



**Board of Trustees
Compensation and Labor Committee
Meeting**

October 28, 2015

8:30 a.m.

**President's Boardroom, Millican Hall, 3rd floor
800-442-5794, passcode 463796**

AGENDA

I. CALL TO ORDER

John Sprouls
*Chair of the Compensation and
Labor Committee*

II. ROLL CALL

Heather Simeon
*Assistant Director
Office of the President*

III. MEETING MINUTES

- [Approval of September 25, 2015, meeting minutes](#)

Chair Sprouls

IV. NEW BUSINESS

- The 2012-15 Performance Unit Plan Goal Accomplishments [\(CLC-1\)](#)
- Performance Unit Plan Payments for the 2012-15 Cycle [\(CLC-2\)](#)
- 2015-18 Performance Incentive Measures and Goals [\(CLC-3\)](#)
- 2015-18 Performance Unit Plan Awards [\(CLC-4\)](#)
- Presidential Evaluation Report Submitted by Constantine Curris, Curris Associates [\(CLC-5\)](#)
- Presidential Compensation Review and Recommendations Submitted by McConnell and Company [\(CLC-6\)](#)

Chair Sprouls
Shelia Daniels
*Interim Associate Vice President
and Chief Human Resources Officer*

Chair Sprouls
Shelia Daniels

Chair Sprouls
Shelia Daniels

Chair Sprouls
Shelia Daniels

Chair Sprouls

Chair Sprouls
Paul McConnell

Compensation and Labor Committee Committee Meeting - Agenda

- Sixth Amended and Restated Employment Agreement for President Hitt ([CLC-7](#))
Scott Cole
Vice President and General Counsel
- The Annual Report, July 1, 2014-June 30, 2015
([INFO-1](#))
John C. Hitt
President

V. CLOSING COMMENTS

Chair Sprouls



**Board of Trustees
Compensation and Labor Committee
Meeting
September 24, 2015
FAIRWINDS Alumni Center**

MINUTES

CALL TO ORDER

Chair John Sprouls called the meeting to order at 8:39 a.m. Committee members Marcos Marchena and Clarence Brown were present. Committee members John Sprouls and Ray Gilley attended by teleconference call.

MEETING MINUTES

The minutes of the March 16, 2015, and March 26, 2015, meetings were approved as submitted.

NEW BUSINESS

Collective Bargaining Agreement between the University of Central Florida and the Police Benevolent Association (CLC-1)

A three-year collective bargaining agreement with the Police Benevolent Association was presented to the committee. After discussion, committee members unanimously approved recommending ratification of the new agreement to the board.

Revision to University Regulations UCF-3.026 USPS Sick Leave Pool and UCF-3.0261 Faculty and A&P Sick Leave Pool (CLC-2)

Amendments to the regulations which govern the existing sick leave pools for USPS along with Faculty and A&P were presented to the committee. This change creates a single administration of the two sick leave pools. After discussion, committee members unanimously approved recommending the amendments to the board.

CLOSING COMMENTS

There being no further discussion, Chair Sprouls adjourned the meeting at 8:45 a.m.

Respectfully submitted: _____

Shelia Daniels
Interim Associate Vice President and
Chief Human Resources Officer

Date

ITEM: **CLC-1**

**University of Central Florida
BOARD OF TRUSTEES
Compensation and Labor Committee**

SUBJECT: The 2012-15 Performance Unit Plan Goal Accomplishments

DATE: October 28, 2015

PROPOSED COMMITTEE ACTION

Review and approve the 2012-15 Performance Unit Plan 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 that the university performance during the Performance Period be reviewed and certified as accurate by the University Audit office.

Supporting documentation:

Attachment A: University Audit's Performance Unit Plan
Attachment B: Results and Description of Review Process

Prepared by: Shelia Daniels, Interim Associate Vice President and Chief Human Resources Officer

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

Attachment A

2012-15 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 six-year graduation rates for FTIC students in the 2006, 2007, and 2008 cohorts.	24%	64.2%	64.7%	65.2%	65.1% 2006 cohort	67.4% 2007 cohort	69.7% 2008 cohort	67.4% average over 2006, 2007, 2008 cohorts
Average of the one-year retention rates for FTIC students in the 2011, 2012, and 2013 cohorts.	14%	87.7%	88.2%	88.7%	87.8% 2011 cohort	87.1% 2012 cohort	87.5% 2013 cohort	87.5% average over 2011, 2012, 2013 cohorts
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%	75.6% 2008 cohort	73.0% 2009 cohort	72.4% 2010 cohort	73.7% average over 2008, 2009, 2010 cohorts
External Support								
Average extramural funding raised per tenured and tenure-track faculty member FTE for 2012-13, 2013-14, and 2014-15.	19%	\$131,585 per FTE	\$132,902 per FTE	\$134,232 per FTE	\$126,896 per FTE 863.5 FTE \$109,572,329 total funding 2012-13	\$154,253 per FTE 850.6 FTE \$131,207,263 total funding 2013-14	\$152,868 per FTE 853.0 FTE \$130,396,597 total funding 2014-15	\$144,672 per FTE 855.7 FTE \$123,725,396 total funding average over 2012-15
Total philanthropy to the UCFF 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	\$48,647,666 2012-13	\$43,256,323 2013-14	\$51,437,096 2014-15	\$143,341,085 total over 2012-15

Green highlight = final results based on 2012-13, 2013-14, and 2014-15 data

10/8/15

Attachment A

2013-16 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 six-year graduation rates for FTIC students in 2007, 2008, and 2009 cohorts.	24%	66.5%	67.0%	67.5%	67.4% 2007 cohort	69.7% 2008 cohort	
Average of the one-year retention rates for FTIC students in the 2012, 2013, and 2014 cohorts.	14%	88.2%	88.7%	89.2%	87.1% 2012 cohort	87.5% 2013 cohort	
Average four-year graduation rates for summer and fall full-time AA transfer students in the 2009, 2010, and 2011 cohorts.	24%	75.4%	75.5%	75.6%	73.0% 2009 cohort	72.4% 2010 cohort	
External Support							
Average of the extramural research funding raised per tenured and tenure-track faculty member FTE for 2013-14, 2014-15, and 2015-16.	19%	\$130,500	\$131,500	\$133,000	\$154,253 850.6 FTE 2013-14	\$152,871 853.0 FTE 2014-15	
Total philanthropy to the UCFF 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, 2013, to June 30, 2016.	19%	\$190,000,000	\$215,000,000	\$235,000,000	\$43,256,323 2013-14	\$51,347,096 2014-15	

Green highlight = expected final results based on 2013-14 and 2014-15 data

10/8/15

Attachment A**2014-17 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 six-year graduation rates for FTIC students in 2008, 2009, and 2010 cohorts.	22%	68.5%	69.0%	69.5%	69.7% 2008 cohort		
Average of the one-year retention rates for FTIC students in the 2013, 2014, and 2015 cohorts.	12%	88.5%	89.0%	89.5%	87.5% 2013 cohort		
Average four-year graduation rates for summer and fall full-time AA transfer students in the 2010, 2011, and 2012 cohorts.	22%	75.5%	76.0%	76.5%	72.4% 2010 cohort		
External Support							
Average of the dollars raised per tenured and tenure-track faculty member FTE for 2014-15, 2015-16, and 2016-17.	17%	\$131,585	\$132,902	\$139,547	\$152,871 853.0 FTE 2014-15		
Total philanthropy to the UCFF 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, 2014, to June 30, 2017.	17%	\$200,000,000	\$210,000,000	\$220,000,000	\$51,347,096 2014-15		
BOG Performance Funding Benchmarks							
Maintain UCF's performance and standing as a top tier SUS institution. Average of final performance funding rankings from 2015, 2016, and 2017.	10%	Top 5	Top 4	Top 3	Top 3 2015		

Green highlight = expected final results based on 2014-15 data

10/8/15

Attachment B
University Audit
Review Process Used to Certify 2014-15 Data
for the 2012-15 Performance Measures

University Audit confirmed the 2014-15 data reported by Institutional Knowledge Management, the Office of Research and Commercialization, and the UCF Foundation.

Performance measure: Strengthen UCF's reputation and effectiveness by improving six-year graduation rates for FTIC students (average six-year graduation rates for FTIC students in the 2006, 2007, and 2008 cohorts).

Definition:

- 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).
- Six-year graduation rate = percentage of full-time Summer or Fall 2008 FTIC students who enrolled full-time in Fall 2008 and graduated from UCF prior to or during Summer 2014.

Process:

- Obtained a graduation report of the full-time Summer or Fall 2008 FTIC cohort from Institutional Knowledge Management.
- Sorted the Institutional Knowledge Management data by semester of graduation and verified the number of students graduating within six years.
- Obtained a list of Summer or Fall 2008 FTIC cohort from PeopleSoft.
- Compared PeopleSoft data to Institutional Knowledge Management data to confirm the completeness and accuracy of the population.
- Selected a sample of students from the six-year and non-graduating groups and determined the accuracy of graduation data by comparing the degree awarded in PeopleSoft to the degree certification from the respective college.
- Calculated the unweighted average graduation rate for students in the 2006, 2007, and 2008 cohorts.

Performance measure: Strengthen UCF's reputation and effectiveness by improving one-year retention rates for FTIC students (average one-year retention rates for FTIC students in the 2011, 2012, and 2013 cohorts).

Definition:

- Retention rate = percentage of Summer or Fall 2013 FTIC students who enrolled full-time in Fall 2013 and were still enrolled in Fall 2014, either part-time or full-time. Does not include early admits or students who transferred more than 12 credit hours earned after high school.

Attachment B
University Audit
Review Process Used to Certify 2014-15 Data
for the 2012-15 Performance Measures

Process:

- Obtained the data for the Summer and Fall 2013 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 2014.
- Obtained the population of Summer and Fall 2013 full-time FTIC admits from PeopleSoft. Added the number of credit hours for students in Fall 2013 and 2014. Filtered the data to determine the number and percentage of FTIC students who were enrolled full-time in Fall 2013 and were still enrolled in Fall 2014.
- Compared PeopleSoft data to Institutional Knowledge Management's data to confirm the completeness and accuracy of the population.
- Calculated the unweighted average retention rate for FTIC students in the 2011, 2012, and 2013 cohorts.

Performance measure: 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).

Definition:

- Four-year graduation rate = percentage of AA transfer students who first enrolled in Summer or Fall 2010, enrolled full-time in Fall 2010, and graduated prior to or during Summer 2014.
- AA transfer student = student who transferred directly to UCF from a Florida System College or Community College with an associate of arts degree.

Process:

- Obtained a graduation report of the Summer and Fall 2010 full-time associate of arts transfer cohort from Institutional Knowledge Management.
- Sorted the Institutional Knowledge Management data by semester of graduation and verified the number of students graduating within six years.
- Obtained a list of students in the Summer and Fall 2010 full-time associate of arts transfer cohort and their graduation data from PeopleSoft.
- Compared PeopleSoft data to Institutional Knowledge Management data to confirm the completeness and accuracy of the population.
- Selected a sample of students from the four-year and non-graduating groups and determined the accuracy of graduation data by comparing the degree awarded in PeopleSoft to the degree certification from the respective college.
- Calculated the unweighted average of the three average graduation rates for students in the 2008, 2009, and 2010 cohorts.

Attachment B
University Audit
Review Process Used to Certify 2014-15 Data
for the 2012-15 Performance Measures

Performance measure: 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, and 2014-15).

Definition:

- Extramural grants and contracts = contract and grant funding secured from external sources.
- Tenured and tenure-track faculty = active, full-time and part-time tenured and tenure-track faculty as of December 2014; includes all faculty classifications.

Process:

- Obtained a report from the Office of Research and Commercialization's database of 2014-15 extramural funding.
- Tested a sample of 60 grants, including all grants with more than \$900,000 in funding for 2014-15 and a judgmental selection of other grants.
- For selected grants, determined whether the reported funding agreed to supporting documents from the granting agency and the reported funding was awarded during 2014-15.
- Decreased reported research funding for 2013-14 and increased reported research funding for 2014-15 by \$14 million due to a deobligation by Lockheed Martin that was related to 2013-14 funding but recorded by ORC in 2014-15.
- For 2014-15, increased reported funding by \$480,986 for differences between award documents and amounts recorded by ORC, and decreased reported funding by \$331,477 for internal revenues from the Advanced Materials Processing and Analysis Center, by \$25,291 for overstated Incubator rents, and by \$1,420 for UCF Foundation support reported by the UCF Foundation.
- Obtained a list of tenured and tenure-track faculty FTE as of December 2014 from Institutional Knowledge Management.
- Ran a PeopleSoft query to obtain a list of tenured and tenure-track faculty as of December 2014 and verified that it agreed with the list from Institutional Knowledge Management.
- Calculated the average extramural grant funding per tenured and tenure-track faculty FTE for 2014-15. Recalculated the average extramural grant funding per tenured and tenure-track faculty FTE for 2013-14 based on the \$14 million deobligation from Lockheed Martin.
- Calculated the unweighted average extramural grant funding per tenured and tenure-track faculty FTE for 2012-13, 2013-14, and 2014-15.

Attachment B
University Audit
Review Process Used to Certify 2014-15 Data
for the 2012-15 Performance Measures

Performance measure: Total philanthropy to the UCF Foundation and UCF athletics program without Courtelis or state matching funds, but including pledges and planned gifts for the period of July 1, 2012, to June 30, 2015.

Definition:

- Fundraising = contributions received by the UCF Foundation or the UCF athletics program, net of any ticket price included in the contribution; tangible in-kind gifts are included to the extent they can be reasonably valued based upon appraisal or other documentation; pledges and planned gifts are included if they are documented by a signed letter of intent, will, or trust instrument.

Process:

- Reviewed the 2014-15 income statement obtained from UCF Foundation.
- Recalculated 2014-15 fundraising starting with contributions shown on the Foundation's income statement.
- Increased reported fundraising by \$680,695 to reverse the 20 percent reduction in gifts for financial statement purposes required by IRS.
- Reviewed prior-year audited financial statements for UCF Foundation to verify that financial data were presented fairly. The annual external financial audit provides additional assurances as to the accuracy and completeness of the annual fundraising figures.
- For 2014-15, did not perform any testing because the minimum goal was far above the fundraising reported by the Foundation.
- Calculated total UCF Foundation fundraising during July 1, 2012, through June 30, 2015. Of the \$143.3 million raised during this three-year period, \$37.9 million (26 percent) was in cash, \$16.6 million (12 percent) was in gifts-in-kind, \$52.6 million (37 percent) was in pledges, and \$41.2 million (29 percent) was in planned gifts.

ITEM: CLC-2

**University of Central Florida
BOARD OF TRUSTEES
Compensation and Labor Committee**

SUBJECT: Performance Unit Plan Payments for the 2012-15 Cycle

DATE: October 28, 2015

PROPOSED COMMITTEE ACTION

Recommend approval of the Performance Unit Plan payments earned by participants for the 2012-15 cycle for accomplishment of the three-year performance measures set by the Board of Trustees on November 15, 2012.

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 2012-15 performance measures no later than December 31, 2015.

Supporting documentation:

Attachment A: Compensation Consultant Report
Attachment B: 2012-15 Performance Unit Plan Payments

Prepared by: Shelia Daniels, Interim Associate Vice President and Chief Human Resources Officer

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

Attachment A

MCCONNELL & COMPANY

Compensation Consulting

October 5, 2015

Ms. Shelia Daniels
Acting Chief Human Resources Officer
University of Central Florida
3280 Progress Drive
Suite 100
Orlando, FL 32826-3229

Dear Ms. Daniels:

I have reviewed the process prepared by the UCF internal audit team to certify performance under the 2012-2015 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 64.5% 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,

A handwritten signature in blue ink, appearing to read 'Paul J. McConnell', with a stylized, flowing script.

Paul J. McConnell

Attachment A

Exhibit A

2012-2015 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 six-year graduation rates for FTIC students in the 2006, 2007, and 2008 cohorts.	24%	64.2%	64.7%	65.2%	67.4%	150.0%	36.00%
Average of the one-year retention rates for FTIC students in the 2011, 2012, and 2013 cohorts.	14%	87.7%	88.2%	88.7%	87.5%	0.0%	0.00%
Average four-year graduation rates for summer and fall full-time AA transfer students in the 2008, 2009, and 2010 cohorts.	24%	75.1%	75.35%	75.5%	73.7%	0.0%	0.00%
External Support							
Average extramural funding raised per tenured and tenure-track faculty member FTE for 2012-13, 2013-14, and 2014-15.	19%	\$131,585	\$132,902	\$134,232	\$144,672	150.0%	28.50%
Total philanthropy to the UCFF 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	\$143,341,085	0.0%	0.00%
Total	100%						64.50%

Attachment A

2012-15 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 six-year graduation rates for FTIC students in the 2006, 2007, and 2008 cohorts.	24%	64.2%	64.7%	65.2%	65.1% 2006 cohort	67.4% 2007 cohort	69.7% 2008 cohort	67.4% average over 2006, 2007, 2008 cohorts
Average of the one-year retention rates for FTIC students in the 2011, 2012, and 2013 cohorts.	14%	87.7%	88.2%	88.7%	87.8% 2011 cohort	87.1% 2012 cohort	87.5% 2013 cohort	87.5% average over 2011, 2012, 2013 cohorts
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%	75.6% 2008 cohort	73.0% 2009 cohort	72.4% 2010 cohort	73.7% average over 2008, 2009, 2010 cohorts
External Support								
Average extramural funding raised per tenured and tenure-track faculty member FTE for 2012-13, 2013-14, and 2014-15.	19%	\$131,585 per FTE	\$132,902 per FTE	\$134,232 per FTE	\$126,896 per FTE 863.5 FTE \$109,572,329 total funding 2012-13	\$154,253 per FTE 850.6 FTE \$131,207,263 total funding 2013-14	\$152,868 per FTE 853.0 FTE \$130,396,597 total funding 2014-15	\$144,672 per FTE 855.7 FTE \$123,725,396 total funding average over 2012-15
Total philanthropy to the UCFF 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	\$48,647,666 2012-13	\$43,256,323 2013-14	\$51,437,096 2014-15	\$143,341,085 total over 2012-15

Green highlight = final results based on 2012-13, 2013-14, and 2014-15 data

10/3/15

Attachment B

University of Central Florida 2012-15 Performance Unit Plan Payments

Name	Position	Target Units	2015
		2012-15	Payments Due ¹
German, Deborah	VP, and Dean Medical Affairs	620	\$39,990
Soileau, Marion	VP, Research	370	\$23,865
Merck, William	VP, Administration and Finance	370	\$23,865
² Holmes, Robert	VP, Development and Alumni Relations	350	\$21,898
Cole, Scott	VP and General Counsel	330	\$21,285
³ Harms, Al	VP, Strategy, Marketing, Communications and Admission	310	\$9,998
Ehasz, Maribeth	VP, Student Development and Enrollment Services	280	\$18,060
Holsenbeck, Daniel	VP, University Relations	280	\$18,060
Schell, Rick	VP and Chief of Staff, Office of the President	270	\$17,415
⁴ Donegan, Helen	VP, Community Relations	220	\$11,778
	SubTotal	3,400	\$206,214
Hitt, John	President	2,450	\$158,025
	Total	5,850	\$364,239

¹ Amount owed for 2012-15 is 64.5% of the target units as computed by the compensation consultant for the 2012-15 cycle. Amounts earned are to be paid no later than December 31, 2015. Any payment which exceeds legislated Education and General salary cap will be paid from non-public funds.

² The payment amount is prorated per the Performance Unit Plan, Section 10(a)(i)(ii)(iii). The participant worked 1065 days of the 2012-15 cycle. The qualified amount is multiplied by the fraction 1065/1095.

³ The payment amount is prorated per the Performance Unit Plan, Section 10(a)(i)(ii)(iii). The participant worked 550 days of the 2012-15 cycle. The qualified amount is multiplied by the fraction 550/1095.

