



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees
Compensation and Labor Committee Meeting
January 18, 2018
8:15 - 8:30 a.m.
FAIRWINDS Alumni Center
Conference call-in #: 800-442-5794, passcode 463796**

AGENDA

I. CALL TO ORDER

John Sprouls
Chair, Compensation and Labor Committee

I. ROLL CALL

Elizabeth Richner
Coordinator, Human Resources

II. MEETING MINUTES

- [December 12, 2017, meeting minutes](#)

Chair Sprouls

III. NEW BUSINESS

- Presidential Compensation Analysis
[\(CLC-1\)](#)
- Article 3: UFF Privileges and Article 23: Salaries of
the Collective Bargaining Agreement with the United
Faculty of Florida [\(CLC-2\)](#)

Chair Sprouls
Grant Heston
*Vice President for Communications and
Marketing*

Chair Sprouls
Maureen Binder
*Associate Vice President and
Chief Human Resources Officer*

IV. CLOSING COMMENTS

Chair Sprouls



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees
Compensation and Labor Committee
December 12, 2017**

MINUTES

CALL TO ORDER

Chair John Sprouls called the meeting to order at 4:00 p.m. The following committee members attended the meeting: Chairman Marcos Marchena, Chair John Sprouls, Vice Chair David Walsh, Clarence Brown, Joseph Conte, and John Lord. No other trustees attended the meeting.

MEETING MINUTES

The minutes of the October 26, 2017, meeting were approved as submitted.

NEW BUSINESS

The 2017-20 Performance Unit Plan Awards (CLC-1) Chair Sprouls introduced Maureen Binder, Associate Vice President and Chief Human Resources Officer, who presented the recommendations for the 2017-20 Performance Unit Plan awards. After discussion, committee members unanimously recommended the approval of the awards.

CLOSING COMMENTS

Chair Sprouls adjourned the meeting at 4:06 p.m.

Respectfully submitted: _____ Date _____
Maureen Binder
Associate Vice President and
Chief Human Resources Officer

ITEM: CLC-1

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

SUBJECT: Presidential Compensation Analysis

DATE: January 18, 2018

PROPOSED COMMITTEE ACTION

Recommend the approval of a presidential compensation analysis as part of the presidential search process, as required by the Florida Board of Governors.

BACKGROUND INFORMATION

The Florida Board of Governors requires that UCF's Presidential Search Committee conduct an executive compensation analysis to guide the Board of Trustees when negotiating an agreement with a new president.

The analysis provides the data foundation from which the UCF Board of Trustees will negotiate an agreement with the new president.

At the committee's first meeting on November 20, 2017, the members unanimously voted to use an independent, third-party firm, chosen at the discretion of the university, to complete the study. UCF selected Sibson Consulting, and the firm conducted a study of the compensation of comparison, aspirational, and State University System presidents. Comparison and aspirational institutions are from the Collective Impact Strategic Plan.

The search committee unanimously approved the analysis at its meeting on January 10, 2018.

Supporting documentation:

Attachment A: President Market Compensation Assessment

Prepared by: Grant J. Heston, Vice President for Communications and Marketing

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

Attachment A



University of Central Florida

**PRESIDENT MARKET
COMPENSATION ASSESSMENT**

January 8, 2018

Attachment A

Introduction and Study Methodology

- The University of Central Florida (“UCF” or “the University”) engaged Sibson Consulting (“Sibson”) to conduct a market compensation assessment to prepare for the contract negotiations for the new President
- Data was gathered from The Chronicle of Higher Education Executive Compensation database (“the Chronicle”) for Fiscal Year 2015 – 2016
- Data for the State University System of Florida (“SUS” or “the System”) is also provided and reflects the 2016 – 2017 Presidential Compensation Survey (as of June 30, 2017) conducted by the System
- Market data was aged to July 1, 2018 using a 2.7% annual update factor for base salary, incentives, other compensation, and retirement and deferred compensation, and an 8% update factor for non-taxable benefits¹

Key Compensation Terms Presented

- **Total Cash Compensation (TCC):** Reflects the sum of base salary and bonus/incentive compensation
- **Total Remuneration (TR):** Reflects the sum of total cash compensation, other taxable compensation, retirement and deferred compensation, and nontaxable benefits
- **Percentile:** Reflects a competitive position within the group. A percentile is a measurement indicating the relative positioning within a group of observations. For example:
 - The 20th percentile is the value below which 20% of the observations may be found
 - If a value is at the 86th percentile, it is higher than 86% of the data points

¹ Source: Sibson’s Annual Compensation Planning Survey analyzing salary increase budgets by industry and job classification.

Attachment A

Introduction and Study Methodology *continued*

Data Sources and Definitions

Compensation Component	Data Source: The Chronicle of Higher Education Compensation Database
Base Salary	Total base salary provided to the chief executive, including compensation from private university-related foundations
Bonus and Incentive Compensation	The value of all bonuses and incentive compensation paid out to the chief executive
Other Compensation (Taxable)	Miscellaneous pay and benefits, including, tax gross-ups (money an employer provides an employee for taxes paid on benefits), vacation leave cashed out, debt forgiveness, fellowships, employer-provided vehicles and parking, housing payments, travel, meals, moving expenses, entertainment, spending accounts, and club dues. May also include interest accrued on deferred compensation.
Retirement and Deferred Compensation	Payments made by the university on behalf of the chief executive to a retirement plan that is available to any university employee during the fiscal year. This can include 401(k) plans, state pension plans, and other retirement plans that are broadly available <i>plus</i> deferred compensation set aside in the fiscal year covered that is to be paid out in future years. This includes contributions to supplemental executive retirement plans and does not overlap with any compensation paid out in the reported year.
Nontaxable Benefits	Health and medical benefits, life insurance, housing provided by the employer, personal legal and financial services, dependent care, adoption assistance, tuition assistance, and cafeteria plans.

Attachment A

Table of Contents

This report is organized into the following sections:

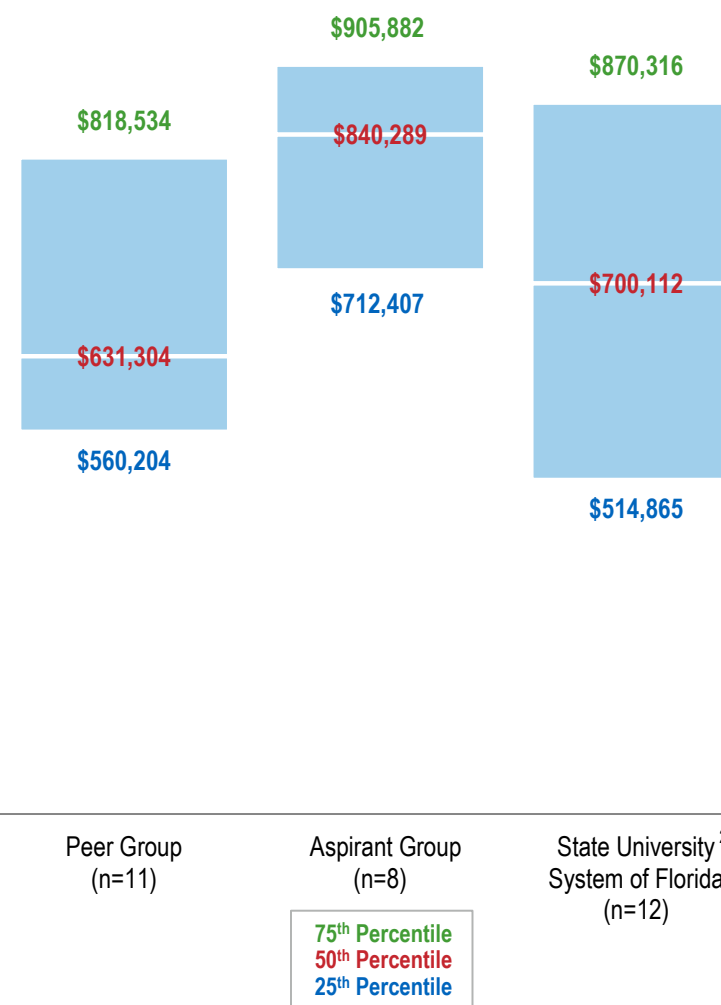
- 1. Market Assessment Results:** Details and summarizes market compensation levels for various pay components for the peer group as well as for the State University System of Florida; summarizes Presidential perquisites
- 2. Executive Compensation Practices and Governance in Higher Education:** High-level summary of additional trends within Higher Education related to executive compensation and description of effective and emerging governance practices; for informational purposes only

Market Assessment Results Attachment A

Executive Summary

- **Total Remuneration:**^{1,2} Median total remuneration for the comparison peers is ~\$630,000. The median for the aspirational peers is ~\$840,000, approximately 30% higher. The median for SUS institutions is ~\$700,000
- **Bonus and Incentives:** Five comparison peers (45%) and three aspirational peers paid an incentive/bonus with an average value of ~\$75,000 and ~\$160,000, respectively. Bonus/incentives are significantly more prevalent at SUS institutions with all but four institutions paying an incentive/bonus with an average value of ~\$140,000
- **Retirement and Deferred Compensation:** Ten comparison peers (91%) and seven aspirational peers (88%) provided a retirement benefit at a median value of ~\$36,000. Seven comparison peers (64%) and three aspirational peers (38%) offered deferred compensation, at an average value of ~\$190,000 and ~\$180,000, respectively
- **Perquisites:** 82% of comparison peers provided a housing benefit and an automobile benefit, either provided by the institution or as an annual allowance. 75% of aspirational peers provided housing and 88% provided an automobile benefit. Additional perquisites provided include health or social club dues, personal services, cellular phone allowances, and executive life insurance. This is generally consistent with the SUS institutional practices

TOTAL REMUNERATION¹



¹ Total Remuneration reflects the sum of base salary, bonus and incentive compensation, other taxable compensation, retirement and deferred compensation, and nontaxable benefits.

² SUS compensation data reflects the sum of base salary, bonus, other cash compensation, annuity, housing allowance, and car allowance.

