

IEEE Education Society Treasurer's Report

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Tuesday, June 26<sup>th</sup>, 2018

The 2017 year ended with a \$20,000 loss in operations which was within \$800 of what we had budgeted. But both our revenue and expenses were approximately \$200,000 lower than budgeted. Most of the discrepancy is from the conference budgets. We also had \$193,700 in investment returns from our Reserves. This is approximately a 17.8% return on our investments. The bottom line is that we added \$173,700 to our reserves, which now total \$1,282,200. See page 2.

The target budget IEEE projected for us in negative. We need to cut costs to make the budget work. See page 3.

Over the last few years it has been getting more difficult to make our budget work. Our three revenue sources are membership dues, conferences, and journals. On page 4 and 5 there are historical trends over the past 8 years with projections for 2018 and 2019. Revenue from membership dues and journals has been dropping. Revenue from conferences has been increasing.

The majority of the revenue from our journals come from our portion of IEEE's sales of periodical packages (mostly IEEEExplore). The allocation of those funds is described on page 6. The Base allocation is being phased out over next 5 years (2019 – 2023). This is described on page 7. Because of the Base allocation phase out, the Education Society's portion of the overall allocation will go down.

Given these factors it has become very difficult to cut our activities in order to balance our budget. **I recommend that the Board develop a long term plan over the next year that restructures our activities, finding ways of raising revenue and cutting expenses.**

Education Society 2017 Budget versus Actual  
(in \$1000s)

	<b>2017 Budget</b>	<b>2017 Actuals</b>
00690 TRANS ON EDUCATION	150.8	142.1
00691 EDUCATION S/C FEES	47.1	46.3
00692 IEEE RITA	63.5	61.0
01120 TRANSACTIONS ON LEARNING TECHNOLOGIES	0.0	0.0
01499 PERIODICAL RELATED - OTHER	0.6	0.0
01600 NON PERIODICAL	0.2	0.3
01700 MEETINGS/CONFERENCES	520.0	332.0
01701 CONFERENCE - RELATED	1.3	1.7
<b>TOTAL REVENUE</b>	<b>783.5</b>	<b>583.4</b>
00690 TRANS ON EDUCATION	91.7	109.0
00691 EDUCATION S/C FEES	1.8	0.1
00692 IEEE RITA	29.1	28.3
01120 TRANSACTIONS ON LEARNING TECHNOLOGIES	0.0	0.0
01499 PERIODICAL RELATED - OTHER	16.2	13.0
01600 NON PERIODICAL	2.5	1.9
01700 MEETINGS/CONFERENCES	343.0	186.8
01701 CONFERENCE - RELATED	3.0	3.0
01800 ADMINISTRATION	121.8	111.2
01900 COMMITTEE & OTHER	172.7	125.0
01930 INITIATIVES	22.5	25.1
<b>TOTAL EXPENSE/RMBSVC</b>	<b>804.3</b>	<b>603.4</b>
<b>TOTAL FROM OPERATIONS</b>	<b>(20.8)</b>	<b>(20.0)</b>
00100 RMBSVC-INVESTMENT GAINS - NET		193.7
<b>TOTAL NET</b>	<b>(20.8)</b>	<b>173.7</b>