⁴ The payment amount is prorated per the Performance Unit Plan, Section 10(a)(i)(ii)(iii). The participant worked 905 days of the 2012-15 cycle. The qualified amount is multiplied by the fraction 905/1095.

ITEM: CLC-3

**University of Central Florida
BOARD OF TRUSTEES
Compensation and Labor Committee**

SUBJECT: 2015-18 Performance Incentive Measures and Goals

DATE: October 28, 2015

PROPOSED COMMITTEE ACTION

Recommend approval of the 2015-18 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:

Attachment A: 2015-18 Performance Incentive Measures and Goals
Attachment B: Historical Goal Data

Prepared by: Shelia Daniels, Interim Associate Vice President and Chief Human Resources Officer

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

Attachment A

2015-18 Performance Unit Plan Incentive Measures and Goals

Data provided by Institutional Research, University Audit, and UCF Foundation

Performance Measure	Fiscal Year Results			Average or Total over Three-Year Cycles			Measure Weight 2014-17, 2015-18	PROPOSED 2015-18 Performance Goals		
Quality of Education	2012-13	2013-14	2014-15	2010-13	2011-14	2012-15		Min	Target	Max
Six-year graduation rates -FTIC	65.1%	67.4%	69.7%	63.7%	65.1%	67.4%	22.0%	69.7%	70.2%	70.7%
One-year retention rates -FTIC	87.8%	87.1%	87.5%	87.3%	87.4%	87.5%	12.0%	88.5%	89.0%	89.5%
Four-year graduation rates of AA transfer summer and fall full-time students	75.6%	73.0%	72.4%	75.3%	74.6%	73.7%	22.0%	73.2%	73.7%	74.2%
External Support										
Research grants: Average per tenured and tenure-track faculty member FTE	\$126,896 Faculty FTE: 863.48	\$154,253 Faculty FTE: 850.58	\$152,868 Faculty FTE: 853.0	\$136,612	\$143,830	\$144,672 Faculty FTE: 855.7	17%	\$135,000	\$140,000	\$145,000
Total philanthropy for the three year period to the UCFF and UCF athletics program without Courtelis or state matching funds. Includes planned gifts, gifts-in-kind, and pledges.	\$48,647,666	\$43,256,323	\$51,437,096	\$60,376,229	\$82,687,576	\$143,341,085	17%	\$150,000,000	\$165,000,000	\$180,000,000
BOG Performance Funding Benchmark										
Maintain UCF's performance and standing as a top tier SUS institution. Average of final performance funding rankings.			Top 3				10%	Top 5	Top 4	Top 3

Attachment B

Historical Goal Data

Data provided by Institutional Research, University Audit, and UCF Foundation

Performance Measure	Measure Weight 2012-15, 2013-16	2012-15 Performance Goals			2013-16 Performance Goals			Measure Weight 2014-17, 2015-18	2014-17 Performance Goals			PROPOSED 2015-18 Performance Goals		
		Min	Target	Max	Min	Target	Max		Min	Target	Max	Min	Target	Max
Six-year graduation rates -FTIC	24%	64.2%	64.7%	65.2%	66.5%	67.0%	67.5%	22%	68.5%	69.0%	69.5%	69.7%	70.2%	70.7%
One-year retention rates -FTIC	14%	87.7%	88.2%	88.7%	88.2%	88.7%	89.2%	12%	88.5%	89.0%	89.5%	88.5%	89.0%	89.5%
Four-year graduation rates of AA transfer summer and fall full-time students	24%	75.1%	75.35%	75.5%	75.4%	75.5%	75.6%	22%	75.5%	76.0%	76.5%	73.2%	73.7%	74.2%
Research grants: Average per tenured and tenure-track faculty member FTE	19%	\$131,585	\$132,902	\$134,232	\$130,500	\$131,500	\$133,000	17%	\$131,585	\$132,902	\$139,547	\$135,000	\$140,000	\$145,000
Total philanthropy for the three year period to the UCFF and UCF athletics program without Courtelis or state matching funds. Includes planned gifts, gifts-in-kind, and pledges.	19%	\$247,500,000	\$275,000,000	\$302,500,000	\$190,000,000	\$215,000,000	\$235,000,000	17%	\$200,000,000	\$210,000,000	\$220,000,000	\$150,000,000	\$165,000,000	\$180,000,000
Maintain UCF's performance and standing as a top tier SUS institution. Average of final performance funding rankings.	N/A							10%	Top 5	Top 4	Top 3	Top 5	Top 4	Top 3

ITEM: CLC-4

**University of Central Florida
BOARD OF TRUSTEES
Compensation and Labor Committee**

SUBJECT: 2015-18 Performance Unit Plan Awards

DATE: October 28, 2015

PROPOSED COMMITTEE ACTION

Recommend approval of the 2015-18 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:

Attachment A: 2015-18 Performance Unit Plan Awards

Prepared by: Shelia Daniels, Interim Associate Vice President and Chief Human Resources Officer

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

Attachment A

University of Central Florida

Performance Unit Plan Awards for 2015-18

Name	Position	Base Salary	2012-15	2013-16	2014-17	Proposed Units for 2015-18						
						2015-18	Incr #	Incr %	Min	2015-18 Target	Max	Target % of salary
Whittaker, Dale	Provost and Vice President Academic Affairs	\$400,000	0	0	530	560	30	6%	\$14,000	\$56,000	\$84,000	14.00%
German, Deborah	VP, and Dean Medical Affairs	\$560,000	620	700	740	780	40	5%	\$19,500	\$78,000	\$117,000	13.93%
Soileau, Marion	VP, Research and Commercialization	\$299,506	370	370	410	420	10	2%	\$10,500	\$42,000	\$63,000	14.02%
Merck, William	VP, Administration and Finance	\$325,000	370	370	410	460	50	12%	\$11,500	\$46,000	\$69,000	14.15%
Morseberger, Michael	VP, Development and Alumni Relations	\$425,000	0	0	0	600	600		\$15,000	\$60,000	\$90,000	14.12%
Cole, Scott	VP and General Counsel	\$280,000	330	330	380	390	10	3%	\$9,750	\$39,000	\$58,500	13.93%
Heston, Grant	VP, Communications and Marketing	\$225,000	0	0	300	320	20	7%	\$8,000	\$32,000	\$48,000	14.22%
Holsenbeck, Daniel	VP, University Relations	\$240,000	280	280	310	340	30	10%	\$8,500	\$34,000	\$51,000	14.17%
Ehasz, Maribeth	VP, Student Development and Enrollment Services	\$250,000	280	280	320	350	30	9%	\$8,750	\$35,000	\$52,500	14.00%
Schell, Rick	VP and Chief of Staff, Office of the President	\$230,000	270	270	300	320	20	7%	\$8,000	\$32,000	\$48,000	13.91%
Donegan, Helen	VP, Community Relations	\$175,000	220	220	230	250	20	9%	\$6,250	\$25,000	\$37,500	14.29%
Hartman, Joel	VP, Information Technologies and Resources	\$300,000	0	0	0	420	420		\$10,500	\$42,000	\$63,000	14.00%
SubTotal		\$3,709,506	2,740	2,820	3,930	5210	1280		\$130,250	\$521,000	\$781,500	14.04%
Hitt, John ¹	President	\$606,876	2,450	2,550	2,630	TBD ²						
Total		\$4,316,382	5,190	5,370	6,560							

¹ includes 20% deferred salary supplement

² President Hitt's units must be determined by the Compensation and Labor Committee

ITEM: CLC-5

**University of Central Florida
BOARD OF TRUSTEES
Compensation and Labor Committee**

SUBJECT: Presidential Evaluation Report Submitted by Constantine Curris, Curris Associates

DATE: October 28, 2015

PROPOSED COMMITTEE ACTION

Accept the presidential evaluation report submitted by Constantine Curris, Curris Associates, and determine the committee's recommendation for the president's assessment.

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 at three-year intervals by independent consultants. The comprehensive assessment was last completed in 2012 and is due again in 2015.

The charter of the Compensation and Labor Committee states that the committee will submit an annual recommendation to the board for the president's performance and compensation.

Supporting documentation:

Attachment A: University of Central Florida Presidential Evaluation
submitted by Constantine Curris, Curris Associates

Prepared by: Shelia Daniels, Interim Associate Vice President and Chief Human
Resources Officer

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

Attachment A

UNIVERSITY OF CENTRAL FLORIDA PRESIDENTIAL EVALUATION

A REPORT TO THE UCF BOARD OF TRUSTEES

September 2015

The University of Central Florida Board of Trustees requested Dr. Constantine (Deno) Curris to conduct a comprehensive evaluation of the leadership performance of President John Hitt with special attention to the three years that had transpired since his last comprehensive presidential evaluation. While it is difficult to segment Dr. Hitt's tenure, which has extended over two decades, into three year periods, this evaluation strives to focus on the period between 2012 and 2015, and to identify the leadership challenges which the President and the University will face in the months ahead.

This comprehensive review was conducted in late August and September 2015 through two visits to the main campus as well as through telephone interviews with state and community leaders, fellow presidents at public universities in Florida and beyond, national higher education officials, and with UCF officials and trustees not available during campus visits. The observations of over 100 individuals (primarily faculty, staff, and students) were noted and incorporated in this review. In addition there was an extensive review of the minutes from recent UCF Board of Trustee meetings, President Hitt's annual reports to the Board and the Board's annual evaluations of the President's performance. The review also considered published documents from the Florida Board of Governors including multi-year "System Summary of University Work Plans," as well as articles and papers covering campus initiatives and journal articles featuring the university and its president.

It is nigh impossible to incorporate in a document such as this the various and often copious sentiments expressed by over 100 interviewees, but a conscientious effort has been made to reflect sentiments expressed in sufficient numbers for the reviewer to conclude that such viewpoints and concerns are held by a substantial portion of the UCF extended family.

While every effort has been made to insure that data are accurate and sentiments fairly assessed and conveyed, apologies are extended for any factual errors. The writer is grateful for the cooperation extended by all who participated in this review, for the candor and constructive suggestions offered, and for the special assistance and courtesies provided by Mary Ann Parker and Laura Stylianou.

Attachment A

I OVERVIEW

President John Hitt has served the University of Central Florida for a remarkable twenty-three years, a tenure that far exceeds national averages. During this period the enrollment has increased from nearly 22,000 to now over 63,000 students, campus facilities have more than doubled in buildings and square footage, and the number of UCF degree holders now exceeds 250,000. Graduate and professional schools, including a College of Medicine, have been established, and the University's visibility now extends far beyond central Florida. John Hitt has had a profound impact on the University. What the University is, in good measure, is a reflection of his values and decisions. Indeed, the institutional culture has inculcated and is now dominated by the five goals he enunciated in his inaugural year. 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 curricular and research programs;
4. Become more inclusive and diverse; and
5. Be America's leading partnership university.

These goals have been annually reiterated, endorsed by the Board of Trustees, embedded in the internal decision-making processes of the University, and widely embraced and honored. Their realization is at the heart of the University's remarkable progress, and where people believe they have not been fully realized, form the basis for common concern, and occasional criticism.

Despite difficulties that flow from insufficient public funding and vexing events beyond the proverbial campus walls, there is widespread pride in the University's growth and development, and in its stellar achievements. Especially notable is the strong sense of personal fulfillment among many faculty and staff in being part of an entity "larger than self." There is immense loyalty to the President among those who closely work with him, and a deep respect and admiration throughout the University and within the greater Orlando community.

In the triennial period between the 2012 comprehensive presidential evaluation conducted by this consultant and the current review, there have been for the University some significant developments, all of which in varying degrees can be attributed to executive level leadership. Noteworthy among them are:

- Enrollment, despite two years of slight slippage, has rebounded to a record 63,000 students. Included in these statistics is approximately 30% of state college transfers in Florida. The matriculation of increased numbers of ethnic minorities now hovers around 20,000, or roughly one-third of the student population.
- UCF's national profile has been elevated. Noteworthy are: an improved student profile; identification with leading public universities enrolling National Merit

Attachment A

Scholars; accolades for the recently established College of Medicine; and even a Fiesta Bowl victory.

- Recognition by US News and World Report as one of the nation's leading "Innovation" universities.
- Excellent scoring on the Florida Board of Governors Performance Funding matrix, placing UCF third among state universities.
- Counteracting some of the negative publicity it had earlier garnered, Intercollegiate Athletics has been recognized for the academic performance of its student athletes (first in the nation), as well as for successes registered by women's and men's teams.
- Charter membership in the University Innovation Alliance, which beyond its intrinsic merits, identifies UCF with prominent metropolitan based research universities having similar commitments to student access and success.
- Significant changes have occurred in the executive leadership ranks with the resignations of four vice-presidents, and the appointment of three replacements, each of whom has been well-received by the University community.

Given these developments, coupled with improved financial support, the campus climate reflects less anxiety and greater optimism in its outlook than was noted three years ago. One key source of that stability and outlook has been the presidency of Dr. Hitt, who continues to enjoy strong support throughout the university and among key extramural constituencies.

Students, especially those who have periodic contact with the President, speak glowingly of his interest in student needs and concerns, his presence in campus locales where students gather and at campus events, as well as for his efforts to provide educational opportunity for all students and to enhance the prospects for student success. As one student leader expressed, "Student voices are well-received." That UCF has a significant population of students of color was noted by many students who appreciate the University's commitment to inclusion and the comfort that commitment provides to many students.

Not surprisingly, UCF students lamented the limited parking spaces available and expressed frustration with overcrowded classrooms. On the other hand they valued the campus proper, noting its physical beauty, continuing expansion, and the opportunities to participate in campus traditions. They were also very complimentary of the staff who work with UCF students.

Staff were generous in their praise for the President noting UCF is viewed as a highly desirable place to work. Though higher pay and expanded benefits are always welcome (and often requested), several staff expressed appreciation for the administration's concern for campus workers, especially those with lower wages. There were also statements of sincere appreciation and gratitude for the fact that during the state's economic downturn when state funding was

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sharply cut, the University administration, unlike others in the state, made special efforts to minimize staff layoffs.

In meetings with faculty, including members of the Faculty Senate, officers of the faculty union, holders of endowed chairs and individuals informally met during the lunch hour, there was a clear recognition of the President's instrumental leadership over past decades, and an expressed appreciation for his efforts to secure funding for salary increases and the additional 200 positions projected for this year and next. It was also evident that an appreciable number of faculty are deeply concerned over what are described as extensive workloads, facility limitations, and the burdens associated with accommodating a burgeoning student population. Several faculty expressed a sense of personal exhaustion and concern for overextended colleagues.

Among professional staff, especially for those in senior management positions, there is a palpable "esprit de corps." These individuals project enthusiasm for the University's progress with comments such as "UCF is on the move" and "We are breaking new ground." They find the University to be an exciting place to entrust their professional futures, and they exhibit admiration for and loyalty to President Hitt. In the words of one vice-president, "With all he has accomplished, he could have rested on his laurels. But he has done the opposite." Members of senior management note his work in helping to create the Florida Consortium of Metropolitan Research Universities and the University Innovation Alliance, as well as his initiatives to establish UCF Downtown and the Florida Center for Advanced Manufacturing Research in Osceola County. Another vice-president noted, "He has worked harder these past two years than ever before. He seems to be thriving."

It should also be noted that a couple of senior level colleagues are worried that the President is trying to do too much. They expressed a concern he may be coming close to overextending himself; they wish he would take more vacation time.

While time constraints limited the number of interviews with civic leaders in the greater Orlando area, consistent responses indicate that the President continues to be viewed in the most positive terms. Several individuals noted the President is providing positive leadership in the community and that no major issue or development occurs without President Hitt being asked to be part of the deliberations. The President was quoted as saying that a great city needs a great university, and a great university needs a great city. The President is seen as "an indispensable asset" to the community, and that he functions as a "safe broker for solving problems."

Presidential colleagues at other universities speak warmly of Dr. Hitt, describing him as the "senior statesman" in higher education. As one president noted, "John is never the first to speak, but invariably the most influential when he does."

The high regard in which President Hitt is held by alumni and the philanthropic community was evident in meetings with members of the UCF Foundation and officers of the UCF Alumni Association. The President's unceasing focus on enhancing the University's stature and national reputation resonates with alumni. In the words of a senior observer "He put us on the map."

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The recently appointed Vice-President for Advancement has been well-received according to the Alumni Association and Foundation officials (as well as by many others at UCF). The pending selection of a new executive to head the alumni office is eagerly awaited. There is a palpable sense that these appointments will “re-energize” both organizations and lead to greater collaboration and mutual progress.

The Board of Trustees policy statement on presidential evaluations specifies that the consultant conducting the comprehensive review interview the chair of the Board of Governors. This conversation occurred and BOG Chair Mori Hosseini expressed admiration for President Hitt’s “incredible leadership at UCF,” and complimented the President for being “very open and up front” and for “listening to us.” He also complimented UCF and the President for its high ranking in performance funding and for collaborative work with the University of South Florida and Florida International University in the Consortium of Metropolitan Research Universities.

II LEADERSHIP QUALITIES

The ultimate test of a leader is whether he or she has followers. By that standard President Hitt has been eminently successful. He has attracted from within and without the University a legion of followers who marvel at the University’s achievements and treasure the opportunity to work with and for him.

Among the comments volunteered during this comprehensive evaluation are: “He has accomplished almost the impossible,” “Whatever he proposes to do, he does,” “He brings dreams into reality,” “There is great congruity between his behavior and the five University goals,” “You don’t want to disappoint John,” “I am privileged to work with him and for him,” “My worst fear is letting him down,” “He sets a very high bar and exceeds it,” “He inspires me to do my best; and the word is ‘inspires’ not ‘commands,’” and perhaps the most poignant comment, “I fear that John Hitt’s successor will not have a chance.”

Virtually every interviewee volunteered his or her assessment of the leadership qualities the President possesses. From those observations four qualities were frequently repeated and have come to define him in the eyes of many with whom he works.

First, President Hitt is widely seen as a visionary, a leader who foresees opportunities and pursues them, “a creative person who knows how to work with creative people,” and a University leader who understands William Shakespeare’s observation, “There is a tide in the affairs of men, which taken at the flood leads on to fortune...”

Second, the President is seen as a genuine, authentic person. Several individuals noted that the President is neither a “glad hander” nor a “flamboyant personality.” Yet over the years his

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authenticity has come to personify the institution and to accord to the President directly and UCF indirectly, trustworthiness not only on campus, but in the community and the state.

The third personal quality often mentioned by interviewees is the President's listening skills. That a person takes the time to listen to others not only enhances ultimate decision-making, but perhaps more importantly, affirms the worthiness of the speaker's viewpoint and increases the likelihood that the individual will accept and support whatever decision is made.

The fourth leadership quality frequently attributed to the President, and perhaps of all, the most significant, is personal integrity. As one observer noted. "His character overwhelms his personality." As part of this review the question was asked of each trustee, vice-president, dean and several faculty and staff: "Have you ever had reason to question the President's ethical values or his ethical judgment?" In every instance the answer was an unequivocal "No."

In the course of this assessment, the reviewer met with the Chief Auditor Executive, the Chief Compliance & Ethics Officer, the NCAA Faculty Representative, the Chief Diversity Officer, and the Director of Equal Opportunity Programs. Each individual affirmed that the President supported his or her work and tolerated no interference in the fulfillment of his or her responsibilities. One individual captured a shared sentiment in saying that the culture at UCF is "to do the right thing."

In a University as large and complex as Central Florida, the President needs to assemble a team of vice-presidents and other direct reports who are perceived to be, and in fact are, capable and fully supportive of the University's mission and strategic directions. In addition to assembling such a team, the President must enunciate expectations, ensure that team members are collaborative and committed, and accord each individual sufficient authority and flexibility to lead and manage. As part of the presidential assessment, this reviewer has had the opportunity to meet each of these individuals and it is his judgment that the President has demonstrated excellent leadership in building and empowering such a team.

