Board of Trustees
March 19, 2015
Meeting Minutes

I. Welcome
Julie Heath introduced Holly Kohls, the Center’s new Development Officer. Holly’s previous position was with the UC Foundation.

II. Consent Agenda
A motion was made to approve the Consent Agenda which included; 1.) Minutes from the November 5, 2014 Board of Trustees meeting, 2.) Committee reports and 3.) the current fundraising report 07/01/2014 through 03/02/2015. The motion received a second and approval was unanimous.

III. Annual Award Luncheon Review
Julie thanked the committee for doubling profit from the luncheon with their fundraising efforts. Thank you to our Annual Award Luncheon subcommittee for all their hard work: Co-chairs Shawn Kelley and Brian Brockhoff; Nathan Bachrach; Christine Carleton; Mark Cinquina; Michael Conaton; Crystal Faulkner; John Frank; Margaret Lawson; Andy Sathe; Chad Summe; Justin Vanderglas; Nick Vehr. There were over 700 community leaders in the room, learning about the great work we do.

Planning for the award luncheon for 2016 will commence with identifying a keynote speaker. Julie indicated she would entertain suggested speakers from the trustees with an eye on possibly having a woman speak. She encouraged the trustees to consider who would be a good follow up to Mr. Immelt. Julie will be asking Janet Yellen to speak, however Ms. Yellen may not be able to commit until either 2017 or 2018.

IV. Financials
Treasurer Mike Fox presented the Balance Sheet as of January 31, 2015, Profit & Loss Budget vs. Actual dated July 2014-January 2015, and the Cash Flow Schedule through 06/30/2015. Mike pointed out that the Center is currently within $300.00 of expenses on the Profit & Loss Budget vs. Actual.

Other highlights from the Profit & Loss Budget vs. Actual included reviewing the Revenue for Contract Research. Mike indicated that, although under budget by $66k, the fundraising is strong and offsets it. The Contract Research budget is still within reach at $575k. Mike reminded the trustees that Research has $430k under contract, but experience shows that the additional $145K in new business within the next 90 days may come as contracted business rather than income. The Center routinely invoices 50% upfront on all their contracts and 50% is paid upon completion of the project, but the income is accounted for in the fiscal year in which the contract is started.
The fundraising numbers are ahead of budget. Within the contribution categories, the Restricted contributions include the fundraising from the luncheon, however, it was only projected for $150k and as indicated earlier in the meeting, the profit from the luncheon doubled from last year, raising over $220k.

Mike encouraged the trustees to make an appointment to have coffee or lunch with the Center’s Director of Business Development, Brad Evans, in order to learn more about the Center’s research capabilities and connect the research division with community leaders who may be able to utilize these services. Trustees may contact Brad at b.evans@uc.edu or call 556-2969.

On the Expense side, the Fundraising Expenditures are over budget due to the UC Foundation Fee of 3% being increased to 5%. This fee was raised universally for the entire university and will be worked into the next budget. Expenses for Professional/Legal are over budget. These fees are associated with the Ohio Ethics Commission and the Center is hopeful that they may be reimbursed by the university through the new Affiliate Agreement (formerly the MOU). Overall, the Center is on budget for FY2015.

Mike spoke briefly to the Cash Flow Schedule and the Balance sheet. There is nothing negative on the Cash Flow Schedule and Mike informed the trustees that the Finance & Investment Committee and a special Finance Committee Task Force continue to monitor the cash flow situation closely along with the Center’s accountant, Sue Heilmayer. From the Balance sheet, Mike drew the committee’s attention to the Fixed Assets (1501-computer software) of $307,500. This item has moved from a restricted contribution and is related directly to the iLearn program (Peter Alpaugh’s $1MM donation for distance learning.)

V. Scorecard
Julie Heath presented the FY2015 Scorecard Second Quarter. Highlights from the scorecard:

StEP – Goals for StEP have exceeded expectations with 138 classrooms in 19 schools participating this year. More than 500 volunteer hours have been logged to date – the most ever. Special thanks to the Young Professionals Council who have added more business partners to the program.

TL2 – Today’s Learner’s Tomorrow’s Leader’s will have the highest attendance of 40 recorded for the upcoming session which starts June 8 and runs through June 26.

SMG – is behind goals for the Fall and Yearlong game, but up in participation for the Spring Game. The Center is still looking for a statewide sponsor.

Professional Development (PD) – the number of teachers being reached through PD will exceed the goal of 260 educators and the number of sponsored sessions has risen significantly so that the Center no longer has to rely on the educators to purchase graduate credits.
Smart Ohio - Julie has been talking to OH legislators in an effort to begin a Smart Ohio program, modeled after the Smart Tennessee program. The Center has been running pilot programs (Money Savvy Kids) in SW Ohio with private support. Assessments of these programs have indicated that students’ knowledge of financial literacy improves by an average of 43%. Julie expressed her appreciation of the government relations team at UC for their assistance in helping her meet the people in the legislature that are needed to move this program forward throughout the state of Ohio. Funding in the amount of $318k has been requested from the state of Ohio. This funding would be distributed not only to this Center, but to other Centers in the state who want to run this program out of their area.