<b>Reserve Balance</b>	<b>1,283.2</b>
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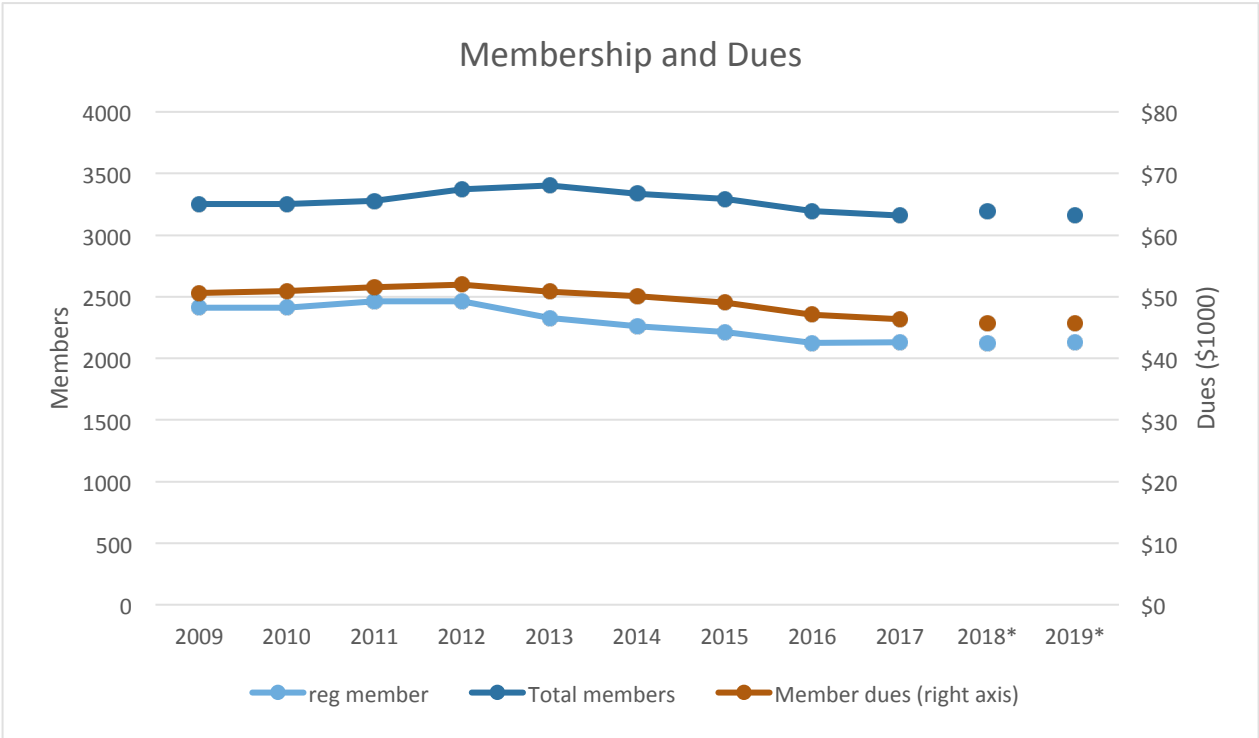
Education Society 2019 Budget Development  
(in \$1000s)

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>
	<b>Actuals</b>	<b>Budget</b>	<b>Target</b>	<b>Target</b>
00690 TRANS ON EDUCATION	142.1	121.4	103.3	103.3
00691 EDUCATION S/C FEES	46.3	45.7	45.7	45.7
00692 IEEE RITA	61.0	51.2	47.0	47.0
01120 TRANS ON LEARNING TECHNOLOGIES	0.0	59.2	62.4	62.4
01499 PERIODICAL RELATED - OTHER	0.0	0.6	0.6	0.6
01600 NON PERIODICAL	0.3	0.2	0.2	0.2
01700 MEETINGS/CONFERENCES	332.0	452.5	380.6	499.9
01701 CONFERENCE - RELATED	1.7	1.4	3.1	3.1
<b>TOTAL REVENUE</b>	<b>583.4</b>	<b>732.3</b>	<b>642.9</b>	<b>642.9</b>
00690 TRANS ON EDUCATION	109.0	87.7	108.7	108.7
00691 EDUCATION S/C FEES	0.1	(0.0)	0.0	0.0
00692 IEEE RITA	28.3	38.1	36.7	36.7
01120 TRANS ON LEARNING TECHNOLOGIES	0.0	48.7	47.5	47.5
01499 PERIODICAL RELATED - OTHER	13.0	2.5	2.5	2.5
01600 NON PERIODICAL	1.9	4.3	4.3	4.3
01700 MEETINGS/CONFERENCES	186.8	286.2	244.7	334.0
01701 CONFERENCE - RELATED	3.0	3.0	5.0	5.0
01800 ADMINISTRATION	111.2	140.2	140.7	140.7
01900 COMMITTEE & OTHER	125.0	117.5	115.6	129.0
01930 INITIATIVES	25.1	21.6	0.0	0.0
<b>TOTAL EXPENSE/RMBSVC</b>	<b>603.4</b>	<b>749.9</b>	<b>705.7</b>	<b>808.4</b>
<b>TOTAL FROM OPERATIONS</b>	<b>(20.0)</b>	<b>(17.6)</b>	<b>(62.8)</b>	<b>(46.2)</b>
00100 RMBSVC-INVESTMENT GAINS - NET	193.7	0.0	0.0	0.0
<b>TOTAL NET</b>	<b>173.7</b>	<b>(17.6)</b>	<b>(62.8)</b>	<b>(46.2)</b>

