

Executive Director's Report

By: Curtis D. Gomulinski, Michigan Epsilon '01

OVERALL, the year 2015-16 exceeded expectations in nearly every respect. The major downside for the year was a \$1.4 million unrealized loss in our trust investments which required a scaling back of the number of scholarships and fellowships and temporary reductions in program activity. Support by alumni through volunteer efforts and annual contributions was excellent, while corporate and university financial support of the Convention and *The Bent* remained high. The 3rd annual Tau Beta Pi Day was held on March 14. Over 100 collegiate and alumni chapters held events in conjunction with the celebration. Nearly 5,800 members have opted to receive *The Bent* electronically which represents a 600 percent increase over last year. Interest in maintaining a relationship or reconnecting with the Association continued to be strong with hundreds of members attending conferences and alumni events.

CHAPTERS

The 2015 Convention granted a charter to East Carolina University, formally installed as North Carolina Zeta on March 19, 2016. An article about the installation was published in the Summer 2016 issue of *The Bent*.

An inspection committee visited Brigham Young University-Idaho in February, and a petition from this school will be considered by the 2016 Convention. No additional petitions for new chapters were received.

One alumni chapter was chartered: Indianapolis (IN). No chapters were reactivated. The Southern Tier (Binghamton, NY), Philadelphia (PA), and Central Florida (Orlando) Chapters went inactive; 40 of 73 alumni chapters are active.

A total of 224 collegiate chapters (229 in 2015) completed annual surveys that listed approximately 1,704 projects. A report on the contents of the survey will be published in the November 2016 issue of *The Bulletin*.

MEMBERSHIP

The chapters initiated 9,861 members in 2015-16, down 3.0%, but still the



Graduates of the Indiana Gamma Chapter at the University of Notre Dame gather in front of their Bent monument outside Cushing Hall.

third highest in the past 25 years. This included 9,377 undergraduates, 356 graduate students, 50 alumni, and 78 eminent engineers. Tau Beta Pi's initiated membership on July 31, 2016, was 574,058, and an estimated 64,000 are deceased.

During the year, about 46,000 engineering students in the 245 TBPI chapter schools were scholastically eligible for membership in the top fifth of their senior or the top eighth of their junior classes. About 33.2% of these were members of TBPI at the close of the year—the same as last year. About 3.4% were not initiated, chiefly because of their chapters' failure to hold spring ceremonies. The remaining 66% indicated a lack of interest in membership, up from 59% last year.

Tau Beta Pi chapter schools graduate about 92% of all B.S. engineers at 421 schools with ABET EAC-accredited programs and four schools without accreditation. Thirty-four chapters held only one election and initiation of new members, one school did not conduct an initiation, and all others held two or more. Five chapters held an initiation without approval. No members resigned during the year, and none were expelled.

CONVENTION

The 110th Convention was held October 29-31, 2015, in Providence with Massachusetts Alpha, Delta, and Epsilon and Rhode Island Alpha and Beta Chapters as hosts. The meeting was fully reported in the Winter 2016

issue of *The Bent* and the November 2015 issue of *The Bulletin*. The 2016 Convention will be hosted by the California Xi, Psi, Alpha Epsilon, and Greater San Diego Alumni Chapter in San Diego. The 2017 Convention will be hosted by Michigan Gamma in Ann Arbor and Dearborn.

The 2015 Convention: approved one package of amendments to the Constitution and Bylaws of the Association to restructure the Executive Council, which was ratified by the chapters and reported in the Winter 2016 issue of *The Bent*; kept the reimbursement rates for 2016 at the levels set for the 2015 Convention except for automobile mileage which was set at \$0.30 per mile plus an additional \$0.05 for each additional passenger member; adjusted the Convention site bidding process for future Conventions; raised the annual alumni chapter dues from \$25 to \$50 per chapter; requested that a committee on alumni chapters be chartered for the 2016 Convention; raised the initiation fee from \$45 to \$55 effective August 1, 2016; granted two curriculum appeals; reviewed the status report regarding the general revision to the Constitution and Bylaws; and made several recommendations to the Executive Council for further study.

OFFICIALS

The TBPI Executive Council, elected for the 2014-18 term, includes President J.P. Blackford, Vice President N. Pih, Secretary G.J. Morales, Treasurer A.J. Passman, and Councilor S.L.R. Holl. Council meetings were held on Aug. 7,

Sep. 23 & 29, Oct. 8 & 28, Nov. 18, and Dec. 4-5, 2015, and Jan. 30, Feb. 18, Mar. 21, Apr. 23-24, May 26, June 10-11, and July 21, 2016. Tau Beta Pi has four appointed directors with responsibilities in major areas of its interest: K.L. Colby as Director of Engineering Futures, E.J. D'Avignon as Director of Rituals, T.E. Gomulinski as Director of Alumni Affairs, and S.J. Steadman as Director of Fellowships. Members of the Fellowship Board include C.W. Caldwell, M.M. Darrow, S.C. Dao, and R.E. Efimba. The Trust Advisory Committee, which directs investment activities of the corporate trustee, includes R.F. Smith (chair), H.W. Lange, and J.W. Johnson Jr.

