Executive Committee Meeting Minutes
May 7, 2014

Attendance: Margaret Valentine - Chair, Peter Alpaugh, Chris Habel, Bill Neyer, Nick Vehr, Michael Fox, Julie Heath and Lorrie Penner

I. Welcome
Margaret Valentine opened the meeting

II. Scorecard
Julie Heath reviewed the 2014 Third Quarter Scorecard beginning with an overview of the Center’s programs.

Education Programs:

1. StEp – The Center has a waiting list of 6-8 schools for this program. The reason for the wait is the schools in question either do not have their own funding to participate or the Center cannot provide enough human resources to accommodate them.
   The goal for FY2014 was to have a presence in 31 schools and 15 schools for stores.
   That goal was exceeded with 32 schools participating and 18 with school stores in grades 3-5.
   The program touches 2,750 students and currently has 14 business partners.
   A great stepping stone to involve educators has been the Money Savvy Kids Program, which is a Professional Development course introducing educators to financial education materials to take back to their classrooms. During this course, the Center introduces all of the other program offerings, which will lead some educators to request StEp for their class.

2. TL2 - now in its second year of the tuition model (students in this program pay $330 for UC credit and $150 program fee) the Center has had to turn away 25 applicants.
   The program has a capacity of 40 students for the 3 week summer session.
   In the past, the Center offered the course for free with an application fee of $50 and lost money. This trend has been reversed with the tuition model and the buzz that has been created since only high achieving students are accepted into the program.
   In the future, when staff capacity is increased the Center will look at running two session in the summer instead of one.

3. SMG – even with the loss of the Columbus Dispatch funding ($20,000), the Center managed to get within $6000 of the goal for the program. Year-long game participation is up.

4. Professional Development – number of participating educators in the program declined to 227 which also contributed to the decline in number of graduate credits
sold. The major factor in the decrease is twofold – 1. Termination of the PD Director and 2. In the middle of changing accounting process due to the UC change to a different format for payment to the Center of credit revenue. The Center is striving to turn PD around to become more profitable through sponsored PD and move away from relying on the credits revenue. This year specific PD support was sought and received from Fidelity, PNC, State Farm and Fifth Third Bank.

5. **Alpaugh Scholars** – Great year for the program with 19 teachers and 19 administrators participating from 28 public schools and 11 from Archdiocese schools. Total of 38 teachers surpassed the goal of 30 participants. Special thanks to Adrijana Kowatsch for guiding the program after the PD Director left.

**Research:**
Consistent Client satisfaction – received a rating of 4.7 out of 5 from surveyed clients. The blog continues its success since its launch and continued sponsorship from Cincinnati Commercial Contracting.

**Communications and Marketing:**
Positive feedback and traffic continue since the new website launch.
The Social Media plan has been implemented with increased activity;
Facebook Fans +130%  Twitter Followers +46%
Referrals to site +117%  Referrals to site +4%
Jaclyn Smith, Director of Marketing/Communications has been very focused on getting media to cover Center events and has completed a Marketing Plan; which included coverage by Fox19 for the Personal Finance Challenge Quiz Bowl, Channel 5 coverage of Financial Literacy Day and a Business Watch with Director of Research Michael Jones.

### III. Finance Sub Committee Report
Michael Fox presented a report from the Finance Subcommitte to the Executive Committee members. The Finance Subcommitte consists of Michael Fox-Treasurer, Howie Taragano – chair of the Finance Committee, Sean McGrory, Sue Heilmayer – Center Accountant, Julie Heath – Director and Adrijana Kowatsch—COO.

The report included the Balance Sheet as of March 31, 2014 and the Cash Flow Schedule to 06/30/2014. Mike commented that both had not changed significantly since the Executive Committee last met in April and directed the committee members attention to the Profit Loss Budget vs. Actual side by side with the FY2015 Budget.

**Profit Loss Budget vs. Actual** – Mike started with the Revenue FY2015 Budget to explain how some of the numbers were determined. Unlike the process in the past, the Finance Committee invited Directors
for each line of business to a special Finance Sub Committee meeting to talk about what were reasonable goals for FY2015.

