



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

**Staff Analysis:
University of Central Florida Proposal for a Downtown Campus**

October, 2015

Contents

Project Scope and Purpose	3
Project Operational Costs, Capital Costs, and Revenues.....	4
Project Priority	4
Need and Demand	5
Meeting Enrollments.....	5
Initial Enrollment Projections	6
Appropriateness of Moving Certain Programs	8
Current Provision of Programs at Other Geographic Locations.....	9
Enrollments Associated with Distance Learning.....	9
Internship Availability and Requirements	11
Academic and Research Synergies	12
Appendix I: UCF Geographic Coverage Near Downtown Orlando.....	13

Project Scope and Purpose

The University of Central Florida (UCF) proposal indicates that the Downtown Campus would transform the University's current downtown offerings by strategically relocating academic programs from the main campus. The University maintains that the proposed relocation would create a world-class site for digital media, communication, public service, and health-related programs in an innovative urban environment. UCF's existing Center for Emerging Media would mark the site for the Downtown Campus expansion. The Center for Emerging Media is currently home to UCF's Master's in Interactive Entertainment offered by the Florida Interactive Entertainment Academy. The Academy is cited as the number two ranked video gaming graduate school in North America.

Enhancement of collaboration between UCF and Valencia College is envisioned at the Downtown Campus. The proposal projects that a partnership with Valencia College at the Downtown Campus will enable students to earn a bachelor's degree at approximately \$6,000 less in terms of tuition than the State University System (SUS) average tuition.

The proposal anticipates that moving programs to a Downtown Campus would free up needed space on UCF's main campus. This forecast, however, is predicated on meeting enrollment projections, and the subject of accurate enrollment estimates is addressed later in this staff analysis.

The proposal indicates that Downtown Orlando has more than 74,000 jobs and this provides potential opportunities for students and graduates. If this estimate of jobs is accurate, it is not clear whether these are all *unfilled* jobs and whether these are jobs that would be targeted toward graduates from the Downtown campus programs.

The UCF proposal indicates that the Downtown Campus would provide greater opportunity for degree attainment in a historically underserved area. UCF indicates that degree attainment in downtown Orlando is lower than the averages of the surrounding area and that, while downtown Orlando matches national degree production figures, degree attainment in the specific area associated with the Downtown Campus site lags behind the county and the city surrounding it.

Regarding the question of purpose, the Board of Governors should consider the primary question of whether the overall project is a response to an unmet demand for postsecondary education, economic development, or both. Regarding the question of scope, UCF's downtown Center for Emerging Media appears to be currently under-utilized. If this is the case, the Board of Governors should consider whether building more infrastructure downtown is desirable.

Project Operational Costs, Capital Costs, and Revenues

First year operational costs are estimated to be \$44,456,804. These dollars would be comprised of Education and General funding (\$34,928,143) and Contracts and Auxiliary funding (\$9,528,661). Year One revenues are projected to total \$45,059,159.

Approximately 62% of Year One revenue dollars would be associated with tuition, tuition differential, and out-of-state student tuition fees. This is why it is imperative that enrollment projections are met. The Downtown Campus is estimated to have \$602,532, or 2%, operating net revenues over net expenses in Year One. This trend is also true for Years Two through Five, with net revenues over net expenses of 3% for each of those years.

Capital costs totaling \$60M would be associated with the addition of one new academic building. One third of these dollars, \$20M, would require approval of PECO funding by the Board of Governors, the Florida Legislature, and the Governor. Additional unspecified costs would be associated with renovation of the Center for Emerging Media facility. UCF indicated to Board staff that it does not plan to ask for additional funds related to the Downtown Campus in the 5-year planning horizon. If the project proves to be successful, however, additional capital costs may surface beyond that time period.

A second third of the \$60M would be associated with funds provided by UCF. The proposal does not provide specific information as to the source of these funds. The final third of the necessary funding would be sought from private sources, such as donations.

Ancillary development would include housing, parking, and a new combined heat and power plant. A new UCF housing facility consisting of 300 beds is estimated to cost \$20M. A new parking facility and heat and power plant is estimated to cost \$15M. Construction of these facilities would require bonding authority. Other Downtown Campus infrastructure costs include shuttle service to the main campus, safety and security costs, telecommunications resources for the Downtown Campus, and library services costs.