Market Assessment Results Attachment A

Executive Summary continued

Criteria Evaluated	Comparison Peers (N=11)	Aspirational Peers (N=8)
Base Salary	<ul style="list-style-type: none"> Median: \$484,520 P25th – P75th: \$433,462 – \$541,399 P25th – P75th Range Spread: 25% 	<ul style="list-style-type: none"> Median: \$566,748 P25th – P75th: \$529,015 – \$637,937 P25th – P75th Range Spread: 21%
Bonus & Incentive Compensation	<ul style="list-style-type: none"> Prevalence: 45% Average Value: \$73,752 Payout Range: \$791 to \$157,508 	<ul style="list-style-type: none"> Prevalence: 38% Average Value: \$158,473 Payout Range: \$105,473 to \$211,737
Retirement & Deferred Compensation	<ul style="list-style-type: none"> Retirement Prevalence: 91% Median Value: \$36,214 per year (retirement only) Deferred Compensation: 64% offer deferred compensation, all but one in addition to retirement—average value of \$188,746 	<ul style="list-style-type: none"> Retirement Prevalence: 88% Median Value: \$36,134 per year (retirement only) Deferred Compensation: 38% offer deferred compensation in addition to retirement—average value of \$179,076
Perquisites	<ul style="list-style-type: none"> Housing: 82% (either provided by the institution or an allowance) Automobile: 82% (either provided by the institution or an allowance) 	<ul style="list-style-type: none"> Housing: 75% (either provided by the institution or an allowance) Automobile: 88% (either provided by the institution or an allowance)
	<ul style="list-style-type: none"> Other perquisites offered by both groups include personal services, health or social club membership, cellular phone allowances, and executive life insurance 	
Pay Mix	<ul style="list-style-type: none"> 76% cash¹ / 24% non-cash 	<ul style="list-style-type: none"> 79% cash¹ / 21% non-cash
Total Remuneration²	<ul style="list-style-type: none"> Median: \$631,304 P25th – P75th: \$560,204 – \$818,534 P25th – P75th Range Spread: 46% Two institutions have total remuneration above \$1,000,000 	<ul style="list-style-type: none"> Median: \$840,289 P25th – P75th: \$712,407 – \$905,822 P25th – P75th Range Spread: 27% One institution has total remuneration above \$1,000,000

¹ Reflects the sum of base salary, bonus and incentive compensation.

² Total Remuneration reflects the sum of base salary, bonus and incentive compensation, other taxable compensation, retirement and deferred compensation, and nontaxable benefits.

Attachment A

1. Market Assessment Results

- 2. Executive Compensation Practices and Governance in Higher Education
- 3. Appendix

Attachment A

Introduction to Market Assessment

The following pages presents the market results including the following analyses:

- 1. Total Remuneration Summary:** Market levels for all components of pay. Includes medians as well as other percentiles
- 2. Pay Mix:** Mix of cash and non-cash compensation in the market
- 3. Total Remuneration and Total Expenses Regression:** A regression showing the strength of the relationship between a President's total remuneration and the institution's total expenses. Since total expenses are a reflection of the institution's size and complexity, it often shows a relationship to compensation among the comparison group

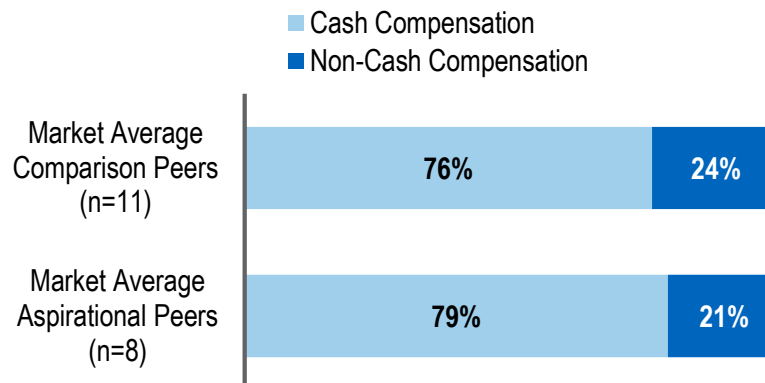
Market Assessment Summary Attachment A

Comparison and Aspirational Peers

TOTAL REMUNERATION SUMMARY

		Base Salary	Bonus & Incentive Compensation	Total Cash Compensation	Other Compensation	Retirement & Deferred Compensation	Non-Taxable Benefits	Total Remuneration
Comparison Peers (N=11)	25 th Percentile	\$433,462	\$0	\$433,462	\$0	\$68,592	\$5,971	\$560,204
	Median	484,520	0	517,776	252	105,473	19,370	631,304
	75 th Percentile	541,399	65,679	576,461	2,500	205,082	27,719	818,534
	90 th Percentile	603,449	79,105	656,186	26,475	259,886	32,848	1,122,489
Aspirational Peers (N=8)	25 th Percentile	529,015	0	529,015	0	29,221	4,799	712,407
	Median	566,748	0	566,748	0	93,059	10,979	840,289
	75 th Percentile	637,937	118,657	801,269	0	180,907	16,242	905,822
	90 th Percentile	744,717	174,268	896,585	174,030	246,864	75,198	1,203,158

PAY MIX: CASH VS. NON-CASH

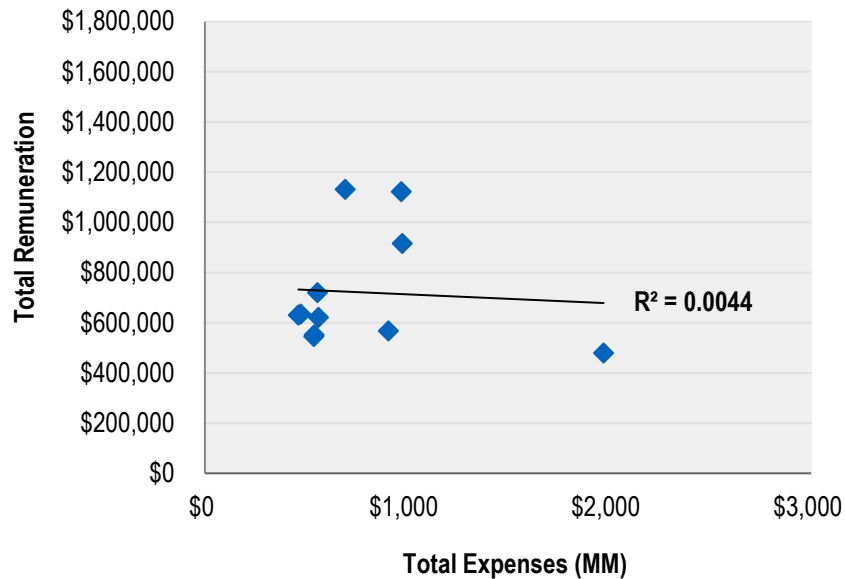


Market Assessment Summary continued

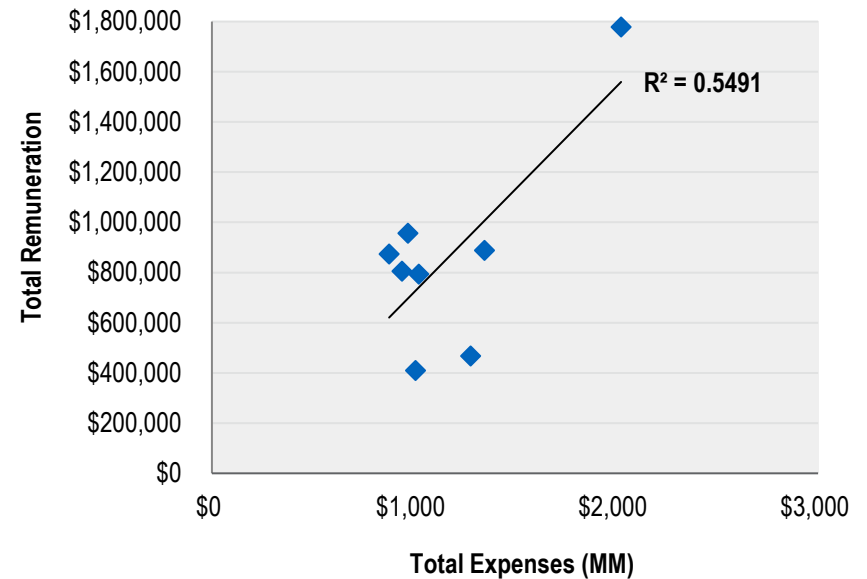
Comparison and Aspirational Peers

TOTAL REMUNERATION AND TOTAL EXPENSES REGRESSION

**Comparison Peers
(n=11)**



**Aspirational Peers
(n=8)**



Market Compensation Details Attachment A

Comparison Peers

TOTAL REMUNERATION DETAILS (n=11)

Institution Name	Incumbent Name ¹	Market Data						
		Base Salary	Bonus & Incentive Compensation	Total Cash Compensation	Other Compensation	Retirement & Deferred Compensation	Non-Taxable Benefits	Total Remuneration
Georgia State University	Mark P. Becker	\$565,023	\$0	\$565,023	\$0	\$553,191	\$14,102	\$1,132,315
Kent State University	Beverly J. Warren	484,520	79,105	563,625	0	126,717	30,653	720,995
Portland State University	Marinus Wilhelmus Wievel	423,685	0	423,685	3,911	181,231	22,478	631,304
San Diego State University	Elliot L. Hirshman	443,239	0	443,239	1,088	68,357	32,848	545,533
University of Akron	Scott Scarborough	517,776	0	517,776	0	92,049	24,786	634,611
University of Delaware	Nancy Targett	462,847	0	462,847	40,607	45,828	19,370	568,652
University of Houston	Renu Khator	735,039	157,508	892,548	1,008	228,933	0	1,122,489
University of New Mexico	Robert G. Frank	374,429	0	374,429	0	105,473	0	479,902
University of North Carolina—Charlotte	Philip L. Dubois	408,707	791	409,499	26,475	68,826	46,956	551,755
University of Texas—Arlington	Vistasp Karbhari	509,277	78,622	587,899	252	22,391	11,941	622,484
Virginia Commonwealth University	Michael Rao	603,449	52,736	656,186	0	259,886	0	916,072
Comparison Peers (n=11)	25 th Percentile	433,462	0	433,462	0	68,592	5,971	560,204
	Median	484,520	0	517,776	252	105,473	19,370	631,304
	75 th Percentile	541,399	65,679	576,461	2,500	205,082	27,719	818,534
	90 th Percentile	603,449	79,105	656,186	26,475	259,886	32,848	1,122,489

¹ Reflects the incumbent at the time of data collection in The Chronicle of Higher Education survey.

