



**Board of Trustees
Finance and Facilities Committee Meeting
November 14, 2013
11:00 a.m. – noon
Live Oak Center
Conference call in phone #800-442-5794, passcode 463796**

AGENDA

I. CALL TO ORDER

Marcos Marchena
*Chair of Finance and Facilities
Committee*

II. ROLL CALL

Sheree Morgan
*Senior Administrative Assistant to the
Vice President for Administration and
Finance and Chief Financial Officer*

III. NEW BUSINESS

Chair Marchena

- Renewal of Capital Projects Line of Credit for UCFAA (FFC-1)
- Request to Amend Established Market Rate Tuition (FFC-2)

William F. Merck II
*Vice President for Administration and
Finance and Chief Financial Officer*
John C. Pittman
*Assistant Vice President
for Debt Management*

Tony G. Waldrop
Provost and Executive Vice President
Diane Z. Chase
Executive Vice Provost

- 2014-15 Performance Funding Model,
Board of Trustees Choice Metric (FFC-3)

Tony G. Waldrop
Provost and Executive Vice President
Diane Z. Chase
Executive Vice Provost
Paige Borden
*Assistant Vice President,
Institutional Knowledge
Management*

IV. CLOSING COMMENTS

Chair Marchena

**University of Central Florida
Board of Trustees
Finance and Facilities Committee**

SUBJECT: Renewal of Capital Projects Line of Credit for UCFAA

DATE: November 14, 2013

PROPOSED COMMITTEE ACTION

Approval of new terms for UCFAA continuing line of credit with Fifth Third Bank.

BACKGROUND INFORMATION

UCFAA currently has an approximately \$6.7 million line of credit with Fifth Third Bank that is renewed annually. The current renewal negotiations resulted in a reduced interest rate and lower required amortization. State statute limits the pledge of student athletic fees used for debt to 5 percent of the amount of fees. This, along with other collateral, was previously used to secure the line of credit. Under the new terms, all student athletic fees are used as the collateral instead of the 5 percent limit, and no other collateral will be used for security. Because of the changes in the collateral used for the line of credit, the Board of Trustees is requested to approve the renewal with the new terms.

Supporting documentation: None

Prepared by: Brad Stricklin, Senior Associate Athletics Director and CFO for UCFAA

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

**University of Central Florida
Board of Trustees
Finance and Facilities Committee**

SUBJECT: Request to Amend Established Market Tuition Rate

DATE: November 14, 2013

PROPOSED COMMITTEE ACTION

Approval of the request to amend established market tuition rate.

BACKGROUND INFORMATION

This request is to eliminate the non-resident tuition rate component from the overall tuition rate charged to non-resident students enrolled in the College of Business Administration market tuition rate programs, as follows:

- **Executive and Master in Business Administration degree programs (EMBA)**
Current tuition rates: \$50,000 for residents; \$80,620 for non-residents
Proposed tuition rates: \$50,000 for all students
- **Professional Master in Business Administration degree program (PMBA)**
Current tuition rates: \$41,000 for residents; \$71,621 for non-residents
Proposed tuition rates: \$41,000 for all students
- **Professional Master of Science in Real Estate degree program (PMRE)**
Current tuition rates: \$29,500 for residents; \$53,054 for non-residents
Proposed tuition rates: \$29,500 for all students
- **Professional Master of Science in Management degree program (PMSM)**
Current tuition rates: \$27,000 for residents; \$50,554 for non-residents
Proposed tuition rates: \$27,000 for all students

The program fee for residents takes into account the full cost of delivering and administering these graduate educational programs. Thus, there is no need to charge a differential rate.

Since the original proposal was submitted in March 2011, the differential tuition for non-residents has deterred interested non-residents from enrolling in the program, and the competitive climate for MBA degree programs has heightened. Rollins College (a direct competitor), has drastically reduced their EMBA cost from the mid \$70,000s to the mid \$50,000s.

