



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

**March 24, 2016
9:00 – 9:30 a.m.
Fairwinds Alumni Center
800-442-5794, passcode 463796**

AGENDA

- | | |
|---|---|
| I. CALL TO ORDER | John Sprouls
<i>Chair</i> |
| II. ROLL CALL | Elizabeth Richner
<i>Coordinator
Human Resources</i> |
| III. MEETING MINUTES <ul style="list-style-type: none">• Approval of January 7, 2016, meeting minutes | Chair Sprouls |
| IV. NEW BUSINESS <ul style="list-style-type: none">• New University Regulation UCF-3.0176 Instructor and Lecturer Faculty Promotion (CLC-1)• Amendments to University Regulation UCF-3.0124 Discipline and Termination for Cause of Non-Unit Faculty and A&P Staff Members, University Regulation UCF-3.036 Grievance Procedure for Non-Unit Faculty Employees, and University Regulation UCF-3.037 Grievance Procedure for Non-Unit A&P Employees. New University Regulation UCF-10.010 Discipline and Termination for Cause of Faculty and A&P Staff Members of the College of Medicine (CLC-2) | <div>Chair Sprouls
Scott Cole
<i>Vice President
and General Counsel</i>
Youndy Cook
<i>Deputy General Counsel</i></div> <div>Chair Sprouls
Scott Cole
<i>Vice President
and General Counsel</i>
Youndy Cook
<i>Deputy General Counsel</i></div> |

- Amendment to University Regulation UCF-3.0262 Meritorious Service Awards Program [\(CLC-3\)](#)

Chair Sprouls
Scott Cole
*Vice President
and General Counsel*
Youndy Cook
Deputy General Counsel

- Investment Committee Charter and Investment Policy Statement for the UCF 403(b) Plan [\(INFO-1\)](#)

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

V. CLOSING COMMENTS

Chair Sprouls



**Board of Trustees
Compensation and Labor Committee
Teleconference Meeting
January 7, 2016**

MINUTES

CALL TO ORDER

Vice Chair Olga Calvet called the meeting to order at 8:04 a.m. The following committee members attended the teleconference meeting: Vice Chair Olga Calvet, Clarence Brown, Joseph Conte, Ray Gilley, and Board of Trustees Chairman Marcos Marchena. Also attending by teleconference call were Board of Trustees Vice Chair Robert Garvy and trustees Alan Florez, Keith Koons, Alex Martins, Beverley Seay, and Cait Zona.

MEETING MINUTES

The minutes of the November 19, 2015, meeting were approved as submitted.

NEW BUSINESS

Article 7: Wages, Article 8: Hours of Work, Article 19: Non-Discrimination, Article 23: Grievance Procedure, and Article 27: Labor Management Committee of the Collective Bargaining Agreement with the American Federation of State, County, and Municipal Employees (CLC-1)

Shelia Daniels, Interim Associate Vice President and Chief Human Resources Officer, presented the outcome of collective bargaining on reopened articles of the Collective Bargaining Agreement with the American Federation of State, County, and Municipal Employees. The committee members unanimously recommended the approval of the reopened articles.

Amendment to University Regulation UCF-3.0124 Discipline and Termination for Cause of Non-unit Faculty and A&P Staff Members, University Regulation UCF-3.040 Benefits and Hours of Work, and University Regulation UCF-10.010 Discipline and Termination for Cause of Faculty and A&P Staff Members of the College of Medicine (CLC-2)

Youndy Cook, Deputy General Counsel, presented proposed amendments to UCF-3.0124 Discipline and Termination for Cause of Non-Unit Faculty and A&P Staff Members. Cook asked that UCF-3.040 and UCF-10.010 be removed from consideration at this time. After discussion, the committee members unanimously recommended the approval of the proposed amendments to UCF-3.0124.

CLOSING COMMENTS

Vice Chair Calvet adjourned the meeting at 9:11 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: New University Regulation UCF-3.0176 Instructor and Lecturer
Faculty Promotion**

DATE: March 24, 2016

PROPOSED COMMITTEE ACTION

Approve new University of Central Florida Regulation UCF-3.0176.

BACKGROUND INFORMATION

Florida Board of Governors Regulation 1.001 provides that “Each Board of Trustees is authorized to promulgate University Regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.”

Regulation UCF-3.0176 is a proposed new regulation to establish the criteria and procedures for the promotion of Instructor and Lecturer faculty members.

Supporting documentation: Attachment A: Proposed New Regulation UCF-3.0176

Prepared by: Youndy C. Cook, Deputy General Counsel

Submitted by: Scott Cole, Vice President and General Counsel

Attachment A

UCF-3.0176 Instructor and Lecturer Faculty Promotion

(1) Policy.

- (a) UCF adheres to the provisions of any applicable collective bargaining agreement, regulations, policies, and procedures regarding the promotion procedures of faculty.
- (b) There shall be sufficient discipline flexibility in interpretation of the standards for promotion so that individuals may have a reasonable expectation of fulfilling the requirements.
- (c) A candidate may withdraw their application at any time prior to the provost's final decision.
- (d) Instructors and lecturers are normally eligible to apply for promotion to associate instructor/lecturer at the beginning of their 6th year of full-time service at the instructor/lecturer level. Prior years of service at other institutions or as a visiting instructor/lecturer at UCF may count toward eligibility, but 3 years of full-time service as an instructor/lecturer must be obtained at UCF.
- (e) Associate instructors/lecturers are normally eligible to apply for promotion to senior instructor/lecturer at the beginning of their 6th year of full time service as an associate instructor/lecturer.

(2) Definitions.

- (a) Instructor - must possess a master's degree from an accredited institution in an appropriate field of specialization or have equivalent qualifications based on professional experience. Instructors are responsible for teaching, service, and related activities. In some instances, instructors may be responsible for research and academic advising.
- (b) Lecturer - must possess a terminal degree from an accredited institution in an appropriate field of specialization or have equivalent qualifications based on professional experience. Lecturers are responsible for teaching, service, and related activities. In some instances, lecturers may be responsible for research and academic advising.

(3) Ranks. Ranks for Instructor and Lecturer positions, respectively, are:

- (a) Instructor, associate instructor, and senior instructor; and

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- (b) Lecturer, associate lecturer, and senior lecturer.

(4) Criteria.

- (a) College criteria. Colleges, shall supplement the university criteria outlined in this document with college specific requirements. College criteria shall be approved by a majority of the full-time instructors (at all ranks) and lecturers (at all ranks) and tenured and tenure-earning faculty in the college, the dean, and the provost or designee.
- (b) Department criteria. Departments may supplement college criteria with departmental specific requirements. Department criteria shall be approved by a majority of the full-time instructors (at all ranks) and lecturers (at all ranks) and tenured and tenure-earning faculty in the department or unit, the department chair/unit head, the dean, and the provost or designee.
- (c) University criteria. Promotion to Associate Instructor/Lecturer - requires a consistent record of excellence in assigned duties. Evidence of excellence may include departmental annual evaluations of teaching, student evaluations of teaching, peer evaluations of teaching, teaching awards, examples of successful student learning outcomes, and demonstration of leadership and rigor in teaching. Additionally, evidence of service contributions (e.g., departmental, college, university, or professional) should be included in the promotion application. Evidence related to performance of other assigned duties (e.g., academic advising, research, or administrative) should be included in the promotion application as applicable.
- (b) Promotion to Senior Instructor/Lecturer - is based on the same criteria as promotion to Associate Instructor/Lecturer. It carries an additional expectation of leadership at the university and in the profession.

(5) Overview.

- (a) An instructor/lecturer considering promotion shall meet with his/her department chair or unit head to discuss candidacy. The department chair or unit head shall provide a thorough and objective assessment of the instructor's/lecturer's promotion readiness.
- (b) An instructor/lecturer that decides to pursue promotion must submit a

Attachment A

completed dossier by the published deadline.

- (c) Candidates will be evaluated successively by the department/unit instructor and lecturer promotion committee, the department chair/unit head, the college instructor and lecturer promotion committee, the dean of the college, and the provost or the provost's designee.
 - (d) Instructors and lecturers are not required to apply for promotion.
 - (e) It is the responsibility of the candidate to ensure that the promotion dossier is accurate, complete, and meets established deadlines for submission.
 - (f) Recommendations for promotion by department/unit instructor and lecturer promotion committee, the department chair/unit head, the college instructor and lecturer promotion committee, the dean of the college, and the provost or the provost's designee must be complete, concise, and include explanations for the promotion recommendation based on evidence contained or explained in the candidate's dossier.
 - (g) A rationale for all votes, including split votes, shall be provided along with the promotion recommendation of the department/unit instructor and lecturer promotion committee and the college instructor and lecturer promotion committee. Abstentions are strongly discouraged in this process except in cases of conflict of interest.
 - (h) Instructors/Lecturers who apply but do not achieve promotion will continue at their current rank and retain the right to reapply in a future promotion cycle.
- (6) Candidate Dossier. Recommendations for promotion shall be accompanied by the following materials:
- (a) Individual summary statement;
 - (b) Current curriculum vitae;
 - (c) College promotion criteria where applicable;
 - (d) Department or unit promotion criteria where applicable;
 - (e) Annual assignments for the last five years: to include FTE assignment;
 - (f) Annual evaluations conducted by the unit head for the last five years;
 - (g) Summary statement on candidate's philosophy of teaching;
 - (h) Classes taught for the last five years;

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- (i) Evidence of innovation in teaching and learning;
- (j) Evidence of service performed for the last five years;
- (k) Evidence of professional development for the last five years;
- (l) Evidence related to performance of other assigned duties research (if applicable);
- (m) Evidence of research/scholarship of teaching and learning (if applicable);
- (n) Teaching and learning grants (if applicable); and
- (o) Summary statement of advising and mentoring for the last five years (if applicable).