Market Compensation Details Attachment A

Aspirational Peers

TOTAL REMUNERATION DETAILS (n=8)

Institution Name	Incumbent Name ¹	Market Data						
		Base Salary	Bonus & Incentive Compensation	Total Cash Compensation	Other Compensation	Retirement & Deferred Compensation	Non-Taxable Benefits	Total Remuneration
Arizona State University	Michael M. Crow	\$884,346	\$158,209	\$1,042,555	\$580,101 ²	\$137,642	\$18,196	\$1,778,494
Auburn University	Jay Gogue	567,449	0	567,449	0	298,066	8,505	874,020
North Carolina State University	W. Randolph Woodson	622,290	211,737	834,027	0	48,475	6,399	888,901
Oregon State University	Edward J. Ray	566,048	0	566,048	0	224,920	15,591	806,559
University of Cincinnati	Santa J. Ono	553,733	0	553,733	0	31,836	208,202	793,771
University of Colorado at Boulder	Philip DiStefano	454,863	0	454,863	0	0	13,453	468,317
University of Nebraska at Lincoln	Harvey S. Perlman	388,648	0	388,648	0	21,375	0	410,023
University of South Carolina at Columbia	Harris Pastides	684,877	105,473	790,350	0	166,236	0	956,585
Aspirational Peers (n=8)	25 th Percentile	529,015	0	529,015	0	29,221	4,799	712,407
	Median	566,748	0	566,748	0	93,059	10,979	840,289
	75 th Percentile	637,937	118,657	801,269	0	180,907	16,242	905,822
	90 th Percentile	744,717	174,268	896,585	174,030	246,864	75,198	1,203,158

¹ Reflects the incumbent at the time of data collection in The Chronicle of Higher Education survey.

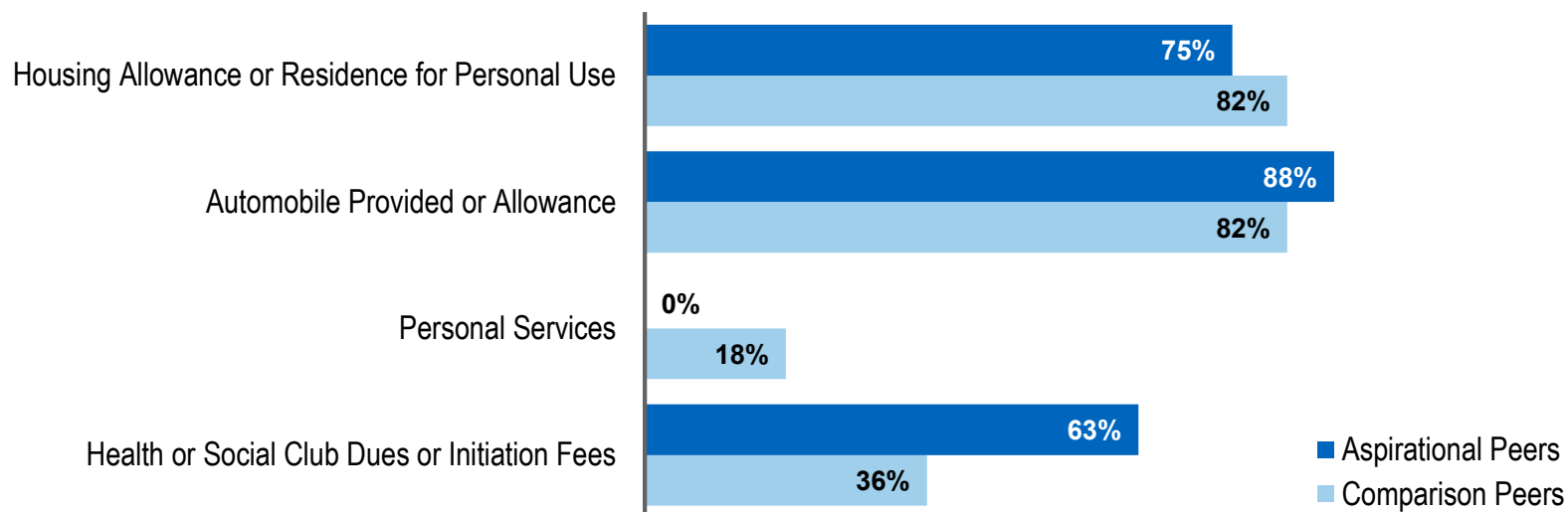
² Amount shown and reported reflects a 10-year retention bonus payout.

Perquisite Prevalence

Attachment A

Comparison and Aspirational Peers

PREVALENCE OF PERQUISITES Percent of Institutions Providing



- The perquisites reported above only include categories reported by The Chronicle of Higher Education. The value of these and other benefits and perquisites (both taxable and non-taxable) is now reported for the first time by the Chronicle, and is included as part of Total Remuneration in this report
- However, based on our review of the data and our experience conducting similar studies, we believe that many respondents are not reporting the value of these perquisites in their data submissions to the Chronicle. Specifically, while 82% of comparison institutions report providing housing and auto perquisites, approximately half have a value reported in other compensation

Market Compensation Details Attachment A

State University System of Florida (SUS)

State University System of Florida 2016-17 PRESIDENTIAL COMPENSATION SURVEY (as of June 30, 2017)

Institution Name	President	Total Salary ¹	Bonus ²	Total Other ³	Annuity ⁴	Housing Allowance ⁵	Car ⁶	Total Compensation
Florida Agricultural and Mechanical University	Larry Robinson	\$385,000	\$0	\$0	\$0	\$43,867	\$15,040	\$443,907
Florida Atlantic University	John William Kelly	459,034	120,000	1,925	62,640	Provided by University	Yes	643,599
Florida Gulf Coast University	Wilson Bradshaw	425,823	145,000	1,985	63,717	50,000	Yes	686,525
Florida International University	Mark B. Rosenberg	502,578	100,000	99,620	0	Provided by University	11,500	713,698
Florida Polytechnic University	Randy Avent	411,622	79,695	0	37,000	0	10,200	538,517
Florida State University	John Thrasher	501,967	100,000	108,655	0	Provided by University	10,800	721,422
New College of Florida	Donal O'Shea	275,000	0	0	41,250	36,000	5,000	357,250
University of Central Florida	John C. Hitt	505,730	164,475	502,787 ⁷	101,146	Provided by University	Yes	1,274,138
University of Florida	W. Kent Fuchs	872,900	0	310,000	0	Provided by University	0	1,182,900
University of South Florida	Judy Genshaft	491,609	175,000	502,787	98,700	0	11,856	1,279,952
University of West Florida	Martha Saunders	334,769	0	1,950	58,196	24,000	14,000	432,915
University of North Florida	John A Delaney	397,490	218,500	9,188	79,804	53,366	7,773	766,121
	25th Percentile	394,368	39,848	1,444	18,500	36,000	7,773	514,865
	50th Percentile	442,429	100,000	5,587	58,196	43,867	10,800	700,112
	75th Percentile	502,120	154,738	158,991	71,761	50,000	11,856	870,316
	90th Percentile	505,415	175,000	483,508	98,700	52,020	14,208	1,265,014

¹ Annual contract salary, including salary increases for the specified year, paid from State funds plus the annual salary supplement, if any, paid from non-State funds.

² Actual amount of any bonuses provided during the fiscal year.

³ Amount of annual State contract compensation, if any, for items other than salary and housing (exclude fringe benefits) plus annual amount of all other compensation, if any, provided from non-State sources.

⁴ Annual amount contributed, if any, to an annuity.

⁵ Annual amount, if any, for housing allowance provided from other than State sources.

⁶ If funds are provided for a car, the annual amount provided.

⁷ Reflects retention incentive of \$491,000, which is equal to one year of additional base salary paid for FY 2013-2014 and paid out in July 2016 per the 5th Amended and Restated Employment Agreement, Section 8.5 with Dr. John Hitt.

Attachment A

1. Market Assessment Results

2. Executive Compensation Practices and Governance in Higher Education

3. Appendix

Attachment A

Introduction

Changing Landscape of Executive Pay

Over the last two decades there has been significant change in the executive compensation landscape within Higher Education. This landscape has been defined by a host of factors, including volatile financial markets, external regulatory influences, and the evolution of management practices within the industry.

Drivers of Change

1. More complex leadership roles with greater demands and pressures
2. Financial constraints, including less state funding for public institutions
3. Intense media attention, especially concerning pay levels
4. Increasing regulatory scrutiny
5. Greater transparency and availability of pay information
6. The growing importance of fundraising efforts
7. An increasing number of executives and trustees coming from the private sector (with corresponding management perspectives)
8. Aging of the executive workforce and expectations for generational transition

The evolving landscape has produced trends and emerging executive compensation practices which are summarized on the following pages.

Attachment A

Trends in Higher Education Executive Compensation

Institutions are looking more strategically at executive compensation. Below are topics currently gaining traction within Higher Education Board rooms:

- 1. Competitive Market Intelligence:** There is an ever increasing demand for data and analysis frequency; many institutions are experiencing “survey fatigue” as peers continue to ask for more detailed information.
- 2. Pay Levels:** Executive pay levels have been rising significantly, driven by competitive markets for talent, increased pay transparency,¹ and broader market practices in the private sector. Based on our client studies, we estimate that the total cost of executive compensation has increased at a rate of 4% – 7% annually since 2010.
- 3. Optics and Transparency of Pay:** As compensation levels have increased, there is a more vigilant focus on optics and how programs will be perceived, both within the institution and externally. Given intense media and public scrutiny over perceptions of excessive compensation, programs need to be unassailable with a defined rationale for decision-making.
- 4. Peer Groups:** The peer group development process is becoming more sophisticated. In addition to traditional criteria such as institutional size, as measured by operating budget and student FTE, consideration is being given to funding sources, endowment, retention rate, graduation rate, admission yield, student-to-faculty ratio, geography, etc. The number of institutions included in the peer group is also increasing to ensure sufficiency of data, and a representative sample of practices when compared over time (i.e., 20 – 30 institutions is recommended). Several institutions also examine an aspirational peer group of schools.