Removing the non-resident tuition rate from the EMBA, PMBA, PMRE, and PMSM degree programs will make them consistent with other market tuition rate programs at UCF, as well as with similar programs offered throughout the state of Florida. Universities in Florida that require minimal or no non-resident tuition for similar market tuition rate programs for non-residents include the University of Florida, Florida Institute of Technology, and Florida State University.

Going forward, increases or decreases in tuition for the EMBA, PMBA, PMRE, and PMSM degree programs will be determined by market forces, competition, reputation, brand identity, and delivery format. Pursuant to the Board of Governors' market tuition rate requirements, tuition will not be increased by more than 15 percent per year.

Supporting documentation: None

Prepared by: Diane Z. Chase, Executive Vice Provost

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

**University of Central Florida
Board of Trustees
Finance and Facilities Committee**

SUBJECT: 2014-15 Performance Funding Model, Board of Trustees Choice Metric

DATE: November 14, 2013

PROPOSED COMMITTEE ACTION

Approval of the 2014-15 Performance Funding Model, Board of Trustees Choice Metric.

BACKGROUND INFORMATION

In 2013-14, the Florida Senate designated three performance-based funding metrics approved in SB 1076. The legislature allocated \$20 million for this initiative. The Florida Board of Governors approved the 2013-14 university allocations at its September 2013 meeting.

In 2014-15, the Florida Board of Governors is requesting \$50 million to be allocated using 10 metrics. The new metrics are designed to align with the SUS Strategic Plan goals, reward excellence or improvement, and support the initiatives that are most critical to students and the state. The 10 metrics include:

- eight metrics common to all universities (incorporating the three metrics used in 2013-14),
- one metric selected by the Board of Governors, and
- one metric selected by the university Board of Trustees.

President Hitt recommends the use of “Total Bachelor’s Degrees Awarded Annually” as the UCF Board of Trustees Choice Metric for 2014-15.

Supporting documentation: State University System, \$20 Million Performance Funding Model; September 11, 2013, Performance Funding Model; and Total Bachelor’s Degrees Awarded Annually, 2013-14 Forecast

Prepared by: Diane Chase, Executive Vice Provost and M. Paige Borden, Assistant Vice President for Institutional Knowledge Management

Submitted by: Tony Waldrop, Provost and Executive Vice President



Performance Funding Model (September 11, 2013)

		EXCELLENCE (Achieving System Goals)			IMPROVEMENT (Recognizing Annual Improvement)		
Points		3	2	1	3	2	1
Key Metrics Common to All Universities Plus 2 Institution Specific Metrics							
1	Percent of Bachelor's Graduates Employed and/or Continuing their Education Further 1 Yr after Graduation	75%	65%	55%	3%	2%	1%
2	Median Average Full-time Wages of Undergraduates Employed in Florida 1 Yr after Graduation	\$40,000	\$30,000	\$20,000	3%	2%	1%
3	Average Cost per Undergraduate Degree to the Institution	\$20,000	\$25,000	\$30,000	3%	2%	1%
4	Six Year Graduation Rate Full-time and Part-time FTIC	70%	65%	60%	3%	2%	1%
5	Academic Progress Rate 2nd Year Retention with GPA Above 2.0	90%	85%	80%	3%	2%	1%
6	Bachelor's Degrees Awarded in Areas of Strategic Emphasis (includes STEM)	50%	40%	30%	3%	2%	1%
7	University Access Rate Percent of Undergraduates with a Pell-grant	75%	70%	65%	3%	2%	1%
8	Master's Degrees Awarded in Areas of Strategic Emphasis (includes STEM)	50%	40%	30%	3%	2%	1%
Institution-Specific Metrics							
9	Board of Governors choice (metrics chosen Sept. 12, 2013)	TBD	TBD	TBD	TBD	TBD	TBD
10	UBOTs choice – Bachelor's Degrees Awarded Annually	12,700	12,600	12,500	3%	2%	1%

Total Bachelor's Degrees Awarded Annually 2013-14 Forecast