Note: Dossier additions may be made by the candidate at any time prior to the provost's or provost's designee's decision and may include applicable items such as: applicable awards (e.g., teaching, service, research), publication acceptances, or newly funded grants. Depending upon the timing of an addition, newly added material may not be considered by all committees.

(7) Department promotion procedures.

- (a) A department promotion committee shall be established within each academic department or unit to function as an advisory group to the department chair/unit head.
 - 1. Faculty members who serve on the college instructor and lecturer promotion committee may not serve on the department/unit instructor and lecturer promotion committee.
 - 2. Department chairs/unit heads may not serve on the department instructor and lecturer promotion committee, participate in discussions related to candidates, or vote on candidate dossiers. Department instructor and lecturer promotion committee members must not participate in voting on an application if there is a conflict of interest or if personal factors might impair objectivity regarding an individual applicant.
- (b) Each department promotion committee shall consist of at least two (2) department instructors or lecturers at or above the rank being sought by the candidate and three (3) tenure earning or tenured faculty, or clinical faculty at the rank of assistant professor, associate professor, or professor.

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- (c) The members of the committee shall be elected by a vote of all regular faculty members in the department/unit.
- (d) If a department/unit has fewer than three instructor and lecturer faculty at the appropriate rank, faculty with the appropriate rank from similar departments or units, normally within the respective college, may serve on the committee for the purpose of evaluating and voting on the candidate's file.
- (e) The department instructor and lecturer committee chair shall be a member of the committee elected by majority vote of its members and shall call the committee into session to transact business as required.
- (f) A quorum shall consist of the attendance of all committee members, when practicable, but not less than the majority of the committee members or fewer than three (3) faculty.
- (g) The department instructor and lecturer committee shall review the promotion dossier of faculty under consideration for a change of status. The committee will be professional and discriminating in its decision making and will make its review based on consideration of the facts and supportive evidence contained in the candidate's promotion dossier.
- (h) An evaluation and recommendation of the candidate by the department instructor and lecturer promotion committee shall be completed for each faculty member reviewed. Each committee member shall vote on each case considered, with exception of those determined to have a conflict of interest or personal factors that may lead to lack of objectivity, and the result shall be recorded. Each evaluation and recommendation must be accompanied by an explanation for all votes, including split votes and abstentions.
- (i) The department instructor and lecturer promotion committee chair shall forward the record of attendance, the record of the vote, the department instructor and lecturer committee's evaluation and recommendation, and promotion dossier to the department chair or unit head.
- (j) The department chair/unit head shall forward to the faculty candidate the department instructor and lecturer committee's evaluation and recommendation.

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- (k) Candidates may review and, if desired, provide a response to the department instructor and lecturer promotion committee evaluation and recommendation within five (5) days of receiving the department promotion committee evaluation and recommendation. Any response will become part of the candidate's dossier.
 - (l) Once the review period for candidate's optional response has passed, the department chair/unit head reviews the dossier to recommend in favor of or against promotion, and forwards the recommendation and comments to the candidate for review and potential comment.
 - (m) Candidates may review and, if desired, provide a response to the department chair/unit head evaluation and recommendation within five (5) days after receipt of notice of the department chair/unit head evaluation and recommendation. Any response will become part of the candidate's dossier.
 - (n) Once the review period for candidate's optional response to the department chair/unit head recommendation has passed, the dossier is forwarded to the college instructor and lecturer promotion committee for review and recommendation.
- (8) College promotion committee procedures.
- (a) A college instructor and lecturer promotion committee consisting of three (3) elected instructors and lecturers at or above the rank of the candidate and four (4) tenure earning or tenured faculty, or clinical faculty at the rank of assistant professor, associate professor, or professor, shall be established within each college.
 - (b) The members of the committee shall be elected by a vote of all regular faculty members in the college. No more than two members may be from the same department/unit.
 - 1. Faculty members serving on the department instructor and lecturer promotion committee may not serve on the college instructor and lecturer promotion committee.
 - 2. Faculty elected to serve on the college instructor and lecturer promotion committee shall serve a term of no more than two (2) consecutive years.

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Terms for college instructor and lecturer promotion committee members shall be staggered to provide for continuity and uniformity of committee action.

- (c) The college instructor and lecturer promotion committee chair shall be a member of the committee elected by majority vote of its members and shall call the committee into session to transact such business as required.
- (d) A quorum shall consist of the attendance of all committee members, when practicable, but not less than the majority of the committee members or less than four persons. In special cases (i.e. professional development leave/sabbatical or prolonged illness), an alternate member will serve.
- (e) The college instructor and lecturer promotion committee shall, review those credentials submitted by the faculty member under consideration for a change of status. The committee will be professional and discriminating in its decision making and will make its review based on consideration of the facts and supportive evidence contained in the candidate's dossier.
- (f) An evaluation and recommendation of the candidate by the college instructor and lecturer promotion committee shall be completed for each faculty member under review. Each committee member shall vote on each case considered, with exception of those determined to have a conflict of interest or personal factors that may lead to lack of objectivity. Each evaluation and recommendation must be accompanied by an explanation for all votes, including split votes, and abstentions.
- (g) The college instructor and lecturer committee chair shall forward the record of attendance, the record of the vote, the college instructor and lecturer committee's evaluation and recommendation, and promotion dossier to the dean.
- (h) Candidates may review and, if desired, provide a response to the college instructor and lecturer committee's evaluation and recommendation within five (5) days of receipt of notice of the college instructor and lecturer committee's evaluation and recommendation. Any response will become part of the candidate's dossier.

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- (i) Once the five (5) day period for candidate's optional response to the college instructor and lecturer committee's evaluation and recommendation has passed, the dean recommends in favor of or against promotion, and forwards the recommendations and comments to the candidate for review and potential comment.
 - (j) Candidates may review and, if desired, provide a response to the dean's evaluation and recommendation within five (5) calendar days after receipt of notice of the dean's evaluation and recommendation. Any response will become part of the candidate's promotion dossier.
 - (k) Once the five (5) day period for candidate's optional response to the dean's evaluation and recommendation has passed, the candidate's promotion dossier is forwarded to the provost or provost's designee for final review and decision of promotion.
- (9) Promotion decision and notification.
- (a) All candidates, whose applications are not withdrawn, will be reviewed by the provost or the provost's designee. Final decisions of promotion will be rendered in writing.
 - (b) Promotions shall become effective at the beginning of the succeeding academic year.

Authority: BOG Regulation 1.001. History–New _____-16.

ITEM: CLC-2

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

SUBJECT: Amendments to University Regulation UCF-3.0124 Discipline and Termination for Cause of Non-Unit Faculty and A&P Staff Members, University Regulation UCF-3.036 Grievance Procedure for Non-Unit Faculty Employees, and University Regulation UCF-3.037 Grievance Procedure for Non-Unit A&P Employees. New University Regulation UCF-10.010 Discipline and Termination for Cause of Faculty and A&P Staff Members of the College of Medicine

DATE: March 24, 2016

PROPOSED COMMITTEE ACTION

Approve amendments to University of Central Florida Regulations UCF-3.0124, UCF-3.036, UCF-3.037, and approve new Regulation UCF-10.010.

BACKGROUND INFORMATION

Florida Board of Governors Regulation 1.001 provides that “Each Board of Trustees is authorized to promulgate University Regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.”

The four regulations are being presented together as the changes are interrelated. UCF-3.0124 is being amended to make reference to specific conditions applicable only to College of Medicine personnel, to clarify language regarding predetermination procedures, and to otherwise update references. Regulations UCF-3.036 and UCF-3.037 are grievance procedures applicable, respectively, to non-unit faculty and A&P employees. Each regulation is updated to make a broader reference to just cause standards. Additionally, UCF-3.036 is updated to modify timeframes. Regulation UCF-10.010 is a proposed new regulation to formalize specific standards for College of Medicine personnel with regard to performance.

Supporting documentation: Attachment A: Proposed Amended Regulation UCF-3.0124 (redline)
Attachment B: Proposed Amended Regulation UCF-3.036 (redline)
Attachment C: Proposed Amended Regulation UCF-3.037 (redline)

Attachment D: Proposed New Regulation UCF-10.010

Prepared by: Youndy C. Cook, Deputy General Counsel

Submitted by: Scott Cole, Vice President and General Counsel

Attachment A

UCF-3.0124 Discipline and Termination for Cause of Non-Unit Faculty and A&P Staff Members.

(1) Just cause shall be defined as:

- (a) Incompetence; or
- (b) Misconduct.

(2) Just cause for faculty and A&P staff members of the College of Medicine is defined as set forth in University Regulation UCF-10.010.

(23) Termination and Suspension.