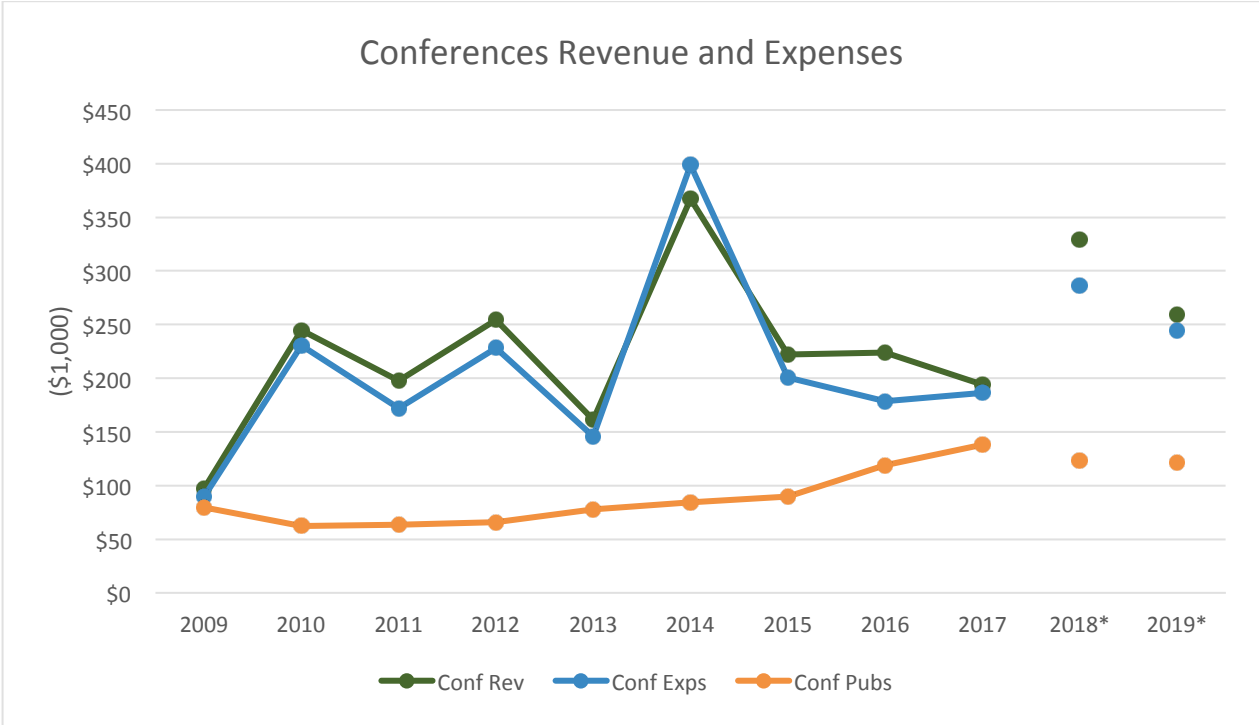
Need to get the Total Net "as close to zero as possible"

I increased the conference revenue and expense to better reflect estimates for next year. The Committee and Other line is increased to reflect requests, but not Finance Committee 's recommendations.