¹ While counterintuitive, greater transparency of compensation frequently leads to increasing pay levels across the market as leaders strive to be paid at or above the median. It is related to the Lake Wobegon Effect which is defined as a natural human tendency where all or nearly all of a group claim to be above average.

Attachment A

Trends in Higher Education Executive Compensation *continued*

5. **Prevalence of Incentives:** The use of incentive pay among executives has been increasing across Higher Education. Between 20% – 30% of institutions provide incentives broadly among the executive team. This has risen from 10% – 20% over the last ten years. Incentives are used more prevalently in private vs. public institutions. We expect this growth to continue because of the following:
 - Gradual transition to a traditional business-oriented management model
 - Financial constraints, competing interests for capital, and the need for efficiency calls for more pay-at-risk
 - An influx of executive talent from outside of Higher Education; these leaders are accustomed to variable pay
 - Boards of Trustees are also increasingly comfortable governing variable pay
 - A desire to increasingly differentiate compensation for the institutions' best performing executives
6. **Executive Benefits and Perquisites:** The variety of executive benefit and perquisite offerings is increasing, as are institutions' investments in such programs. Common programs include housing, car allowances, executive physicals, country club memberships, sports tickets/suites, first class travel, spousal travel, and financial/estate planning services. A recent survey of 40 prestigious public and private institutions conducted by Sibson found that 30% provided greater than \$10,000 in annual perquisite value to non-presidential executives (excluding housing). 50% of presidents receive more than \$25,000 in perquisites annually.
7. **Deferred Compensation Arrangements:** In addition to retirement plans provided to all employees, executives are increasingly provided supplemental executive compensation plans or deferred compensation arrangements as part of their compensation package. A survey conducted by Sibson found that between 40% – 60% of large universities provide select executives additional deferred compensation benefits above the qualified limits. Alternatives include 457(b) and 457(f) plans, executive life insurance arrangements, and cash retention arrangements.

Attachment A

Trends in Higher Education Executive Compensation *continued*

- 8. Executive Compensation Governance:** As the scrutiny over executive compensation has increased, Higher Education institutions have gradually been implementing changes in their governance practices and tools. In doing so, the most progressive institutions have looked to the corporate sector to adopt practices employed by public and private companies, and apply them within the unique environment of Higher Education. Compensation oversight practices should be based on sound governance principles, the institution's unique culture and operating dynamics, and the strength of the overall governance model. Emerging governance trends include:
- More explicit Compensation Committee charters
 - Formal annual calendars and standing agendas
 - Decision-rights matrices that define accountability for specific actions and decisions related to compensation
 - A rigorous Presidential assessment process
 - Competitive assessment analytics and other tools to guide decisions about how and how much to pay. These include tally sheets, total compensation statements, termination scenario analysis, etc.
- 9. Succession Planning:** There is a significant number of Presidents and other executive roles that are approaching retirement age. A recent study by the American Council on Education found that ~60% of Chancellors/Presidents are older than age 61; in 2007 it was only 49%.¹ As more executives approach retirement, it creates competition in the market, which makes it more difficult to find candidates and increases the cost of hire. While the vast majority of institutions have a predisposition to conduct external searches, many have begun exploring internal succession planning protocols, in an effort to develop talent from within, promote continuity, and ensure a smooth transition from one leader to the next.

¹ "On the Pathway to the Presidency 2013."

Attachment A

Executive Compensation Governance

As the scrutiny over executive compensation has increased, Higher Education institutions have gradually been implementing changes in their governance practices and tools. In doing so, the most progressive institutions have looked to the corporate sector to adopt practices employed by public and private companies, and apply them within the unique environment of Higher Education.

There are no universal boiler plate solutions for committees to adopt. Compensation oversight practices should be based on sound governance principles, the institution's unique culture and operating dynamics, and the strength of the overall governance model.

This section provides an overview of state of governance in Higher Education and includes the following:

1. Foundations of Effective Compensation Committees: Typical Role and Purview
2. Tools and Resources for Effective Compensation Governance:
 - Executive compensation philosophy
 - Compensation Committee charter/operating guidelines
 - Decision rights and responsibilities
 - Annual calendar
 - Tally sheets
 - Termination scenarios

Foundations of Effective Compensation Committees

Typical Role and Purview

Annual Responsibilities

- Review executive pay competitiveness and efficacy
- Presidential evaluation
- Presidential compensation recommendations and approval
- Review and approval of institution-wide merit budget
- Talent review and approval of compensation for key executives (led by President)
- Succession planning assessment

Ongoing Accountabilities

- Establish, review, and update compensation philosophy and peer institutions
- Approval of any executive contracts or renewals
- Review and approval of any changes to:
 - Executive incentive designs, benefits, perquisites, and deferred compensation
 - Institution-wide compensation and benefit programs (with broad cost implications)

Attachment A

Tools and Resources for Effective Compensation Governance

Element	Effective Practices
Best Practices	<ul style="list-style-type: none">• Executive compensation philosophy*• Compensation Committee charter/operating guidelines*• Decision rights and responsibilities*• Annual calendar*
Emerging Practices	<ul style="list-style-type: none">• Tally sheets*• Termination scenarios*• Committee member onboarding and education• Committee performance and self-evaluation

*Additional details or illustrations of the above tools can be found on the following pages.

Attachment A

Elements of an Executive Compensation Philosophy

Below is Sibson Consulting's framework for an executive compensation philosophy for Higher Education institutions. This philosophy documents the institution's perspectives/strategy with regard to the following components:

Institutional Alignment	<ul style="list-style-type: none"> • How compensation supports and reinforces the strategic objectives of the institution and its values
Elements of Rewards	<ul style="list-style-type: none"> • What rewards are used, the purpose for each, relative emphasis and executive eligibility
Comparison Markets	<ul style="list-style-type: none"> • The criteria and rationale used for selecting comparator institutions to benchmark compensation • The institutions selected, including any custom or unique views
Performance Measurement and Goal Setting	<ul style="list-style-type: none"> • How to measure performance on an institutional and individual basis • The vehicles and processes to use to measure and communicate performance and how they link to compensation outcomes
Compensation Prominence	<ul style="list-style-type: none"> • The relative prominence of pay in the rewards model • The role of pay in attracting and retaining talent versus other factors
Pay Positioning	<ul style="list-style-type: none"> • The target pay positioning relative to the comparison markets (in aggregate and for certain roles if they differ) • The factors influencing individual pay positioning and decision making
Program Administration	<ul style="list-style-type: none"> • Decision-making roles and accountabilities of the Board (as a whole), Compensation Committee, President, executive team, human resources, and others
Communication/ Transparency	<p>The degree of openness in sharing information on pay including:</p> <ul style="list-style-type: none"> • Explanation of compensation strategy • Explanation of compensation program design • Expectations setting • Performance evaluation process and results • Consequences

Attachment A

Compensation Committee Charter/Operating Guidelines

- Constitutes the governing rules for the Committee. Provides details regarding the Committee's purpose, composition, responsibilities and expectations, authority, and meeting procedures used in carrying out its duties
- The full charter is often not published, but is used by the Board and the Committee; a shorter summary may be created for public view
- Reviewed and refreshed regularly (e.g., every 36 months) typically as part of a Governance or Compensation Committee's responsibilities
- Typically includes the following topics:
 - **Purpose:** identifies, at a high level, the role of the Committee and what is delegated from the full Board
 - **Composition:** states specific expertise required for membership, committee size, how it is staffed, and terms (including any rotation requirements)
 - **Authority:** specifically defines the level of authority the Committee has in regard to taking actions that affect the institution (e.g., recommendations-only or final decision-making) and what needs to be reported to vs. approved by the full Board
 - **Decision Rights & Responsibilities:** defines the primary areas of responsibility and parties' role in specific decisions; includes the rights of others outside the Committee (e.g., President, HR, etc.)
 - **Meeting Procedures:** defines the frequency of meetings and their length, agenda setting, participation expectations, and approved modes of meeting (e.g., via conference call or in-person)

Attachment A

Decision Rights and Responsibilities

- Clearly defining the roles and responsibilities of the Board of Trustees, the Compensation Committee and that of management is a cornerstone of effective compensation governance
- Delineating these roles centers around the responsibility for decision making between management and the Board and includes a description of the level of involvement required by both parties. Taken together, this separation of responsibilities facilitates effective and efficient decision-making and helps to ensure accountability by clearly defining expectations for all involved in the process
- Using a Decision Responsibility Matrix, stakeholders are assigned the following levels of responsibility for each task:
 - **Initiate:** Begin execution of item
 - **Consult/Contribute:** Provide input into item; advance/present opinions, facts, etc.
 - **Recommend:** Suggest and propose the preferred approach
 - **Approve:** Confirm and sanction final decisions
 - **Inform:** Keep stakeholder up-to-date on progress
 - **Manage:** Administer the execution; oversee progress; regulate as needed

Attachment A

Illustrative Decision Rights and Responsibilities

Using a Decision Responsibility Matrix, stakeholders are assigned levels of responsibility for each task