- (a) The appointment of a non-unit faculty or an A&P staff member may be terminated or suspended during its term for just cause. The employee shall be given a written predetermination notice of a proposed termination or suspension by the president or his designee. The notice shall state the reasons for the proposed termination or suspension. The predetermination notice shall provide the opportunity for a predetermination conference regarding the proposed action, if requested in writing within five business days of receipt of the predetermination notice. The predetermination conference shall be informal in nature and shall allow the employee an opportunity to present any information or records regarding the proposed action. A final notice shall be issued to notify the employee of the University's final decision. Any termination or suspension imposed under this subsection shall take effect as set forth in the final notice issued by the President or designee. An employee who is terminated or suspended under this subsection may grieve such action as set forth in University Regulations UCF 3.036 (non-unit faculty) or UCF 3.037 (A&P).
- (b) A written final notice shall be issued to notify the employee of the University's final decision regarding the proposed action. Any termination or suspension imposed under this subsection shall take effect as set forth in the final notice issued by the President or designee. An employee who is terminated or suspended under this subsection may grieve such action as set forth in University Regulations UCF-3.036 (non-unit faculty) or UCF-3.037 (non-unit A&P). The president or designee retains the right to impose disciplinary action other than termination or suspension for just cause. The employee shall be given written notice of any disciplinary action. The notice shall state the reasons for the disciplinary action. Any disciplinary action

Attachment A

~~taken under this section shall be subject to the grievance procedure found in University Regulations UCF 3.036 or UCF 3.037, as applicable.~~

~~Counseling shall not be considered disciplinary action under this section.~~

~~(43) Suspension—Leave Pending a Predetermination Conference—Predetermination NoticeHearing.~~ Notwithstanding the provisions of paragraph (23)(a) above, the President or his designee may immediately ~~suspend—place an employee on administrative leave an employee from the performance of duties~~ when the president or designee has reason to believe that the employee's presence on the job would ~~adversely affect the functioning of the university,~~ or jeopardize the safety or welfare of any employee, ~~colleague, student or patients or colleagues.~~ ~~An involuntary administrative leave under this subsection suspension~~ may be with or without pay. ~~Within five business days of the effective date of~~ ~~As soon as practicable after placing an employee on leave under this provisiona~~ ~~suspension,~~ the president or president's designee shall serve written notice upon the employee, including a statement of the reasons for any action taken. ~~Either concurrent with or subsequent to that notice the University shall issue a predetermination notice regarding proposed disciplinary action in accordance with Section (3) above.~~ ~~If the employee has been suspended—placed on leave without pay under this subsection and ultimately prevails in the predetermination procedure, the employee shall be reinstated with back pay.~~

~~(5) Other Disciplinary Action.~~ The president or designee retains the right to impose disciplinary action other than termination or suspension for just cause. Disciplinary actions include, but are not limited to, written reprimand, demotion, payment of fines, loss of future salary increases, or reassignment. The employee shall be given written notice of any disciplinary action other than termination or suspension, which notice. ~~The notice shall state the reasons for the disciplinary action. Any disciplinary action taken under this section shall be subject to the grievance procedure found in University Regulations UCF-3.036 or UCF-3.037, as applicable. Counseling shall not be considered disciplinary action under this section.~~

~~(6) Notification.~~ Whenever notice is provided to be given under this Regulation, the notice shall be personally delivered to the employee or mailed by certified mail to the employee's address of record with the university. The deposit of such notice in the U.S. Mail satisfies the requirement of notification and constitutes delivery of such notice. The University also may, but is not required to, provide notice to the employee by electronic mail to the employee's University-assigned electronic mail address.

Attachment A

Authority: BOG Regulation 1.001. History–New 4-30-81, Amended 12-27-83, Formerly 6C7-3.124, Amended 3-16-03; Formerly 6C7-3.0124, Amended 6-22-09, 4-20-10, _____-16.

Attachment B

UCF-3.036 Grievance Procedure for Non-Unit Faculty Employees.

(1)(a) ~~—~~The purpose of ~~this grievance~~ procedure is to promote a prompt and efficient ~~procedure for the~~ investigation and resolution of grievances filed by non-unit faculty employees of the University.

(ba) All problems and concerns should be resolved, whenever possible, before the filing of a grievance, and open communication is encouraged so that ~~resort to the~~ formal grievance ~~procedure~~ will not be necessary. Informal resolution of grievances is encouraged, and may be continued throughout the grievance process.

(eb) The burden of proof shall be on the University in a grievance alleging violation of any University Regulation ~~3.0124, entitled “Discipline and Termination for Cause of Non-Unit Faculty and Administrative and Professional Staff Members.”~~requiring that the University have just cause to discipline the grieving employee (see University Regulations UCF-3.0124 and UCF-10.010). In all other grievances, the burden of proof shall be on the grievant.

(dc) An employee who receives written notice of nonrenewal may only grieve the decision because of an alleged violation of a specific University regulation or because of an alleged violation of law.

(2) Resort to Other Procedures. It is the intent of this procedure to provide a complete response to a grievance but not to encourage multiple processing of the same ~~issue~~matter. Therefore, if, prior to seeking resolution of a dispute by filing a grievance under this regulation, or while the grievance proceeding is in progress, a grievant seeks resolution of the matter in any other forum, administrative or judicial, the University has no obligation to proceed further with the matter pursuant to this grievance procedure. It is not intended that the grievance procedure be a device for appellate review. The University shall not entertain a grievance based upon the same issue adjudicated in another forum.

(3) Time limits. All time limits contained in this regulation may be extended either upon approval by the Office of ~~Faculty Relations~~Contract Compliance and Administrator Support or by mutual written agreement of the ~~parties~~University and the grievant. Upon failure of the University or its representatives to provide a decision within the time limits provided in this

Attachment B

regulation or any extension thereof, the grievant may appeal to the next appropriate step. Upon the failure of the grievant or representative to file an appeal within the time limits provided in this regulation or any extension thereof, the grievance shall be deemed to have been resolved at the prior step.

(4) Definitions.

- (a) The term “grievance” shall mean a dispute concerning the interpretation or application of a university or State Board of Governors’ regulation or policy, except that an employee shall not have the right to file a grievance under the provisions of this regulation concerning discrimination. The provisions of University Regulation 3.0134 apply to allegations of discrimination, and the employee will be expected to pursue a discrimination grievance under that procedure.
- (b) The term “days” shall mean calendar days. In the event an action falls due on Saturday, Sunday, university holiday, or a day on which the university is administratively closed, the action will be considered timely if it is accomplished by 5:00 p.m. on the following business day.
- (c) The term “grievant” shall mean a non-unit faculty employee who has been directly affected by an act or omission and who has filed a grievance. The term “grievant” shall not mean a former employee, except that a terminated employee may present a grievance within the time limit set forth below following his or her notice of termination.
- (d) The term “Vice President” shall mean the University of Central Florida Vice President of the division in which the grievant is employed or the President in the case of the President’s Division.
- (e) The term “counsel” shall mean an attorney or lay advisor.

(5) Step One Procedures.

- (a) If informal resolution is not successful, the grievant may initiate a grievance by filing the form below with the Office of Contract Compliance and Administrator Support~~Faculty Relations~~.
- (b) A Step One written grievance shall be filed no later than ~~285~~ days from the date following the act or omission giving rise to the grievance, or ~~258~~ days

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from the date the grievant acquires knowledge, or could have reasonably been expected to have acquired knowledge, of the act or omission.

- (c) The grievance will be investigated by a Step One Reviewer appointed by the Vice President. If the act or omission on which the grievance is based is alleged to have been made personally by the grievant's Vice President, the grievance must be initiated at Step Two.
- (d) The Step One Reviewer shall meet with the grievant and the grievant's counsel, and others, as appropriate, in order to fully investigate the grievance. The Office of Contract Compliance and Administrator Support~~Faculty Relations~~ will be available to assist. The Step One Reviewer shall provide a written decision within ~~25~~42 days after meeting with the grievant.

Attachment B

NON-UNIT FACULTY GRIEVANCE FORM

Deliver to the Office of Contract Compliance and Administrator Support Faculty Relations
MH 338

This grievance was received on _____ (date) by _____
and was delivered by (check one)

- ☐ () certified or registered, restricted delivery, return receipt requested mail;
☐ () personal delivery

GRIEVANT NAME: _____ DATE: _____

DIVISION: _____

DEPARTMENT: _____

HOME ADDRESS: _____

HOME PHONE: _____

CAMPUS AND EMAIL ADDRESS: _____

CAMPUS PHONE: _____

University Policy or Regulation Violated:

Statement of grievance including date of act(s) or omission(s) complained of:

Remedy Sought:

I will be represented in this grievance by: (check one)

☐ () Myself ☐ () * Legal Counsel ☐ () Other, specify _____.

I understand that this grievance will not be processed if the act(s) or omission(s) complained of herein are, or become, the subject of any other administrative or judicial proceeding.

Signature of Grievant

* Please provide name, phone, and email address for Legal Counsel:

Attachment B

(6) Step Two Procedures.

- (a) A grievant who considers the Step One decision unsatisfactory may seek review of the response by filing the written grievance and decision, along with a written statement of the reason(s) that the grievant believes the response is incorrect, with the Office of ~~Faculty Relations~~Contract Compliance and Administrator Support. This filing must occur within fourteen days after receiving the Step One decision.
- (b) The grievance will be investigated by a Step Two Reviewer appointed by the President or designee.
- (c) The Step Two Reviewer shall meet with the grievant and the grievant's counsel, and others, as appropriate, in order to fully investigate the grievance. The Step Two Reviewer should issue a written decision within ~~25~~42 days after meeting with the grievant. The Step Two Reviewer's decision shall be final.

(7) Any grievance meeting shall be informal and shall not be in the nature of an evidentiary hearing. While either party may present information, the rules of evidence shall not apply. ~~and. The grievant is permitted to bring counsel to assist or advise him or her, but~~ discovery, cross-examination, and similar legal procedures are not permissible. The decision of the grievance reviewers must be based on information presented in the grievance process.

(8) Once a grievance is filed, no revisions or additions to the grievance are permitted in later steps.

Authority: BOG Regulation 1.001. History—New 4-30-81, Amended 12-27-83, Formerly 6C7-3.132, Amended 3-16-03, 10-18-05; Formerly 6C7-3.0132, Amended 8-10-09, _____-16.