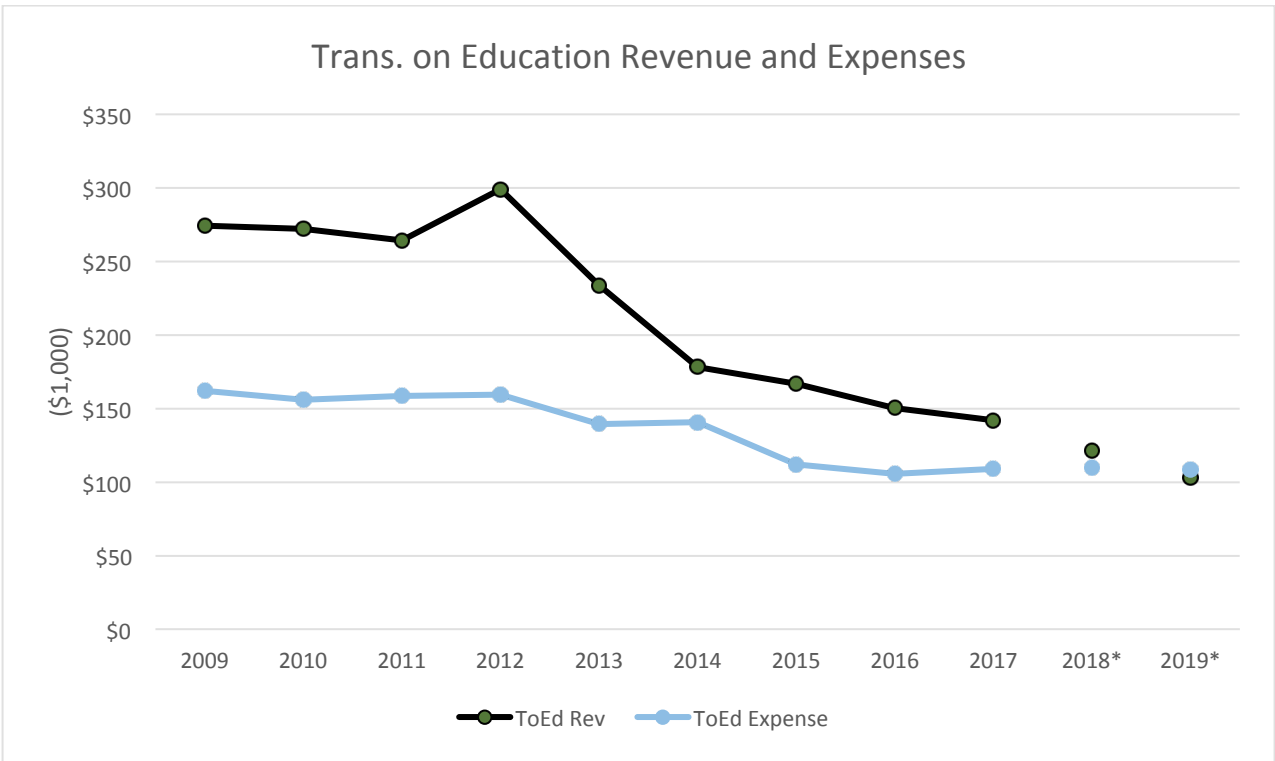
Historical perspective on our main revenue sources. (The dots are projections)



Membership dues have declined 8.5% over eight years.