SAMPLE DECISION RESPONSIBILITY MATRIX

Action	Board of Trustees	Compensation Committee	President	HR	Finance	Legal
Set/change executive compensation philosophy	Approve	Initiate/Recommend	Consult	Manage/Consult	Consult	Consult
Conduct annual executive pay study	Inform	Approve	Consult	Initiate/Manage	Inform	Inform
Presidential evaluation	Inform	Initiate/Manage/Approve	Consult	Inform	N/A	Inform
Presidential compensation/contract	Approve	Initiate/Manage	Consult	Consult	N/A	Inform
Institution-wide merit budget	Approve	Recommend	Recommend	Initiate/Manage	Consult	Inform
Talent review/compensation for key executives	Inform	Approve	Initiate/Recommend	Consult	N/A	Inform
Succession planning: President	Approve/Review	Initiate/Manage/Recommend	N/A	Consult	N/A	Inform
Succession planning: Executives	Inform	Approve	Recommend	Initiate/Manage	N/A	Consult
Establish/change executive contracts or renewals	Inform	Approve	Recommend (for direct reports)	Initiate/Recommend	N/A	Manage/Consult/Recommend
Changes to executive pay designs, benefits, perquisites, and deferred compensation	Approve	Initiate/Recommend	Recommend/Consult	Initiate/Manage	Consult	Consult

Attachment A

Annual Committee Calendar Components

- **Committee Meetings:** 2 – 4 times per year; frequently scheduled 24 months in advance and mostly coincide with regular Board meetings
- **Standing Agendas:** Developed by the Chair of the Committee; agenda items generally align with the institution's administrative business and Human Resources calendar (i.e., meetings scheduled when key decisions are needed and data is available). Ad hoc topics added for each meeting
- **Format/Attendance:** President, and often other management, attends. Meetings include an executive session to discuss confidential information; counsel or secretary present to document minutes and decisions made
- **Agenda Topics:**
 - Typical standing agenda items:
 - Review of executive pay competitiveness
 - Presidential evaluation and compensation
 - Review and recommendation of institution-wide merit budget
 - Talent review and approval of compensation for key executives
 - Succession planning
 - Typical ad hoc agenda items:
 - Approval of new executive hires and/or pay arrangements, contracts, or renewals
 - Review and approval of any changes to executive incentive designs, benefits, perquisites, and deferred compensation
 - Regulatory updates and reports from internal/external counsel

Attachment A

Illustrative Tally Sheet

EXAMPLE OF MULTI-YEAR TALLY SHEET FOR A SINGLE EXECUTIVE

	2010	2011	2012	2013
Base Salary	\$310,000	\$325,000	\$330,000	\$335,000
Bonus and Incentive				
• Performance-Based	10,000	50,000	—	25,000
• Discretionary	—	—	25,000	—
• Retention	50,000	—	—	—
Other Taxable Cash Compensation				
• Car/Car Allowance	10,000	10,000	12,000	12,000
• Medical Waiver	5,600	6,000	6,400	6,750
• Sports Tickets	2,000	2,000	2,500	3,000
• Moving & Housing	20,000	—	—	—
• Imputed Life Insurance Premium	560	750	850	975
Total Cash Compensation (TCC)	408,160	393,750	376,750	382,725
Retirement & Deferred Compensation				
• Pension/Retirement Contribution	31,000	32,500	33,000	33,500
• Deferred Compensation – Set Aside	25,000	25,000	25,000	25,000
• Deferred Compensation – Paid	—	—	—	—
Non-taxable Benefits				
• Employer Provided Benefits including Health, Dental, Life Ins	15,650	17,550	19,675	21,675
• Housing	36,000	36,000	40,000	40,000
• Club Membership	10,000	10,000	10,000	10,000
• Tuition Remission	—	—	—	12,500
Total Remuneration (TR)	525,810	514,800	504,425	525,400

Committees are increasingly using Tally Sheets to help inform decision making.

Attachment A

Illustrative Termination Scenarios

	Severance Benefits in Connection with a			
	Retirement	Voluntary Termination	Not for Cause Termination	For Cause Termination
1. Cash Severance Benefit	N/A	N/A	\$400,000	N/A
2. Vacation Pay	\$50,000	\$50,000	50,000	N/A
3. Benefit Continuation	36,400	N/A	18,200	N/A
4. Deferred Compensation Payout	800,000	800,000	800,000	\$800,000
5. Short-Term Incentive Awards	N/A	N/A	N/A	N/A
6. Retirement Plan Benefits	2,500,000	2,500,000	2,500,000	2,500,000
7. Cash Value of Life Insurance Policy	250,000	250,000	250,000	250,000
8. Consulting Fees	50,000	N/A	N/A	N/A
9. Use of Facilities (e.g., office, gymnasium)	15,000	N/A	N/A	N/A
10. Relocation Payments	25,000	N/A	N/A	N/A
11. Sabbatical Payments	400,000	N/A	N/A	N/A
12. Other Perquisites (i.e., tickets, club membership, etc.)	15,000	N/A	N/A	N/A
13. Tax Gross-Up For Imputed Value	50,000	N/A	50,000	N/A
Total Value of Payments	4,191,400	3,600,000	4,068,200	3,550,000

Termination scenarios are typically run using the terms of the contract. They are reviewed with legal counsel and shared with the Board and the executives on a regular basis. This is done for President and President's direct reports, plus any high profile athletics coaches.

Attachment A

1. Market Assessment Results
2. Executive Compensation Practices and Governance in Higher Education

3. Appendix

- **Comparison Group Details**
- **Pay Mix Details**
- **Perquisite Details**

Appendix 1: Institutions Included in Market Assessment Comparison Groups

Comparison Peer Group	Aspirational Peer Group	State University System of Florida (SUS)
<ul style="list-style-type: none"> • Georgia State University • Kent State University • Portland State University • San Diego State University • University of Akron • University of Delaware • University of Houston • University of New Mexico • University of North Carolina at Charlotte • University of Texas at Arlington • Virginia Commonwealth University 	<ul style="list-style-type: none"> • Arizona State University • Auburn University • North Carolina State University • Oregon State University • University of Cincinnati • University of Colorado at Boulder • University of Nebraska at Lincoln • University of South Carolina at Columbia 	<ul style="list-style-type: none"> • Florida Agricultural and Mechanical University • Florida Atlantic University¹ • Florida Gulf Coast University • Florida International University¹ • Florida Polytechnic University • Florida State University • New College of Florida • University of Central Florida • University of Florida • University of North Florida • University of South Florida¹ • University of West Florida

¹ These SUS institutions are also part of the Comparison Peer Group but are being reported along with the other SUS institutions as the data sources, and thus compensation components, differ.

Attachment A

Appendix 2: Pay Mix Details

PAY MIX DETAIL: CASH VS. NON-CASH COMPENSATION

Institution	Cash Compensation		Non-Cash Compensation		
	Base Salary	Bonus & Incentive Compensation	Other Compensation	Retirement & Deferred Compensation	Non-Taxable Benefits
Comparison Peers¹					
Georgia State University	50%	0%	0%	49%	1%
Kent State University	67%	11%	0%	18%	4%
Portland State University	67%	0%	1%	29%	4%
San Diego State University	81%	0%	0%	13%	6%
University of Akron	82%	0%	0%	15%	4%
University of Delaware	81%	0%	7%	8%	3%
University of Houston	65%	14%	0%	20%	0%
University of New Mexico	78%	0%	0%	22%	0%
University of North Carolina at Charlotte	74%	0%	5%	12%	9%
University of Texas at Arlington	82%	13%	0%	4%	2%
Virginia Commonwealth University	66%	6%	0%	28%	0%
Comparison Peers Average (n=11)	72%	4%	1%	20%	3%
Aspirational Peers¹					
Arizona State University	50%	9%	33%	8%	1%
Auburn University	65%	0%	0%	34%	1%
North Carolina State University	70%	24%	0%	5%	1%
Oregon State University	70%	0%	0%	28%	2%
University of Cincinnati	70%	0%	0%	4%	26%
University of Colorado at Boulder	97%	0%	0%	0%	3%
University of Nebraska at Lincoln	95%	0%	0%	5%	0%
University of South Carolina at Columbia	72%	11%	0%	17%	0%
Aspirational Peers Average (n=8)	74%	5%	4%	13%	4%

¹ Data may not add up to 100% due to rounding.

Attachment A

Appendix 3: Perquisite Details

PREVALENCE OF PERQUISITES

Institution	Housing Allowance or Residence for Personal Use	Automobile Provided or Allowance	Personal Services	Health or Social Club Dues or Initiation Fees
Comparison Peers¹				
Georgia State University	✓	✓		
Kent State University	✓	✓		✓
Portland State University	✓	✓		
San Diego State University	✓	✓		
University of Akron	✓	✓		✓
University of Delaware			✓	
University of Houston	✓	✓		✓
University of New Mexico	✓	✓		
University of North Carolina at Charlotte	✓	✓		✓
University of Texas at Arlington				
Virginia Commonwealth University	✓	✓	✓	
Comparison Peers Perquisite Prevalence (n=11)	82%	82%	18%	36%
Aspirational Peer¹				
Arizona State University	✓	✓		✓
Auburn University	✓	✓		
North Carolina State University		✓		
Oregon State University	✓	✓		✓
University of Cincinnati		✓		✓
University of Colorado at Boulder	✓			
University of Nebraska at Lincoln	✓	✓		✓
University of South Carolina at Columbia	✓	✓		✓
Aspirational Peers Perquisite Prevalence (n=8)	75%	88%	0%	63%

¹ Perquisite prevalence was gathered from The Chronicle of Higher Education Executive Compensation database.

ITEM: CLC-2

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

SUBJECT: Article 3: UFF Privileges and Article 23: Salaries of the Collective Bargaining Agreement with the United Faculty of Florida

DATE: January 18, 2018

PROPOSED COMMITTEE ACTION

Recommend ratification of the reopened articles of the Collective Bargaining Agreement between the University of Central Florida Board of Trustees and the United Faculty of Florida.

BACKGROUND INFORMATION

A three-year Collective Bargaining Agreement was negotiated between the University of Central Florida Board of Trustees and United Faculty of Florida for the period 2015-18. Pursuant to Article 30: Amendment and Duration of that agreement, in November 2017, the parties began renegotiations for the agreement term September 1, 2017 through August 31, 2018. In those negotiations, the parties were able to reach agreement on January 10, 2018.

The Collective Bargaining Committee appointed to represent the University of Central Florida Board of Trustees recommends the approval of Article 3: UFF Privileges and Article 23: Salaries.