Attachment C

UCF-3.037 Grievance Procedure for Non-Unit A&P Employees.

- (1) ~~—(a)—~~ The purpose of the grievance procedure is to ~~promote~~provide a prompt and efficient procedure for the investigation and resolution of grievances filed by non-unit A&P employees of the University.
 - (~~a~~b) All problems should be resolved, whenever possible, before the filing of a grievance, and open communication is encouraged so that resort to the formal grievance procedure will not be necessary. Informal resolution of grievances is encouraged, and may be ~~continued~~sought throughout the process.
 - (~~b~~e) The burden of proof shall be on the University in a grievance alleging violation of a University Regulation ~~3.0124, Discipline and Termination for Cause of Non-Unit Faculty and Administrative and Professional Staff Members~~requiring that the University have just cause to discipline the grieving employee (see University Regulations UCF-3.0124 and UCF-10.010). In all other grievances, the burden of proof shall be on the grievant.
 - (~~c~~e) An employee who receives written notice of non-reappointment may only grieve the decision because of an alleged violation of a specific University regulation or because of an alleged violation of law.
- (2) Resort to Other Procedures. It is the intent of this procedure to provide a complete response to a grievance but not to encourage multiple processing of the same issue. Therefore, if, prior to seeking resolution of a dispute by filing a grievance under this regulation, or while the grievance proceeding is in progress, a grievant seeks resolution of the matter in any other forum, administrative or judicial, the University has no obligation to proceed further with the matter pursuant to this grievance procedure. It is not intended that the grievance procedure be a device for appellate review. The University shall not entertain a grievance based upon the same issue adjudicated in another forum.
- (3) Time limits. All time limits contained in this regulation may be extended either upon approval by the Executive Director of Human Resources or by mutual written agreement of the parties. Upon failure of the University or its representatives to provide a decision

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within the time limits provided in this regulation or any extension thereof, the grievant may appeal to the next appropriate step. Upon the failure of the grievant ~~or counsel~~ to file an appeal within the time limits provided in this regulation or any extension thereof, the grievance shall be deemed to have been resolved at the prior step.

(4) Definitions.

- (a) The term “grievance” shall mean a dispute concerning the interpretation or application of a university or ~~State-Florida~~ Board of Governors’ regulation or policy; except that the term “grievance” shall not include complaints regarding performance appraisals, discrimination, the Uniformed Services Employment and Reemployment Rights Act (USERRA), or the Family and Medical Leave Act (FMLA). The provisions of University Regulation 3.0134 apply to allegations of discrimination, and the employee will be expected to pursue a discrimination grievance under that procedure. With respect to alleged violations of USERRA or FMLA, the employee must present the allegations in writing to Human Resources where such allegations will be subsequently investigated by Human Resources or by other university offices as may be deemed appropriate by Human Resources.
- (b) The term “days” shall mean calendar days. In the event an action falls due on Saturday, Sunday, university holiday, or a day on which the university is administratively closed, the action will be considered timely if it is accomplished by 5:00 p.m. on the following business day.
- (c) The term “grievant” shall mean a non-unit A&P employee who has been directly affected by an act or omission and who has filed a grievance. The term “grievant” shall not mean a former employee, except that a terminated employee may present a grievance within the time limit set forth below following his or her notice of termination.
- (d) The term “Vice President” shall mean the University of Central Florida Vice President of the division in which the grievant is employed or the President in the case of the President’s Division. The term “Vice President”

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may also refer to the President if the grievant works in an area supervised by a vice president and it is that vice president against whom the grievant is filing his or her grievance.

- (e) The term “Division” shall mean an area administered by a Vice President or the President’s Division in the case of an area administered by the President.
- (f) The term “counsel” shall mean an attorney or lay advisor.
- (g) The term “Dean or Director” shall mean the dean or director for the college or area in which the grievant works. In those instances where it is a vice-president that is over the area in which the grievant works, “Dean or Director” will refer to that vice president.

(5) Presentation of a Grievance.

- (a) Informal resolution of grievances is encouraged, with resort to formalized procedures established by this regulation being utilized only when informal discussions and procedures at the appropriate lowest administrative level do not satisfactorily resolve differences.
- (b) A Step One grievance within the meaning of these procedures shall be commenced upon filing with the Dean or Director a written grievance in a form approved by the Executive Director of Human Resources, as follows.

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NON-UNIT A&P GRIEVANCE - STEP ONE

NAME: _____ DATE: _____

DIVISION: _____

DEPARTMENT: _____

HOME ADDRESS: _____

HOME PHONE: _____

CAMPUS ADDRESS & EMAIL: _____

CAMPUS PHONE: _____

University Policy or Regulation Violated:

Statement of grievance including date of act(s) or omission(s) complained of:

Remedy Sought:

I will be represented in this grievance by (check one):

_____() Myself (*) Legal Counsel () Other, specify _____ .

I understand that this grievance will not be processed if the act(s) or omission(s) complained of herein are, or become, the subject of any other administrative or judicial proceeding.

This grievance was filed with the Dean or Director of _____ on the _____ day of _____, 20____, by (check one)

() certified or registered, restricted delivery, return receipt requested mail;

() personal delivery

Signature of Grievant

Date Received: _____ Office of the Dean or Director of: _____

By: _____

* Please provide name, phone, and email address for Legal Counsel:

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- (c) If the act or omission on which the grievance is based is alleged to have been made personally by the grievant's Dean or Director, the grievant may, in writing, request the Vice President to appoint a different university official for the grievance.
 - (d) A Step One written grievance shall be filed no later than 25 days from the date following the act or omission giving rise to the grievance, or 25 days from the date the grievant acquires knowledge, or could have reasonably been expected to have acquired knowledge, of the act or omission.
- (6) Step One Procedures.
- (a) If informal resolution is not successful and the grievant wishes to pursue the matter the grievance shall be committed to writing using the form outlined above. The grievance shall be filed with the Dean or Director after the employee receives the immediate supervisor's response at the informal step, with a copy sent to the Executive Director of Human Resources.
 - (b) The Dean or Director should confer with the aggrieved employee and others, as appropriate, in order to fully investigate the grievance. Human Resources will remain available to assist in any problem resolution and to ensure that no violation of applicable policies or regulations is involved. The Dean or Director shall provide a written response to the grievant within twenty business days after receiving the employee's written grievance. A copy of that written response will also be sent to the Executive Director of Human Resources.
- (7) Step Two Procedures.
- (a) If the grievant considers the Dean or Director's response unsatisfactory and wishes to pursue resolution of the grievance, the grievant may seek review of the response by filing the written grievance and response, along with a written statement of the reason(s) that the grievant believes the response is incorrect, with the Vice President within fourteen days after receiving the Dean or Director's Step One decision. The employee must also send a copy to the appropriate Dean or Director (Step One administrator) and the Executive Director of Human Resources.
 - (b) If there is an intervening level of supervision between the Step One administrator

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and the Vice President, that supervisor shall be required to review the grievance utilizing the Step One timelines before the Vice President reviews the grievance at Step Two. The grievance must be filed with the intervening level supervisor in a timely manner consistent with timelines established for the initiation of Step Two. At the Step Two level, the record submitted by the grievant must contain all relevant materials from Step One.

- (c) The Vice President or designee, within twenty ~~work~~business days after receiving the grievant's request for review, shall issue a final decision to the grievant, and send a copy to the Dean or Director (Step One administrator), the intervening level supervisor (if applicable), and the Executive Director of Human Resources. Upon the Vice President's or designee's request, the Executive Director of Human Resources or designee will appoint a Complaint Review Officer from another division to conduct a review of the grievance and provide written findings and a recommendation to the Vice President. The Vice President's decision shall be final and binding on all parties.
- (d) Any grievance conference shall be informal and shall not be in the nature of an evidentiary hearing. While either party may present information, the rules of evidence shall not apply, and ~~The grievant is permitted to bring counsel to assist or advise him or her, but~~ discovery, cross-examination, and similar legal procedures are not permissible. The decision of the Vice President or representative must be based on information presented in the grievance process.

(8) Once a grievance is filed, no revisions or additions to the grievance are permitted in later steps.

Authority: BOG Regulation 1.001. History—New 4-30-81, Amended 12-27-83, Formerly 6C7-3.132, Amended 3-16-03, 10-18-05; Formerly 6C7-3.0132, Amended 8-10-09, 7-9-12, _____-16.

Attachment D

UCF-10.010 Discipline and Termination for Cause of Faculty and A&P Staff Members of the College of Medicine.