The three vice-presidential appointments (Whittaker, Morsberger, and Heston) have been well-received by the University community, by individuals who report to them, and by others in executive leadership ranks. The resignation of the fourth vice-president (and athletic director), Stansbury, is seen by many as a major loss for the University. Several individuals noted reports of uneasiness in athletics, perhaps due to a delay in the appointment of a permanent replacement.

President Hitt's managerial style was widely praised by several members of the executive team who affirmed that he is not a micromanager, but accords considerable discretionary authority to the vice-presidents. He is seen as holding individuals accountable, while simultaneously providing personal access and support. As one observer noted, "He sets a vision; gets smart people to implement, and stays out of their way." The only criticism here is that on occasion the President has been too patient with underperformers.

The President's repeatedly stated goal for UCF to become the nation's leading partnership university has in good measure been achieved. While all university presidents are public figures,

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the chief executive of a nationally recognized university emphasizing partnerships is thrust into the limelight more often and more prominently than his or her counterparts. Such is true for John Hitt whose myriad partnerships in the greater Orlando area and with regional and national higher education associations and consortia have resulted in his assuming key leadership roles locally and nationally. His associates often refer to his ability to understand not only where to go, but also how to get there, and the sequential steps necessary to move an organization from point A to point B. His leadership skills are enhanced by a collegial personal demeanor and as one distant admirer noted, “an uncanny ability to steer an idea through ego-filled waters.”

In summary, the leadership qualities that have long characterized President Hitt’s tenure remain viable. The University of Central Florida is a well-led, well-managed university. The appreciation of John Hitt’s leadership strengths seem to be even more widely recognized and appreciated today than was observed three years ago.

III LEADERSHIP CHALLENGES

Unlike most organizations outside academia, higher education institutions are characterized not by central authority, but by the diffusion of authority. Governance is shared among trustees, central administration, collegiate and departmental authorities, faculty senates, and where applicable with state coordinating/governance bodies, and collective bargaining units. Addressing challenges will inevitably entail considerable communication, persuasion, and time-consuming considerations. Universities, such as Central Florida, experiencing significant growth encounter special challenges as they seek to accommodate growing student populations, while simultaneously planning for programmatic growth and endeavoring to meet the needs of the community and region they serve. All universities face challenges that require presidential leadership. The several constituencies participating in this presidential assessment identified key challenges the University will face in the weeks and months ahead. Four major challenges are discussed in the following paragraphs.

A. Succession Planning

For the past few years considerable attention has been given to the question of how will the University respond when the long serving President chooses to retire. That several of his vice-presidents have intimated their retirements may accompany or soon follow the President’s, serves to heighten concerns and raise the specter of a potential leadership vacuum. These concerns were quite pronounced three years ago.

While those concerns remain today, “the large elephant in the room” as noted by an engaged alumnus, these anxieties appear to have diminished over the past three years. Several factors apparently explain these lessened concerns. First, the Board and the President have made changes to the presidential employment contract. While the specifics of these changes are immaterial to the campus community, the modification signaled that the Board of Trustees was abreast of the succession issue. Secondly, the several new initiatives publicly pursued by the

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President suggest that any retirement plans are not immediately forthcoming, and thirdly, the appointments of three vice-presidents, believed to be younger in age than their predecessors, project continuity and ameliorate concerns over a string of disruptive retirements.

B. Building the University Endowment

Over several decades the University of Central Florida and the UCF Foundation have successfully raised private funds with capital projects and programmatic initiatives receiving priority consideration for the use of those funds. As a result the University's endowed funds have not grown to a level that can adequately support student scholarships, endowed professorships, and the "margin of excellence" expenditures needed by a university with the scope and ambitions of Central Florida. Data published by the Florida Board of Governors highlight UCF's comparative disadvantage vis-à-vis sister institutions.

Endowment Values (in \$ M) as of June 30, 2014

UF	FSU	USF	FAU	FIU	UCF
1,520	625	417	209	177	155

These data undergird the UCF Board of Trustees' strong interest in building the University's endowment, reinforced through its annual presidential evaluations. Interviewees expressed considerable confidence in the drive and ability of the recently appointed Vice-President for Advancement, and anticipate a renewed enthusiasm for the agreed to capital campaign. While VP Morsberger's tenure is measured in weeks rather than years it is abundantly clear that he is passionate about the University's future, developing plans to strengthen fund-raising, and engaged with Alumni Association officers and members. Most importantly, it appears that he has developed in but a few short weeks, excellent working relationships across the University and notably with President Hitt. The sense of this reviewer is that the two will form an effective team and make marked progress in building the UCF endowment.

C. Infrastructure Support

The significant expansion of the University's physical plant is evident to both visitors and campus residents alike. UCF has a visually stunning and operationally workable campus. However, the combination of enrollment growth and program expansions has resulted in less than adequate capacity – at least in the eyes of many students, faculty, and staff.

Several students expressed unhappiness over insufficient seating in selected classrooms, noting that students were forced to stand or sit on the floor – often outside classrooms. They expressed a belief that alternate arrangements (including remote access and taped lectures) were not as satisfying or sufficient. Faculty and administrative staff expressed varying degrees of dissatisfaction with what they described as office shortages and the absence of or prolonged delays in having access to needed academic facilities (including a performing arts venue). The

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validity of these concerns is beyond the scope of this presidential review; nevertheless, the frequency with which they were expressed suggests that the issue of inadequate infrastructure or at least perceptions of such, will need to be addressed. This reviewer would add that facility limitations are confronted by virtually all thriving institutions, and so their existence at UCF is not surprising. Perhaps the biggest concern would be the student sentiments that these limitations are adversely impacting their learning opportunities.

D. Expanding UCF's Research Mission

There are few problems more vexing to higher education leaders than that of maintaining a meaningful commitment to undergraduate education while expanding the research and graduate education functions. This challenge is evident at the University of Central Florida where the commitment to access, quality undergraduate education, and student success defines the University and is embedded in its culture. At the same time there is justifiable emphasis on the establishment and development of the medical and other professional schools, as well as an anticipated expansion of graduate programs. These developments are integral to the maturation of a metropolitan research university, especially one serving a growth oriented region such as central Florida. UCF's ambitious agenda is outlined well in its 2015 Work Plan.

Achieving these goals constitutes a significant leadership challenge, one which the President and academic leaders are confident they can address. There is, however, less confidence within faculty ranks. A notable number of faculty expressed the conviction that excessive teaching loads are impacting the quality of the education they deliver, and several expressed a viewpoint that the expansion of doctoral programs and the emphasis on increasing research activities will further impact undergraduate education negatively. They see little if any relief in sight.

Using funds distributed through the Board of Governors' performance funding formula, UCF has announced that 200 additional faculty positions will be created over this and next year. These positions are to be dedicated "to meet student demand," "decrease class sizes," and "stabilize student-to-faculty ratios," while "boosting UCF's growing research promise and economic impact."

Several faculty indicated they were uncertain as to how these positions will be distributed; they were pessimistic that there would be much impact favorable to undergraduate education.

To this reviewer the information gap between those who deploy the positions and those impacted by those decisions seems wider than what one would normally expect. Critical to bridging this information gap is engaging the cadre of collegiate deans (and to a lesser degree department chairs). Discussions with several deans revealed considerable uncertainty on their part, and insufficient understanding of funding plans to provide a basis for authoritative discussions within their colleges. Under these circumstances it is not surprising that speculation supplants information.

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The academic deans, it should be noted, are strongly supportive of the President's leadership and most complimentary of the work of the Provost who has completed his inaugural year. While they readily describe the strengths and challenges within their respective colleges, they expressed varying degrees of uncertainty about the University's strategic directions and how future changes would impact their colleges. In the nearly identical words of two deans, "We need to know where we are going."

The President, joined by the Provost, should schedule periodic meetings with the collegiate deans. The key objectives of these discussions is to better engage the deans in university planning efforts and to enlist their full participation in addressing concerns within the professoriate as to how the University envisions sustaining its undergraduate emphasis while expanding its graduate and research activities.

IV Trustee – President Relationships

The most important partnership in the University is not with an external entity, but that between the governing board and its president. The extraordinary successes achieved by the University of Central Florida can in large measure be attributed to the strong partnership between the governing board, irrespective of its changing membership, and President Hitt. The fruits of that partnership are manifest in UCF's remarkable progress.

A review of Board of Trustee minutes as well as the Board's annual assessment of the President's performance these past few years reinforces the perception held on and off campus that this relationship is working remarkably well. Interviews with UCF Trustees reaffirm the observation noted three years ago; namely, that the positive working relationship between Trustees and the President is built upon mutual respect, timely and full communications, an understanding of the Board's policy and oversight responsibilities, and the President's managerial role. In addition, the Trustees have established an effective committee structure.

It should be noted that effective Board functioning extends beyond working with the President. Trustees were most complimentary of the University's vice-presidents and support staff with whom there is regular interaction. Board members further indicated that they are appreciative of President Hitt's understanding of national trends in higher education, confident in his keeping the Board abreast of higher education issues, and complimentary of the several national leadership positions he holds. Board members are comfortable with meeting agendas and believe their time is well-spent and productive. There is some interest in the Board being more engaged in determining the strategic directions the University will pursue in the coming years.

On a national scale, public confidence in the governance of higher education was shaken a few years ago by events that occurred at the State University of Pennsylvania. While even today not all is known about who knew what and when, there is a widely held belief that the Penn State governing board was "asleep at the switch." Irrespective of the validity of that assumption, a movement has resulted for governing boards to become more proactive in understanding University operations and in exercising effective oversight.

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In the three years since the last comprehensive presidential evaluation, several new members have joined the UCF Board of Trustees and current trustees suggested that more turnover will probably occur. Because it is critically important that the President and the Board be “on the same page,” and considering the significant issues which the University is and will be addressing, serious consideration should be given to the Board and the President scheduling an annual retreat (preferably away from campus) focused on a full discussion of the University’s strategic directions as well as the key issues confronting the University in the coming months. While the preparation of background materials and presentations would be part of such a retreat, the format should be structured so that Trustees will fully engage in these deliberations.

An example of a topic meriting additional discussions would be the University’s next steps relative to the UCF Downtown project. While interviews these past weeks elicited strong support for the concept, it was evident that not all the key players feel comfortable that they understand the need for and the impact of the project, and several individuals questioned whether UCF Downtown will be viable in the absence of appropriated funds.

V Prospectus

One of the nation’s foremost authorities on public university governance, Dr. Terrence McTaggart, wrote an insightful article for the Trusteeship (2012) magazine entitled “How Presidential Evaluations Must Change.” In it he noted that most presidential evaluations look backward, assuming that future challenges will be similar to those of earlier years. Instead, he argued “The ability of the president to lead going forward, more so than past performances, and to lead the right kind of change during challenging times, must be the primary considerations in comprehensive board evaluations.”

This comprehensive review clearly concludes that President John Hitt, as noted in previous reviews, has served the University of Central Florida in a superb manner without any diminution in managerial prowess or institutional achievements. His passion for the University, his concern for educational opportunity and student success, as well as his commitment to the citizens of this region and state remain undiminished.

Looking forward one is first struck by the potential of recent initiatives championed by the President to place UCF in the vanguard of salutary change. The Florida Consortium of Metropolitan Research Universities will expectedly facilitate inter-institutional and interdisciplinary collaboration, while the University Innovation Alliance should provide excellent opportunities for exchanging and mastering “best practices,” and encourage the use of meaningful and relevant benchmark data.

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While these substantive developments augur well for the future, the institution's most important asset is the university community's confidence in the leadership team in place and the abiding trust among students, faculty, staff, alumni, and the citizens of central Florida in the continuing leadership and service of President John Hitt.

Constantine W. Curris
Senior Consultant

October 2, 2015

ITEM: CLC-6

**University of Central Florida
BOARD OF TRUSTEES
Compensation and Labor Committee**

SUBJECT: Presidential Compensation Review and Recommendations Submitted by
McConnell and Company

DATE: October 28, 2015

PROPOSED COMMITTEE ACTION

Accept the presidential compensation report submitted by Paul McConnell, McConnell and Company, and determine the committee's recommendation for the president's compensation.

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 at three-year intervals by independent consultants. The comprehensive assessment was last completed in 2012 and is due again in 2015.

The charter of the Compensation and Labor Committee states that the committee will submit an annual recommendation to the board for the president's performance and compensation.

Supporting documentation:

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

Prepared by: Shelia Daniels, Interim Associate Vice President and Chief Human
Resources Officer

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

Attachment A

University of Central Florida

Market Competitive Compensation for University President

October 6, 2015

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

MCCONNELL & COMPANY

Attachment A

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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

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Performance Unit Plan or “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.

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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 from the latest Board of Governors salary survey. Two of the institutions recently changed presidents. To ensure a complete view of compensation for these schools, both the incoming and outgoing president's pay was examined. Because this information was derived from contract specifics, it is our opinion that these figures are the most accurate indicator of total 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.

¹ Available through public records.

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- Incentive clauses are shown at the full opportunity available, annualized for multi-year performance periods. In our experience, most university incentives are paid near the maximum.
- UCF Peers: Exhibit B presents a detailed list of the compensation provided to the presidents of the institutions² that are included in UCF's aspirational and comparison 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 universities³ in their Form 990 tax filings. 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 opportunities⁴. The table below compares the Guaranteed Compensation and Total Opportunity from the contract data (Exhibit A) and the corresponding Chronicle of Higher Education data.

² Institutions with interim Presidents were excluded.

³ The standard Chronicle report shows deferred compensation based on the year paid rather than earned or accrued. For consistency with other data, this was converted to an accrual basis.

⁴ 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.

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	<u>Contract Data</u>		<u>Chronicle Data</u>		<u>% Under</u>	
	<u>Guar</u>	<u>Total</u>	<u>Guar</u>	<u>Total</u>	<u>Guar</u>	<u>Total</u>
University of Florida	602,102	602,102	583,509	583,509	3%	3%
Florida State University	638,995	781,852	466,377	589,377	37%	33%
Florida International University	636,625	636,625	560,212	640,212	14%	-1%
University of South Florida	643,900	818,900	589,536	776,061	9%	6%
University of Central Florida	<u>606,876</u>	<u>966,876</u>	<u>617,255</u>	<u>735,153</u>	<u>-2%</u>	<u>32%</u>
Average	625,700	693,485	563,378	614,120	11%	13%

Due to the improved reporting via the new tax Form 990's, on average, the Chronicle data is only about 10% underreported – a significant improvement from our prior report when the underreporting was closer to 40%. The remaining difference is likely due to retention payments and unearned incentive opportunities. To ensure consistent complete comparisons, we have adjusted the Chronicle total pay data by 5% -- about half the estimated underreporting. Base salary data shown was not adjusted since there is no underreporting issue with this component of pay.

- Largest Public Universities: Exhibit C shows the range of pay for the top twenty largest universities⁵ as measured by enrollment (as reported by the Department of Education.) UCF is the largest university in this database. Dr. Hitt's compensation package ranked seventh on this list. This data was also adjusted by 5% for underreporting described above for UCF Peers.

⁵ Institutions with interim Presidents were excluded.

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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 12/31/2015 (i.e., the middle of UCF's academic year) 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 compensation⁶ 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 these perspectives by 40%. The Largest Public Universities perspective was weighted 20%.

⁶ "p10" is the 10th percentile of the data – the level below which 10% of the values fall.

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- 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	427.1		482.4		911.6	40%	425	480	910
UCF Peers	415.6	459.9	549.6	598.0	641.1	40%	550	600	640
20 Largest Public Universities	474.5	545.2	615.4	689.2	753.1	20%	545	615	690
Weighted Average Competitive Pay Range							500	555	760

- 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	682.0		706.1		786.7	40%	680	705	785
UCF Peers	508.2	524.0	636.3	759.7	861.3	40%	635	760	860
20 Largest Public Universities	495.9	634.8	707.7	815.6	968.0	20%	635	710	815
Weighted Average Competitive Pay Range							655	730	820

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- 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	716.8		816.8		867.5	40%	715	815	870
UCF Peers	508.4	607.0	691.3	794.4	878.3	40%	690	795	880
20 Largest Public Universities	598.9	669.4	787.9	876.1	1,098.3	20%	670	790	875
Weighted Average Competitive Pay Range							695	800	875

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- The table below compares the market perspectives shown for this year with the similar ranges produced for our 2012 report. Base salaries increased 12%, reflecting more a shift in pay than an increase in pay levels. Guaranteed Compensation increased 9% at the median (or 2.9% a year) - a level in line with general pay trends. Total Opportunities increased by 6% or 1.9% per year.

		Competitive Range		
		Low	Mid	High
Base Salary	2012 Study	425	495	545
	2015 Study	500	555	760
	% Increase		12%	
Guaranteed Compensation	2012 Study	585	670	775
	2015 Study	655	730	820
	% Increase		9%	
Total Opportunity	2012 Study	660	755	870
	2015 Study	695	800	875
	% Increase		6%	

Reasonableness Check

- UCF is an educational institution, but it is also a business with annual revenues and expenses of about \$950 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

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environment) as any other CEO in an organization that size. We computed the range of cash compensation earned by a group of about 150 public companies whose revenue bracketed UCF's size (Exhibit D). These companies represent a broad cross section of American industry. This analysis, shown below, is based on proxy reports of 2014 compensation, only considered cash compensation (i.e., salary plus annual bonus) and shows a competitive range of the 10th to 50th percentile⁷.

<u>Market Perspective</u>	<u>Wgtd Ave Competitive Pay</u>			<u>General Industry</u>			<u>% Chg</u>
	<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>	
Market Base Salary	500	555	760	520	635	715	-13%
Market Guaranteed Compensation	655	730	820	520	635	715	15%
Market Total Compensation	695	800	875	665	870	1,410	-8%

- General Industry 25th percentile salaries are between the educational Base Salaries and Guaranteed Compensation. Total Compensation provided to educational Presidents is 8% below the 25th percentile of general industry pay for CEO's.

⁷ Equity compensation was excluded from this analysis. For companies this size, equity values would increase the typical CEO pay package by 50% to 100%.

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Performance Unit Plan

- To fully evaluate Dr. Hitt's compensation, one needs to understand the operation of the Performance Unit Plan. Payments received from this plan represent a significant portion of his total compensation.
- The plan was implemented in late 2006. At this time, it was very common for university Presidents within the Florida system to receive incentive payments based on one and three-year performance measures. Today, most of the peer university Presidents receive compensation that is largely guaranteed. However the concept behind the plan is still relevant and UCF is relatively unique among major universities to have implemented such an incentive approach and applied it to the entire management team⁸. The plan has become an important management tool that focuses the team on the achievement of University goals that are outside their individual responsibilities.

Plan Operation

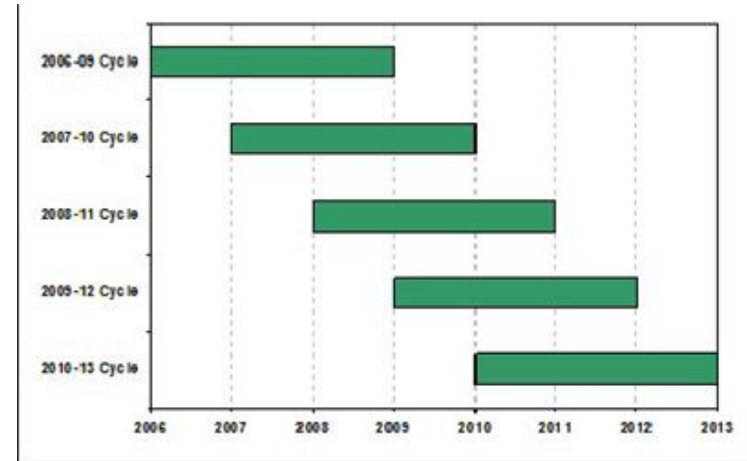
- This plan is an approach to multi-year incentive arrangements where the Board makes annual grants of a certain number of incentive units to a

⁸ It is important to note that at the time this plan was implemented, Dr. Hitt and the other participants did not receive merit increases applicable to all other employees and do not to this day. Thus this plan effectively puts a portion of their compensation at risk, rather than being an add-on to what they had previously received.