Supporting documentation:

Attachment A: Article 3: UFF Privileges

Attachment B: Article 23: Salaries

Prepared by: Maureen Binder, Associate Vice President and Chief Human Resources Officer

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

2018-01-03

Attachment A
Article 3 [2017-18]

BOT Proposal #3

ARTICLE 3 [2017-2018]
[supersedes earlier versions, including 2015-2018 and 2016-17]
UFF PRIVILEGES

3.1 Use of Facilities and Services. Subject to the rules and policies of the University, the UFF shall have the right to use University facilities for meetings and to use all other services of the University on the same basis as they are generally available to University-related groups and organizations. For purposes of this Agreement, University-related groups and organizations are groups that are directly related to University operations or the University community and that may or may not receive budgetary support. Examples of such groups include student organizations, honor societies, fraternities, sororities, alumni associations, faculty committees, and direct support organizations.

3.2 Communications.

(a) ~~The~~ UFF may post bulletins and notices relevant to its position as the collective bargaining agent on at least one bulletin board per building where employees have offices. Specific locations within a building shall be mutually selected by the University and the local UFF Chapter. All materials placed on the designated bulletin boards shall bear the date of posting and may be removed by the University after having been posted for ~~a period of~~ sixty days. In addition, such bulletin boards may not be used for election campaigns for public office.

(b) The University ~~will~~shall place a link to the local UFF Chapter web-site at www.collectivebargaining.ucf.edu.

3.3 Leave of Absence -- Union Activity.

(a) At the written request of the UFF, provided no later than May 1 of the ~~year prior to the beginning of the preceding~~ academic year when such leave is to become effective, a full-time or part-time unpaid leave of absence for the academic year shall be granted to up to two employees designated by the UFF for the purpose of carrying out UFF's obligations in representing employees and administering this Agreement, including lobbying and other political representation. Such leave may also be granted to one employee for the entire summer term, upon written request by the UFF provided no later than March 15 of the preceding academic year. Upon the failure of the UFF to provide the University with a list of designees by the specified deadlines, the University may refuse to honor any ~~of the late~~ requests ~~which were submitted late~~.

(b) No more than two employees from any college/unit, nor more than one employee per fifteen employees per department/unit, shall be granted such leave at any one time.

(c) The UFF shall reimburse the University for the employee's fringe benefits.

(d) Employees on leave under this paragraph shall be eligible to receive salary increases in accordance with the provisions of Article 17.

(e) An employee who has been granted leave under this Article for four consecutive academic years shall not again be eligible for such leave until one academic year has elapsed following the end of the leave. One employee, designated by the UFF, shall be exempt from the provisions of this subsection. Other exceptions may be granted at the discretion of the University upon prior written request by the UFF.

(f) The University shall not be liable for the acts or omissions of said employees during the leave and the UFF shall hold the University harmless for any such acts or omissions, including the cost of defending against such claims.

(g) An employee on such leave shall not be evaluated for this activity nor shall such activity be considered by the University in making personnel decisions.

3.4 Released Time.

2018-01-03

Attachment A
Article 3 [2017-18]

BOT Proposal #3

(a) The University agrees to provide released time each calendar year to full-time employees designated by the UFF for the purpose of carrying out the UFF's obligations in collective bargaining negotiations, contract enforcement and grievance representation. The Parties ~~wi~~shall take coordinated action to facilitate an adequate and mutually convenient bargaining schedule. A maximum of five units of released time shall be granted during each spring and fall semester and four units in each summer session. The UFF may designate employees to receive released time during the year subject to the following conditions:

(1) A maximum of three released time units per semester shall be granted to employees in any one college.

(2) The UFF shall provide the University with a list of designees for the academic year no later than May 1 of the preceding academic year. Substitutions for the spring semester shall be made upon written notification submitted by the UFF to the University no later than November 1. A list of designees for the summer shall be submitted no later than April 15 preceding that summer.

(3) Released time shall not become part of the status quo.

(4) After ratification of this agreement, two units of released time shall be offered in Spring 2018 to employees that do not have a teaching assignment. Five units of released time shall be offered in Summer 2018, and seven units in Fall 2018.

(b) Each "unit" of released time shall consist of a reduction in teaching load of one course per fall or spring semester for instructional employees or, for non-teaching employees, a reduction in workload of ten hours per week, which shall include a 25% reduction in assigned duties. One unit of released time may be used during the summer term at a rate of 12.5% of the employee's nine-month salary and shall be considered the equivalent of one summer term course's FTE for instructional employees. For non-teaching twelve-month employees, one unit of summer released time shall include a reduction in workload of ten hours per week, which shall include a 25% reduction in assigned duties.

(c) Released time shall be used only by members of UFF's designated collective bargaining team and by the UFF's designated grievance representatives, at the University or state level, and shall not be used for lobbying or other political representation.

(d) Employees who are on leave of any kind shall not be eligible to receive released time.

(e) Upon the failure of the UFF to provide a list of designees by the specified deadlines, the University may refuse to honor any released time requests that were submitted late. Substitutions submitted after the November 1 deadline shall be allowed at the discretion of the University.

(f) An employee who has been granted released time for either or both semesters during four consecutive academic years shall not again be eligible for released time until two academic years have elapsed following the end of the fourth academic year in which such released time was granted.

(1) As an exception to this limitation, three employees designated by the UFF shall be eligible for released time for responsibilities at the UFF state level for one additional year. These employees shall not again be eligible for released time until two academic years have elapsed following the end of the fifth academic year of released time. These employees shall be identified by the UFF no later than May 1 of the preceding academic year; substitutions may be approved by the University at its discretion.

(2) One employee, designated by the UFF, shall be exempt from the released time limitations of Article 3.4(f). Other exceptions may be granted at the discretion of the University upon prior written request by the UFF.

(g) Employees on released time shall be eligible for salary increases on the same basis as other employees. Their released time activities shall not be evaluated and the University shall not use such activity against the employee in making personnel decisions.

(h) Employees on released time shall retain all rights and responsibilities as employees but shall not be considered representatives of the University for any activities undertaken on behalf of the UFF. The UFF agrees to hold the University harmless for any claims arising from such activities, including the cost of defending against such claims.

Attachment B

2018-01-10

Article 23

BOT Proposal #13

ARTICLE 23 ~~[2016-2017-2018]~~*[supersedes earlier versions, including 2015-2018 and 2016-17]*

SALARIES

23.21 Promotion Increases.

(a) Promotion salary increases shall be granted on August 8 following that promotion in an amount equal to 9.0% of the employee's salary as of August 7 in recognition of promotion to one of the ranks listed below:

- (1) To Assistant in _____, and Assistant University Librarian;
- (2) To Associate Professor, Associate Instructor, Associate Lecturer, Associate Scholar/Scientist/Engineer, Associate in _____, Associate Instructional Designer, and Associate University Librarian;

(b) Following ratification of this document, future pPromotion salary increases shall be granted on August 8 following that promotion in an amount equal to 10.0% of the employee's salary as of August 7 in recognition of promotion to one of the ranks listed below:

- (3) To Professor, Senior Instructor, Senior Lecturer, Scholar/Scientist/Engineer, University Librarian, and Senior Instructional Designer.

23.32 Legislatively Mandated Increases.

(a) No legislatively mandated increases were provided in 201617Any legislatively mandated increases shall be implemented as soon as practicable.

23.43 Other Increases.

(a) Across-the Board Salary Increases. Effective March 23, 2018, for the 201617-201718 year, each eligible employee shall receive a one-two and one quarter percent (2.25%) increase to the employee's base salary. This increase will be calculated using the employee's salary as of March 23, 2018. An employee shall be eligible if the employee's most recent annual evaluation, if provided, was Satisfactory or above; the employee was in an employment relationship (not OPS) with the University prior to May 7, 20167; and the employee remains in a continual employment relationship at the date of implementation. Employees employed in 20156-167 that meet the above qualifications and were not evaluated shall be provided with an evaluation for the period and shall be eligible for the increase.

(b) One-time payment. In addition to the across-the board increases taking effect on March 23, 2018, all employees eligible for that increase shall receive a one-time payment of \$1500 on April 13 March 16, 2018, or as soon as practicable thereafter, but no later than April 27, 2018.

(c) Merit Salary Increases. No merit salary increases will be distributed this cycle. Effective December 16, 2016, for the 2016 2017 year, the University shall provide merit salary increases to each department/unit equal to one and one-half percent (1.5%) of the total base salary of employees in the department/unit as of August 12, 2016. All employees who are not members of a department/unit shall be grouped together and treated as a department/unit for the purpose of calculating and providing merit salary increases. Merit salary increases shall be provided to eligible employees in each department/unit who are in an employment relationship with the University prior to May 7, 2016; who remain in an in-unit employment relationship at the date of implementation; and who meet the following criteria and procedures.

(1) Eligibility. For the 2016 2017 year, an employee is eligible under this Section if he or she received an Above Satisfactory or Outstanding on his or her most recent annual evaluation, has had no break in service between May 7, 2016 and the implementation date, and is still employed in unit at the University on the date of BOT ratification.

(2) Distribution. The merit salary increases for eligible employees shall be calculated as a percentage of their base salary. Such increases shall be distributed proportionately to those employees

Attachment B

2018-01-10

Article 23

BOT Proposal #13

whose most recent annual evaluations are ~~Above Satisfactory~~ or ~~Outstanding~~ in a ratio of 1.0 for ~~Above Satisfactory~~ and 1.7 for ~~Outstanding~~.