(1) Just cause for termination, suspension, and/or other disciplinary action imposed on a non-unit faculty or an A&P staff member of the College of Medicine shall be defined as incompetence or misconduct, which shall include, but not be limited to, the following:

- (a) Employee's breach of or failure to perform any material term of their Employment Agreement, if any, provided that employee may be offered a 30-day period in which to correct the breach;
- (b) Employee's professional negligence, incompetence, or misconduct or failure to achieve satisfactory or above on annual performance reviews;
- (c) Any action that may materially harm the reputation of the University of Central Florida;
- (d) Employee's inability to work with and relate to others, including, but not limited to, students, residents, staff, or colleagues, in a respectful, cooperative and professional manner;
- (e) For clinical faculty, the denial, suspension, termination, restriction, non-renewal, or voluntary relinquishment of employee's license to practice medicine in the state of Florida, board certifications, or membership in good standing or clinical privileges on the Medical Staff of any institution at which employee practices as a University of Central Florida employee, including but not limited to the UCF Health Medical Staff and any University of Central Florida College of Medicine facilities;
- (f) For clinical faculty, the failure or inability to render clinical services in a competent, professional, safe and ethical manner, in accordance with prevailing standards of medical care and practice, and all applicable statutes, regulations, rules, orders and directives of applicable governmental and regulatory bodies;
- (g) Employee's conviction of a criminal offense related to the delivery of an item or service under subchapter XVIII of the Social Security Act or under any State health care program; conviction, under Federal or State law, of a criminal

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offense relating to neglect or abuse of patients in connection with the delivery of a health care item or service; conviction for an offense which occurred after August 21, 1996, under Federal or State law, in connection with the delivery of a health care item or service or with respect to any act or omission in a health care program operated or financed in whole or in part by any Federal, State, or local government agency, of a criminal offense consisting of a felony relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct; conviction for an offense which occurred after August 21, 1996, under Federal or State law, of a criminal offense consisting of a felony relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance;

- (h) Employee's death;
- (i) Neglect of duty or responsibilities which impairs teaching, research, or other normal and expected services to the University;
- (j) Willful violation of a rule or regulation of the University;
- (k) Failure to discharge assigned duties;
- (l) Violation of the ethics of the academic or medical profession;
- (m) Failure to return from an approved leave;
- (n) Failure to maintain any professional licensures or clinical privileges necessary to perform assigned duties;
- (o) Threatening or abusive language or conduct;
- (p) Sexual harassment;
- (q) Falsification of records;
- (r) Unauthorized use of state property, equipment or personnel;
- (s) Unlawful possession, sale, or distribution of alcoholic beverages or nonprescribed drugs;
- (t) Possession of unauthorized weapons and/or firearms on university property.

(2) Termination and Suspension; Other Disciplinary Actions; Procedures. The appointment of a faculty or A&P staff member in the College of Medicine may be terminated or suspended during its term for just cause as defined above. Additionally, other forms of disciplinary

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action may be issued to faculty or A&P staff members in the College of Medicine for just cause. The procedures applicable to any such disciplinary actions are set forth in University Regulation UCF-3.0124.

Authority: BOG Regulation 1.001. History–New _____-16.

ITEM: CLC-3

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

**SUBJECT: Amendment to University Regulation UCF-3.0262 Meritorious
Service Awards Program**

DATE: March 24, 2016

PROPOSED COMMITTEE ACTION

Approve amendments to University of Central Florida Regulation UCF-3.0262 Meritorious Service Awards Program.

BACKGROUND INFORMATION

Florida Board of Governors Regulation 1.001 provides that “Each Board of Trustees is authorized to promulgate University Regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.”

Regulation UCF-3.0262 establishes the recognition and awards for employees. The proposed amendment updates the program to recognize both USPS and A&P employees in five year increments.

Supporting documentation: Attachment A: Proposed Amended Regulation UCF-3.0262 (redline)

Prepared by: Youndy C. Cook, Deputy General Counsel

Submitted by: Scott Cole, Vice President and General Counsel

Attachment A

UCF-3.0262 Meritorious Service Awards Program.

- (1) The University of Central Florida Meritorious Service Awards Program provides for the recognition of eligible employees.
- (2) The University is authorized to expend State funds for recognition and awards to employees in compliance with this regulation. Any award will be contingent upon the availability of funds. Nothing in this regulation is intended to govern the expenditure of private funds to which the university may have access.
- (3) The awards provided for herein shall acknowledge employee achievement in the following components:
 - (a) Superior Accomplishment – Exemplary performance by faculty members, or Administrative and Professional (A&P) or USPS employees, that is deemed to have significantly contributed to their respective fields, thereby reflecting positively on the University of Central Florida.
 - (b) Service – Sustained satisfactory service with this university by faculty, A&P or USPS employees.
 1. Eligible employees will be recognized for service upon retirement.
 2. Eligible A&P and USPS employees shall also be recognized upon achieving increments of five continuous years of satisfactory service at this university.
 - ~~3. Eligible A&P employees shall be recognized upon achieving increments of ten continuous years of satisfactory service at this university.~~
- (4) Superior Accomplishment Component.
 - (a) Awards for superior accomplishment may be presented to eligible employees on an individual basis or collectively for outstanding group performance.
 - (b) No award granted under the superior accomplishment component shall exceed \$2,500.
 - (c) The University may award certificates, pins, plaques, letters of commendation, or other appropriate tokens of recognition for superior accomplishment, provided that the cost of the token does not exceed \$100.
- (5) Service Award Component.

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- (a) The University recognizes eligible retiring employees whose service has been satisfactory. Awards for retirees may take the form of suitable framed certificates, pins, or other tokens of recognition and appreciation, provided such awards do not cost in excess of \$100 each.
- (b) The University recognizes eligible employees who have attained sustained satisfactory service in increments of five years (for USPS ~~or ten years~~ and for A&P). Awards for satisfactory service may take the form of suitable framed certificates, pins, or other tokens of recognition, provided such awards do not cost in excess of \$100 each.

Authority: BOG Regulation 1.001. History—New 8-30-87, Amended 5-11-89, 10-6-91, 4-23-03, Formerly 6C7-3.0262, Amended 4-16-09, _____-16.

ITEM: INFO-1

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

SUBJECT: Investment Committee Charter and Investment Policy Statement for the UCF 403(b) Plan

DATE: March 24, 2016

PROPOSED COMMITTEE ACTION

The Investment Committee Charter and Investment Policy Statement for the University of Central Florida 403(b) Plan are presented for information only.

BACKGROUND INFORMATION

The Investment Committee Charter for the University of Central Florida 403(b) Plan grants the Investment Committee the power and authority to select and monitor the investment funds in which participants may self-direct their participant accounts.

The Investment Policy Statement for the University of Central Florida 403(b) Plan provides direction for the Committee and the designated Investment Consultant/Advisor in the management of Plan investment options.

Supporting documentation:

Attachment A: Investment Committee Charter for the
University of Central Florida 403(b) Plan
Attachment B: Investment Policy Statement for the
University of Central Florida 403(b) Plan

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

Investment Committee Charter for the University of Central Florida 403(b) Plan

Date: _____

Plan Name: University of Central Florida 403(b) Plan (the “Plan”)

Retirement Plan Committee (the “Committee”) Formation and Tenure:

The University hereby establishes the Committee and has delegated to such Committee, some of its power and responsibilities under the Plan. The Committee members will serve at the appointment of the University, which is the sponsor and Administrator of the Plan, for one or more two year terms, unless such member resigns or is removed by the University or he/she is no longer employed by the University. The members of the Committee may be removed and replaced by the University at any time and for any reason. As of the above date, the Committee consists of the members reflected on Appendix “A”, attached hereto.

Purpose and Authority of the Committee:

The Committee shall have the power and authority to select and monitor the investment funds in which participants may self-direct their participant accounts. In addition, the Committee shall have all other powers and authorities specified in this Charter.

Committee Responsibilities:

The Committee’s powers and responsibilities include the following:

1. Review the Plan’s fees and expenses for reasonableness periodically.
2. Meet on a periodic basis to carryout responsibilities and document those meetings.
3. Review and approve and/or replace investments in the Plan using the guidelines set out in the Investment Policy Statement (IPS).
4. To vote all securities held by the Plan.
5. Appoint, remove and replace any vendor of annuity contracts or custodial accounts for the Plan at any time and for any reason.
6. Establish an IPS for the Plan that provides a methodology for the ongoing retention and oversight of the Plan’s investments.

Conflict of Interest:

Committee members shall not vote or participate in the determination of any matter where the Committee member has a conflict of interest or would be the recipient of a private gain. Committee members have a responsibility of loyalty to act in the best interests of the Plan participants and beneficiaries at all times.

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Rules and Procedures:

The Committee shall meet periodically. The presence of a majority of the membership of the Committee shall be necessary to constitute a quorum. A majority vote of the Committee members present at a duly called meeting shall be the action of the Committee. The Committee shall appoint a Chair who will be responsible for the agenda and who will have the power to execute documents on behalf of the Committee. The Committee shall also appoint a Secretary who will be responsible for the meeting minutes. The Chair and/or Secretary will review the meeting minutes and rely upon the meeting materials provided by the investment advisor (CAPTRUST). Committee members may suggest agenda items by contacting the Chair. Any appearances before the Committee will be coordinated through the Secretary.

Indemnification:

As set forth in Section 9.12 of the Plan, the University shall, to the extent permitted by applicable law, indemnify any employee of the University that is acting in his/her capacity as a Committee member. Such individuals shall be indemnified from any and all liability that may arise by reason of his/her action or failure to act in this capacity, excepting any willful misconduct or criminal acts.

University Reserved Rights:

The University reserves all rights, responsibilities and powers not delegated to the Committee.

Any of the foregoing functions, responsibilities and rights of the Committee may be altered, increased or removed at any time by an amendment to the Plan or this Charter adopted by the University.

Adopted: _____

By: _____

Title: _____

Attachment A

**Investment Committee Charter
for the
University of Central Florida 403(b) Plan**

**APPENDIX A
COMMITTEE MEMBERS**

1. Sheila Daniels, Interim Associate Vice President & Chief HR Officer
2. Paul Gregg, Department of Finance Associate Instructor
3. Dr. Edwin Torres, Rosen College of Hospitality Management
4. Deborah Pope, Police Department
5. Ashley Longoria, Benefits Manager
6. Paul Newman, Assistant Benefits Manager
7. John Pittman, Associate VP for Debt Management
8. Youndy Cook, Deputy General Counsel

Attachment B

**Investment Policy Statement
for the
University of Central Florida 403(b) Plan**

Attachment B

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-1- Statement of Purpose

The primary purpose of the University of Central Florida 403(b) Plan (the “Plan”) is to provide a retirement benefit for Plan participants and their beneficiaries by offering the opportunity for long-term capital accumulation.