Project Priority

The priority of the UCF Downtown Campus as compared to other System priorities should be a consideration for the Board of Governors. The State University System is in the process of building out a 12th university. It is understood from Florida Polytechnic University leadership that future capital and operational investments will be inevitable. Given the criticality of success for Florida Polytechnic as an SUS priority, and given finite resources, the Board of Governors should consider the extent to which the UCF Downtown Campus can be considered as a System priority. Other priorities of longstanding include Florida State University's Earth Ocean Atmospheric Sciences

Building, the University of Florida's remodeling of Norman Hall, Florida Atlantic University's renovation and addition to the Jupiter Research Building, Florida International University's satellite chiller plant expansion, and the University of West Florida's Laboratory Sciences Annex.

Need and Demand

The proposal states that the programs to be relocated to the Downtown Campus will build on downtown Orlando's creative technology economy, as well as its growing health care sector, where greater than average job growth is projected to transpire through 2022, according to industry and U.S. Department of Labor projections. UCF indicates that the programs proposed for relocation have experienced growth exceeding nearly 22%.

The proposal states that employment demand is strong and growing fast in Orlando, which was recently ranked by *Forbes'* magazine as one of the nation's best cities for future job growth. In particular, UCF cites the growth in demand for graduates in health informatics, and digital media. UCF indicates that five of the fields that map to the degree programs proposed for relocation to the Downtown Campus are included on the 2014-15 Regional Demand Occupations List for Lake, Orange, Osceola, Seminole, and Sumter counties.

Meeting Enrollments

The proposal is enthusiastic with regard to meeting estimated enrollments. The Board of Governors should be clear as to the Memorandum of Understanding between the City of Orlando and UCF containing a statement that all deeds for transfer of the property shall contain a reversion clause requiring, in part, that the Downtown Campus serve a minimum number of students, to be agreed upon by both parties. It is unclear if this minimum number of students has been set, or how it relates to the UCF Year One 5,395 students projected in the proposal.

Realizing enrollments entails a complex interplay between (1) the initial accuracy of enrollment projections, (2) considerations as to which programs would be most appropriate to relocate, (3) choice of programs to move downtown that are currently being offered at regional campuses, (4) the choice of programs to move downtown that are currently being offered wholly or in part online, and (5) realistic prospects for internships in general, as well as specifically for those programs that require an internship as part of program requirements. The Board of Governors should carefully consider the interplay among these considerations, and, therefore, each is articulated in the sections below.

Initial Enrollment Projections

The proposal indicates that the completion of the Downtown Campus would allow the UCF Campus to reach a Year One critical mass of more than 7,500 students, 5,395 of whom would be UCF students and 2,303 of whom would be Valencia College students enrolled at the lower level. Table One below provides the proposal’s estimates of UCF headcount and FTE enrollments for Years One and Five. The Table breaks out these projections by undergraduate and graduate offerings. In this table, projections are in the aggregate as opposed to being broken out by individual programs.

Table One: Years One and Five Projected UCF Downtown Campus Enrollment			
		HEADCOUNT	FTE
Undergraduate	Year 1	4,512	3,288
	Year 5	4,885	3,560
Graduate	Year 1	883	505
	Year 5	955	546

Source: UCF Downtown Campus Proposal

Table Two below provides more specificity as to enrollment projections. Here, the projections are broken out by individual programs. Year One headcount and FTE projections are provided for each proposed academic offering, as well as the percentages of the whole that each represents.

Table Two: Degree Programs Proposed for Movement, Year One Headcount and FTE Estimates, And Percentages of the Whole				
Program	HDCT	FTE	% HDCT	% FTE
B Human Communication	850	858	16%	23%
B Legal Studies	755	445	14%	12%
B Social Work	384	222	7%	6%
B Digital Media	884	455	16%	12%
BFA Emerging Media; Character Animation	45	23	1%	1%
B Health Services Administration	1,445	1,165	27%	31%
B Health Informatics and Information Management	149	120	3%	3%
M Communication	60	22	1%	1%
M Social Work	303	254	6%	7%
M Digital Media and Interactive Entertainment	128	67	2%	2%
M Health Sciences	298	124	5%	3%
M Health Care Informatics	82	34	2%	1%

Graduate Certificate: Corporate Communication	12	3	0%	0%
Graduate Certificate: Military Social Work	0	0	0%	0%
Total	5,395	3,792	100%	100%
<i>Source: UCF Downtown Campus Proposal (Percentages may not add to 100% due to rounding.)</i>				