District Directors on July 31 were:

- District 1 Mallory D. Ivanowsky
Haley H. Smestad
Lauren J. Swett
- District 2 Anthony M. Olenik
Thomas A. Pinkham IV
Jason Rogan
George Youssef
- District 3 Christopher C. McComb
- District 4 Jacob W. Chesna
Edward P. Gorzkowski III
Melissa L. Morris
Russell L. Werneth
- District 5 Josuan Hilerio-Sanchez
Rebecca A. Lewis
Meghan C. Ferrall-
Fairbanks
- District 6 Laura M. Martin
Crystal L. McCartney
Ellen S. Styles
- District 7 Timothy D. Anderson
Brien C. Dux
Michael J. Hand III
Warren C. Roos
- District 8 Bruce A. DeVantier
Stacey L. Forkner
Thomas F. Schaub Jr.
- District 9 Cody Johnson
Brenda A. Kramer
Will D. Lindquist
- District 10 Kelly J. Hammar
Madison R. Herman
- District 11 Christina M. Harrison
James C. Hill
- District 12 George K. Miyata
Gregory M. Newcomb
Matthew T. Pittard
- District 13 Jeffrey G. Dabling
C. Christopher Stemple
- District 14 Ian J. Frank
Janette A. Keiser
- District 15 Aaron R. Alpert
Scott E. Fable
Daniel T. Kruusmagi
- District 16 Neal T. Bussett
Sam Rokni
Stacey H. Ross



TBPI members assist students at the USA Science & Engineering Festival.

The International Headquarters staff, which is located on the Knoxville campus of the University of Tennessee, includes members Executive Director C.D. Gomulinski, Assistant Secretary-Treasurer R.E. Hawks, Major Gifts Officer S.D. Jennings-King, and eleven additional employees (see *tbp.org*).

AWARDS

Tau Beta Pi's top chapter prize, the R.C. Matthews Outstanding Chapter Award, was given to Alabama Epsilon for the excellence of its total program in 2014-15. An honorable mention went to Ohio Iota. The R.H. Nagel Most Improved Chapter Award went to Alabama Delta; an honorable mention was given to Indiana Beta. The J.D. Froula Most Improved Membership Award went to Arizona Beta; honorable mentions went to California Eta and Texas Mu.

The Headquarters staff gave 32 Secretary's Commendations to chapters for the perfection of their reports to TBPI in 2014-15, 31 Chapter Project Awards for ingenuity and creativity in activities, and 82 Membership Awards for increasing the number of students initiated into TBPI.

MEMBER AWARDS

The 2016 Outstanding Advisor was selected by a committee of engineering deans and a past winner: S. Schreiner, Ph.D., P.E. (chair); W.T. Davis, Ph.D., and E.A. Stephan, Ph.D. The recipient of a \$1,000 cash award and an equal sum to be presented to her dean's discretionary fund is Sandra B. Pitzak, Ph.D., *CO B '00*, Colorado Beta Chief Advisor. [See page 11.]

The alumnus recognition selection committee consists of three District Directors: L.J. Swett, P.E. (chair), G.K. Miyata, and R.A. Lewis. They were charged with selecting

the recipients of the TBPI-McDonald Mentor Award and the Distinguished Alumnus Award. The 2016 Distinguished Alumnus Awards will be presented to Nancy J. "Jan" Davis, Ph.D., P.E., *AL A '77*; Eugene M. DeLoatch, Ph.D., *DC A '59*; and Michael D. Griffin, Ph.D., *MD B '77*. The 2016 TBPI-McDonald Mentor will be presented to Antonette M. "Toni" Logar, Ph.D., *SD A '78*. [See pages 13, 16-17.]

The 2016 Laureates were selected by a committee of three District Directors: S.H. Ross (chair), A.M. Olenik, and K.J. Hammar. They chose three Laureates from 11 nominees made by 9 chapters. The 2016 Laureates are Nathan J. Ferraro, *OK A '16*; Angadbir S. Sabherwal, *IA A '16*; and Kiersten K. Wang, *FL A '16*. [See pages 14-15]

During the year, the Executive Council gave 39 Resolutions of Appreciation, and 3 Distinguished Service Awards to collegiate chapter advisors, Association Officials, and staff members for service to TBPI.

PROGRAMS

Sixteen districts held at least one conference last year and conducted meetings during the 2015 Convention, and directors visited many chapters during the year. The Directors and the Council cancelled the normal June 2016 meeting to reduce expenses.