The Plan is structured to offer participants and their beneficiaries a core set of reasonably priced investment options with different risk and return characteristics, which, when combined, will allow for the construction of a portfolio intended to match most participants’ unique retirement investment objections.

Assets within the Plan may consist of contributions made by both participants and by the University of Central Florida (the “University”). All assets are subject to the investment direction of eligible participants or their beneficiaries.

This Investment Policy Statement (“IPS”) does not impose any duties not imposed by applicable law in the absence of this IPS.

-2- Policy Goals & Objectives

As indicated in Section 3, the University has appointed an Investment Committee (the “Committee”) to perform these functions. The IPS is designed to provide meaningful direction for the Committee and the designated Investment Consultant/Advisor in the management of Plan investment options. The policies within the IPS are not binding but serve as guidelines for the Committee in fulfilling its responsibility to exercise considered judgment in acting solely in the long-term interest of Plan participants and their beneficiaries. The IPS is designed to serve as a general guideline. There may be specific circumstances that the Committee determines warrant a departure from the guidelines contained herein. The IPS is intended to help the Committee satisfy its obligations. In general, the IPS:

- Establishes the roles and responsibilities of the Committee and the Investment Consultant/Advisor hired to assist in the fulfillment of the Committee’s duties;
- Identifies appropriate investment asset classes for inclusion in the Plan’s menu of investment options;
- Establishes a prudent process for selecting appropriate investment options to be made available for participant direction;
- Designates an investment option to which all assets will be directed in the absence of a positive election by a participant or beneficiary, which will serve as the Plan’s default investment alternative (See Appendix E);
- Establishes a prudent process by which selected investment options generally will be monitored for compliance with this IPS; and
- Develops methods for adding new investment options and for replacing existing investment options that do not comply with the terms of the IPS.

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-3- Roles & Responsibilities

The Investment Committee:

Although it is intended that participants will direct the investment of their accounts under the Plan, the Committee will select the array of investment options to be made available for participant investment, and then provide on-going oversight for those investment options.

As indicated above, the University has appointed the Committee to perform these responsibilities. The Committee will be governed by a separate Charter. If the University disbands the Committee, the University shall have the ability to exercise all authority granted to the Committee.

The Committee normally will review, at least on an annual basis, the acceptability of the universe of investment options made available under the Plan. The Committee will review the Plan's investment options following the regimen outlined later in this IPS.

The Committee intends to discharge its responsibilities with respect to the Plan with the assistance of an independent Investment Consultant / Advisor. The Investment Consultant/Advisor shall acknowledge that it is acting as a fiduciary with respect to the selection of investment options available to the Plan.

Investment Consultant/Advisor:

Responsibilities of the Investment Consultant/Advisor include:

- Educating the Committee on issues concerning the selection of investment options for the Plan;
- Assisting in the analysis and initial selection of investment options to be made available for participant investment;
- Assisting the Committee with the on-going review of the investment universe made available within the Plan's chosen administrative environment;
- Assisting the Committee with the review of the performance of the selected investment options, on at least an annual, but more often a quarterly basis, in comparison to their stated objectives and their relative performance and pricing as compared to their peers and designated benchmarks;
- Providing specific investment advice to the Committee with respect to the Plan on a regular basis, pursuant to a mutual understanding with the Committee that the advice will serve as a primary basis for the Committee's investment decisions, and that the advice will be individualized based on the needs of the Plan. Such advice may relate to the advisability of investing in, purchasing, holding, and selling securities or other property;
- Assisting the Committee in the selection of additional or replacement investment options to be made available for participant investment;

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- Bringing information to the Committee, on an ad hoc basis as appropriate, that the Consultant feels may alter the Committee's assessment of a given investment option, asset class or strategy.

-4- Plan Investment Asset Classes

The Plan's investment menu is structured in accordance with contemporary investment theory, which holds that the asset allocation decision among a broad range of investment alternatives is the most critical determinant of a portfolio's long-term success or failure. The Committee's goal is to offer a core set of diversified investment options that represent a broad range of different asset classes with different risk and return characteristics.

The Plan's investment menu may include, but is not limited to, options from the following broad asset classes: Capital Preservation, Fixed Income, Asset Allocation, including Balanced, Target Risk, Life Cycle and/or Target Date, Domestic Equity, International Equity and Specialty. These asset classes are described in more detail in Appendices A and C of this IPS. (See Appendices A and C.)

-5- Investment Selection

As mentioned, the Committee has structured the Plan to offer participants and their beneficiaries a core set of reasonably priced investment options with different risk and return characteristics. Selection of these investment options is done in the context of the Plan's administrative environment which can impact the number, type and cost of investment options available to the Plan. The Committee may also consider the method and payment of Plan expenses, which can be altered by investment-related decisions.

Once the Committee has selected the range of asset classes to be represented within the Plan, the following screening criteria will be among those applied to the available actively managed options:

- Fees – All investment options must charge “reasonable” fees to investors. The expense ratio for a given investment should generally fall below the average expense ratio for the peer group. Exceptions may be made for investment options that the Committee feels may produce performance that would justify higher than average fees.
- Style Consistency – Since each investment option is chosen to fulfill a specific part of the Plan's overall investment menu, investment options should have demonstrated a consistency in investment style and performance. Some variation can be allowed when an investment option's give style moves in and out of favor, or when an investment option's successful investments outgrow their initial investment classification.

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- Volatility and Diversification – Unless chosen to deliver investment performance that is characteristic of a specific industry or sector of the investment spectrum, investment options generally will be broadly diversified portfolios and will avoid unreasonable overweighting in a given investment, industry or sector. Volatility, as measured by Standard Deviation of returns, should be within reasonable ranges for the given peer group. Other risk measures, including Sharpe ratio, information ratio and beta, may be used as well.
- Performance – With few exceptions, all actively managed investment options should rank in the top 50% of their given peer group for the 3 or 5 year annualized period at the time of their selection. While past performance is not indicative of future returns, peer-relative performance offers the Committee perspective on how the investment option has performed over a reasonably demonstrative period of time relative to other choices. In addition to performance, the Committee should consider other variables including (but not limited to) fees, investment style purity, and risk management practices, in order to develop a holistic view about a strategy and its appropriateness with the Plan. Passively managed options do not need to meet the same ranking criteria; rather, measures such as tracking error to the stated benchmark are more important measures of performance for these options.
- Management & Organization – Manager tenure and industry experience are values to be emphasized, as is the strength and expertise of an investment option's sponsoring organization. Sponsoring organizations are generally expected to adhere to accepted standards of ethical practice and to comply with all appropriate securities regulations. When necessary, preference will be given to investment management organizations with a proven commitment to the interests of long-term shareholders.
- Additional Factors – In addition to the above outlined factors, the Committee will also consider other factors, which may be less tangible, including fund specific situations and anomalies in the capital markets or in the Plan's unique situation.

After inclusion in the Plan each investment option is expected to maintain a high level of acceptability as described in the Investment Evaluation section of the IPS.

-6- Investment Evaluation

With the assistance of the Investment Consultant/Advisor, the Committee will monitor the investment options made available within the Plan to ensure they remain compliant with the criteria used to initially select them for inclusion in the Plan under this IPS or such other or additional criteria as appropriate. In making investment decisions, the Committee may consider

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the ranking of investment options relative to their peers using a comprehensive Scoring System proprietary to the Investment Consultant/Advisor. (See Appendices B, C & D.)

The following criteria provide an outline for the evaluation process:

- On a quarterly basis, the Plan's Investment Consultant/Advisor will provide the Committee with a comprehensive report of each investment option's relevant performance and relative rankings against appropriate indexes, and with appropriate peer groups. The Investment Consultant/Advisor will review the report with the Committee at least annually, but generally on a quarterly basis.
- The Investment Consultant/Advisor will also communicate with the Committee on an ad hoc basis, as appropriate, concerning any material changes affecting any of the selected investment options. Material changes may include management changes, changes to the investment option's pricing structure or significant changes in the investment option's fundamental policies and procedures that the Investment Consultant/Advisor feels warrant Committee review.
- The Committee normally will meet with the Investment Consultant/Advisor, at least annually, to evaluate each investment option as well as the overall status of the Plan's Investment Policy Statement.
- If the Investment Consultant/Advisor's proprietary Scoring system indicates that a given investment option may no longer meet the appropriate and reasonable standards required to remain included in the Plan's menu, the Committee will take appropriate steps.

-7- Replacement of Selected Investment Options

Since the intention of the Plan is to provide opportunities for long-term asset accumulation for participants and beneficiaries, it is not expected that either the investment universe or specific investment options will be changed or deleted frequently.

It is possible that changes may become desirable or necessary, however, based upon factors such as:

- The addition of a new asset class or investment alternative that was not a part of the Plan's initial menu. Such an addition will be subject to a similar selection regimen to that outlined earlier in the IPS;
- The elimination of a given asset class from the Plan's menu; and

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- The desire to replace one of the Plan's investment options with another investment option that the Committee feels will more successfully deliver the desired asset class characteristics. Reasons may include, for example, the availability of options that were not initially open for Committee considerations, or a change in the performance or fee structure of a competing option. It may also be true that a given investment option is no longer available through the Plan's chosen administrative environment. Investment options can be removed or changed after a thorough comparative review using the regimen outlined earlier in the IPS; and
- The need to replace or eliminate one of the Plan's investment options after noncompliance with this IPS has been established, or appears likely.

