10th Percentile			\$424,524			\$506,745	\$44,156	\$604,966

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Capital Improvement Fee Allocation

DATE: November 15, 2012

PROPOSED BOARD ACTION:

Approval to allocate the 2013 Capital Improvement Fee Trust Fund distribution to the design and construction of the John C. Hitt Library and the Recreation and Wellness Outdoor Improvements.

BACKGROUND INFORMATION:

The Board of Governors developed a Capital Improvement Fee Trust Fund allocation plan for the Florida State University System institutions for inclusion in the 2013-14 Legislative Budget Request. The University of Central Florida is scheduled to receive \$35,657,160, which is an \$11,688,310 increase from what was originally projected. Approval is sought from this bond to use this funding to support the design, renovation and construction of the John C. Hitt Library, and for Recreation and Wellness Outdoor Improvements. Of the \$35,657,160, \$32,657,160 will complete Library Phase I, which includes the ARC Retrieval Center, Addition, and Plaza Improvements; and will begin design of Phase II; leaving a balance of \$3,000,000, which will be used to fund the design and construction of the Recreation and Wellness Outdoor Improvements.

The John C. Hitt Library on the Orlando campus is inadequate to meet the current and future needs of a growing student population in both the amount and quality of space required for collaborative learning, study, research, and collection growth. The 21st Century Library project involves the construction of a 41,000 sq. ft. addition on the north side of the building and the complete renovation of the existing building, which consists of the original 1967 building and the adjoining 1984 addition. All major infrastructure systems such as HVAC, electrical, plumbing, lighting, elevators, and telecommunications will be replaced.

The Library new construction will consist of a four story Automated Retrieval Center (ARC) that will hold 1.5 million print materials enabling space previously occupied by book stacks to be repurposed, greatly increasing user seating; and 12,000 sq. ft. of new research and study space on the fifth floor with expansive views of the campus. The ARC frees up space within the Library for individual and group seating, as well as more study space for students. The new addition will also provide a north side entrance to the building facing the student union.

When completed, the renovated and expanded facility will include redesigned, more efficient, and flexible interior spaces featuring greatly increased seating, triple the number of group study rooms, a 24/7 study area, and more than twice the number of technology workstations.

The Recreation and Wellness Outdoor Improvements construction will be applied to Phase II of the Recreation and Wellness Outdoor Improvements. Phase I of this project was completed with previous CITF allocations. As we have seen a tremendous increase in usage for the space, we are no longer able to meet the needs of the current program. Lake Claire annual usage numbers increased from 17,924 in 2009-10 to 48,469 in 2011-12 after Phase 1 expansion, which represents a 170 percent increase. This phase will allow us not only to meet the needs of the current student body, but allow for increased learning, wellness, and recreation opportunities.

Supporting documentation: 2013-2014 Capital Improvement Fee Project Information Sheet, John C. Hitt
Library Renovation, Phase I (Attachment A)
2013-2014 Capital Improvement Fee Project Information Sheet, Recreation and
Wellness Outdoor Improvements (Attachment B)
2013-2014 Fixed Capital Outlay Legislative Budget Request (Attachment C)
Summary of Capital Improvement Fee Projects for 2008-2009
UCF John C. Hitt Library Renovation and Expansion – 2012 Cost (Attachment D)

Prepared by: Maribeth Ehasz, Vice President, Student Development and Enrollment Services
Lee Kernek, Associate Vice President, Administration and Finance; Facilities and Safety

Submitted by: William F. Merck II, Vice President, Administration and Finance

**STATE UNIVERSITY SYSTEM
2013-2014 CAPITAL IMPROVEMENT FEE PROJECT LIST
PROJECT INFORMATION SHEET**

University: University of Central Florida (UCF)

Site Name: Main Campus
(Main Campus, Branch Name, etc.)

Project Name: **John C. Hitt Library Renovation, Phase I**

Project Description:

(Should include the name of the building, work to be accomplished, whether the project is remodeling, renovation, expansion or site improvement as well as the programs or activities to benefit from the project)

The John C. Hitt Library, located on UCF's main campus, is inadequate to meet the current and future needs of a growing student population in both the amount and quality of space required for research, study, and collaborative learning, as well as space to accommodate collection growth. Inspections of the building have revealed a number of substantive changes that must be made to the building and systems if it is to continue to serve the university in the future. The present facility is almost fifty years old, and major systems -- such as HVAC, electrical, plumbing, lighting, elevators, and telecommunications -- are in need of replacement and renovation. The existing library presently has 1,903 reader seats, which represents about 6 percent of the main campus Full Time Equivalent students, and is significantly less than the minimum requirements recommended by the Association of College and Research Libraries. This project will include 3,264 seats.

As part of the 21st Century Library project, the university explored the use of an automated retrieval system (ARC) that could provide quick access to a computer-managed book storage system with a capacity of 1,500,000 items. ARC allows seldomly used material to be stored and it frees up valuable square footage for occupants and stacks in the library. Although 70 percent of the materials will be housed in the ARC, library users will still have open access to more than 365,000 materials, including reference, general collection, periodical, and government documents. The most current and heavily used items, as well as the most suited to browsing, will remain on open shelves. The retrieval system will provide the library with space to grow collections.

When completed, the renovated and expanded facility will include redesigned, more efficient and flexible interior spaces, featuring increased seating, triple the number of group-study rooms, a twenty-four-hours-a-day, seven-days-a-week study area, and more than twice the number of technology workstations.