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participant. The value of each of these units is computed at the end of the performance cycle and is equal to \$100 times a performance percentage earned that is determined based on an assessment of performance versus a number of performance goals as established at the beginning of a three-year performance cycle.

- As shown in the adjacent graph, the performance cycles consist of three year periods that follow UCF's fiscal year. The first performance cycle ran from July 1, 2006 to June 30, 2009. The second cycle commenced July 1, 2007 and ended June 30, 2010. This kind of overlapping performance cycle approach is an excellent way to reward sustained high performance as the performance related to a single year impacts three separate incentive awards.
- This performance cycle approach allows flexibility in changing the size of the annual award and the performance measures and goals.



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- Exhibit E presents the performance incentive matrices that incorporate the goals that have been established for the three open cycles⁹. These matrices each have five to six rows – one for each performance measure. The columns on the right show three levels of performance for each performance measure – a “Minimum” or threshold acceptable level, a “Target” or expected level for very acceptable performance and the “Maximum” level that reflects full achievement of the objective. These performance levels are associated with 25%, 100% and 150% earned for achievement of the objective.
- At the end of the performance period, performance is evaluated relative to these goals and a numerical score is computed for each measure¹⁰. These scores are then weighted and an overall performance score is determined.

Plan History

- The table below shows the number of units awarded to Dr. Hitt for each performance period and the unit value earned:

	2006-09	2007-10	2008-11	2009-12	2010-13	2011-14	2012-15	Avg 2007-15
Units Awarded	1,400	1,700	2,000	2,000	2,200	2,400	2,450	2,125
Unit Value	\$150.00	\$109.00	\$70.67	\$94.37	\$53.59	\$102.93	\$64.50	\$82.51
Payment	\$210,000	\$185,300	\$141,340	\$188,740	\$117,898	\$247,032	\$158,025	\$173,056

⁹ The 2012-15 cycle is closed, but results have not yet been certified by the Board of Trustees.

¹⁰ The score for performance between two levels is generally determined by proration.

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Dr. Hitt was awarded 2,550 units for 2013-16 and 2,630 for 2014-17.

- It is important to note that the unit value over the period 2007-2015¹¹ has averaged \$82.51 – 17% below Target or 55% of the maximum award. As noted previously (see page 4), it is our experience that most university incentives are paid near the maximum. UCF's practice is very different in this regard.
- If this goal setting/performance pattern continues in the future, from a purely statistical perspective, one would expect the unit value to range between \$60 and \$105¹², significantly narrower than the implied range in the plan. This is not surprising given the number of goals in use. A University, with multiple and often conflicting objectives, requires a broad number of goals to adequately reflect performance. However, it is very difficult to excel (or fail) on all such goals simultaneously, particularly over a three-year period. Thus the effective range of performance becomes narrowed.

¹¹ As is very common in the first cycle of a new multi-year performance plan, the goals were set too low. This was corrected by the Board, beginning with the 2007-2010 cycle. With the maximum award of \$150 included for 2006-09, the average payout under the plan is \$92.15 per unit – 61% of the maximum.

¹² i.e., the expected value plus or minus one standard deviations.

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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 Fifth Amended and Restated Employment Agreement). This agreement, which runs from April 20, 2015 to June 30, 2017¹³ provides him with the following amounts and forms of compensation:
 - A base salary of \$505,730 annually. (His salary was increased to \$490,000 by the Board in November of 2012; by a \$1,000 general pay increase on October of 2013 and by a Board approved 3% increase in November of 2014. Prior to the 2012 increase, it had 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)).
 - Incentive Compensation pursuant to the UCF Performance Unit Plan. For the 2014-2017 performance cycle, Dr. Hit was awarded 2,630

¹³ Commencing in 2016, the contract automatically extends one year on each July1 unless previously terminated.

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units. These units have a threshold unit value of \$25 per unit (\$65,750); a target or expected value of \$100 per unit (\$263,000) and a maximum unit value of \$150 (\$394,500).

- 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.

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Market 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.

		<u>Base Salary</u>	<u>Guaranteed Compensation</u>
Market Range	High	760,000	820,000
	Mid	555,000	730,000
	Low	500,000	655,000
Dr. Hitt		505,730	606,876
percentile		27%	13%

- Dr. Hitt’s base salary of \$505,730 is at the 27th percentile relative to the market.
- His Guaranteed Compensation consists of salary and deferred compensation (20% of salary or \$101,146) for a total of \$606,876. This is below the Low market range and equal to the 13th percentile.

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- 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 potentially competitive between the 21st and 97th percentile depending on the school's performance vis-à-vis the PUP goals for the 2014-2017 cycle. At target performance, the package is equal to the 74th percentile.
- However, if we only consider the narrower range of expected performance (described on page 14), the likely competitive position will range from 41st to 77th percentile, with an expected value at the 59th percentile.
- The relevant question for the Board of Trustees is whether this competitive posture is appropriate in light of Dr. Hitt's tenure and performance.

		Total Opportunity
Market Range	High	875,000
	Mid	800,000
	Low	695,000
Dr. Hitt with PUP Performance at:		
	Threshold (i.e., Unit Value = \$25) percentile	672,626 21%
	Expected (i.e., Unit Value = \$83) percentile	823,877 59%
	Target (i.e., Unit Value = \$100) percentile	869,876 74%
	Maximum (i.e., Unit Value = \$150) percentile	1,001,376 97%

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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 by the University of Central Florida

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(and recommended to be provided) to its President is reasonable compensation within the meaning of IRC §162.

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Major Florida Public Universities

Exhibit A

Source: Analysis of Contracts

<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	69,444	\$625,000 payable at the end of 2012
			Sabbatical	0	Sabbatical leave (1 year salary) can be paid in cash
			Deferred Compensation	75,000	457(f) Deferred Compensation
				17,500	403(b) Retirement (10.43% of salary)
			Subtotal - Guaranteed	602,102	
			Performance Bonus	0	Bonuses eliminated after 2009
			Total	602,102	
University of Florida	Kent W. Fuchs Hired in 2014	5 1/1/15	Base Salary	860,000	
			Retention Bonus	0	None
			Sabbatical	172,000	Sabbatical leave (1 year salary) can be paid in cash
			Deferred Compensation	160,000	457(f) Deferred Compensation
				150,000	403(b) Retirement (10.42% of salary); NQ
			Subtotal - Guaranteed	1,342,000	
			Performance Bonus	0	Bonuses eliminated after 2009
			Total	1,342,000	
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) after 5 years
			Deferred Compensation	42,944	457(f) Deferred Compensation (15% total)
				17,500	403(b) Retirement (10.43% of salary)
			Subtotal - Guaranteed	638,995	
			Capital Campaign	142,857	\$100,000 per million raised - \$1B over 7 yrs
			Total	781,852	
Florida State University	John Trasher Hired in 2014	5 yrs 11/10/14	Base Salary	430,000	
			Retention Bonus	45,000	\$225,000 at 5 years
			Sabbatical	86,000	Sabbatical leave (1 year salary) can be paid in cash
			Deferred Compensation	64,500	457(f) Deferred Compensation (15% of salary)
				17,500	403(b) Retirement (10.43% of salary)
			Subtotal - Guaranteed	643,000	
			Capital Campaign	100,000	Performance Goals
			Total	743,000	

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Major Florida Public Universities

Exhibit A

Source: Analysis of Contracts

<u>Institution</u>	<u>President</u>	<u>Contract</u>	<u>Pay Components</u>	<u>Annual Value</u>	<u>Comments</u>
Florida International University	Mark B. Rosenberg Hired in 1986	5 yrs	Base Salary	510,117	
		8/3/09	Retention Bonus	0	
			Sabbatical	34,008	<i>Sabbatical leave (1semester salary) if stays thru 2014</i>
			Deferred Compensation	75,000	<i>457(f) Deferred Compensation</i>
				17,500	<i>403(b) Retirement (10.43% of salary)</i>
			Subtotal - Guaranteed	636,625	
			Performance Bonus	0	<i>None</i>
			Total	636,625	
University of South Florida	Judy L. Genshaft Hired in 2000	5 yrs	Base Salary	470,000	
		7/1/11	Retention Bonus	100,000	<i>\$500,000 payable at the end 5 years</i>
			Sabbatical	0	<i>None</i>
			Deferred Compensation	56,400	<i>457(f) Deferred Compensation (12% of salary)</i>
				17,500	<i>403(b) Retirement (10.43% of salary)</i>
			Subtotal - Guaranteed	643,900	
			Performance Bonus	175,000	<i>Maximum bonus</i>
			Total	818,900	
University of Central Florida	John C. Hitt Hired in 1992	5 yrs	Base Salary	505,730	
		7/1/11	Retention Bonus	0	<i>None</i>
			Sabbatical	0	<i>None</i>
			Deferred Compensation	83,646	<i>457(f) Deferred Compensation (20% total)</i>
				17,500	<i>403(b) Retirement (10.43% of salary)</i>
			Subtotal - Guaranteed	606,876	
			Three-year Goal Bonus	360,000	<i>Maximum value of 2,400 units awarded for 2011-14</i>
			Total	966,876	

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UCF Aspirational & Comparison Peers

Exhibit B

Source: Chronicle of Higher Education - Form 990 Data

Institution	President	Svc	Salary (1)	Def Comp (2)	Retirement (3)	Guaranteed (1)+(2)+(3)	Incentive (4)	Total Comp (1)+(2)+(3)+(4)
University of Houston	Renu Khator	8	700,000	200,000	17,314	917,314	150,000	1,067,314
University of Delaware	Patrick T. Harker	8	682,502	89,216	28,600	800,318	117,654	917,972
University of South Florida	Judy L. Genshaft	15	470,000	100,000	19,536	589,536	186,525	776,061
Virginia Commonwealth University	Michael Rao	6	503,155	191,000	27,699	721,854	50,000	771,854
Auburn University	Jay Gogue	13	487,947	250,000	31,786	769,733		769,733
Arizona State University – Tempe	Michael M. Crow	8	566,200	85,500	22,500	674,200	40,000	714,200
University of South Carolina – Columbia	Harris Pastides	7	531,200		156,810	688,010		688,010
Oregon State University	Edward J. Ray	12	485,088	138,300	43,525	666,913		666,913
University of Akron	Luis M. Proenza	17	462,625		98,976	561,601	100,302	661,903
Kent State University	Lester A. Lefton	9	426,156		24,089	450,245	204,450	654,695
Florida International University	Mark B. Rosenberg	6	502,578		57,634	560,212	80,000	640,212
Florida State University	Eric J. Barron *	6	405,291		61,086	466,377	123,000	589,377
North Carolina State University – Raleigh	W. Randolph Woodson	5	520,000	52,000	38,194	610,194		610,194
University of Florida	J. Bernard Machen	12	564,553	-	18,956	583,509		583,509
Portland State University	Marinus Wim Wiewel	7	401,700	138,300	37,935	577,935		577,935
University of Cincinnati	Santa J. Ono	3	525,000		29,614	554,614		554,614
Georgia State University	Mark P. Becker	7	530,600		23,562	554,162		554,162
University of Texas – Arlington	Vistasp Karbhari	2	484,992		32,405	517,397		517,397
University of New Mexico	Robert G. Frank	3	358,550	100,000		458,550		458,550
San Diego State University	Elliot L. Hirshman	4	400,000		50,988	450,988		450,988
University of Colorado – Boulder	Philip DiStefano	6	406,505		41,651	448,156		448,156
University of Nebraska – Lincoln	Harvey S. Perlman	14	349,579	40,202	6,000	395,781		395,781
University of North Carolina – Charlotte	Philip L. Dubois	10	324,450	32,445	36,992	393,887		393,887
90th Percentile		14	565,871	198,200	60,741	760,157	190,110	775,220
75th Percentile		11	527,800	138,300	43,057	670,557	150,000	701,105
50th Percentile		7	485,088	100,000	32,096	561,601	117,654	610,194
25th Percentile		6	405,898	52,000	23,694	462,464	80,000	535,780
10th Percentile		3	366,840	33,996	19,014	448,574	48,000	448,722
University of Central Florida	John C. Hitt	24 Above	491,000 55th	98,150 49th	28,105 35th	617,255 69th	117,898 51th	735,153 79th

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Top 20 Largest Universities - Enrollment Chronicle of Education Data*

Exhibit C

Institution	President	Enrollment**	Svc	Salary (1)	Def Comp (2)	Retirement (3)	Guaranteed (1)+(2)+(3)	Incentive (4)	Total Comp (1)+(2)+(3)+(4)
University of California, Los Angeles	Gene D. Block	40,795	8	416,000			416,000		416,000
Purdue University	Mitchell E. Daniels Jr.	39,794	3	420,000		27,022	447,022	58,154	505,176
University of Wisconsin	Rebecca M. Blank	42,677	2	499,950		38,746	538,696		538,696
University of Arizona	Ann Weaver Hart	40,621	3	475,000		85,500	560,500		560,500
University of Florida	J. Bernard Machen	49,878	12	564,553		18,956	583,509		583,509
Florida State University	Eric J. Barron	40,909	6	323,191	37,703	18,717	379,611	233,000	612,611
Florida International University	Mark B. Rosenberg	47,663	6	502,578		57,634	560,212	80,000	640,212
University of Illinois at Urbana-Champaign	Phyllis M. Wise	44,942	4	530,501	100,000	29,224	659,725		659,725
University of Minnesota	Eric W. Kaler	51,526	4	610,000		83,800	693,800		693,800
Michigan State University	Lou Anna K. Simon	49,317	11	520,000		52,000	572,000	125,000	697,000
Arizona State University – Tempe	Michael M. Crow	48,702	8	566,200	85,500	22,500	674,200	40,000	714,200
University of Texas at Austin	William C. Powers Jr.	52,059	10	628,190	50,000	53,448	731,638		731,638
Rutgers University	Robert L. Barchi	48,036	3	649,624		25,120	674,744	90,000	764,744
University of South Florida	Judy L. Genshaft	41,428	15	470,000	100,000	19,536	589,536	186,525	776,061
Indiana University	Michael A. McRobbie	46,817	8	555,745	100,000	72,767	728,512	111,149	839,661
University of Michigan	Mary Sue Coleman	43,710	13	603,357	175,000	49,084	827,441	100,000	927,441
University of Houston	Renu Khator	39,540	8	700,000	200,000	17,314	917,314	150,000	1,067,314
The Ohio State University	E. Gordon Gee	57,466	8	851,303	969,324	52,500	1,873,127	333,812	2,206,939
90th Percentile		51,686	12	664,737	353,865	77,180	854,403	233,000	969,403
75th Percentile		49,163	9	608,339	175,000	53,448	719,834	168,263	773,232
50th Percentile		45,880	8	543,123	100,000	38,746	624,631	111,149	695,400
25th Percentile		41,039	4	481,238	85,500	22,500	560,284	85,000	590,785
10th Percentile		40,373	3	418,800	47,541	18,860	437,715	58,154	528,640
University of Central Florida	John C. Hitt	59,589	24 Above	491,000 27th	98,150	28,105	617,255 49th	117,898	735,153 65th

* excludes Interim Presidents

** Fall 2013

Attachment A

General Industry
Source: 2014 Proxy Reports

Exhibit D

Company Name	Executive Name	Executive Title	Total Revenue	Salary	Annual Incentive	Total Cash
PACER INTERNATIONAL INC	Daniel W. Avramovich	Chief Executive Officer, President & Chair	1,415,000,000	550,000		550,000
CONSOLIDATED GRAPHICS INC	Joe R. Davis	Chairman of the Board and Chief Executive	1,048,237,000	637,500	750,000	1,387,500
FRANKLIN ELECTRIC CO INC	Gregg C. Sengstack	President & CEO	1,047,777,000	650,000	402,223	1,052,223
LUMBER LIQUIDATORS HOLDINGS, INC.	Robert M. Lynch	President and chief executive officer	1,047,419,000	725,625		725,625
HANGER, INC.	Vinit Asar	Chief Executive Officer of the Company	1,046,438,000	620,438	199,841	820,279
LANCASTER COLONY CORP	John B. Gerlach Jr.	Chairman of the Board, Chief Executive Of	1,041,075,000	954,810	-	954,810
AMN HEALTHCARE SERVICES INC	Susan R. Salka	PEO, President & CEO	1,036,027,000	718,000	737,745	1,455,745
ROBBINS & MYERS INC	Peter C. Wallace	President and Chief Executive Officer	1,034,783,000	747,917	1,225,000	1,972,917
BANK JOS A CLOTHIERS INC /DE/	R. Neal Black	President and Chief Executive Officer	1,032,166,000	807,100		807,100
ENSIGN GROUP, INC	Christopher R. Christensen	Chief Executive Officer and President	1,027,406,000	452,840	1,354,405	1,807,245
ASSOCIATED BANC-CORP	Philip B. Flynn	President and CEO	1,027,064,000	1,250,000	860,985	2,110,985
21ST CENTURY ONCOLOGY HOLDINGS, INC.	Daniel E. Dosoretz M.D.	Chief Executive Officer and Director	1,026,422,000	1,200,000	850,000	2,050,000
PATHEON INC	James C. Mullen	Chief Executive Officer	1,022,920,000	900,000	168,750	1,068,750
POWER-ONE INC	Richard J. Thompson	President and Chief Executive Officer	1,022,578,000	717,308	693,680	1,410,988
ACI WORLDWIDE, INC.	Philip G. Heasley	President and Chief Executive Officer	1,016,149,000	700,000	-	700,000
OXFORD INDUSTRIES INC	Thomas C. Chubb III	Chief Executive Officer and President	1,015,929,000	767,308	614,575	1,381,883
NAVIGATORS GROUP INC	Stanley A. Galanski	President & Chief Executive Officer	1,013,531,000	1,000,000		1,000,000
AMCOL INTERNATIONAL CORP	Ryan F. McKendrick	Chief Executive Officer	1,012,700,000	700,000		700,000
PHH CORP	Glen A. Messina	President and Chief Executive Officer	1,007,000,000	950,000	4,100,000	5,050,000
AIR METHODS CORP	Aaron D. Todd	Chief Executive Officer	1,004,773,000	765,000	877,341	1,642,341
OPPENHEIMER HOLDINGS INC	A. G. Lowenthal	Chairman, CEO and Director of the Compe	1,004,464,000	500,000	700,000	1,200,000
INTERFACE INC	Daniel T. Hendrix	President and Chief Executive Officer	1,003,903,000	952,752	368,477	1,321,229
UMPQUA HOLDINGS CORP	Raymond P. Davis	President/Chief Executive Officer	1,001,813,000	950,000	950,000	1,900,000
INNERWORKINGS INC	Eric D. Belcher	Chief Executive Officer and President	1,000,133,000	700,000	989,000	1,689,000
EPICOR SOFTWARE CORP	Joseph L. Cowan	President and Chief Executive Officer	994,956,000	640,150	973,050	1,613,200
QUALITY DISTRIBUTION INC	Gary R. Enzor	Chairman and Chief Executive Officer	991,758,000	500,000	342,833	842,833
AIR LEASE CORP	Steven F. Udvar-Házy	Chairman and Chief Executive Officer	991,241,000	1,800,000	3,420,000	5,220,000
EZCORP INC	Mark Kuchenrither	President and Chief Executive Officer and	988,532,000	700,000		700,000
OMNOVA SOLUTIONS INC	Kevin M. McMullen	Chairman, Chief Executive Officer and Pre-	987,400,000	769,000	-	769,000
SOLERA HOLDINGS, INC	Tony Aquila	Chief Executive Officer and President	987,259,000	810,000	1,895,400	2,705,400
CATO CORP	John P.D. Cato	Chairman, President & Chief Executive Off	986,914,000	1,147,388	1,731,641	2,879,029
JOHN BEAN TECHNOLOGIES CORP	Thomas W. Giacomini	President and Chief Executive Officer	984,200,000	725,000	1,378,666	2,103,666
BIOSCRIP, INC.	Richard M. Smith	President & Chief Executive Officer	984,055,000	647,115		647,115
STANDARD MOTOR PRODUCTS INC	Lawrence I. Sills	Chief Executive Officer and Chairman of th	980,392,000	530,000	276,805	806,805
CASTLE A M & CO	Scott J. Dolan	Former President and Chief Executive Offi	979,837,000	650,000		650,000
BIG 5 SPORTING GOODS CORP	Steven G. Miller	Chairman of the Board, President and Chie	977,860,000	507,692	-	507,692
LA QUINTA HOLDINGS INC.	Wayne B. Goldberg	President and Chief Executive Officer	976,938,000	800,000	1,552,000	2,352,000
ASTEC INDUSTRIES INC	Benjamin G. Brock	Chief Executive Officer	975,595,000	400,000		400,000
BERRY PETROLEUM COMPANY, LLC	Robert F. Heinemann	President and Chief Executive Officer	974,832,000	645,000	950,000	1,595,000
BLACK BOX CORP	Michael McAndrew	Chief Executive Officer (principal executive	971,674,000	550,000	127,875	677,875
PARKER DRILLING CO /DE/	Gary G. Rich	PEO/President and CEO	968,684,000	627,654	355,911	983,565
NEUSTAR INC	Lisa Hook	President and Chief Executive Officer	963,588,000	750,000	980,000	1,730,000
ENTEGRIS INC	Bertrand Loy	President & Chief Executive Officer	962,069,000	679,808	713,300	1,393,108
INNOSPEC INC.	Patrick S. Williams	President and Chief Executive Officer	960,900,000	886,125	1,186,521	2,072,646
DOLBY LABORATORIES, INC.	Kevin Yeaman	President and Chief Executive Officer	960,176,000	675,305	837,378	1,512,683
PUBLIC SERVICE CO OF NEW HAMPSHIRE	Thomas J. May	President and Chief Executive Officer of NI	959,500,000	1,196,325	2,250,000	3,446,325
RAYONIER ADVANCED MATERIALS INC.	Paul G. Boynton	Chairman, President and Chief Executive C	957,689,000	900,000	756,000	1,656,000