ENGINEERING FUTURES

The Engineering Futures Program presented a total of 248 training sessions to 97 chapters by 38 volunteer facilitators to develop the leadership skills of student members during 2015-16. This award-winning program helps prepare engineering students for their careers by enhancing their overall personal effectiveness through interpersonal-skills and teamwork-development seminars.

FELLOWSHIPS

The 83rd fellowship group, comprising 24 students, 19 with stipend, will do graduate work in 2016-17 and was announced in the Summer 2016 *Bent*. Fellows with stipends are paid cash grants of \$10,000 each.

GRANTS

No proposals were received for either a Greater Interest in Government (GIG) grant or a Student Assistance grant.

MINDSET PROGRAM

The MindSET program continues to connect K-12 students to members of the collegiate and alumni chapters. Over 30 TBPI chapters hosted hands-on activity sessions with local schools. At the close of the fiscal year, more than 6,000 elementary, middle, and high school students had participated in MindSET activity sessions. In 2015-16, 18 grants totaling \$2,100 were issued to 9 chapters for MindSET projects.

SCHOLARSHIPS

The 18th group of 210 TBPI Scholars, who will complete their undergraduate engineering studies in 2016-17, are announced in this issue. [See page 28.] All Scholars receive a cash grant of \$1,000 or \$2,000 for their senior academic year. Since the program began in 1999, Tau Beta Pi has given and committed \$4,403,000 to 2,239 students.

In the TBPI Chapter Performance Scholarship Program, \$9,500 in scholarships were available to students selected by 19 chapters.

Six \$1,000 scholarships were funded by the Society (for a 18-year total of 113) in 2016-17 for incoming freshman engineering students through the national program conducted by the Society of Automotive Engineers (SAE).

OTHER ACTIVITIES

Tau Beta Pi has maintained its affiliations with the American Association for the Advancement of Science and the Association of College Honor Societies and its association membership in the American Society for Engineering Education. The Executive Director is Tau Beta Pi's official representative to these organizations.

Tau Beta Pi partners with JobTarget to offer a web-based job board—The Best People—and maintains other valuable benefits for members. Over 4,100 jobs were available on July 31.

The Association was a contributing society to DiscoverE 2016 (formerly National Engineers Week).

Tau Beta Pi was a titanium sponsor and hosted a booth at the 2016 USA Science & Engineering Festival in Washington, DC. Approximately 365,000 people attended the April 15-17 event which celebrates and promotes the STEM disciplines. The Association's booth featured an adap-

tation of an egg-drop activity.

Members of the Executive Council, Executive Director Gomulinski, and other Association Officials met with alumni at receptions and gatherings at 16 District Conferences and 9 other events held across the country.

Tau Beta Pi has maintained its classification under Section 501(c)(3) of the U.S. Internal Revenue Code as a tax-exempt, charitable and educational, non-private organization and is exempt from sales tax in 16 states. Collegiate chapters are separately classified under Section 501(c)(7) of the code, except Michigan Gamma, which is classified under Section 501(c)(4).

FINANCES

The financial condition of TBPI at the close of the fiscal year was weakened by substantial capital losses in the trust, but giving by alumni remained strong. Excess expense over revenue was \$834,000. Assets declined in 2014-15 by \$978,000 to a total of \$25,035,000.

FINANCIAL POSITION STATEMENT

The several named trust funds are commingled and invested under the jurisdiction of the TBPI Trust Advisory Committee. The trustee is the trust department of the PNC Bank in Cleveland, OH and performed satisfactorily during the year.

Investment earnings of the funds, less trustee fees and including capital gains, are used for the purposes indicated by the fund titles: paying fellowship and scholarship stipends, paying for *Bent* magazines delivered to life subscribers, paying project grants to chapters in the MindSET and Greater Interest in Government Programs, supporting the Convention, and financing many useful activities of the collegiate chapters. Overall, net earnings of the investments, including security sales and market gains, were -5.9%; the previous year's figure was 3%. Paid investment earnings were \$1,104,000; net investment market losses were \$1,416,000.

Securities held by the trustee on July 31, 2016, are carried at market value of \$23,039,000, a decrease of 4.8% from the previous year, and comprise holdings in 15 non-overlapping, no-load mutual funds. Equity securities constituted 90% of the total trust funds.

The current liability in fellowships

and scholarships is for those stipends committed in 2015-16 for payment in 2016-17 to student recipients. The 2016 Convention liability includes the assessments paid by new initiates during the year and \$27,000 in gifts from corporate and university sponsors. The deferred *Bent* subscription liability is for both annual subscriptions and the four-year subscriptions for new members included in the Association's initiation fee. The liability for delivering future magazines under four-year subscriptions is entered on the books at the time of initiation.