-8- Conclusion

It is understood that the guidelines set forth in this statement are meant to serve as a general framework for prudent management of the assets of the Plan. Changing market conditions, economic trends or business needs may necessitate modification of this Investment Policy Statement. Until such modification, this document will provide the investment objectives and guidelines for the Plan's assets, subject to the caveats stated herein. This IPS may be modified by approval of a majority of the Committee members or, if no such Committee exists, by the University.

Approved by the Investment Committee for the Plan, and adopted on this _____ day of _____, 2015.

Chairman of the Investment Committee

Approved by CAPTRUST Financial Advisors, and adopted on this _____ day of _____, 2015.

Signature, Title

Attachment B

Appendix A –Asset Class Overview

Broad Asset Class	Description
Fixed Income	These investments generally invest the bulk of their assets in the fixed income, or “bond” markets. Investments in this category vary both in terms of the duration of their primary holdings (short term, intermediate term or long term) and in the quality of the issuers of their holdings (government to corporate issuers of varying quality).
Asset Allocation	These investments, like balanced funds, attempt to provide participants with broadly diversified collections of stocks, bonds and money market securities. Each manager specifies either a strategy (e.g. “aggressive”, “moderate” or “conservative”) or a target date (e.g. 2030, 2040, 2050, etc.) that drives the proportionate, or strategic, allocation it follows. Each manager will have its own restrictions, disclosed in its prospectus, which will govern the ranges it may allocate to any given investment or asset class.
Domestic Equity	<p>These investments generally invest the bulk of their assets in ownership (“equity”) securities, or stocks of companies whose headquarters and/or primary business is in the United States. Investments in this category vary both in their objectives (e.g. current income versus long term capital appreciation) and in the types of equity securities they specialize in. Some investments in this category focus on small capitalization or medium capitalization companies versus large capitalization companies. Some funds tend to look for companies whose earnings, or perceived value, are growing at faster rates than other companies (e.g. “growth”) while others focus their investments on companies who for various reasons may be selling for less than the manager believes is its real worth (e.g. “value”).</p> <p>Historically, investments focused on smaller and medium capitalization securities have thrived at different times and in different proportions to investments focused on large capitalization securities. Growth investments have also tended to excel at different times and in different proportion to value investments.</p>
International Equity	<p>These investments generally invest the bulk of their assets in ownership (“equity”) securities, or stocks of companies whose headquarters and/or primary business is outside of the United States. Investments in this category also include regionally focused managers that specialize in a particular part of the world, global managers that can invest in both U.S. and international markets, and emerging market managers that concentrate their investments in markets that are less mature than the world’s developed markets and so may provide opportunities for rapid growth. It is also generally true that higher growth opportunities are tempered significantly by higher risk for loss of capital, at least over shorter terms.</p> <p>Historically international markets have moved in very different cycles than their domestic counterparts.</p>
Specialty	These investments generally invest the bulk of their assets in ownership (“equity”) securities, or stocks of companies in a particular market segment. Historically investments focused on specialty securities have offered a significantly high risk for loss of capital, at least over shorter terms.

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Broad Asset Class	Asset Class or Strategy	Benchmark Index	Peer Morningstar Category*
Fixed Income	Fixed Income	BarCap Aggregate Bond Index	Intermediate Term Bond
Asset Allocation	Allocation	S&P 500 / BarCap Agg Blend	Conservative Allocation Moderate Allocation World Allocation
Asset Allocation	Target Date Funds	Vintage Year Appropriate Morningstar Index	Vintage Year Appropriate Morningstar Institutional Category
Domestic Equity	Large Cap U.S. Equity	Russell 1000 Value S&P 500 Russell 1000 Russell 1000 Growth	Large Company Value Large Company Blend Large Company Growth
Domestic Equity	Mid Cap U.S. Equity	Russell Mid Cap Value Russell Mid Cap Russell Mid Cap Growth	Medium Company Value Medium Company Blend Medium Company Growth
Domestic Equity	Small Cap U.S. Equity	Russell Small Cap Value Russell Small Cap Russell Small Cap Growth	Small Company Value Small Company Blend Small Company Growth
International Equity	International Equity	MSCI EAFE MSCI ACWI ex US MSCI Emerging Markets	Foreign Large Value Foreign Large Blend Foreign Large Growth Emerging Markets
Specialty	Specialty	Applicable Index	Applicable Peer Group

*At the discretion of the Investment Consultant/Advisor, Morningstar categories used for scoring purposes may be supplemented by non-mutual fund investments (e.g. collective trusts), and/or contain options that are not currently categorized by Morningstar as such (e.g., scoring an option that Morningstar categorizes as “mid cap blend” as a “mid cap value” option in order to match the utilization of the fund by the Plan).

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Appendix B – Investment Evaluation/Scoring System

The actively managed investment options will be evaluated relative to their peers using a comprehensive scoring system proprietary to the Investment Consultant/Advisor. The scoring system is designed to serve as a *guide and an aid* to the Committee when evaluating investment options, providing a baseline for measurement and discussion. **The scoring system is not intended to trigger an automatic and mandated fiduciary outcome or decision for a given score.** It is intended to serve as a tool to support sound fiduciary decisions that are in the sole interest of participants and beneficiaries.

Thus, the comments that follow should be considered in the context that the Scoring System is one tool for the Committee's use, not a system that supplants the fiduciary's role in prudently evaluating investment options. In order to remain in good standing under the scoring system, each plan investment option should accumulate point totals within the acceptable ranges described below. The scoring system measures eight (8) quantitative areas and two (2) qualitative ones, as outlined in the tables below. Quantitative scores for investment options that are mutual funds are calculated at the strategy level using the lowest-cost share class available.

Quantitative Scoring Areas	Weight	Min Score	Max Score	Description
Risk Adjusted Perf (3 Yr)	10%	4 Pt	10 Pt	Risk-Adjusted Performance measures the level of return that an investment option would generate given a level of risk equivalent to the benchmark index.
Risk Adjusted Perf (5 Yr)	10%	1 Pt	10 Pt	
Perf vs. Peer Group (3 Yr)	10%	4 Pt	10 Pt	Performance vs. Relevant Peer Group measures the percentile rank of an investment option's returns relative to other available options in that category.
Perf vs. Peer Group (5 Yr)	10%	1 Pt	10 Pt	
Style Attribution (3 Year)	7%	3 Pt	7 Pt	Style Attribution indicates the level of style purity of an investment option relative to the benchmark index.
Style Attribution (5 Year)	8%	1 Pt	8 Pt	
Confidence (3 Year)	7%	3 Pt	7 Pt	Confidence indicates the consistent relative value add of the manager as compared to other available options in that category.
Confidence (5 Year)	8%	1 Pt	8 Pt	

Qualitative Scoring Areas	Weight	Min Score	Max Score	Description
Management Team	25%	1 Pt	25 Pt	Management Team measures the consistency and quality of an investment option's management group.
Investment Family Items	5%	1 Pt	5 Pt	Investment Family Items measures the stewardship of the investment option's parent company.

Total	100%	20 Pts	100 Pts	Overall Investment Score
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Point System:

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Points are awarded in each of the categories of the scoring system according to the following methodologies. In the categories of Risk Adjusted Performance, Performance vs. Relevant Peer Group, and Confidence, points are awarded according to where an investment option ranks on a percentile basis relative to the rest of the peer universe. The table below illustrates this methodology:

% Rank	Top 25%	26-50%	51-75%	76-100%
3 Year Risk-Adjusted	10	9	7	4
5 Year Risk-Adjusted	10	8	5	1
3 Year Peer-Relative	10	9	7	4
5 Year Peer-Relative	10	8	5	1
3 Year Confidence	7	6	5	3
5 Year Confidence	8	6	4	1

In the category of Style Attribution, points are awarded based on an investment option's level of style consistency relative to the applicable benchmark. Points are assigned using absolute breakpoints and are not peer-relative. These breakpoints are determined by the Investment Consultant/Advisor and are subject to change based on market conditions.

Points in the qualitative areas of Management Team and Investment Family Items are awarded on the basis of merit, and focus primarily on management team stability, consistency of investment philosophy, firm stewardship, and corporate governance.

If at any time the Committee concludes that an investment option is not meeting the desired objectives or guidelines, the investment option will be considered for termination. In order to remain in good standing an option should total greater than 80 points under the Scoring System. Options that total between 70 and 79 points will be marked for closer ongoing review by the Committee. Options that score below 70 points will be considered for termination.

Scoring System	Min Score	Max Score
Good Standing	80 Pts	100 Pts
Marked for Review	70 Pts	79 Pts
Considered for Termination	20 Pts	69 Pts

For asset classes where the Investment Consultant/Advisor believes a peer-relative score is not meaningful, either due to the size or makeup of the asset class, the Investment Consultant/Advisor may score funds using an alternative quantitative and qualitative framework.

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The rating methodology evaluates both quantitative and qualitative factors, and culminates each quarter in one of the following ratings:

Score	Definition
Green	Good Standing
Yellow	Marked for Review
Red	Considered for Termination

An example where this alternative methodology would apply is Multisector Bond investment options.

The passively managed investment options will be evaluated relative to an applicable benchmark, using a comprehensive scoring system proprietary to the Investment Consultant/Advisor. The rating methodology evaluates both quantitative and qualitative factors for passively managed investment options, and culminates each quarter in one of the following ratings:

Score	Definition
Green	Good Standing
Yellow	Marked for Review
Red	Considered for Termination

Depending on the type of passively managed option being evaluated, multiple criteria, both quantitative and qualitative, may be used in establishing a rating. Such criteria may include, but are not limited to:

Quantitative

- Tracking error
- Fees
- Peer relative performance

Qualitative

- Fair value pricing methodology
- Securities lending practices
- Replication and management strategy
- Management firm experience and stability

When a passively managed option is scored below green, the Investment Consultant/Advisor will clearly articulate to the Committee, at an appropriate time, the reasons for the scoring.