Attachment A

General Industry
Source: 2014 Proxy Reports

Exhibit D

Company Name	Executive Name	Executive Title	Total Revenue	Salary	Annual Incentive	Total Cash
OVERSEAS SHIPHOLDING GROUP INC	Ian T. Blackley	President and Chief Executive Officer	957,434,000	675,000	819,375	1,494,375
FEI CO	Don R. Kania	President and CEO	956,280,000	698,070	416,050	1,114,120
JANUS CAPITAL GROUP INC	Richard M. Weil	CEO	953,200,000	500,000	2,981,200	3,481,200
TREDEGAR CORP	Nancy M. Taylor	President and Chief Executive Officer	951,826,000	659,950	167,050	827,000
OLD DOMINION ELECTRIC COOPERATIVE	Jackson E. Reasor	President and CEO	951,576,000	511,905		511,905
W&T OFFSHORE INC	Tracy W. Krohn	Chairman and Chief Executive Officer	948,708,000	1,000,000	753,000	1,753,000
SYNAPTICS INC	Rick Bergman	Chief Executive Officer & President	947,539,000	630,000	1,092,785	1,722,785
WINNEBAGO INDUSTRIES INC	Randy J. Potts	Chairman, CEO and President	945,163,000	478,000	506,437	984,437
BLOUNT INTERNATIONAL INC	Joshua L. Collins	Chairman & Chief Executive Officer	944,819,000	565,000	796,650	1,361,650
MYR GROUP INC.	William A. Koertner	Chairman, President and Chief Executive C	943,967,000	600,000	866,337	1,466,337
STILLWATER MINING CO /DE/	Michael J. McMullen	Chief Executive Officer, Director	943,619,000	660,000	883,063	1,543,063
CIVEO CORP	Bradley J. Dodson	Chief Executive Officer	942,891,000	575,000	430,831	1,005,831
MGIC INVESTMENT CORP	Curt Culver	Chairman and Chief Executive Officer	942,597,000	966,354	2,900,000	3,866,354
UNITED FIRE GROUP INC	Randy A. Ramlo	President / Chief Executive Officer	941,894,000	715,000	214,500	929,500
SHOE CARNIVAL INC	Clifton E. Sifford	President and Chief Executive Officer and	940,162,000	575,000		575,000
HAEMONETICS CORP	Brian Concannon	President and CEO	938,509,000	600,000		600,000
SOTHEBYS	William F. Ruprecht	President and Chief Executive Officer	938,053,000	700,000	1,960,000	2,660,000
APOGEE ENTERPRISES, INC.	Joseph F. Puishys	Chief Executive Officer and President	933,936,000	770,000	1,692,500	2,462,500
ORBITZ WORLDWIDE, INC.	Barney Harford	Chief Executive Officer	932,007,000	825,000	1,200,000	2,025,000
EVERCORE PARTNERS INC.	Ralph L. Schlosstein	CEO and President	931,402,000	500,000		500,000
DRIL-QUIP INC	Blake T. DeBerry	President and Chief Executive Officer	930,957,000	655,000	655,000	1,310,000
INTEGRA LIFESCIENCES HOLDINGS CORP	Peter J. Arduini	President and Chief Executive Officer and	928,305,000	834,300	1,126,907	1,961,207
FELCOR LODGING TRUST INC	Richard A. Smith	President and Chief Executive Officer	926,645,000	764,909	1,324,376	2,089,285
XENIA HOTELS & RESORTS, INC.	Marcel Verbaas	President and Chief Executive Officer	926,373,000	615,000	900,000	1,515,000
CH ENERGY GROUP INC	Steven V. Lant	Chairman of the Board, President, and Chi	924,719,000	610,000	620,862	1,230,862
NEW YORK & COMPANY, INC.	Gregory J. Scott	Chief Executive Officer	923,332,000	867,308		867,308
SHUTTERFLY INC	Jeffrey T. Housenbold	President and Chief Executive Officer	921,580,000	650,000	695,200	1,345,200
WEBSTER FINANCIAL CORP	James C. Smith	Chairman & Chief Executive Officer	921,049,000	882,435	861,455	1,743,890
HANCOCK HOLDING CO	John M. Hairston	President and CEO	920,812,000	707,000	520,187	1,227,187
K12 INC	Nathaniel A. Davis	Chairman and Chief Executive Officer	919,553,000	675,000	663,125	1,338,125
J&J SNACK FOODS CORP	Gerald B. Shreiber	Chairman of the Board, Chief Executive Of	919,451,000	825,000		825,000
FEDERAL SIGNAL CORP /DE/	Dennis J. Martin	President and CEO	918,500,000	780,000	1,444,560	2,224,560
EL PASO ELECTRIC CO /TX/	Thomas V. Shockley III	Chief Executive Officer	917,525,000	669,231	498,912	1,168,143
CEB INC.	Thomas L. Monahan III	Chief Executive Officer (PEO)	914,980,000	915,000	920,000	1,835,000
COLEMAN CABLE INC	G. Gary Yetman	President and Chief Executive Officer	914,581,000	741,785	1,448,134	2,189,919
HIBBETT SPORTS INC	Jeffrey O. Rosenthal	Chief Executive Officer and President	913,486,000	490,000	429,975	919,975
SYNTEL INC	Nitin Rakesh	Chief Executive Officer and President	912,729,000	311,103	343,255	654,358
PERRY ELLIS INTERNATIONAL, INC	George Feldenkreis	Chairman of the Board and Chief Executive	912,224,000	1,000,000		1,000,000
PREMIER, INC.	Susan D. DeVore	President & Chief Executive Officer	910,549,000	977,838	1,272,411	2,250,249
GENERAL COMMUNICATION INC	Ronald A. Duncan	President and Chief Executive Officer	910,198,000	925,000	1,087,216	2,012,216
OSI SYSTEMS INC	Deepak Chopra	Chairman, President and Chief Executive C	906,742,000	1,000,000	1,933,535	2,933,535
PANDORA MEDIA, INC.	Brian McAndrews	Chief Executive Officer	906,616,000	500,000	-	500,000
BOSTON BEER CO INC	Martin F. Roper	President & Chief Executive Officer	903,007,000	764,000	443,120	1,207,120
NEENAH PAPER INC	John P. O'Donnell	President and Chief Executive Officer	902,700,000	625,000	827,500	1,452,500
RUE21 INC	Robert N. Fisch	Chairman, President and CEO, Director	901,886,000	1,025,000	840,500	1,865,500
FAIRPOINT COMMUNICATIONS INC	Paul H. Sunu	Director and Chief Executive Officer	901,396,000	815,000	407,500	1,222,500
G&K SERVICES INC	Douglas A. Milroy	Chairman and Chief Executive Officer	900,869,000	667,329	639,448	1,306,777

Attachment A

General Industry
Source: 2014 Proxy Reports

Exhibit D

Company Name	Executive Name	Executive Title	Total Revenue	Salary	Annual Incentive	Total Cash
HERCULES OFFSHORE, INC.	John T. Rynd	Chief Executive Officer and President	900,251,000	700,000	293,125	993,125
MEMORIAL RESOURCE DEVELOPMENT CORP.	John A. Weinzierl	Chief Executive Officer	899,345,000	300,000		300,000
EAGLE MATERIALS INC	Steven R. Rowley	President and Chief Executive Officer	898,396,000	885,000	1,080,460	1,965,460
NACCO INDUSTRIES INC	Alfred M. Rankin Jr.	Chairman, President and CEO of NACCO;	896,782,000	522,480	1,082,454	1,604,934
WILLIAM LYON HOMES	William H. Lyon	Director and Chief Executive Officer	896,679,000	600,000	712,500	1,312,500
DIODES INC /DEL/	Keh-Shew Lu	President and Chief Executive Officer	890,651,000	548,000	616,968	1,164,968
HURON CONSULTING GROUP INC.	James H. Roth	President and Principal Executive Officer	889,207,000	900,000	960,300	1,860,300
SOUTH JERSEY INDUSTRIES INC	Edward J. Graham	Chairman, President and Chief Executive C	886,996,000	721,000	689,456	1,410,456
CALLAWAY GOLF CO	Oliver G. (Chip) Brewer III	President and Chief Executive Officer	886,945,000	750,000	1,005,000	1,755,000
WINTRUST FINANCIAL CORP	Edward J. Wehmer	President & Chief Executive Officer	886,507,000	1,100,000	288,000	1,388,000
CLUBCORP HOLDINGS, INC.	Eric L. Affeldt	Chief Executive Officer and President	884,155,000	650,000	280,800	930,800
PRA GROUP INC	Steven D. Fredrickson	Chairman, President, and Chief Executive	880,969,000	846,154	2,000,000	2,846,154
EQUITY COMMONWEALTH	David A. Helfand	President and Chief Executive Officer and	879,378,000	600,000		600,000
SHILOH INDUSTRIES INC	Ramzi Y. Hermiz	President and Chief Executive Officer	878,744,000	700,000	539,700	1,239,700
U.S. SILICA HOLDINGS, INC.	Bryan A. Shinn	President and Chief Executive Officer	876,741,000	650,000	1,133,334	1,783,334
DIAMONDROCK HOSPITALITY CO	Mark W. Brugger	President and Chief Executive Officer	875,889,000	725,000	1,390,260	2,115,260
VANTAGE DRILLING CO	Paul A. Bragg	Chairman and Chief Executive Officer	875,561,000	595,000	1,016,321	1,611,321
HEARTLAND EXPRESS INC	Michael J. Gerdin	Chief Executive Officer, Chairman, Preside	871,355,000	500,000		500,000
E.W. SCRIPPS CO	Richard A. Boehne	President & Chief Executive Officer	869,068,000	680,000	413,440	1,093,440
VONAGE HOLDINGS CORP	Alan Masarek	Chief Executive Officer	868,953,000	800,000	210,000	1,010,000
KRATOS DEFENSE & SECURITY SOLUTIONS, INC.	Eric DeMarco	President and Chief Executive Officer	868,000,000	760,000		760,000
BANKUNITED, INC.	John A. Kanas	Chairman, President and Chief Executive C	867,909,000		1,870,000	1,870,000
DIAMOND FOODS INC	Brian J. Driscoll	President and Chief Executive Officer	865,207,000	825,000	556,875	1,381,875
TUESDAY MORNING CORP/DE	R. Michael Rouleau	Chief Executive Officer	864,844,000	560,000	216,650	776,650
SURGICAL CARE AFFILIATES, INC.	Andrew P. Hayek	President and Chief Executive Officer	864,736,000	780,000	690,066	1,470,066
GFI GROUP INC.	Colin Heffron	Chief Executive Officer	863,879,000	700,000		700,000
CIBER INC	Michael Boustridge	President & CEO, Director	863,607,000	700,000		700,000
STEINER LEISURE LTD	Leonard I. Fluxman	President and Chief Executive Officer	863,454,000	803,846		803,846
UMB FINANCIAL CORP	J. Mariner Kemper	Chairman and CEO	862,559,000	862,110	948,321	1,810,431
GIBRALTAR INDUSTRIES, INC.	Frank G. Heard	Director, President, and Chief Executive O	862,087,000	450,000	96,075	546,075
NAVIGANT CONSULTING INC	Julie M. Howard	Chairman and Chief Executive Officer	859,617,000	800,000	746,000	1,546,000
KODIAK OIL & GAS CORP	Lynn A. Peterson	President & CEO	859,584,000	540,000	1,080,000	1,620,000
ENSTAR GROUP LTD	Dominic F. Silvester	Chief Executive Officer	859,517,000	2,165,060		2,165,060
FEDERATED INVESTORS INC /PA/	J. Christopher Donahue	President and Chief Executive Officer	859,250,000	787,500	1,662,500	2,450,000
PDC ENERGY, INC.	James M. Trimble	CEO and President	856,207,000	710,000		710,000
LIBBEY INC	Stephanie A. Streeter	Chief Executive Officer	855,892,000	768,750	941,390	1,710,140
KOSMOS ENERGY LTD.	Andrew G. Inglis	Chairman and Chief Executive Officer	855,877,000	900,000	1,575,000	2,475,000
DEALERTRACK TECHNOLOGIES, INC	Mark F. O'Neil	Chairman and Chief Executive Officer	854,415,000	620,000	462,569	1,082,569
B&G FOODS, INC.	David L. Wenner	Former President and Chief Executive Offi	852,117,000	675,000		675,000
LITTELFUSE INC /DE	Gordon Hunter	Chairman of the Board, President and Chic	851,995,000	730,714	887,087	1,617,801
PLANTRONICS INC /CA/	Ken Kannappan	Director, President and CEO	818,607,000	700,000	759,021	1,459,021
90th Percentile			1,020,006,400	962,891		2,311,300
75th Percentile			980,114,500	822,500		1,822,716
50th Percentile			930,957,000	700,000		1,381,883
25th Percentile			888,101,500	621,579		855,071
10th Percentile			863,515,200	508,956		651,743

Attachment A

Exhibit E – Performance Incentive Measures and Goals

Attachment A

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 UCFF 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

Attachment A

2013-16 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 2007, 2008, and 2009 cohorts.	24%	66.5%	67.0%	67.5%
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 2012, 2013, and 2014 cohorts.	14%	88.2%	88.7%	89.2%
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 2009, 2010, and 2011 cohorts.	24%	75.40%	75.50%	75.60%

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 2013-14, 2014-15, and 2015-16.	19%	\$130,500	\$131,500	\$133,000
Total philanthropy to the UCFF 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, 2013, to June 30, 2016.	19%	\$190,000,000	\$215,000,000	\$235,000,000

2014-17 Performance Incentive Measures and Goals

Attachment A

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 2008, 2009, and 2010 cohorts.	22%	68.5%	69.0%	69.5%
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 2013, 2014, and 2015 cohorts.	12%	88.5%	89.0%	89.5%
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 2010, 2011, and 2012 cohorts.	22%	75.5%	76.0%	76.5%
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 2014-15, 2015-16, and 2016-17.	17%	\$131,585	\$132,902	\$139,547
Total philanthropy to the UCFF 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, 2014, to June 30, 2017.	17%	\$200,000,000	\$210,000,000	\$220,000,000
BOG Performance Funding Benchmarks				
Maintain UCF's performance and standing as a top tier SUS institution. Average of final performance funding rankings from 2015, 2016, and 2017.	10%	Top 5	Top 4	Top 3

ITEM: CLC-7

**University of Central Florida
Board of Trustees
Compensation and Labor Committee**

SUBJECT: Sixth Amended and Restated Employment Agreement for President Hitt

DATE: October 28, 2015

PROPOSED BOARD ACTION

Approve Sixth Amended and Restated Employment Agreement for President Hitt.

BACKGROUND INFORMATION

President Hitt's current employment agreement contains a rolling term but allows for termination of the agreement without cause and without penalty upon 365 days' notice from the Board. The Sixth Amended and Restated Employment Agreement replaces the rolling term with a fixed term ending on June 30, 2016, but allows for annual extensions of the contract upon mutual agreement and after review of the President's performance by the Board.

Supporting documentation:

- Attachment A: Sixth Amended and Restated Employment Agreement, Redline Version
- Attachment B: Sixth Amended and Restated Employment Agreement

Prepared by: Scott Cole, Vice President and General Counsel

Submitted by: Scott Cole, Vice President and General Counsel

Attachment A

~~FIFTH-SIXTH~~ AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This ~~Fifth-Sixth~~ Amended and Restated Employment Agreement ("Agreement"), is entered into by and between the University of Central Florida Board of Trustees (the "Board," or the "Board of Trustees"), and Dr. John C. Hitt (the "President" or "Dr. Hitt"). Board and President may hereinafter be collectively referred to as the "parties".

RECITALS

WHEREAS, Dr. Hitt has served as President of the University of Central Florida ("University") since 1992 and guided the University through a period of unprecedented growth in enrollment and quality; and

WHEREAS, the Board has the authority to determine the terms and conditions of employment of the President; and

WHEREAS, the Board wishes to amend and restate ~~his-its~~ existing employment agreement with Dr. Hitt to memorialize the terms and conditions of his continued employment as President; and

WHEREAS, both the Board and Dr. Hitt desire to set forth their respective rights and obligations in this Agreement; and

WHEREAS, this Agreement amends and restates in its entirety the ~~Fourth-Fifth~~ Amended and Restated Employment Agreement dated ~~July 14, 2011~~ April 20, 2015.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1.0 Term. The Board shall employ Dr. Hitt as its President for a term beginning on the date of the last signature affixed hereto and ending on ~~June 30, 2017. Effective July 1~~ June 30, 2016. this Agreement shall be automatically extended each July 1 for an additional year, unless previously terminated as provided for in this Agreement.

Section 2.0 Powers and Duties. Dr. Hitt shall be the President of the University, subject to the rules, policies, and supervision of the Board. Dr. Hitt shall have the powers and duties reserved to the position of President by the University's bylaws, and as established from time to time by the Board (collectively, the "Duties"). Dr. Hitt and the Board acknowledge and agree that the Duties shall be consistent with those customarily performed by presidents of top-tier state universities comparable in size and type to the University, including, without limitation, educational leadership, faculty relations, budgeting, long-range planning, fundraising, public relations, student services, recruitment of personnel, appointment, promotion and dismissal of all faculty and staff members, and such other duties as may be determined or assigned by the Board.