The Board of Governors should be concerned that enrollments at the UCF Downtown location may be optimistic, because they appear to be based on past enrollments at the six digit Classification of Instructional Program (CIP) Code level. Certain of these enrollments are associated with programs that represent a single major embedded in other majors under the same CIP code that do not appear to be moving downtown. As one example, The Bachelor of Arts in Human Communication is a track under CIP 09.0101, along with Advertising/Public Relations, and Communication and Conflict. Enrollment projections for the Bachelor of Arts in Human Communication at the Downtown Campus appear to be based on all three majors under the same CIP code, rather than just the one. Therefore, the enrollment projection for Human Communication risks being over-estimated.

Table Three below provides a comparison between 2014-15 non-distance learning enrollments on the UCF Main Campus and Year One Downtown Campus enrollment projections for these programs. The difference between Downtown Campus enrollment projections and actual UCF main campus enrollments for these same programs is 2,009.

Table Three: Comparison of 2014-15 Non-Distance Learning Enrollments On the UCF Main Campus And Year One Downtown Campus Enrollment Projections		
Program	2014-15 Non-Distance Learning Enrollments on UCF Main Campus	Year One Downtown Campus Enrollment Projections
B Human Communication	522	850
B Legal Studies	404	755
B Social Work	344	384
B Digital Media	719	884
B Emerging Media; Character Animation	493	45

B Health Services Administration	189	1,445
B Health Informatics and Information Management	20	149
M Communication	83	60
M Social Work	234	303
M Digital Media; Interactive Entertainment	119 (at Downtown CEM)	128
M Health Sciences	247	298
M Health Informatics and Information Management	0	82
Total	3,374	5,383

Sources: Board staff analysis. State University Data System as of 10/27/2015; UCF Downtown Campus Proposal

Note: Enrollments for the individual campuses and distance learning were calculated by identifying students who took 75% of their courses at one campus or through distance learning during the 2014-2015 academic year.

Appropriateness of Moving Certain Programs

With regard to the appropriateness of moving certain of the programs to the Downtown Campus, two of the academic programs – Health Services Administration and Health Informatics and Information Management – would account for 35% of the undergraduate headcount enrollment in Year One. The Board of Governors may wish to question the proposed movement of the Healthcare Administration and the Health Informatics and Information Management programs to the Downtown Campus, since those programs align well with business programs at UCF’s main campus or, alternately, with programs associated with the Medical City at Lake Nona.

The Board of Governors may also have concerns with regard to the proposed movement of other academic offerings. For example, the Bachelor of Arts in Digital Media has two tracks: Game Design and Web Design. Game Design fits well with other offerings at the Center for Emerging Media Downtown; however, this may be less so in the case of Web Design, which may be a better fit with computer science and information technology programs on the main campus. Furthermore, if only one of the tracks would be moved to the Downtown Campus, the enrollment split between the two majors would affect the enrollment projections at the downtown site.

Current Provision of Programs at Other Geographic Locations

The map in Appendix I shows UCF’s educational sites and geographic coverage within five (5) to (15) miles of downtown Orlando. Certain of the programs proposed for movement to the Downtown Campus are also offered at some of these regional joint-use campuses. It may not be realistic to expect that students in these programs on the joint-use campuses will migrate to a Downtown Campus. An additional question is whether projected enrollments for downtown have been adjusted to account for any place-bound regional enrollments. In addition, it is unclear whether there is excess capacity that could be utilized at any of the regional joint-use sites.

Table Four below provides information as to the current locations of certain of the programs proposed for movement to the Downtown Campus. A point of particular relevance is that the Bachelor’s in Health Services Administration is projected to account for 32% of the Year One undergraduate enrollment at the Downtown Campus.

Human Communication	Offered at 5 regional campuses and also one of three majors
Legal Studies	Offered at 5 regional campuses
BFA Character Animation	Currently offered at the Center for Emerging Media, but one of 3 majors
B Health Services Administration	Also offered online
B.A. Digital Media	Not clear if both majors are moving Downtown
Master’s in Social Work	Offered as evening part-time courses and also offered online
Professional Science Master’s in Healthcare Informatics	Entirely online and also a market tuition rate program

Source: Board staff review of UCF website.

Enrollments Associated with Distance Learning

Several of the programs targeted for the Downtown Campus currently include at least one major online component. Therefore, the Board of Governors should question whether enrollments of these programs will fully materialize on the Downtown Campus. Table Four below provides information with regard to certain of the programs proposed for movement to the Downtown Campus that have at least a major online component or are even offered entirely online.