**Contract Research** - Director of Research Michael Jones was invited to discuss the cost structure of running Research. After looking at the direct labor costs and other incidental factors a base number of $500,000 was determined as the Center is staffed to do this level of work. An additional $75,000 was added into this budget based on the likelihood of the Center receiving one or two of the nine Straight A grants that are currently pending. The lowest amount of one of these grants would be $140,000 with the highest at $400,000. The $75,000 additional added to the budget is based on getting one grant at $140,000 which would be stretched over a two year period. The Center will know at the end of June if they have been awarded any of these grants. After the announcement date of June 20, the Finance Committee will make an adjustment to the budget. At that time, if a grant is not successfully secured, it is the recommendation of the Finance Committee that one Research Associate be terminated so that the cost structure of the Research Department will be in line with its expected revenue (i.e., approximately $500,000).

**Contribution Revenue** – Like any non-profit organization, the Center’s level of donor participation is fluid and unpredictable. Special recognition was given to Chris Habel and others who have reconnected with the Board members for further giving and to the great success of the Luncheon Sub Committee in raising an all-time high for the Annual Award Luncheon.

Without a Development Director it is even more challenging to budget for FY2015. However, the Finance Committee brought in Adrijana Kowatsch, who has served as the Development Director for a number of years. Based on how much the Center has been able to raise in the past a conservative figure of $615,000 has been placed in the budget. Currently the FY2014 level of Restricted and Unrestricted giving is $719,652.

The overall FY2015 Total Revenue of $1,661,150 and Total Expenses of $1,748,320 reflect the Center’s currently staffing model, plus accounts for the addition of a Development Director beginning in September 2014. It does not include budgeted salary for a staff person on the Education side. The Center is operating with two fewer education personnel, namely the former PD Director (Doug H. was not replaced) and the former Director of School/Community Relations (Casey W. has not been replaced). It is hoped that the Center will be able to hire at least one education staff member, but this is not currently budgeted for in FY2015.

The accrual basis Budget for FY2015 has a projected net loss of $87,170.

An important note added is relative to the accrual basis nature of the Budget as proposed. Specifically, the FY2015 budget includes approximately $55,000 in expense related to the execution of the iLearn program. It is noted that there was a temporarily restricted contribution received related to the iLearn program in a previous fiscal year. At that time, all the revenue associated with this
contribution was recorded with no related expense (in accordance with generally accepted accounting principles). Subsequent to the initial gift, only expense is recorded, which reflects the usage of those contributed funds. Thus, in reality, the $55,000 is cash neutral to the Center during Fy2015. The other part of the iLearn budgeting is the replacement of some salary. Up until this point, the project has required someone well-versed in economic education because it’s been a project definition task. Julie has been filling this role. As the project is defined it becomes simply a project management task—something not necessitating someone in economic education. This means that the funds will change from salary supplement (for Julie) to salary replacement (for someone else), so our salary expense will decrease because some part of it will be replaced by iLearn funds.

After the committee discussed the presented budget, Margaret Valentine made a motion to accept the FY2015 Budget pending the June 20 notification deadline for the Research Straight A funds award. Bill Neyer seconded the motion and the motion was passed unanimously.

The committee also noted that their oversight on the budget will continue on a monthly basis as it has since February. The decision to approve the negative budget was also discussed as an effort to keep pressure on the organization to keep up the energy that was experienced during the very successful fundraising efforts for the Annual Award Luncheon. The Finance Sub Committee is also tasked with a monthly review and the Center’s Accountant, Sue Heilmayer, continues to track the Cash Flow projections on a weekly basis and report progress to the Finance Sub Committee.

Board Meeting Agenda Approval
The May 14, 2014 Board of Trustees rough draft agenda was unanimously approved.

The meeting was adjourned.

SAVE the DATE
Please save the date for the following 2014 Executive Committee meetings;

- Wednesday, August 6, 2014 7:30 a.m. Economics Center ROOM 359
- Wednesday, October 29, 2014 7:30 a.m. Economics Center ROOM 359

Location: Economics Center
U Square on the Loop
225 Calhoun Street, Classroom as assigned.
Cincinnati OH 45219

Mission: As a thought leader in the community, the Economics Center provides the knowledge building blocks for a stronger economy through education and research. Our student-based programs, interactive tools and professional development improve the economics and financial literacy of school children and young adults. Our research and consulting empowers business and civic leaders to make informed policy and economic development decisions.