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Appendix C – Capital Preservation

Asset Class Overview

Broad Asset Class	Description
Capital Preservation	<p>These options may represent a) Money Market options, b) Stable Value options, or c) Insurance Company Guaranteed options.</p> <p><u>Money Market</u> Money Market options (Treasury / Government / Prime) are investment options whose primary objective is safety of principal. Money Markets invest in high quality, short-term securities (full principal and interest within 397 days) in an attempt to mitigate interest rate and credit risk. Money Market options are often structured to maintain a \$1.00/share Net Asset Value (NAV).</p> <p><u>Stable Value</u> A Stable Value fund is a type of separately managed account or commingled trust investing in high quality, short to intermediate-term fixed income securities presenting minimal interest rate and credit risk. Unique accounting features allow for loss amortization over a period of time, allowing management to invest in longer-term fixed income assets while mitigating risk. Stable Value funds are generally structured to maintain a \$1.00/share NAV.</p> <p><u>Insurance Company Guaranteed Options</u> An Insurance Company Guaranteed Option's primary objective is to provide stable returns while featuring a full principal and interest guarantee. This category represents a type of insurance separate trust, insurance separate account or insurance general account product investing in high quality, intermediate-term securities while offering investors a "guaranteed" rate of return based on the insurance provider's claims paying ability. Returns are based on a crediting rate formula which resets periodically with limited transparency.</p>

Broad Asset Class	Asset Class or Strategy	Benchmark Index	Peer Morningstar Category
Capital Preservation	Money Market	90 Day U.S. Treasury Bill	N/A
Capital Preservation	Stable Value	Hueler Analytics Stable Value Index	N/A
Capital Preservation	Guaranteed Funds	90 Day U.S. Treasury Bill	N/A

Investment Evaluation/Scoring System

The Capital Preservation options will be evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant/Advisor. The scoring methodology evaluates both quantitative and qualitative factors for the Capital Preservation options, and culminates each quarter in one of the following ratings:

Score	Definition
Green	Good Standing
Yellow	Marked for Review
Red	Considered for Termination

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Depending on the type of Capital Preservation option being evaluated, multiple criteria, both quantitative and qualitative, may be used in establishing a rating. Such criteria may include, but are not limited to:

Quantitative

- Crediting Rate/Yield
- Market to Book Ratio
- Average Credit Quality of Portfolio
- Wrap provider/insurer diversification
- Average duration of securities in the portfolio
- Sector allocations

Qualitative

- Management team composition and tenure
- Management firm experience and stability

When a Capital Preservation option is scored below green, the Investment Consultant will clearly articulate to the Committee, at an appropriate time, the reasons for the scoring.

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Appendix D – Target Date Scoring

The scoring for target date investments, most commonly in mutual fund or collective investment trust form, differs from the Consultant/Advisor's scoring of core asset classes. While the principles behind target date evaluation mirror those of the scoring system for traditional options, target date investments are much more complex due to the shifting nature of portfolios through time, and therefore require a more complex scoring framework. Each target date manager will receive an overall numerical score as well as a corresponding recommendation for that score. Our qualitative assessment will determine an investment to be 'In Good Standing,' 'Marked for Review' or 'Considered for Termination.' The Consultant/Advisor believes that both qualitative and quantitative variables are essential to evaluate target date investments, consistent with its traditional asset class scoring system.

The below section discusses the major target date assessment categories and describes the methodology for each.

Performance (20 Points Total)

Performance is broken into two categories: risk-adjusted and peer-relative. Both categories are evaluated on a three and five-year basis. Morningstar divides target date investments by vintage year into three institutional categories: Conservative, Moderate and Aggressive.

These categories define peer groups by vintage year, taking into account variations across glidepaths and comparing each vintage year with a relevant peer group. Morningstar re-evaluates the Conservative, Moderate and Aggressive categories on a periodic basis to account for investment changes, and categories will be adjusted to be consistent with Morningstar's methodology. The Consultant/Advisor has determined that Morningstar's methodology is appropriate, and will continue to monitor its methodology to ensure that it remains appropriate.

Each target date investment option's vintage year is compared against its designated Morningstar Institutional peer group. Each vintage year's peer-relative score is then aggregated to arrive at a total score, and each target date family's relative score is ranked based on percentiles. This process is followed for three year peer-relative performance, five year peer-relative performance, three year risk-adjusted performance, and five year risk-adjusted performance, providing four separate performance measures. Points are allocated based on the following system:

3 and 5-Year Risk-Adjusted and 3 and 5-Year Peer-Relative Scores

% Rank	Top 10%	11-20	21-30	31-40	41-50	51-60	61-70	71-80	81-90	91-100
Points	5	5	4	4	3	3	2	2	1	1

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Once points are allocated between the four groups, scores are aggregated to arrive at a total performance score, and then adjusted to achieve an equitable result based upon sample size, based upon the recognition that not all of the target date investment options that exist in the Morningstar categories are covered. These adjustments are detailed below:

Overall Performance Adjustments

Raw Score (out of 20)	19-20	18	17	16	15	14	13 and below
Adjusted Score	20	19	18	17	16	15	13

This process yields a total performance score by target date family, using the lowest cost share class available to represent each vintage year.

Glidepath Risk: Weightings of Equities and “Other” Asset Classes (10 points)

Target date investment options have varied assumptions across considerations such as savings rates, retirement date, longevity and other factors surrounding retirement. While each family’s assumptions may be justified, evaluating central tendencies through “the wisdom of the crowd” is a worthwhile way to measure two key risks inherent in target date investment options: shortfall risk (not having enough money to retire), and market risk (having too much exposure to risky asset classes subject to greater loss potential). In essence, evaluating dispersion from the mean is a way to evaluate how much market or shortfall risk a target date investment option takes relative to all other options. This dispersion is measured based on the following methodology:

Glidepath Risk: Percentage of Equity and “Other” Asset Class scores

% Rank	Top 20%	21-39%	40-60%	61-79%	80-100%
Points	6	8	10	8	6

An adjustment for the smaller sample size (as noted above) is made by normalizing the scores based on the maximum score obtained in the coverage universe, to yield a true peer comparison. This is important given how small the differentials can be across peers.

Glidepath Risk: Regression to Global Equity Index (10 Points)

Target date investment options have demonstrated periods of equity-like risk, despite broad diversification claims. Understanding beta, or the slope of the line of best fit in an ordinary least squares regression, helps analyze co-movement between variables. In this case, an assessment is made to determine how a target date investment option’s returns move relative to a broad index of global equities, represented by 75% S&P 500 and 25% MSCI All-Country World Index ex-

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USA indices. Both three- and five-year betas are determined and averaged, and points are allocated based upon the following system:

Glidepath: Regression to Global Equity Index Scores

3 and 5 Year Beta	Beta > .89	.70 < Beta < .<.89	Beta < .70
Points	6	8	10

As seen above, this system rewards target date investment options with lower betas based on the view that investors can replicate equity beta elsewhere in their retirement plan or broad portfolio. Target date options should add value without relying on market beta.

An adjustment for the smaller sample size (as noted above) is made by normalizing the scores based on the maximum score obtained in the coverage universe to yield a true peer comparison. This is important given how small differentials can be across peers.

Portfolio Construction (15 Points)

Establishing solid portfolio management discipline and practices are important in improving the odds of target date investment success. This is a qualitative assessment, and points are allocated based on variables such as:

- Asset class granularity
- Tactical flexibility
- Asset allocation methodology
- Rebalancing methodology
- Investor assumptions used

These variables are determined based on conversations with managers, reviewing prospectuses/marketing materials and other supporting documentation regarding target date investment methodology.

An adjustment for the smaller sample size (as noted above) is made by normalizing the scores based on the maximum score obtained in the coverage universe to yield a true peer comparison. This is important given how small differentials can be across peers.

Underlying Investment Vehicles (15 Points)

Implementation is also critical to target date success. This category is evaluated through qualitative means, such as:

- Quality of underlying managers
- Manager due diligence and security selection process
- Use and appropriateness of active and passive management if applicable
- Transparency

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- Security overlap potential

An adjustment for the smaller sample size (as noted above) is made by normalizing the scores based on the maximum score obtained in the coverage universe to yield a true peer comparison. This is important given how small differentials can be across peers.

Target Date Investment Management (25 Points) and Firm (5 Points)

This measure is consistent with the traditional scoring system for other investment options.

Points in the qualitative areas of Target Date Investment Management and Firm are awarded on the basis of merit, and focus primarily on management team stability, consistency of investment philosophy, firm stewardship, and corporate governance.

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Appendix E – Qualified Default Investment Alternative

Qualified Default Investment Alternatives (QDIAs) are specific investment vehicles that are used when a plan participant or beneficiary fails to make affirmative investment elections. The Committee understands that there are specific notice and disclosure requirements that the Department of Labor asserts they must provide to participants and beneficiaries to use a QDIA properly. After reviewing the demographics of the Plan, the Committee has decided to use a suite of target date funds to function as the Plan's QDIA.

In addition, the Plan may elect to use a short-term money market option which is allowed to hold a participant's funds for no longer than 120 days, before transferring those funds automatically to the designated QDIA which has been elected.

Certain investment vehicles can provide QDIA protections for grandfathered sums. This plan does not use grandfathered QDIA's.