It is important to note that the Bachelor’s program in Health Services Administration, proposed for movement to the Downtown Campus, is offered 100% online, and that this program is projected to constitute 32% of the Year One face-to-face undergraduate enrollment on the Downtown Campus. The Master’s of Social Work is currently offered

as a part-time evening program for working professionals and also available online. This program is projected to account for 303, or 34%, of the Year One headcount enrollment at the graduate level.

Table Five: UCF Programs and Comments as to Online Presence			
UCF Programs			Comments
9.0101	B	Human Communication	One major (Communication and Conflict) is offered 100% online. One major (Human Communication) is offered primarily online, with 80-99% of the courses offered online, but the major has a campus presence requirement.
51.0701	B	Health Services Administration	One major (Health Services Administration) is offered 100% online.
44.0701	M	Social Work	One major (Social Work) is offered 100% online.
51.0000	M	Health Sciences	One major (Health Sciences - Executive Health Services Administration) is offered 100% online.
51.0706	M	Healthcare Informatics	One major (Health Care Informatics) is offered 100% online.
<i>*Source: Board staff analysis. SUS Distance Learning Programs Data Request - September 2015.</i>			

Table Six below identifies programs proposed for relocation to the UCF Downtown Campus and their 2014-15 distance learning enrollments. It may not be realistic to assume that these distance learning enrollments will move to the Downtown Campus.

Table Six: Programs Proposed for Relocation to Downtown Campus And Their 2014-15 Distance Learning Enrollments	
Programs Proposed for Relocation to Downtown Campus	2014-15 Distance Learning Enrollments
B Human Communications	100
B Legal Studies	130
B Social Work	27
B Digital Media	25
B Emerging Media; Character Animation	17
B Health Services Administration	1,068

B Health Informatics and Information Management	41
M Communication	21
M Social Work	1
M Digital Media; Interactive Entertainment	63
M Health Care Informatics	0
Total Distance Learning Enrollments	1,571

Source: State University Data System as of 10/27/2015

Enrollments for the individual campuses and distance learning were calculated by identifying students who took 75% of their courses at one campus or through distance learning during the 2014-2015 academic year.

Internship Availability and Requirements

The relation between enrollment expectations and provision of internships is highly relevant. However, the Board of Governors should question the extent to which proximity to businesses and organizations in downtown Orlando will provide an appreciable internship benefit to the large majority of these students.

The proposal argues that a Downtown Campus will connect students with diverse businesses, government entities, and nonprofits. The proposal contains letters of support that reference internships, and the proposal indicates that approximately 100 downtown and nearby organizations have expressed interest in working with UCF students and faculty. While internships are referenced in the letters of support, quantification of internships is not provided. Historically, and in most disciplines, the opportunity for internships is made available a few at a time. It is, therefore, relevant to question the opportunity for internships associated with the Downtown Campus on anything like a major scale.

A field internship is a graduation requirement for four programs that would be located on the new campus, and students in these programs are routinely placed in internships throughout Florida. The Bachelor of Science in Health Administration and the Bachelor of Science in Health Informatics and Management program websites provide a list of possible internship sites scattered across Florida, which include sites in Miami, Tampa, St. Petersburg, Bradenton, Jacksonville, Winter Park, St. Augustine, Altamonte Springs, West Palm Beach, and Deland as well as in Orlando. As noted above, these programs are associated with a large portion of the expected Downtown Campus enrollment. Similarly, the Bachelor of Science in Social Work requires a field internship for graduation, and this program is projected to constitute 384 headcount students at the

Downtown Campus in Year One. The Master's of Social Work also requires a field clinical/internship. This program is projected to account for 303 headcount students in Year One.

Academic and Research Synergies

It has long been understood that interdisciplinary connections across academic disciplines create value-added synergies of teaching and research for both faculty and students. The UCF proposal argues that such synergies will be maintained even with the movement of certain programs to the Downtown Campus. History has demonstrated, however, that proximity is a key to collaboration; indeed, it has been the argument for the construction of several SUS facilities. Absence of proximity has been demonstrated to reduce interdisciplinary collaboration, and the Board of Governors should ask whether collaboration can be sustained over time.

Appendix I: UCF Geographic Coverage Near Downtown Orlando