(d) Equity ~~Salary~~ Increases. Effective ~~December 16, 2016~~ ~~January 26~~ **March 23, 2018**, for the ~~20167-20178~~ year, the University shall provide ~~a one-time equity salary increases to all regular, clinical, research, and non-visiting E&G funded employees as follows. an amount equal to one-fifth of one percent (0.20%) of the total base salary of all E&G employees as of August 12, 2016 pool of up to two hundred and fifty thousand dollars (\$250,000 to all regular, clinical, research, non-visiting employees whose August 12, 20167, 1.0 FTE base salary was less than \$45,000 for those with a Ph.D. or equivalent terminal degree, or less than \$42,000 for all others or whose 12-month salary was less than \$60,000 for those with a Ph.D. or equivalent degree or less than \$56,000 for all others.~~ Equity increases shall be distributed ~~proportionately equal~~ to the difference between the employee's August 11, 20167 salary and the thresholds ~~below~~ **above**. ~~The increase shall be available to employees who were in an employment relationship (not OPS) with the University prior to May 7, 2017; who remain in an in-unit employment relationship at the date of implementation, and that also meet the following eligibility requirements: regular, clinical, research, non-visiting E&G employees whose August 11, 2017 1.0 FTE base salary also meets one of the following qualifications:~~

(1) 9-month salary:

a. is less than \$45,000 and who holds a Ph.D. or equivalent **terminal degree** in a field related to the employee's assignment.

b. is less than \$42,000 for all other employees

(2) 12-month salary:

a. is less than \$60,000 and who holds a Ph.D. or equivalent **terminal degree** in a field related to the employee's assignment.

b. is less than \$56,000 for all other employees

23.54 Annual Incentive Award Programs. Incentive Award Programs recognize and promote employee excellence and productivity that respond to and support the mission of the University of Central Florida, including its strategic initiatives and five key goals. The provost or his or her designee shall give final approval for awards to successful faculty.

Each year, the University shall make available to eligible employees ~~115 +20~~ Incentive Awards. The awards shall be distributed to awardees in the next award cycle after ratification of this document as set forth in Paragraphs (a) through (f) below. Regardless of ~~the~~ contract length (9 months through 12 months), award recipients shall receive a one-time award of \$5,000 as soon as practicable and a \$5,000 increase to their salary effective at the beginning of the succeeding academic year. Employees on visiting and other temporary appointments are not eligible for incentive awards. Employees on non-E&G funding will be eligible for the increase depending on availability of funds.

(a) **UCF-Teaching Incentive Program.** The UCF-Teaching Incentive Program ("UCF-TIP") rewards teaching productivity and excellence. Each academic year the University shall make available up to fifty-five UCF-TIP awards to eligible employees. The UCF-TIP award recognizes ~~faculty employee~~ contributions to UCF's key goals of offering the best undergraduate education available in Florida and achieving international prominence in key programs of graduate study. Employees applying for TIPs must meet current productivity criteria.

(b) **UCF-Research Incentive Award Program.** The UCF-Research Incentive Award ("UCF-RIA") program recognizes outstanding research, scholarly, or creative activity that advances the body of knowledge in a particular field, including interdisciplinary research and collaborations. Each academic year the University shall make available up to fifty-five UCF-RIA awards to eligible employees. The UCF-RIA award recognizes employee contributions to UCF's key goal of achieving international prominence in research and creative activities.

(c) **Scholarship of Teaching and Learning Awards (SoTLs).** SoTLs ~~recognize use~~ recognize discovery, reflection, and using evidence-based methods to research effective teaching and student

Attachment B

2018-01-10

Article 23

BOT Proposal #13

learning. While the implementation of SoTL outcomes ~~can~~ may result in teaching excellence and increased teaching effectiveness, this award recognizes scholarly efforts beyond not teaching excellence ~~but scholarly efforts~~. For academic year 2016-2017, the University shall make available up to ~~ten-five~~ (10 5) SoTL awards. ~~No SoTLs will be available for the 2017-18 award cycle.~~

~~(d) — Eligibility. All full-time, regular employees who meet the applicable criteria shall be eligible for Incentive Award programs in their fifth year of continuous service beginning in the fifth academic year (i.e. every five years).~~

(d) **Applications for Incentive Awards.** ~~Beginning with the 2016-2017 awards, the Office of Faculty Excellence will initiate an electronic application process. Applications shall be completed online. These awards shall be made according to the criteria or procedures listed on the Faculty Excellence website. Any proposed changes to the current criteria shall be provided to the UFF at least 14 days in advance so as to permit UFF to seek consultation with respect to them. A committee will be formed in May 2018 to review and approve relevant criteria and procedures on the Faculty Excellence website for accuracy and compliance with the CBA. The University and the UFF shall have equal representation on this committee, which shall conclude their work no later than August 31, 2018.~~

(e) **Incentive Award Selection.**

(1) TIPs/RIAs. College or unit committees for the TIP and RIA award programs shall be elected by and from the unit employees. The committees shall equitably represent the departments or units within them. Employees who plan to apply for a particular award in the current or immediately following cycle shall not be eligible to serve on the committee. A committee chairperson for each incentive award program shall be elected by and from the college/unit committee. The chairperson shall charge the committee that members shall only consider the merits of the application. No additional outside information or discussion of position, e.g., instructor vs. tenure track ~~employee~~ faculty, past awards, current salary, etc., may be considered, nor may additional criteria be used. The committee shall review the award applications and shall submit a ranked list of recommended employees to the dean or dean's representative. In ranking the applicants, committee members shall only consider the merits of the application. The committee shall not impose any numerical criteria or weightings during the ranking process, and for completed applications, departures from the application specifications may impact but shall not disqualify an application.

(a) Each committee member shall review all applications and transmit a preliminary ranking to the committee chair. Committee members may rank as many applicants as they deem merit the award, with the highest rank given to the top candidate (i.e., the highest rank equals the number of applicants, N), the next highest rank being N-1, and so on. Applications that are not deemed acceptable for an award shall be left unranked.

(b) In larger colleges or units, subcommittees may be formed from the committee at-large in the interest of efficient evaluation of the incentive award applications. Each subcommittee must include at least three members, and every member of the committee at-large must serve on a subcommittee. The applications to be reviewed ~~will~~ shall be equitably partitioned among the subcommittees. The subcommittees ~~will~~ shall follow the ranking procedure outlined above to determine which applications they ~~will~~ recommend to the committee at-large. Then the committee at-large ~~will~~ shall be convened to review the applications recommended by the subcommittees. The members of the committee at-large ~~will~~ shall discuss the subcommittee recommendations and, finally, use the ranking procedure described above to rank the applications recommended by the subcommittees. In the event of ties, the ties ~~will~~ shall be broken as described below.

(c) The committee chair shall convene the committee and review their initial rankings. Discussion shall be limited to information contained in the application and may focus on applicants with a large variance in rankings, to try to identify the cause of and reduce disparate rankings.

(d) Following this discussion, the committee shall use a secret ballot to rank candidates using the procedure stated above in this section.

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(e) A majority of voting committee members present must rank an applicant for that employee to be eligible for an incentive award.

(f) The applicant with the highest mean score ~~will~~shall have the highest priority for an incentive award, the applicant with the next highest mean score the next highest priority, and so on, until all applicants who received a majority of votes are ranked in order.

(g) In the case of a tie vote that must be resolved to allocate available awards, the committee shall vote on just the tied candidates. The candidate with the most votes shall be ranked ahead of those with fewer votes. Voting shall continue using this procedure until all such ties are resolved.

(h) The committee chair ~~will~~shall transmit this ranked list to the dean or dean's representative, or unit head who approves the awards. If the selection committee awards fewer than the number of awards available or if the dean or unit head does not approve an award from the list submitted by the selection committee, then the award(s) shall be retained in the same college or unit for one additional cycle before it is returned to the overall pool for apportionment.

~~(i) If the number of previously awarded (i.e., awarded prior to 2018) but relinquished (e.g., due to retirement or resignation) TIP and RIA awards exceeds fifty after the 2017 award cycle, then the relinquished pre 2018 awards beyond fifty shall be pooled at the university level, along with the new awards for that year, and distributed in proportion to the number of eligible faculty in each college. No Incentive awards issued after ratification of this document that are relinquished shall be eligible for re-issuance (future awards are not pooled for redistribution)~~

(j) For purposes of TIP/RIA selection as stated above, "college" shall also include the group of employees whose primary assignment is in the College of Undergraduate Studies, the College of Graduate Studies, an institute or center. These employees shall be grouped together for purposes of calculating the number of awards available for each award category. The college committee shall consist of a member from each of the units represented.

23.65 Excellence Awards. The University shall implement the merit-based bonuses set forth below to recognize and promote employee excellence and productivity that respond to and support the mission of the University of Central Florida.

(a) Trustee Chair Professorship. The UCF Trustee Chair Professorship is a multi-year appointment awarded to employees with an extraordinary record of accomplishment in the three primary areas of academic endeavor: teaching, research and service. The objective of this appointment is to recognize and celebrate outstanding performance with a title and resources commensurate with accomplishment.

(1) Award recipients shall receive an annual ~~stipend~~budget of \$50,000 funded by the University. Up to \$25,000 can be used as a salary supplement. These chairs have a five-year renewable appointment.

(2) Each academic year, the University shall award up to eight Trustee Chair Professorships.

~~(3) These awards shall be made according to existing criteria and procedures. The eligibility criteria for an applicant is holding the rank of professor; the applicant must be recognized as a "foremost scholar" in his or her chosen area of expertise, meaning known as a preeminent scholar in his or her discipline; and have a positive impact to other scholars at UCF. Applications will be reviewed by a committee consisting of one Trustee Chair, one Pegasus Professor, the Chair of the Faculty Senate, and the Vice Provost for Faculty Excellence. An employee who holds the rank of full professor shall be appointed by the UCF-UFF Chapter President to serve as an ex officio member of the committee, and shall not have a voting role except in the case of breaking any tie votes. The President and Provost or designee will make the final appointment.~~

(b) Pegasus Professor. The Pegasus Professor award recognizes excellence in the three primary areas of academic endeavor: teaching, research and service.

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(1) Award recipients shall receive a one-time payment of \$5,000 from Foundation funds as well as a Pegasus statue.

(2) Each academic year, the University may award Pegasus Professor awards.