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Section 3.0 Evaluation. On or before September 1 of each year, Dr. Hitt shall provide to the Chair of the Board of Trustees' Compensation and Labor Committee (the "Committee Chair") a list of proposed goals and objectives for the fiscal year period and the next thirty-six (36) month period. The Board, or a committee thereof, and Dr. Hitt shall discuss Dr. Hitt's proposed goals and objectives, after which time the Board, or a committee thereof, shall agree upon finalized goals and objectives for that fiscal year and the next thirty-six (36) month period. Dr. Hitt shall initiate the evaluation process for the period that ended on June 30 of that year by submitting to the Committee Chair a self-appraisal of such period's performance. Dr. Hitt will use best efforts to submit the self-appraisal by September 15 but no later than September 30 of each calendar year. This appraisal shall address performance related to each of the goals and objectives. After Dr. Hitt has submitted this self-appraisal, the Board shall evaluate his performance during the previous academic year based primarily on his achievement of the mutually agreed upon goals and objectives and to a lesser extent such other criteria as the Board deems appropriate. To aid the Board in its annual performance review, Dr. Hitt agrees to furnish to the Board, or a committee thereof, such additional oral or written reports as it may request.

Section 4.0 Compensation.

Section 4.1 Annual Base Salary. As compensation for the services to be performed by Dr. Hitt pursuant to this Agreement, the Board shall pay Dr. Hitt an initial annual base salary of \$ \$505,730. No more of this amount than is allowed by Florida Statutes shall be paid from public funds. This amount shall be payable according to the pay plan for administrative faculty employees at the University, with appropriate deductions for taxes and benefits. The Board shall review Dr. Hitt's compensation in connection with the annual evaluation of his performance, as set forth in Section 3.0 of this Agreement.

Section 4.2 Deferred Compensation. While employed as University President, Dr. Hitt shall receive annual deferred compensation equal to 20% of salary, payable quarterly. To the maximum extent possible, this sum should be provided through qualified plans (e.g. 403(b), 457, etc.).

Section 4.3 Incentive Compensation. Dr. Hitt shall be eligible for an annual incentive award, based on the accomplishment of the 36 month goals, established pursuant to section 3.0, for the just concluded three (3) year period in accordance with the Performance Unit Plan approved by the Board. If such goals are attained, as determined by the Board, the Board shall pay to Dr. Hitt a lump sum incentive award. This long term incentive compensation may be revised for future three year periods based solely on the discretion of the Board, but shall not be decreased. Amounts earned under the Performance Unit Plan are payable after the conclusion of the three year performance period and shall be paid in a lump sum (less applicable taxes and deductions) on or before December 31st following the completion of the performance period).

Section 5.0 Benefits.

Attachment A

Section 5.1 Standard Benefits. While employed as University President, Dr. Hitt shall be eligible to participate in all present and future benefit plans maintained by the University for administrative faculty employees. Such benefits shall include, without limitation, health care, disability and life insurance programs, retirement plans, tax-deferred savings plans, flexible spending accounts, and vacation and sick leave.

Section 5.2 Business/Travel Expenses. While employed as University President, the University shall cover the cost of Dr. Hitt's reasonable business expenses, including professional dues, meetings, business travel, and entertainment.

Section 5.3 Automobile. While employed as University President, the University shall provide Dr. Hitt with an automobile allowance or a University-owned full size automobile, which will be replaced every three (3) years, utilizing non-public funds. If the University provides Dr. Hitt with an automobile, it shall be responsible for the costs of fuel, maintenance, repairs, and insurance. Dr. Hitt shall be responsible for any tax liability associated with non-business use of the automobile in accordance with applicable Internal Revenue Service Regulations.

Section 5.4 Miscellaneous. While employed as University President, the President shall be given an allowance of up to \$4000 per month for travel for his spouse, memberships at Interlachen Country Club and the Citrus Club, or other organizations approved by the Board, and an annual physical, all to be provided from non-public funds.

Section 6.0 Housing. For the benefit and convenience of the University in having the functions of the Office of President most efficiently discharged, while employed as University President, Dr. Hitt shall be required to reside in the University-owned Burnett House, at the University's expense, during the term of this Agreement. The University shall provide staff with responsibilities for grounds-keeping, repairs, housekeeping services, and general maintenance of the Burnett House and cover all related expenses, including utilities.

For the convenience of the University, the Burnett House shall be available and shall be used, for University-related business and entertainment on a regular and continuing basis. Costs associated with such University events shall be paid by the University. If it is not feasible to entertain at the Burnett House due to a large number of invited guests, the University shall provide Dr. Hitt with another location suitable to host such an event and will bear the costs.

Section 7.0 Outside Activities. Dr. Hitt agrees to faithfully, industriously, and with maximum application of experience, ability, and talent, to devote full-time attention and energies to his Duties as President. The expenditure of reasonable amounts of time for personal or outside business, as well as charitable and professional development activities, shall not be deemed a breach of this Agreement, provided such activities do not interfere with the Duties set forth in Section 2.0 of this Agreement. Dr. Hitt shall not engage in any activity that may be competitive with or adverse to the best interests of the Board and the University.

With prior approval from the Board, Dr. Hitt may serve on up to two (2) boards of directors of for-profit corporations. In addition, Dr. Hitt must give prior notice to the Chair before agreeing to serve on any board of directors of a nonprofit corporation. Any and all income or other compensation

Attachment A

earned by Dr. Hitt in connection with outside business activities shall be paid to and retained by him, and such income or other compensation shall have no effect on the amount of salary, compensation, and benefits he is otherwise entitled to receive hereunder. Dr. Hitt shall use annual leave when attending to matters pertaining to such service if it is during normal work hours and requires a half day or more.

Section 8.0 Termination.

Section 8.1 Termination for Cause. The Board may terminate this Agreement and Dr. Hitt's employment hereunder for Cause. Cause for this purpose shall mean anyone or more of the following:

- A. Neglect or inattention by Dr. Hitt to the Duties of President of the University or Dr. Hitt's refusal or unwillingness to perform such Duties in good faith and to the best of Dr. Hitt's abilities after reasonably specific written notice of such neglect or inattention has been given to Dr. Hitt and Dr. Hitt has continued such neglect or inattention during a subsequent period specified by the Board of not less than ninety (90) days; or
- B. Material, significant or repetitive violation or breach by Dr. Hitt of this Agreement; or
- C. Conviction, a plea of guilty, or a plea of nolo contendere by Dr. Hitt to a felony, or to a misdemeanor involving moral turpitude; or
- D. Fraud or dishonesty of Dr. Hitt in the performance of his duties or responsibilities hereunder; or
- E. Fraud or dishonesty of Dr. Hitt in the preparation, falsification or alteration of documents or records; or
- F. Knowing failure by Dr. Hitt to obtain prior approval for outside activities as required by law or this Agreement; or
- G. Commission of or participation in any act, situation, or occurrence by Dr. Hitt which brings Dr. Hitt into public disrepute, contempt, scandal or ridicule or failure by Dr. Hitt to conform his personal conduct to conventional standards of good citizenship, with such conduct offending prevailing social mores and values and/or reflecting unfavorably upon University's reputation and overall primary mission and objectives, including but not limited to, acts of dishonesty, misrepresentation, fraud, or violence that may or may not rise to a level warranting criminal prosecution by the relevant authorities.

In the event of termination for cause, Dr. Hitt shall no longer be entitled to receive any compensation under this agreement and shall forfeit any additional compensation accrued but not earned pursuant to paragraph 8.5. In lieu of termination for cause, the Board may suspend Dr. Hitt for a period not to exceed ninety (90) days for anyone or more of the acts or omissions

Attachment A

representing grounds for termination for cause under this sub-paragraph. During a period of suspension under this sub-paragraph, Dr. Hitt shall only be entitled to receive the base salary provided by section 4.1.

Section 8.2 Termination Without Cause. The Board may terminate this Agreement and Dr. Hitt's appointment hereunder without cause at any time for the convenience of the Board upon 365 day's prior written notice to Dr. Hitt. If this Agreement is terminated pursuant to this section before June 30, 2016, Dr. Hitt shall be entitled to payment of the retention compensation referenced in Section 8.5 on the date of termination. In addition, Dr. Hitt shall be eligible for any incentive compensation awards heretofore granted in accordance with Section 4.3. All payments hereunder are subject to applicable withholding and employment taxes.

Section 8.3 Resignation as President. In the event Dr. Hitt resigns his employment as President of the University in a timely manner that is acceptable to the Board, and he elects to return to the tenured faculty in a teaching, research or service role, Dr. Hitt shall be paid an annual salary of \$260,000. Dr. Hitt shall have the option of spending the first year immediately following his resignation on sabbatical, providing that such sabbatical is subject to the terms and conditions of the University's sabbatical program, including, without limitation, Dr. Hitt's agreement to repay the University any salary he receives while on sabbatical if he does not return to the University for at least two consecutive semesters (excluding summers) immediately following participation in the sabbatical program. No other benefits or compensation referenced in this Agreement shall continue. However, Dr. Hitt shall be eligible for any incentive compensation awards heretofore granted in accordance with Section 4.3.

Section 8.4 Death/Permanent Disability. In the event Dr. Hitt is unable to complete the term of this Agreement due to death or permanent disability as defined in section 409A of the Internal Revenue Code, he or his estate shall be entitled to receive an amount equal to the remaining base salary (Section 4.1) due under the Agreement up to a maximum of two years. In the case of disability, the two year period shall be calculated beginning with the initial date of disability, and payable on a bi-weekly basis. In the case of death, the payment shall be made within thirty days of due notice by the proper estate authority.

In the event of Dr. Hitt's death during his service as President, his spouse shall be entitled to remain in the University-owned residence for up to one hundred twenty (120) days after Dr. Hitt's death. The Board, in its sole discretion, may extend this one hundred twenty (120) day period.

Section 8.5 Forfeiture of Additional Compensation. Dr. Hitt accrued one year of additional base salary for services rendered from July 1, 2013 through June 30, 2014. The additional compensation shall not be payable until, and shall be forfeited, unless Dr. Hitt is employed on June 30, 2016 or is terminated without cause before June 30, 2016 as provided in Section 8.2.

Section 9.0 Dispute Resolution. The Board and Dr. Hitt agree that if any dispute arises

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concerning this Agreement they will first attempt in good faith to resolve the dispute to their mutual satisfaction. If they are unable to do so, the Board and Dr. Hitt agree that they will submit the dispute to confidential, binding arbitration in Orlando, Florida, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The filing fee and all costs of the arbitration and the arbitrator(s) fees shall be divided equally between the parties. Each party shall bear their own costs of any legal fees associated with the dispute and the arbitration proceeding.

The Board and Dr. Hitt will use their best efforts to keep any disputes and any efforts to resolve disputes confidential, informing only their respective legal counsel and other persons determined in good faith to have a need to know the disclosed information (Dr. Hitt's spouse shall be deemed to have a need to know any information disclosed to her), and will use their best efforts to ensure that such persons do not further disclose any such information. The Board and Dr. Hitt agree that no arbitrator may be a University faculty member or have any material ongoing relationship with the University.

Section 10.0 Notice. Unless and until changed by a party giving written notice to the other, the addresses below shall be the addresses to which all notices required or allowed by this Agreement shall be sent:

If to the University:
Chair, Board of Trustees
University of Central Florida
4000 Central Florida Blvd.
Orlando, FL 32816

If to the President:
Dr. John C. Hitt, President
University of Central Florida
4000 Central Florida Blvd.
Orlando, FL 32816

Section 11.0 Severability and Waiver. If any portion of this Agreement shall be held to be invalid, inoperative, or unenforceable, then, so far as possible, effect shall be given to the intent manifested by the portion held invalid, inoperative, or unenforceable, and the remainder of this Agreement shall remain in full force and effect. No waiver or failure to enforce any or all rights under this Agreement by either party on any occasion shall constitute a waiver of that party's right to assert the same or any other rights on that or any other occasion.

Section 12.0 Governing Law. This Agreement shall be interpreted and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of Florida, excluding its choice of law rules.

Section 13.0 Counterparts. This Agreement may be executed in counterparts, and by the parties on separate counterparts each of which, when so executed, shall constitute but one in the same instrument.

Section 14.0 Modification of Agreement. This Agreement represents the complete understanding of the parties and supersedes any previous or contemporaneous written or oral

Attachment A

representations made by either party. There are no other promises, understanding, obligations, inducements, undertakings, or considerations between the parties or owed by either party to the other that are not set forth in this Agreement. This Agreement may be modified or amended only by mutual written consent of the parties.

Section 15.0 Personal Contract. The obligations and Duties of Dr. Hitt shall be personal and not assignable or delegable in any manner whatsoever. This Agreement shall be binding upon and inure to the benefit of Dr. Hitt and his executors, administrators, heirs, successors, and permitted assigns, and upon the University and its successors and assigns.

Section 16.0 Insurance and Indemnification. Dr. Hitt shall be provided with director's and officer's liability insurance coverage and be protected by indemnification agreements on the same terms and conditions enjoyed by trustees and senior officers, said coverage to survive termination as to matters relating to his presidency.

Section 17.0 No Trust Fund. Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind. To the extent that Dr. Hitt acquires a right to receive payments from the University under this Agreement, the University's obligation to make such payments represents an unfunded promise or covenant to pay such amount running from the University to Dr. Hitt.

Section 18.0 Understanding of the Agreement. Both parties represent that they have thoroughly read this Agreement, that they understand it to be a binding contract, that they understand each provision, term, and condition of this Agreement as well as its legal effect, and that they have signed the Agreement voluntarily and of their own free will with the intention to comply with its terms.

Section 19.0 Disclosure of the Agreement. Both parties agree and acknowledge that this Agreement may be subject to the Florida public records law, Chapter 119, or other provisions, and may, therefore, be subject to disclosure by and in the manner provided for by law.

Section 20.0 Section 409A. The parties intend that benefits under this agreement are to be either exempt from, or comply with, the requirements of Section 409A of the Internal Revenue Code and the regulations issued thereunder ("Section 409A"), and this Agreement shall be interpreted and administered in accordance with the intent that Dr. Hitt not be subject to tax under Section 409A. If any provision of the Agreement would otherwise conflict with or frustrate this intent, that provision will be interpreted and deemed amended so as to avoid the conflict. Any reference in this Agreement to "termination of employment", "separates from service" or similar phrase shall mean an event that constitutes a "separation from service" within the meaning of Section 409A. All reimbursements and in-kind benefits shall be provided in accordance with Treasury Regulation Section 1.409A-3(i)(iv).

Section 21.0 Miscellaneous. The headings in this Agreement are for convenience only and shall not be used in construing or interpreting this Agreement. The terms "Board," "Board of Trustees" and "University" as used herein, where applicable or appropriate, shall be deemed to

Attachment A

include or refer to any duly authorized board, committee, or officer of said entity. Whenever the context requires, the masculine shall include the feminine and neuter, the singular shall include the plural, and conversely.

IN WITNESS WHEREOF, the President and the authorized representative of the Board of Trustees have executed this Agreement effective as of the date of the last signature affixed hereto.

University of Central Florida

By: _____
~~Olga M. Calvet~~ Marcos R. Marchena
Chairman, Board of Trustees

(Date)

By: _____
John R. Sprouls
Chair Board of Trustees, Compensation and Labor Committee

(Date)

By: _____
John C. Hitt
President, University of Central Florida

(Date)

Attachment B

SIXTH AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Sixth Amended and Restated Employment Agreement ("Agreement"), is entered into by and between the University of Central Florida Board of Trustees (the "Board," or the "Board of Trustees"), and Dr. John C. Hitt (the "President" or "Dr. Hitt"). Board and President may hereinafter be collectively referred to as the "parties".

RECITALS

WHEREAS, Dr. Hitt has served as President of the University of Central Florida ("University") since 1992 and guided the University through a period of unprecedented growth in enrollment and quality; and

WHEREAS, the Board has the authority to determine the terms and conditions of employment of the President; and

WHEREAS, the Board wishes to amend and restate its existing employment agreement with Dr. Hitt to memorialize the terms and conditions of his continued employment as President; and

WHEREAS, both the Board and Dr. Hitt desire to set forth their respective rights and obligations in this Agreement; and

WHEREAS, this Agreement amends and restates in its entirety the Fifth Amended and Restated Employment Agreement dated April 20, 2015.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1.0 Term. The Board shall employ Dr. Hitt as its President for a term beginning on the date of the last signature affixed hereto and ending on June 30, 2016.

Section 2.0 Powers and Duties. Dr. Hitt shall be the President of the University, subject to the rules, policies, and supervision of the Board. Dr. Hitt shall have the powers and duties reserved to the position of President by the University's bylaws, and as established from time to time by the Board (collectively, the "Duties"). Dr. Hitt and the Board acknowledge and agree that the Duties shall be consistent with those customarily performed by presidents of top-tier state universities comparable in size and type to the University, including, without limitation, educational leadership, faculty relations, budgeting, long-range planning, fundraising, public relations, student services, recruitment of personnel, appointment, promotion and dismissal of all faculty and staff members, and such other duties as may be determined or assigned by the Board.

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Section 3.0 Evaluation. On or before September 1 of each year, Dr. Hitt shall provide to the Chair of the Board of Trustees' Compensation and Labor Committee (the "Committee Chair") a list of proposed goals and objectives for the fiscal year period and the next thirty-six (36) month period. The Board, or a committee thereof, and Dr. Hitt shall discuss Dr. Hitt's proposed goals and objectives, after which time the Board, or a committee thereof, shall agree upon finalized goals and objectives for that fiscal year and the next thirty-six (36) month period. Dr. Hitt shall initiate the evaluation process for the period that ended on June 30 of that year by submitting to the Committee Chair a self-appraisal of such period's performance. Dr. Hitt will use best efforts to submit the self-appraisal by September 15 but no later than September 30 of each calendar year. This appraisal shall address performance related to each of the goals and objectives. After Dr. Hitt has submitted this self-appraisal, the Board shall evaluate his performance during the previous academic year based primarily on his achievement of the mutually agreed upon goals and objectives and to a lesser extent such other criteria as the Board deems appropriate. To aid the Board in its annual performance review, Dr. Hitt agrees to furnish to the Board, or a committee thereof, such additional oral or written reports as it may request.

Section 4.0 Compensation.

Section 4.1 Annual Base Salary. As compensation for the services to be performed by Dr. Hitt pursuant to this Agreement, the Board shall pay Dr. Hitt an initial annual base salary of \$ \$505,730. No more of this amount than is allowed by Florida Statutes shall be paid from public funds. This amount shall be payable according to the pay plan for administrative faculty employees at the University, with appropriate deductions for taxes and benefits. The Board shall review Dr. Hitt's compensation in connection with the annual evaluation of his performance, as set forth in Section 3.0 of this Agreement.

Section 4.2 Deferred Compensation. While employed as University President, Dr. Hitt shall receive annual deferred compensation equal to 20% of salary, payable quarterly. To the maximum extent possible, this sum should be provided through qualified plans (e.g. 403(b), 457, etc.).

Section 4.3 Incentive Compensation. Dr. Hitt shall be eligible for an annual incentive award, based on the accomplishment of the 36 month goals, established pursuant to section 3.0, for the just concluded three (3) year period in accordance with the Performance Unit Plan approved by the Board. If such goals are attained, as determined by the Board, the Board shall pay to Dr. Hitt a lump sum incentive award. This long term incentive compensation may be revised for future three year periods based solely on the discretion of the Board, but shall not be decreased. Amounts earned under the Performance Unit Plan are payable after the conclusion of the three year performance period and shall be paid in a lump sum (less applicable taxes and deductions) on or before December 31st following the completion of the performance period).

Section 5.0 Benefits.

Section 5.1 Standard Benefits. While employed as University President, Dr. Hitt shall be eligible to participate in all present and future benefit plans maintained by the University for

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administrative faculty employees. Such benefits shall include, without limitation, health care, disability and life insurance programs, retirement plans, tax-deferred savings plans, flexible spending accounts, and vacation and sick leave.

Section 5.2 Business/Travel Expenses. While employed as University President, the University shall cover the cost of Dr. Hitt's reasonable business expenses, including professional dues, meetings, business travel, and entertainment.

Section 5.3 Automobile. While employed as University President, the University shall provide Dr. Hitt with an automobile allowance or a University-owned full size automobile, which will be replaced every three (3) years, utilizing non-public funds. If the University provides Dr. Hitt with an automobile, it shall be responsible for the costs of fuel, maintenance, repairs, and insurance. Dr. Hitt shall be responsible for any tax liability associated with non-business use of the automobile in accordance with applicable Internal Revenue Service Regulations.