VI. Changelabs project update
Julie shared an update on the iLearn project with the Trustees. The project fosters effective online personal finance learning for students K-6. At the outset of the project, Center personnel had already determined that the project should not create something that already exists and must have a component of income generation.

The company engaged in the project, ChangeLabs, has a base office in Denver in the United States and their home office is in Australia. Changelabs has been very successful with similar financial literacy projects in Australia and New Zealand. To start the iLearn project here, the team from ChangeLabs met with educators throughout the Greater Cincinnati area in focus groups.

The project is currently in the “building stage”. They are creating a platform that will make an impact on financial education and is built for sustainability. The online experience is called “FinLit in a Box”. It is a predefined curriculum path and toolkit for Ohio K-6 teachers and students. This browser-based tool contains grade specific learning modules. Julie confirmed that the intellectual property in iLearn is owned by the Center.

Storyboarding has begun, creating the evolution of content design and development. The content scripting for the lessons is also in process. Lessons are set up so that the teachers go through them with their class projected from their computer. Activities for students within each lesson are vibrant, interactive, and scripting of the characters is very clever and engaging. The blueprint for the assessment piece is a particularly important piece to allow teachers to track individual students. Teachers have to report assessments by individual student as part of their own Teacher Performance Assessment.

One of the monetization and commercialization concepts for the iLearn program is that ChangeLab will assist the Center in securing corporate partnerships. Julie said a sponsoring company can expect that their branding would be incorporated into the online game by use of banner space and product placement.
Julie advised the trustees that a Task Force, made up of the Center’s Trustees, will be formed to help with the monetization ideas.

**VII. New Affiliate Agreement** (previously known as the MOU)
Chris Habel reviewed the sequence of events and upcoming timeline for the completion of the Affiliate Agreement between the Center and the University of Cincinnati.

The Center, along with members of the Governance Committee, began working on the MOU in May 2013. The MOU was a document which had not been amended since its inception in 1977. The Center made an attempt to update the document, but received no response from the UC General Counsel’s office. In December of 2013 an anonymous complaint was filed with the Ohio Ethics Commission. The complaint, with no action taken against the Center or UC, was cleared through the Ohio Ethics Commission on November 2014. The request from the commission was that the Center and UC complete a rewrite of the MOU.

The trustees were advised that during these negotiations, the Center’s previous Chair, Margaret Valentine, was appointed to the UC Board of Trustees and the commission recommended that she remove herself from the Center board or the UC board due to a conflict of interest. Ms. Valentine chose to retain her position on the UC board and tendered her resignation from the Center board on January 28, 2015. The Center thanked her for her service to this board.

Chris indicated that a rough draft of a new Affiliate Agreement had been sent to the Center’s outside counsel in January 2015. A “template” Affiliate Agreement has been sent to the Commission. This template is the rough draft sent by the Center with a few minor adjustments to how UC employees are reimbursed for Center program expenses and travel. The intent is that this template will serve as a model for other UC Centers currently undergoing the same process to update their MOUs as well.

At this time UC is trying to determine where the Center will be housed and what the administrative reporting structure will be. Goal for completion of the agreement is April 30, 2015.

Chris shared a document titled, “Mutual Benefits of the UC-Economics Center Affiliation”, which shows how having the affiliate agreement benefits the university and the Center.

*Items highlighted in the new Affiliate Agreement:*

1. The Centers attorney’s fees of $55,000, of which $12,000 has been paid to date, would be covered by the University.

2. Economics Center will not be housed in the College of Business any longer.

3. Funds raised for the Center by the new Development Director will be funneled through the UC Foundation system.

4. Funds obtained by the Center from Research & Consulting activities, as well as funds obtained through program fees (ie. direct payment from schools or individuals for Professional Development, SMG, StEP or TL2 programs) will be directed through the Center’s bank account.
5. Employees of the Center may remain as UC staff members or may choose to be Center employees, whichever method of employment is best for their situation. All hiring and firing decisions for staff members will continue to rest with the Director of the Center. UC general HR policies will apply to UC staff members.

6. Operations of the Center are directed by policy, strategic planning, and recommendations by the Economics Center’s Board of Trustees.

7. As part of the Affiliate Agreement, the Center Director, with selected Trustees, will attend an annual strategy meeting with UC representation to review Center activities and the work plan for the coming year.

8. The selection, performance review, and termination of the Center Director will include input from the Center’s Board of Trustees and will not rest solely with the University.

The meeting was adjourned.

SAVE the DATE
The future Board of Trustees meetings will be held at the Economics Center, 225 Calhoun St., Room 359 unless indicated otherwise and are scheduled as follows:

2015 Board of Trustees Meetings:
Tuesday, June 23, 2015 7:30 a.m. - 9:00 a.m. ROOM 352
Tuesday, September 15, 2015 7:30 a.m. - 9:00 a.m.
Tuesday, December 8, 2015 ANNUAL MEETING 12:00 p.m. - 1:30 p.m.

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.