(3) ~~These awards shall be made according to existing criteria and procedures. The eligibility criteria for an applicant is having completed five years at the rank of professor at UCF; having achieved excellence in teaching, research and/or creative activity; and demonstrable service and scope of national and international impact. The awards are ultimately determined by the President or designee.~~

(c) Excellence Awards. ~~All full-time employees in the appropriate discipline with at least three years of continuous non-visiting, non-OPS service at UCF immediately prior to the current year are eligible. Employees who have received a college or university excellence award in the past three academic years in the category for which they are applying are not eligible. For some Excellence awards, additional eligibility criteria are specified below. Award recipients shall receive a one-time payment of \$2,000. Each academic year, the University shall award Excellence in Undergraduate Teaching awards, one University Award for Excellence in Undergraduate Teaching, Excellence in Graduate Teaching awards, one University Award for Excellence in Graduate Teaching, two University Awards for Excellence in Faculty Academic Advising, one University Award for Excellence in Professional Academic Advising, Excellence in Research awards, one University Distinguished Research award, two University Awards for Excellence in Professional Service, one Excellence in Librarianship award, one Excellence in English Language Institute Instruction and one Excellence in Instructional Design award.~~

(1) ~~Award recipients shall receive a one-time payment of \$2,000.~~

(2) ~~Excellence in Undergraduate Teaching awards.~~

~~a. Eligibility. Employees must be assigned to teach at least two undergraduate courses in the current academic year and to have taught at least six undergraduate courses over the preceding three academic years.~~

~~b. The criteria for evaluation applicants' files shall include three major categories:~~

~~1. Innovations to improve undergraduate teaching;~~

~~2. Undergraduate teaching accomplishments/honors;~~

~~3. Evidence of impact on undergraduate teaching.~~

(2) ~~Excellence in Graduate Teaching Awards.~~

~~a. Eligibility. Employees must have contributed significantly to graduate education, including substantial teaching of graduate courses (including thesis and dissertation courses) over the current academic year and the three preceding academic years.~~

~~b. The criteria for evaluating applicants' files shall include three major categories:~~

~~1. Innovations to improve graduate teaching;~~

~~2. Graduate Teaching Accomplishments/honors;~~

~~3. Evidence of impact on graduate teaching.~~

(3) ~~Excellence in Research Awards~~

~~a. Eligibility. Employees must have an assignment of at least 0.10 FTE in research over each of the three immediately preceding years and the current year at UCF.~~

~~b. The criteria for evaluating applicants' files shall include three major categories.~~
~~1 cumulative value and impact of research efforts at UCF within the discipline and to society;~~

~~2. Recognition of research impact by the individual's peers in the same or in related disciplines;~~

~~3. Publication/dissemination and presentation of research results.~~

(4) ~~Excellence in Faculty Academic Advising.~~

~~a. Eligibility. All employees who currently advise and who have advised undergraduate students over the preceding three academic years are eligible.~~

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250 b. The criteria for evaluating applicants' files shall include three major
 251 categories:
 252 1. Evidence of extra effort to improve advising;
 253 2. Evidence that students have been sensitively and appropriately
 254 informed and guided concerning career choices and academic opportunities;
 255 3. Evidence that the nominee serves as a role model in the pursuit of
 256 learning.
 257 (5) University Award for Excellence in Professional Academic Advising.
 258 a. Eligibility. Employees who have a current full-time assignment and full-time
 259 experience for the preceding three years at UCF in an academic advising unit within a college, regional
 260 campus, institute, center or the Division of Student Development and Enrollment Services are eligible.
 261 Employees with regular teaching assignments are eligible for other advising awards and are not eligible
 262 for the Professional Academic Advising.
 263 b. The criteria for evaluating applicants' file shall include three major categories:
 264 1. Evidence of success in retaining students;
 265 2. Evidence of guiding students to timely completion of their degrees;
 266 3. Creating a caring and supportive environment, and helping students
 267 realize their potential.
 268 (6) University Awards for Excellence in Professional Service.
 269 a. Eligibility. Employees who are assigned an FTE of 0.10 for professional
 270 service duties over the current year and for each of the three preceding academic years are eligible.
 271 b. The criteria for evaluating applicants' files shall include three major
 272 categories:
 273 1. Evidence of effectiveness in service to the university by highlighting
 274 leadership contributions;
 275 2. Evidence of significant accomplishment in professional organizations
 276 in the nominee's discipline;
 277 3. Evidence of recognition for outreach activities, service, and leadership
 278 contributions to community organizations.
 279 (7) Excellence in Librarianship.
 280 a. Eligibility. Employees who have served at UCF as a librarian on a permanent
 281 line for the current year and at least the three years immediately preceding the current year are eligible.
 282 b. The criteria for evaluating applicant's files shall include two major categories:
 283 1. Evidence of extra effort to improve library services and collections;
 284 2. Evidence of a sustained period of excellence in the library profession.
 285 (8) Excellence in Instructional Design
 286 a. Eligibility. Must be an instructional designer on a non-visiting, non-OPS 12-
 287 month contract at the time of nomination and over the three preceding academic years.
 288 b. The criteria for evaluating applicant's files shall include two major categories:
 289 1. Innovative contributions to UCF and/or the ID field;
 290 2. Evidence of outstanding effort to promote quality of online instruction
 291 and improve relationships with faculty members at UCF.
 292 (9) Excellence in English Language Institute Instruction.
 293 a. Eligibility. Must have a full-time, non-visiting, non-OPS appointment at ELI
 294 for the current academic year and for the three preceding academic years.
 295 b. The criteria for evaluating applicant's files shall include three major
 296 categories:
 297 1. Evidence of innovative contributions to UCF or the ELI field;
 298 2. Evidence of extra effort to improve ELI success;
 299 3. Evidence of a sustained period of excellence in ELI.

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~~Each academic year, the University shall award Excellence in Undergraduate Teaching awards, one University Award for Excellence in Undergraduate Teaching, Excellence in Graduate Teaching awards, one University Award for Excellence in Graduate Teaching, two University Awards for Excellence in Faculty Academic Advising, one University Award for Excellence in Professional Academic Advising, Excellence in Research awards, one University Distinguished Research award, two University Awards for Excellence in Professional Service, one Excellence in Librarianship award, one Excellence in English Language Institute Instruction and one Excellence in Instructional Design award.~~

(3) ~~These awards shall be made according to existing criteria and procedures published by the Office of Faculty Excellence. Recommendations for these awards are made by various committees and are ultimately determined by the president or designee.~~

23.76 Salary Increases for Employees Funded by Contracts and Grants.

(a) Employees on contracts or grants shall receive salary increases equivalent to similar employees on Education and General (E&G) funding, provided that such salary increases are permitted by the terms of the contract or grant and adequate funds are available for this purpose in the contract or grant. In the event such salary increases are not permitted by the terms of the contract or grant, or in the event adequate funds are not provided, the president or president's representative shall seek to have the contract or grant modified to permit or fund such increases.

(b) Nothing contained herein shall prevent employees whose salaries are funded by grant agencies from being allotted raises higher than those provided in this Agreement if such increases are provided by the granting agency.

23.87 Administrative Discretion Increases. ~~On~~From September 1, 201~~7~~6 through August 31, 201~~8~~7, the University may provide Administrative Discretion Increases up to one and one-half percent (1.5%) of the total salary rate of ~~Education and General (E&G)~~ employees who were in an employment relationship with the University on May 7, 201~~7~~6. Any Administrative Discretion Increase provided to contract and grant (C&G) employees, any court-ordered or court-approved salary increase, any prevailing wage adjustment for the purpose of qualifying for immigration status, or any salary increase to settle a legitimate, broad-based employment dispute shall not be subject to the terms and limitations of this Section.

(a) The University may provide Administrative Discretion Increases for verified written offers of outside employment, special achievements, merit, compression and inversion, equity and market equity considerations, and similar special situations to employees in the bargaining unit.

(b) Administrative Discretionary Increases for verified written offers of outside employment shall not contribute to the calculation of the salary rate.

(c) UFF Notification. At least 14 days prior to the effective date of any such increase, the University shall provide to the UFF a written notification of the increase which states the name of the employee, the rank and discipline of the employee, the amount of the increase, and the reason for the increase.

(d) The University's ability to provide Administrative Discretion Increases shall expire August 31, 201~~8~~7, and shall not become part of the status quo.

23.98 Report to Employees. All employees shall receive notice of their salary increases prior to implementation.

23.109 Type of Payment for Assigned Duties.

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(a) Duties and responsibilities assigned by the University to an employee that do not exceed the available established FTE for the position shall be compensated through the payment of salary, not Other Personal Services (OPS) wages.

(b) Duties and responsibilities assigned by the University to an employee that are in addition to the available established FTE for the position shall be compensated through OPS wages, not salary.

23.110 Twelve-Month Payment Option. The parties agree that a twelve-month payment option for 9-month employees shall be offered each year during an annual open enrollment period from April 1 to June 30. If chosen by the employee, this payment option shall become effective for one year starting with the first full pay period beginning after August 8. The plan shall allow for employees to select a fixed savings amount to be deducted from each of the nineteen full bi-weekly paychecks received during the Fall and Spring semesters with a change in that amount to account for those paychecks from which double premiums are deducted. The total savings shall be returned to the employee in equal amounts for the five full bi-weekly paychecks received during the Summer ~~semester~~. The University shall provide an online calculator ~~and assistance as reasonable, taking into account time and resources,~~ to assist the employee in determining a savings amount and fixed reduction amount that will allow the employee's net paychecks to remain approximately ~~constant level across the 24 pay periods~~. Pay received for supplemental summer assignments shall be unaffected by this plan. This pay plan is subject to tax limitations.

23.112 Administrative Salary Stipends. A temporary salary increase that is provided to an employee as compensation for performing a specific, titled administrative function shall be permitted under this agreement as an Administrative Salary Stipend. At least 14 days prior to the effective date of any Administrative Salary Stipend, the University shall provide UFF a written notification of the stipend which states the name of the employee, the rank and discipline of the employee, the amount of the stipend, and the reason for the stipend. If all or part of the stipend is later added to the employee's salary, the amount so converted shall be treated as an Administrative Discretion Increase during the year in which the conversion takes place and shall be subject to limitations of that section.

23.123 Salary Rate Calculation and Payment. The biweekly salary rate of employees serving on twelve month (calendar year) appointments shall be calculated by dividing the calendar year salary rate by 26.1 pay periods.

23.13 Compensation currency. The university receives its budget and disburses monies in U.S. dollars.