Section 5.4 Miscellaneous. While employed as University President, the President shall be given an allowance of up to \$4000 per month for travel for his spouse, memberships at Interlachen Country Club and the Citrus Club, or other organizations approved by the Board, and an annual physical, all to be provided from non-public funds.

Section 6.0 Housing. For the benefit and convenience of the University in having the functions of the Office of President most efficiently discharged, while employed as University President, Dr. Hitt shall be required to reside in the University-owned Burnett House, at the University's expense, during the term of this Agreement. The University shall provide staff with responsibilities for grounds-keeping, repairs, housekeeping services, and general maintenance of the Burnett House and cover all related expenses, including utilities.

For the convenience of the University, the Burnett House shall be available and shall be used, for University-related business and entertainment on a regular and continuing basis. Costs associated with such University events shall be paid by the University. If it is not feasible to entertain at the Burnett House due to a large number of invited guests, the University shall provide Dr. Hitt with another location suitable to host such an event and will bear the costs.

Section 7.0 Outside Activities. Dr. Hitt agrees to faithfully, industriously, and with maximum application of experience, ability, and talent, to devote full-time attention and energies to his Duties as President. The expenditure of reasonable amounts of time for personal or outside business, as well as charitable and professional development activities, shall not be deemed a breach of this Agreement, provided such activities do not interfere with the Duties set forth in Section 2.0 of this Agreement. Dr. Hitt shall not engage in any activity that may be competitive with or adverse to the best interests of the Board and the University.

With prior approval from the Board, Dr. Hitt may serve on up to two (2) boards of directors of for-profit corporations. In addition, Dr. Hitt must give prior notice to the Chair before agreeing to serve on any board of directors of a nonprofit corporation. Any and all income or other compensation earned by Dr. Hitt in connection with outside business activities shall be paid to and retained by him, and such income or other compensation shall have no effect on the amount of salary,

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compensation, and benefits he is otherwise entitled to receive hereunder. Dr. Hitt shall use annual leave when attending to matters pertaining to such service if it is during normal work hours and requires a half day or more.

Section 8.0 Termination.

Section 8.1 Termination for Cause. The Board may terminate this Agreement and Dr. Hitt's employment hereunder for Cause. Cause for this purpose shall mean anyone or more of the following:

- A. Neglect or inattention by Dr. Hitt to the Duties of President of the University or Dr. Hitt's refusal or unwillingness to perform such Duties in good faith and to the best of Dr. Hitt's abilities after reasonably specific written notice of such neglect or inattention has been given to Dr. Hitt and Dr. Hitt has continued such neglect or inattention during a subsequent period specified by the Board of not less than ninety (90) days; or
- B. Material, significant or repetitive violation or breach by Dr. Hitt of this Agreement; or
- C. Conviction, a plea of guilty, or a plea of nolo contendere by Dr. Hitt to a felony, or to a misdemeanor involving moral turpitude; or
- D. Fraud or dishonesty of Dr. Hitt in the performance of his duties or responsibilities hereunder; or
- E. Fraud or dishonesty of Dr. Hitt in the preparation, falsification or alteration of documents or records; or
- F. Knowing failure by Dr. Hitt to obtain prior approval for outside activities as required by law or this Agreement; or
- G. Commission of or participation in any act, situation, or occurrence by Dr. Hitt which brings Dr. Hitt into public disrepute, contempt, scandal or ridicule or failure by Dr. Hitt to conform his personal conduct to conventional standards of good citizenship, with such conduct offending prevailing social mores and values and/or reflecting unfavorably upon University's reputation and overall primary mission and objectives, including but not limited to, acts of dishonesty, misrepresentation, fraud, or violence that may or may not rise to a level warranting criminal prosecution by the relevant authorities.

In the event of termination for cause, Dr. Hitt shall no longer be entitled to receive any compensation under this agreement and shall forfeit any additional compensation accrued but not earned pursuant to paragraph 8.5. In lieu of termination for cause, the Board may suspend Dr. Hitt for a period not to exceed ninety (90) days for anyone or more of the acts or omissions representing grounds for termination for cause under this sub-paragraph. During a period of suspension under this sub-paragraph, Dr. Hitt shall only be entitled to receive the base salary

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provided by section 4.1.

Section 8.2 Termination Without Cause. The Board may terminate this Agreement and Dr. Hitt's appointment hereunder without cause at any time for the convenience of the Board upon 365 day's prior written notice to Dr. Hitt. If this Agreement is terminated pursuant to this section before June 30, 2016, Dr. Hitt shall be entitled to payment of the retention compensation referenced in Section 8.5 on the date of termination. In addition, Dr. Hitt shall be eligible for any incentive compensation awards heretofore granted in accordance with Section 4.3. All payments hereunder are subject to applicable withholding and employment taxes.

Section 8.3 Resignation as President. In the event Dr. Hitt resigns his employment as President of the University in a timely manner that is acceptable to the Board, and he elects to return to the tenured faculty in a teaching, research or service role, Dr. Hitt shall be paid an annual salary of \$260,000. Dr. Hitt shall have the option of spending the first year immediately following his resignation on sabbatical, providing that such sabbatical is subject to the terms and conditions of the University's sabbatical program, including, without limitation, Dr. Hitt's agreement to repay the University any salary he receives while on sabbatical if he does not return to the University for at least two consecutive semesters (excluding summers) immediately following participation in the sabbatical program. No other benefits or compensation referenced in this Agreement shall continue. However, Dr. Hitt shall be eligible for any incentive compensation awards heretofore granted in accordance with Section 4.3.

Section 8.4 Death/Permanent Disability. In the event Dr. Hitt is unable to complete the term of this Agreement due to death or permanent disability as defined in section 409A of the Internal Revenue Code, he or his estate shall be entitled to receive an amount equal to the remaining base salary (Section 4.1) due under the Agreement up to a maximum of two years. In the case of disability, the two year period shall be calculated beginning with the initial date of disability, and payable on a bi-weekly basis. In the case of death, the payment shall be made within thirty days of due notice by the proper estate authority.

In the event of Dr. Hitt's death during his service as President, his spouse shall be entitled to remain in the University-owned residence for up to one hundred twenty (120) days after Dr. Hitt's death. The Board, in its sole discretion, may extend this one hundred twenty (120) day period.

Section 8.5 Forfeiture of Additional Compensation. Dr. Hitt accrued one year of additional base salary for services rendered from July 1, 2013 through June 30, 2014. The additional compensation shall not be payable until, and shall be forfeited, unless Dr. Hitt is employed on June 30, 2016 or is terminated without cause before June 30, 2016 as provided in Section 8.2.

Section 9.0 Dispute Resolution. The Board and Dr. Hitt agree that if any dispute arises concerning this Agreement they will first attempt in good faith to resolve the dispute to their mutual satisfaction. If they are unable to do so, the Board and Dr. Hitt agree that they will submit the

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dispute to confidential, binding arbitration in Orlando, Florida, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The tiling fee and all costs of the arbitration and the arbitrator(s) fees shall be divided equally between the parties. Each party shall bear their own costs of any legal fees associated with the dispute and the arbitration proceeding.

The Board and Dr. Hitt will use their best efforts to keep any disputes and any efforts to resolve disputes confidential, informing only their respective legal counsel and other persons determined in good faith to have a need to know the disclosed information (Dr. Hitt's spouse shall be deemed to have a need to know any information disclosed to her), and will use their best efforts to ensure that such persons do not further disclose any such information. The Board and Dr. Hitt agree that no arbitrator may be a University faculty member or have any material ongoing relationship with the University.

Section 10.0 Notice. Unless and until changed by a party giving written notice to the other, the addresses below shall be the addresses to which all notices required or allowed by this Agreement shall be sent:

If to the University:
Chair, Board of Trustees
University of Central Florida
4000 Central Florida Blvd.
Orlando, FL 32816

If to the President:
Dr. John C. Hitt, President
University of Central Florida
4000 Central Florida Blvd.
Orlando, FL 32816

Section 11.0 Severability and Waiver. If any portion of this Agreement shall be held to be invalid, inoperative, or unenforceable, then, so far as possible, effect shall be given to the intent manifested by the portion held invalid, inoperative, or unenforceable, and the remainder of this Agreement shall remain in full force and effect. No waiver or failure to enforce any or all rights under this Agreement by either party on any occasion shall constitute a waiver of that party's right to assert the same or any other rights on that or any other occasion.

Section 12.0 Governing Law. This Agreement shall be interpreted and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of Florida, excluding its choice of law rules.

Section 13.0 Counterparts. This Agreement may be executed in counterparts, and by the parties on separate counterparts each of which, when so executed, shall constitute but one in the same instrument.

Section 14.0 Modification of Agreement. This Agreement represents the complete understanding of the parties and supersedes any previous or contemporaneous written or oral representations made by either party. There are no other promises, understanding, obligations, inducements, undertakings, or considerations between the parties or owed by either party to the

Attachment B

other that are not set forth in this Agreement. This Agreement may be modified or amended only by mutual written consent of the parties.

Section 15.0 Personal Contract. The obligations and Duties of Dr. Hitt shall be personal and not assignable or delegable in any manner whatsoever. This Agreement shall be binding upon and inure to the benefit of Dr. Hitt and his executors, administrators, heirs, successors, and permitted assigns, and upon the University and its successors and assigns.

Section 16.0 Insurance and Indemnification. Dr. Hitt shall be provided with director's and officer's liability insurance coverage and be protected by indemnification agreements on the same terms and conditions enjoyed by trustees and senior officers, said coverage to survive termination as to matters relating to his presidency.

Section 17.0 No Trust Fund. Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind. To the extent that Dr. Hitt acquires a right to receive payments from the University under this Agreement, the University's obligation to make such payments represents an unfunded promise or covenant to pay such amount running from the University to Dr. Hitt.

Section 18.0 Understanding of the Agreement. Both parties represent that they have thoroughly read this Agreement, that they understand it to be a binding contract, that they understand each provision, term, and condition of this Agreement as well as its legal effect, and that they have signed the Agreement voluntarily and of their own free will with the intention to comply with its terms.

Section 19.0 Disclosure of the Agreement. Both parties agree and acknowledge that this Agreement may be subject to the Florida public records law, Chapter 119, or other provisions, and may, therefore, be subject to disclosure by and in the manner provided for by law.

Section 20.0 Section 409A. The parties intend that benefits under this agreement are to be either exempt from, or comply with, the requirements of Section 409A of the Internal Revenue Code and the regulations issued thereunder ("Section 409A"), and this Agreement shall be interpreted and administered in accordance with the intent that Dr. Hitt not be subject to tax under Section 409A. If any provision of the Agreement would otherwise conflict with or frustrate this intent, that provision will be interpreted and deemed amended so as to avoid the conflict. Any reference in this Agreement to "termination of employment", "separates from service" or similar phrase shall mean an event that constitutes a "separation from service" within the meaning of Section 409A. All reimbursements and in-kind benefits shall be provided in accordance with Treasury Regulation Section 1.409A-3(i)(iv).

Section 21.0 Miscellaneous. The headings in this Agreement are for convenience only and shall not be used in construing or interpreting this Agreement. The terms "Board," "Board of Trustees" and "University" as used herein, where applicable or appropriate, shall be deemed to include or refer to any duly authorized board, committee, or officer of said entity. Whenever the context requires, the masculine shall include the feminine and neuter, the singular shall include the

Attachment B

plural, and conversely.

IN WITNESS WHEREOF, the President and the authorized representative of the Board of Trustees have executed this Agreement effective as of the date of the last signature affixed hereto.

University of Central Florida

By: _____
Marcos R. Marchena
Chairman, Board of Trustees

(Date)

By: _____
John R. Sprouls
Chair Board of Trustees, Compensation and Labor Committee

(Date)

By: _____
John C. Hitt
President, University of Central Florida

(Date)

ITEM: **INFO-1**

**University of Central Florida
BOARD OF TRUSTEES
Compensation and Labor Committee**

SUBJECT: The Annual Report, July 1, 2014-June 30, 2015

DATE: October 28, 2015

PROPOSED COMMITTEE ACTION

Accept the Annual Report July 1, 2014-June 30, 2015.

BACKGROUND INFORMATION

An annual report from President Hitt to the Board of Trustees serves as the basis for the President's annual evaluation.

Supporting documentation:

Attachment A: Annual Report: July 1, 2014-June 30, 2015, John C. Hitt

Prepared by: Shelia Daniels, Interim Associate Vice President and Chief Human Resource Officer

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

Attachment A

ANNUAL REPORT
July 1, 2014-June 30, 2015
John C. Hitt

Presented to the Board of Trustees
University of Central Florida

Since coming to UCF more than 23 years ago, I have worked to advance our university to greatness and to accomplish the five goals for UCF that I established when I arrived. They are to

- offer the best undergraduate education available in Florida
- achieve international prominence in key programs of graduate study and research
- provide international focus to our curricula and research programs
- become more inclusive and diverse
- be America's leading partnership university.

In reviewing this past year's activities, I am proud of the following highlights that together we have achieved during the 2014-15 academic year.

UCF tied for third place in the application of the State University System of Florida's performance-based funding model. The \$16.8 million allocated to the university was used in part to hire 100 new and 100 replacement faculty members and to provide a 3 percent raise to employees.

The university awarded 15,481 degrees, a school record that led all universities in Florida in the number of degrees awarded. The university celebrated its 250,000th graduate at the spring 2015 commencement ceremony and has now awarded more than 270,000 degrees.

For the second year in a row, UCF led all other universities in Florida in the enrollment of freshman National Merit Scholars with 79 Scholars. This number ranked UCF ninth in the nation for freshman Merit Scholars at public universities. The total number of Merit Scholars at UCF was 275.

The Carnegie Foundation awarded its 2015 Community Engagement classification to UCF, making it one of only 25 public universities with the foundation's highest designation in both categories of "community engagement" and "very high research activity."

UCF announced plans to establish a robust downtown Orlando campus, which will have programs, facilities, and housing for approximately 7,000 students.

In the second year of membership in the American Athletic Conference (AAC), the football, golf, rowing, softball, volleyball, and women's soccer teams won conference championships.

Attachment A

The student-athlete graduation rate of 95 percent ranked UCF first among public institutions in the country, and our football program ranked first in the AAC among public schools for its graduation rate.

In partnership with Florida International University and the University of South Florida, UCF supported the evolution of the Florida Consortium of Metropolitan Research Universities. This partnership seeks to help more students graduate from college while boosting economic development around the state.

UCF has benefitted from membership in the University Innovation Alliance, a national group of 11 major public research institutions that joined together one year ago to improve the graduation rates of students, particularly first-generation and low-income students. As a result of our membership in the Alliance, UCF has:

- developed metamajors in our College of Engineering and Computer Science to more successfully advise students
- implemented the Knights Graduation Grant Initiative, a financial support program targeting students nearing graduation
- contracted with the Education Advisory Board to pursue a change-management process to alter our advising and student support processes using predictive analytics, proactive advising, and case management
- identified and begun to track students with average success to offer them advising, workshops, coaching, and mentoring
- refocused the agenda of the Faculty Center for Teaching and Learning to more strongly emphasize student success.

My detailed 2014-15 annual report to the UCF Board of Trustees follows.

ENROLLMENT AND DEGREES AWARDED

UCF's total enrollment for this reporting year was 60,821, an increase of 1.8 percent over the past year. Undergraduate enrollment was 52,539, an increase of 2.4 percent. Graduate and professional degree enrollment was 7,862, a decrease of 3.2 percent. The College of Medicine enrolled 420 medical students.

Other enrollment data of note include the following.

- The Burnett Honors College enrolled 506 freshmen for a total enrollment of 1,814 students.
- African-American student enrollment reached 6,408, an increase of 4.2 percent, and Hispanic student enrollment reached 13,127, an increase of 8.6 percent.
- Minority headcount for the academic year was 41.3 percent.
- International students totaled 2,458 from 128 countries.
- Study abroad programs enrolled 372 students.

UCF awarded 12,793 bachelor's degrees, an increase of 1.6 percent; 324 graduate certificates, a decrease of 2.4 percent; 2,233 master's degrees, a decrease of 12.1 percent; and 423 doctoral degrees (including medical degrees), an increase of 18.8 percent.

Attachment A

STUDENT QUALITY

The average high school grade point average of our freshman class was 3.92, an increase of .03 point. The average SAT score of first-time-in-college students was 1256, an increase of eight points, and the average SAT score for students entering The Burnett Honors College was 1398, an increase of three points. The FTIC full-time retention rate was 87.5 percent, an increase of 0.5 percent. The university also enrolled 79 National Merit Scholars in the fall 2014 semester, an increase of 30 percent.

During the academic year, UCF sponsored seven Fulbright Scholars.

College of Business Administration students Jon Wachob and Brandon Carpenter won first place at the Florida Collegiate Business Plan Competition, and student Jess Wolf won second place at the Blackstone LaunchPad Demo Day at Blackstone LaunchPad in New York City.

College of Sciences anthropology student Adam Kersch won the National Geographic Society's Young Explorers Grant.

College of Sciences statistics student Justin Mooney received first place in the EverBank Data Analysis Competition.

College of Graduate Studies student Andres Ceballos received the 2014 Service Award from the National Institutes of Health.

PROGRAM QUALITY

The university continued to strengthen its academic programs.

U.S. News & World Report ranked UCF third as an "Up and Coming" university. In the overall rankings, the university tied for 97th among public institutions and tied for 58th in the Best Colleges for Veterans category. The publication ranked 23 graduate programs among the top 100 in their fields nationally. Among those programs, the Counselor Education degree program earned UCF's highest ranking at 10th, Special Education and Optical Science ranked 14th, and Nurse Educator and Nonprofit Management ranked 25th.

Forbes ranked UCF as 170th in the Research Universities category and 96th among all universities in the South. *Kiplinger* named UCF 42nd in its Best Values category for public colleges. The Florida Interactive Entertainment Academy was ranked second in North America for Video Game Graduate Programs by *Princeton Review* for a second year in a row. UCF placed sixth in the publication's Best Colleges category for having one of the best health services in the nation.

G.I. Jobs named UCF one of the top 15 colleges and universities for veteran-friendly campuses.

Attachment A

The Rosen College of Hospitality Management program ranked seventh among the Top Hospitality Management Programs in the World, according to eHow.com.

The online programs of the Department of Criminal Justice were ranked first in the nation by Bestcolleges.com.

Research produced by the faculty in the public administration program was ranked 92nd by the *Journal of Public Affairs Education*.

The College of Medicine secured Continuing Accreditation from the National Accrediting Agency for Clinical Laboratory Sciences.

DISTRIBUTED LEARNING

The distributed learning program provided students with high-quality, convenient, and engaging opportunities to obtain courses, graduate certificates, and degrees. The university offered 28 online undergraduate minors, 18 online bachelor's degree programs, 34 online graduate certificate programs, 25 online master's degree programs, and two doctoral degree programs.

Online learning activity accounted for all of the growth in student credit hour production, comprising 37.8 percent of total credit hours, an increase of 1.1 percent.

Among all registered students, 77.7 percent (53,585) took at least one fully online or blended-learning course. Registration in Web-based courses accounted for 29.3 percent of the total university student credit hour production. Online courses accounted for 80.4 percent of the student credit hours at regional campuses.

Dr. Thomas Cavanagh received the 2014 Online Learning Consortium Fellow Award for his contributions to the online learning community in the areas of scholarship, assessment, and administration.

The Center for Distributive Learning received the 21st Century Award for Best Practices in Distance Learning given by the United States Distance Learning Association. This honor is given to an agency, institution, or company that has shown outstanding leadership in the field of distance learning.

ATHLETICS

In UCF's second year in the AAC, our student-athletes earned a GPA of 3.1, marking the 15th consecutive semester in which they earned at least a 3.0 GPA or higher.