Project Funding:

Extraordinary or unusual on-site/off-site cost(s) included in project cost (item & cost)

Project Cost Detail:	<u>Amount</u>
Construction	\$24,719,442
Professional Fees	3,265,716
Resident Supervision	
Artwork (if applicable)	100,000
Equipment	3,265,716
Contingency	<u>1,306,286</u>
Total Project Cost	\$35,657,160

Gross Square Feet: 123,025
 Net Assignable Square Feet: 82,016
 (Indicate total NASF and report by type on space inventory form)
 Construction Cost per GSF: 220.27
 Project Cost per GSF: 289.83

Attachment "A"

Operational Funding for Facility*: N/A

***Identify the specific revenue source that will be made available to fund the cost of operating any additional facilities provided by the proposed 2013-2014 appropriation**

Key Project Schedule Dates:

August 2011

Selected

Selected

Submission of Building Program

Advertisement for Design Contract

Advertisement for Construction Contract

Issue Purchase Orders for Furniture and Equipment

Occupancy

Private Activity Space: N/A

(Attach worksheet for calculation of private activity project cost)

Description:

Project Private Activity Cost: _____

Name of Private User: _____

**STATE UNIVERSITY SYSTEM
2013-2014 CAPITAL IMPROVEMENT FEE PROJECT LIST
PROJECT INFORMATION SHEET**

University: University of Central Florida

Site Name: Main Campus
(Main Campus, Branch Name, etc.)

Project Name: Recreation and Wellness Center – Outdoor Improvements

Project Description:

(Should include the name of the building, work to be accomplished, whether the project is remodeling, renovation, expansion or site improvement as well as the programs or activities to benefit from the project)

Recreation and Wellness Center (RWC) Outdoor Improvements – completes Phase Two of the Lake Claire Recreation area and Phase Three of the Master Plan for RWC Park (playing facilities) that were not funded in the last CITF allocation because of reduced funding. The Lake Claire Recreation area improvements include the design of a comprehensive boat house which will serve many of the needs for the Outdoor Adventure Program. These needs include storage to protect the various watercrafts which are used for recreation at the lake as well as the outdoor adventure trips program from the Florida elements; completion of all access points within the space to meet the American Disabilities Act; and including a programmatic space where students can meet to recreate. As we have seen a tremendous increase in usage for the space we are no longer able to meet the needs of the current program. Lake Claire annual usage numbers increased from 17,924 in 2009-10 to 48,469 in 2011-12 after Phase 1 expansion, which represents a 170 percent increase. This phase will allow us not only to meet the needs of the current student body, but allow for increased learning, wellness, and recreation opportunities. This project will also include Phase Three of the RWC Park, should funds be available, that will allow for three additional multipurpose fields (one artificial, one grass, and one softball field) that will be used to accommodate Intramural Sports, Sports Clubs, and Open Recreation. Currently there are over 1000 teams and 10 sport clubs that schedule games in this space. This addition is expected to serve an additional 250 teams of approximately 2,500 students.

Phase II will include the construction of a student services and boat storage facility of 4,102 square feet, of which, 1,272 square feet is conditioned space. The building will feature a lobby with check-in, gear storage, staff office, and ADA & gender-neutral restrooms. This building will be lightning safe, which is critical in this remote location, and will also have covered and secure boat storage with direct launch to the lake, vehicle entrance, wash-down area, service space and dock. The boat storage will be designed to hold a large quantity of kayaks, canoes, catamarans, paddleboats, paddle boards, and other vessels.

Project Funding:

Project Cost Detail:	<u>Amount</u>
Construction	\$2,280,000
Professional Fees	300,000
Resident Supervision	
Artwork (if applicable)	
Equipment	300,000
Contingency	<u>120,000</u>
Total Project Cost	3,000,000

Extraordinary or unusual on-site/off-site
cost(s) included in project cost (item & cost)

Gross Square Feet: 1,908
Net Assignable Square Feet: 1,272
(Indicate total NASF and report by type
on space inventory form)
*Construction Cost per GSF: \$555.00

Attachment "B"

****Project Cost per GSF: \$731.00**

Operational Funding for Facility*: _____

*Identify the specific revenue source that will be made available to fund the cost of operating any additional facilities provided by the proposed 2013-2014 appropriation

Key Project Schedule Dates:

_____	Submission of Building Program
<u>October, 2013</u>	Advertisement for Design Contract
<u>October, 2013</u>	Advertisement for Construction Contract
_____	Issue Purchase Orders for Furniture and Equipment
_____	Occupancy

Private Activity Space:

(Attach worksheet for calculation of private activity project cost)

Description: _____

Project Private Activity Cost: _____

Name of Private User _____

****All amenities included (not just building construction).**

STATE UNIVERSITY SYSTEM
Summary of Capital Improvement Fee Projects for 2008-2009
2013-2014 Fixed Capital Outlay (FCO) Legislative Budget Request

Project Name	Total Project Cost
John C. Hitt Library Renovation, Phase I	\$ 32,657,160
Recreation and Wellness Outdoor Improvements	\$ 3,000,000
Total	\$ 35,657,160.00

UCF Library Renovation and Expansion 2012 Costs plus Escalation

	Planning, Design and Furnishings and Equipment	Construction	Total Costs
Phase I	\$ 7,283,799	\$ 21,282,700	\$ 28,566,499
Phase II	\$ 5,013,408	\$ 14,166,200	\$ 19,179,608
Phase III	\$ 5,236,926	\$ 15,117,300	\$ 20,354,226
			\$ 68,100,333