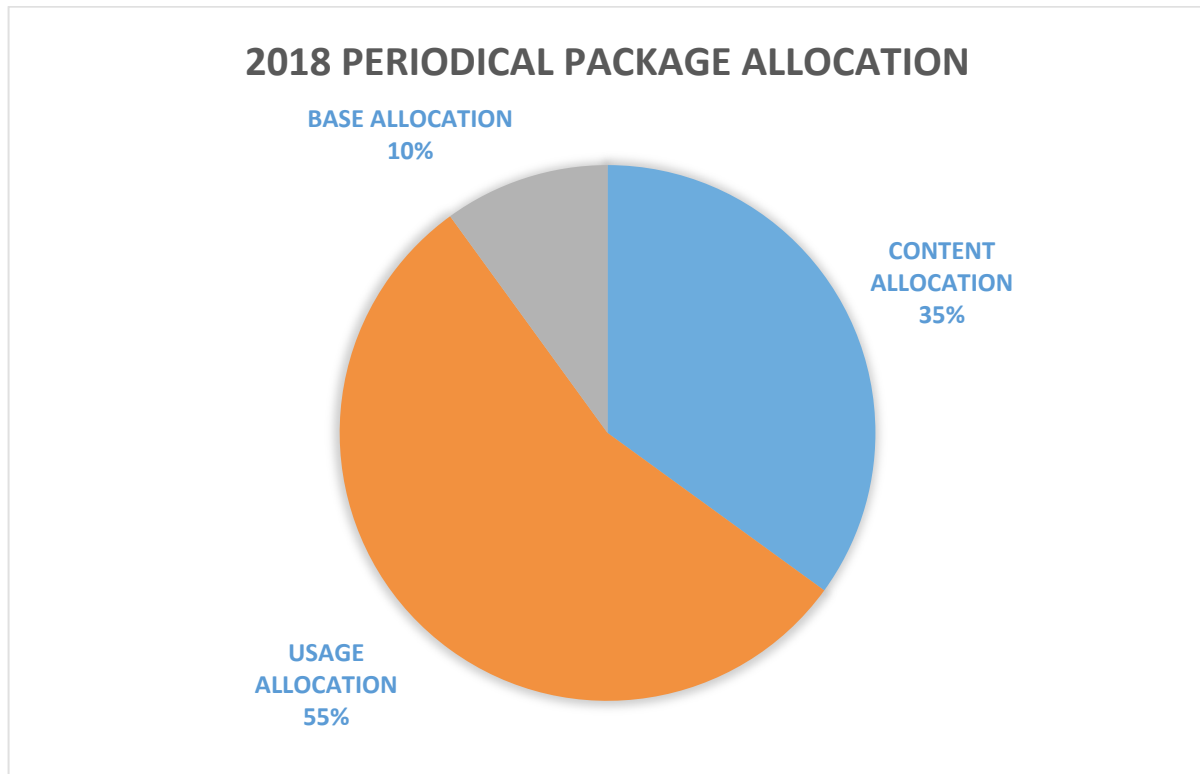
Revenue from conference publications have risen 58% over the past 8 years. (This is primarily from IEEEXplor)



Net revenue from the Transactions on Education has declined by 70% over the past 8 years. (2013 & 2014 was a allocation formula change. Formula is changing again in 2019 – 2023). There is a projected deficit of \$5,400 for 2019.

## Periodical Package Allocation

Allocations to societies from periodical packages (mostly IEEEExplore) is changing. This is the primary revenue source from our journals.



The revenue is allocated in three bins:

**Content** (3 year count of original research, literature surveys, technology scans, technology surveys, tutorials, feature articles)

**Usage** (1 year total of HTML/PDF usage from all publication years, but limited to package subscriber usage of the content types noted above)

**Base** Allotment (equal shares to all Societies/Councils divided evenly between their wholly-owned pubs)

Over the past two years the number of downloads from the Transactions on Education in IEEEExplore has dropped 6.4%.

There is a five year phase in to the new allocation algorithm. The **Base** allocation is being shifted to the **Usage** allocation. The Base is decreasing in 2% steps each year (8%5 in 2019, 6% in 2020, and so on) and the Usage is increasing. The final allocation is shown below.