The AAC Academic Honor Roll included 216 UCF student-athletes. The football, men's basketball, and softball programs earned their respective Team Academic Excellence Award for having the highest team GPA in the conference.

UCF boasts a competitive, broad-based athletics program that was 86th in the national Directors' Cup rankings.

Attachment A

The baseball team recorded its fifth 30-win season in the last six years, compiling an overall record of 31-27. The program ranked nationally in the top 25 for the fifth consecutive year. Dylan Moore, James Vasquez, and Mitchell Tripp were drafted by major league baseball teams.

Basketball team members B.J. Taylor and Adonys Henriquez won six of the AAC's 17 Rookie of the Week honors with each earning the award three times.

Women's basketball player Zykira Lewis was named Second Team All-Conference by the AAC, and she also set a school record for single-season three-point field goals with 86.

For the second consecutive year, the cross country team finished in fourth place at the AAC championship, tying for the program's best finish ever at a conference championship.

The football team won a second consecutive AAC championship, tying for the top spot in the conference with Memphis and Cincinnati. The team also played in a bowl game for the third consecutive year. Breshad Perriman was selected in the first round of the NFL Draft by the Baltimore Ravens, and Clayton Geathers was drafted by the Indianapolis Colts.

The women's golf team won the conference championship and advanced to the NCAA Regional Championship for the fourth straight season and the 12th time overall.

The rowing team won the first conference title in program history.

Men's soccer team member Romario Williams was selected as the third overall pick of the Major League Soccer Superdraft.

The women's soccer team won the ACC's regular-season championship with a 7-1 conference record and a 14-3 overall record. Conference awards were earned by Tiffany Roberts Sahaydak (Coach of the Year), Tatiana Coleman (Co-Offensive Player of the Year), Connie Organ (Goalkeeper of the Year), and Carleigh Williams (Defensive Player of the Year). Coleman, Organ, and Williams were also named First Team All-AAC. Women's soccer earned its eighth-straight NCAA Tournament invitation.

The softball team won its second consecutive conference championships and played in the AAC Tournament.

The volleyball team won a conference title with an 18-2 AAC record and a 25-8 overall record. Head Coach Todd Dagenais was named AAC Coach of the Year, and DeLaina Sarden was named AAC Player of the Year.

Student-athletes completed 2,610 service hours during the school year, reaching approximately 14,300 members of the Central Florida community. Among the organizations they served were the Oviedo Little League, Junior Achievement, Nemours Children's Hospital, Florida Hospital for Children, Feed Children Everywhere, Relay For Life, and the American Cancer Society.

Attachment A

UCF Golden Knights Club Annual Fund pledges totaled \$2,452,306, and the sale of premium seats raised \$2,537,982. The Annual Fund achieved a 21 percent increase in donations. The \$7 million fundraising goal for the Wayne Densch Center for Student-Athlete Leadership was exceeded, and groundbreaking for that facility occurred on November 21, 2014. More than 100 donations at the Diamond Knight Level (\$10,000 or more) were made, which established a new school record. In addition, the Golden Knights Club increased its donor count to 4,307.

SERVICES TO STUDENTS

The Global Perspectives Office hosted 69 prominent speakers, including James McLurkin, Vivek Tiwary, former senator Olympia Snowe, Julian Bond, Cheryl Brown Henderson, Gen. Donald Kerick, and Cathy Areu.

DirectConnect to UCF received the Gold Standard Award from the National Association of Student Personnel Administrators.

Student Financial Aid dispersed \$428.9 million in support.

The College of Graduate Studies held the 2014 Grad Fair, which attracted 1,250 prospective graduate students.

For the 10th consecutive year, the University Testing Center was named one of the Top 100 College Level Examination Program Centers by the College Board.

The Office of Government Affairs placed legislative-scholar students in the offices of seven Florida senators and five Florida representatives, including the offices of both the house speaker and the senate president. Moreover, a legislative scholar was placed in Orange County Government and in the Gray Robinson law firm.

The Office of Experiential Learning provided 4,071 student experiences in cooperative education at 1,494 employer sites. The office and the colleges collectively administered 8,618 student internship experiences. Fifty approved service-learning classes enrolled 8,654 students who practiced in the community what they learned in the classroom. These students provided approximately 174,485 hours of service to Central Florida.

The College of Undergraduate Studies sponsored the 12th Annual Showcase of Undergraduate Research Success, which included 290 posters, 436 presenters, and 39 faculty judges. The showcase attracted 1,850 attendees, a 9 percent increase over last year. A total of \$17,100 in scholarships was awarded to 52 event winners from 10 academic disciplines.

The Police Department provided “Not Anymore” prevention education to 19,000 incoming students. This tutorial addresses stalking, bystander intervention, and sexual, dating, and domestic violence in compliance with the 2014 Violence Against Women Act. Since its inception in 2010, the program has reached 63,601 students.

Attachment A

Four career fairs were hosted by UCF at the CFE Arena, one of which was exclusively for veterans. The four events attracted more than 6,000 students and community members.

The Knights Helping Knights Pantry distributed more than 24,863 pounds of food to students in need.

DIVERSITY AND INCLUSION

The Office of Diversity Initiatives was renamed the Office of Diversity and Inclusion. The mission of the office was expanded to have university-wide responsibility, and the position of office director was elevated to chief diversity officer.

The office sponsored its annual Diversity Breakfast, which featured Julian Bond as the keynote speaker. More than 520 people from UCF and Central Florida attended, and they donated 860 pounds of food to the Knights Helping Knights Pantry.

The office established a Diversity and Inclusion Working Group with 28 representatives from across the university who are engaged in diversity and inclusion issues.

Diversity professionals facilitated 156 diversity workshops attended by 4,211 university employees and students.

Hispanic Outlook named UCF among its top 10 schools in the country for the number of degrees awarded to Hispanics. UCF ranked fourth for health professions and psychology, sixth for business management and marketing, seventh for engineering, ninth for biological and biomedical sciences, and 10th for the field of education.

The Department of Purchasing expended \$30.2 million with companies that qualify as diversity contractors. This amount exceeded last year's total by \$4.4 million.

Lisa Dieker, a faculty member in the College of Education and Human Performance, helped to establish a program that allows students with intellectual disabilities to attend UCF.

Human Resources piloted a Spanish translation of its annual workshop "Nearing Retirement in the FRS," and 70 employees participated in the first year of its offering.

RESEARCH AND COMMERCIALIZATION

Professionals at UCF received \$133.4 million in contracts and grants. Twenty-nine people received \$1 million or more in contract and grant awards.

The Office of Research and Commercialization's GrowFL program hosted 17 entrepreneur events attended by 1,598 potential participants.

Attachment A

Thomas O'Neal received the 2014 Business Entrepreneur of the Year Award, the 2014 Schwartz Tech Award, and the UCF College of Engineering and Computer Science's 2014 Distinguished Alumni Award. Dr. Daniel Britt received the NASA Group Achievement Award for the Mars Curiosity Rover. Faculty members Nahid Mohajeri, Ali T-Raissi, and Nazim Muradov received the Research and Development 100 Award from *R&D Magazine*.

For the second consecutive year, the UCF Collegiate Cyber Defense Competition Team won the Alamo Cup in the 2015 Raytheon National Collegiate Cyber Defense Competition. The team also won the 2014 Collegiate Cybersecurity Championship Cup from the Center for Infrastructure Assurance and Security at the University of Texas at San Antonio.

CREOL faculty members continued to earn national recognition.

- Demetrios Christodoulides was inducted into the World's Most Influential Scientific Minds, a compilation of the most influential people in science from around the world.
- Peter Delfyett was elected vice chair of the American Physical Society.
- Aristide Dogariu received the G.G. Stokes Award.
- Kathleen Richardson was elected president of the American Ceramic Society.
- Shin-Tson Wu was inducted into the Florida Inventors Hall of Fame.

PLANT AND FACILITIES

The 2015-25 Campus Master Plan was approved, and the following construction projects were completed during the year:

- Domino's renovation in the Student Union
- Engineering Building I renovation, laboratory 136
- Engineering Building I renovation, Idea Space (with Texas Instruments)
- Facilities and Safety Building renovation, room 16A
- Ferrell Commons interior renovation
- Mechanical and Aerospace Engineering Building expansion
- Multiple infrastructure improvements
- Optical Materials laboratory renovation
- Orlando Tech Center, AMPAC laboratory expansion
- Theater expansion
- Health Sciences Campus at Lake Nona Campus signage.

The following projects are under construction:

- Bennett Building renovation
- Bright House Networks Stadium East Side Club
- Campus asphalt replacement project
- Global UCF Building
- Libra Drive expansion
- Wayne Densch Center for Student-Athlete Leadership.

Attachment A

The following construction projects are in the design stage:

- Arboretum greenhouse
- Biology Building laboratory renovation
- Business Administration I interior atrium renovation
- Campus wayfinding system
- Distributed antenna system, main campus
- District Energy Plant IV
- Engineering Building I renovation
- Facilities support building
- Facilities warehouse expansion
- Interdisciplinary Research and Incubator Building
- John C. Hitt Library expansion
- Mathematical Sciences Building renovation
- Parking Garage C expansion
- Student Health Center renovation and addition.

The following projects are in the conceptual stage:

- Colbourn Hall renovation
- Trevor Colbourn Hall
- UCF Downtown campus
- UCF Project Manager Handbook.

SUSTAINABILITY AND ENERGY MANAGEMENT

The Office of Utilities and Energy Services received a 2015 Central Florida Clean Air Honorable Mention citation presented by Metro Plan Orlando for innovation and the environmental-impact avoidance related to the university's combined heat and power plant.

The university achieved a campus-wide reduction of 80.4 million kWh in electricity, 22.7 million ton-hrs of chilled water, and 388,446 therms of natural gas since the 2005-06 baseline year. These reductions have resulted in a cost savings of \$17.8 million.

The Office of Facilities Operations collected 901,514 pounds of recycled materials, achieving a 33 percent recycle rate, which was a 12 percent increase over the previous year.

The Office of Parking and Transportation Services recorded 1.8 million student boardings on UCF's shuttle buses, 40 of which are fueled by bio-diesel and four by propane.

ADMINISTRATIVE SERVICES

The General Counsel's office reviewed or revised more than 3,870 contracts for all divisions of the university.

Facilities Operations implemented a Computerized Maintenance Management System to receive, complete, and document daily assignments. Using the system, the office processed 48,983 work orders and completed 328 Life Safety Report responses.

Attachment A

The Office of the Chief of Staff coordinated and staffed 10 Board of Trustees meetings, 18 board committee meetings, two board retreats, and one board orientation.

The Office of Compliance, Ethics, and Risk launched an anonymous and confidential phone line to report misconduct, which it named the UCF IntegrityLine. The office also implemented a marketing plan to introduce the UCF IntegrityLine to the campus community.

The Office of Equal Opportunity and Affirmative Action Programs analyzed 73 cases involving allegations of discrimination—including 45 Title IX cases—and resolved 65 cases. Professionals in the office conducted equal opportunity and affirmative action training for more than 1,114 faculty and staff members.

The Ombuds Office handled 662 cases.

University Audit completed eight scheduled audits, which resulted in 38 recommendations for improvement. The office also completed 29 internal investigations, which resulted in 33 recommendations for improvement.

DEVELOPMENT

Over the course of the year, 17,300 donors gave or pledged \$56.5 million, including \$14.9 million in planned gifts from 29 individuals. UCF's comprehensive fund-raising campaign, Ignite, generated approximately \$195 million by the conclusion of the fiscal year. The endowment of the Foundation was down 1.5 percent with a balance of \$150.5 million. Nonetheless, the endowment generated a record spendable amount of \$5.4 million for use in fiscal year 2016.

Highlights of the year's philanthropy include the following major gifts:

- a \$5 million commitment from Harris Rosen to establish UCF's first endowed deanship to be used by the Rosen College of Hospitality Management
- a planned gift of \$7 million for endowed scholarships in the Division of Student Development and Enrollment Services
- a commitments of \$4 million from the Wayne M. Densch Charitable Trust and \$1 million from the Williams Family Foundation toward the construction of the Wayne M. Densch Center for Student-Athlete Leadership
- a \$100,000 commitment from the Haleski Foundation, the first gift in support of the Downtown-Parramore Endowed Scholarship that will fund tuition to the College of Medicine for medical students from the Parramore neighborhood.

All Foundation directors met their annual financial obligations, and their giving totaled \$950,000. Over the course of the Ignite campaign, board members have committed approximately \$10 million.

Attachment A

COMMUNITY ENGAGEMENT

The university's marketing efforts engaged 2.75 million unique visitors from 226 countries on the UCF Website, attracted readers from 211 countries to *UCF Today*, achieved 219,000 Facebook fans throughout the world, and supported the viewing of 912,000 minutes of video on the university's YouTube channel.

Pegasus magazine generated more than 640,000 impressions and won 62 peer-reviewed awards. *Pegasus* featured more than 50 faculty and staff members, along with 659 alumni. The magazine won both a gold and silver award from the Council for the Advancement and Support of Education.

More than 881,000 copies of the "2014-2015 Viewbook for Undergraduate Admissions" were distributed to potential students and others. Undergraduate Admissions processed approximately 25,000 applications, admitted 10,692 applicants, and enrolled 3,745 freshmen.

The Division of Communications and Marketing helped to attract 4,577 faculty applicants for 100 positions by means of its media campaign titled "UCF Hires Faculty." The campaign generated 14.6 million media impressions and resulted in 79 new hires. The campaign recorded the highest-ever response rate for *The Chronicle of Higher Education's* "On Hiring" email newsletter.

The division supported the recruitment of National Merit Scholars by producing the "UCF Scholar Newsletter" (250,000 copies) and "Profile" brochures (10,000 copies), which contributed to the enrollment of a record number of freshman National Merit Scholars.

UCF partnered with Microsoft, Marvel, Blue Man Group, the Clearwater Marine Aquarium, Orlando City Soccer Club, and Orlando Health to deliver 3D printed arms created by UCF students to children in Florida, the nation, and the world. The partnerships generated more than 1,000 news stories in diverse media, such as *Good Morning America*, the *Orlando Sentinel*, CNN, and the BBC. Actor Robert Downey, Jr., promoted our students' work on his personal Facebook page and on *The Late Show with David Letterman*.

UCF developed partnerships with the City of Orlando, local developers, Valencia College, and community leaders to plan and develop a campaign in support of UCF Downtown. These efforts resulted in a successful presentation to the Board of Governors in February, several dozen positive media articles in state and national publications, and more than 45,000 page views on the UCF Downtown Website.

Multiple offices supported the UCF Downtown planning and design effort. The UCF Downtown Task Force involved more than 150 university and community members serving on 12 committees and addressing topics as diverse as academics, facilities, student services, community engagement, technology, and students with intellectual disabilities.

Attachment A

WUCF TV was awarded a \$210,000 grant by the Corporation for Public Broadcasting to launch a multi-year educational initiative called The American Graduate. The purpose of the initiative is to increase awareness about the dropout crisis and to highlight those local organizations that support public school retention efforts.

The Division of Community Relations participated with 13 area chambers of commerce, and division staff members served in more than 80 leadership positions for Central Florida nonprofit agencies. The division facilitated, sponsored, or participated in more than 140 outreach programs in Orange, Osceola, and Seminole counties. The office also coordinated more than 100 events for the Office of the President.

The division coordinated UCF's involvement in the 2014 Greater Orlando Heart Walk. Held on the Orlando campus, the event attracted approximately 20,000 participants. The university sponsored 33 teams that raised \$40,768.

The Office of Global Perspectives sponsored speakers, partnerships, and publications that served more than 32,000 people and reached thousands more by traditional and social media.

University Economic Development planned or assisted in the coordination of UCF involvement with more than 180 meetings that included community partners, companies and institutions, and local, national, and international dignitaries.

The inaugural UCF Celebrates the Arts Festival was held at the Dr. Phillips Center for the Performing Arts. The six-day festival showcased the talent of university performing and visual arts students. The festival gave 1,000 Central Florida K-12 students the opportunity to participate in educational workshops led by UCF professionals.

The Division of Administration and Finance partnered with the Heart of Florida United Way to manage the university's 2014 United Way Campaign, which raised \$140,500.

The Office of Student Involvement supported 160 students on 16 trips during the Alternative Break Program, a week of volunteer service during spring break.

Knight-Thon, UCF's largest student-run philanthropic event, raised \$688,049 for the Children's Miracle Network, an increase of \$295,217 over last year's amount. The event had 1,000 student participants, and it was the sixth-largest dance marathon in the nation.

Students contributed 166,641 hours to activities sponsored by Volunteer UCF, a 54 percent increase over the previous year.

HONORS AND TRANSITIONS

Joining the Board of Trustees were Keith Koons, Faculty Senate chair, and Cait Zona, Student Government Association president. Trustee Robert Garvy was reappointed by the Board of Governors to a five-year term.

Attachment A

Robert Holmes, Vice President for Alumni Relations and Development and CEO of the University Foundation, retired. Todd Stansbury, Vice President and Athletic Director, resigned. Dale Whittaker was named Provost and Vice President for Academic Affairs.

Greg Schuckman, Assistant Vice President and Director of Federal Relations, was named one of 100 Opportunity Leaders in the United States by *Opportunity Nation*.

Deborah German, Vice President for Medical Research and Dean of the College of Medicine, received the Alma Dea Morani M.D. Renaissance Woman Award from the Foundation for the History of Women in Medicine.

Mary Lou Sole, Dean of the College of Nursing, was named Dean of the Year by the Florida Student Nurses Association.

The 2015 Pegasus Professors were Mohamed Abdel-Aty, Humberto López Cruz, Avelino J. Gonzalez, Kerstin Hamann, and Cynthia Y. Young.

The 2015 Reach for the Stars awardees were Weiwei Deng, Sasan Fathpour, Haiyan Hu, Masa Ishigami, Gita Sukthankar, Ken Teter, Dingbao Wang, and Jun Wang.

PERSONAL ACCOMPLISHMENTS

I gave 104 speeches and presentations, which included the 2014 State of the University Address, the 2015 College of Medicine Commencement Address, and the 2015 Work Plan presentation to the Board of Governors.

UCF business took me to Tallahassee three times to meet with state legislators, to an alumni event in Washington where I was the guest speaker at Alumni Appreciation Knight, to Chicago and Washington for University Innovation Alliance meetings, to Indianapolis three times for NCAA Board of Directors meetings, to Phoenix with members of the Florida Board of Governors to tour the Arizona State University Downtown campus, and to Naples, Florida, for the Association of Governing Board's Foundation Leadership Forum where I was the keynote panel speaker.

My current civic service includes membership on the Board of Directors of the National Merit Scholarship Corporation, the NCAA Division I Board of Directors, the NCAA Board of Governors, the Florida Council of 100, the SunTrust Bank Board of Directors, the Executive Committee of the Orlando Economic Development Commission, the Board of Directors of the Central Florida Partnership, and the Board of Directors of the American Athletic Conference. I chair the State University System of Florida's Task Force on Strategic Planning for Online Education, and I am a founding member of the Florida High Tech Corridor, the Florida Consortium of Metropolitan Research Universities, and the University Innovation Alliance.

I was ranked fourth among *Orlando Magazine's* "50 Most Powerful People in Orlando."

Attachment A

I received the Historical Society of Central Florida's 2015 John Young History Maker Award for lifetime achievement.

GOALS FOR 2015-16

My goals for the coming year are to:

- seek opportunities to advance the university's five goals
- increase the university's first-to-second-year retention rate and six-year graduation rate
- align the university's priorities with the Board of Governors' performance-based funding model
- continue to build strong partnerships with the Medical City at Lake Nona
- advance the goals of the University Innovation Alliance
- advance the goals of the Florida Consortium of Metropolitan Research Universities
- gain approval and funding for UCF Downtown
- seek additional resources for the Florida Center for Advanced Manufacturing Research
- enhance the national and international reputation of UCF.

I appreciate all that you, our trustees, have done—and continue to do—to advance the goals of UCF and its regional, national, and international reputation.