The decrease in *Bent* life subscription liability was countered by the 84 new life subscribers. Life subscription fees are recorded as a liability because of the commitment against the annual earnings of those fees to pay for copies of *The Bent* to be delivered. This liability represents the total value of all life subscriptions in force on July 31, 2016, at their enrollment-fee prices, less an actuarial proportion of \$1,282,000 recognized as revenue since 2004. Upon the death of a life subscriber, their paid fees are transferred on the books to the Fellowship Fund and are reported as revenue.

The net assets of the Association decreased by \$978,000 mainly due to the loss of value in the trust of \$1,150,000. A subsidiary report details the changes during the year in individual funds, which posted mixed results due to market volatility.

STATEMENT OF ACTIVITIES

Chapter and initiation fees (shown less *The Bent* subscription and Convention support) decreased by \$8,700 primarily due to the decrease of 309 new members over last year.

Convention revenue consists of assessments for the 2015 Convention, \$63,000 in gifts, and \$100,000 from alternate delegates and visitors.

Bent publication revenue rose by \$5,000 due to the increased 4-year subscription price which offset decreased recruitment advertising; expenses fell by \$16,000 due to more members switching to electronic delivery and lower advertising costs. Total investment earnings and market gain on the Life Subscription Fund decreased by \$282,000. In 2015-16, the invested fund lost \$0.14 per life copy delivered, compared with the previous year's gain of \$0.35. Expenses per life copy exceeded

THE TAU BETA PI ASSOCIATION
STATEMENT OF FINANCIAL POSITION
 On July 31, 2015 and 2016

ASSETS

<i>Current Assets</i>	<i>2016</i>	<i>2015</i>
Cash and cash equivalents	\$ 665,426	\$ 550,067
Accounts receivable		
Chapters	91,523	61,088
Student loans	25,528	21,582
<i>Bent</i> life subscription installments	2,130	3,620
Pledges	152,336	151,721
Trust contributions	0	0
Other	21,220	8,065
<i>Total Receivables</i>	<u>292,737</u>	<u>246,076</u>
Inventory	43,518	44,364
Split-interest agreements, cur. portion	80,928	83,085
Prepaid expenses	76,190	37,193
<i>Total Current Assets</i>	<u>1,158,799</u>	<u>960,785</u>
<i>Depreciable: Furniture and equipment</i>	124,603	127,277
Less accumulated depreciation	<u>(111,790)</u>	<u>(108,474)</u>
<i>Total Depreciable</i>	12,813	18,803
<i>Other Assets</i>		
Investments	23,062,159	24,210,806
Split-interest agreement, net of cur. portion	801,684	823,061
	<u>\$23,863,843</u>	<u>\$25,033,867</u>
TOTAL ASSETS	\$25,035,456	\$26,013,455

LIABILITIES AND NET ASSETS

<i>Current Liabilities</i>	<i>2016</i>	<i>2015</i>
Accounts payable		
Chapters	\$ 1,815	\$ 1,815
Laureate awards	7,500	12,500
Fellowships/Scholarships	637,000	827,500
Other	72,863	10,960
Accrued expenses	58,405	56,682
Deferred Convention revenue	126,010	128,940
Deferred <i>Bent</i> revenue, current	105,294	85,048
Annuities payable, current portion	19,037	19,037
<i>Total Current Liabilities</i>	<u>1,027,923</u>	<u>1,142,482</u>
Deferred <i>Bent</i> subscription revenue	114,029	118,975
<i>The Bent</i> life subscriptions	1,159,991	1,179,373
Annuities payable, net of cur. portion	89,735	95,126
<i>Total Long-term Liabilities</i>	<u>1,363,755</u>	<u>1,393,474</u>
TOTAL LIABILITIES	2,391,678	2,535,955
<i>Net Assets</i>		
Unrestricted:		
Undesignated	471,820	687,206
Designated	7,388,759	8,175,039
Temporarily restricted	7,764,728	8,241,209
Permanently restricted	7,018,471	6,374,046
TOTAL NET ASSETS	22,643,778	23,477,500
TOTAL LIABILITIES & NET ASSETS	\$25,035,456	\$26,013,455

Financial statements have been audited.

earnings by \$1.14, versus last years' earnings of \$0.69 per copy.

The total of interest and dividends in 2015-16 decreased by \$45,067. The net loss on investments was \$1,415,132 reflecting reported changes in market value.

The 11 major chapter programs (denoted with a (C) in front of their name under Expense) usually reflect an operating loss. Convention expenses fell by \$37,300 and include the cost of attendance by one student delegate from each collegiate chapter, alternate delegates, alumnus delegates, chapter advisors, and visitors—but not by Association Officials. Part of the decrease reflects changes to reduce on-site expenses.

Expenses for fellowships and scholarships fell by \$213,000 because fewer scholarships and fellowships were given. Revenue for these awards includes matching gifts from corporations, alumni contributions specifically earmarked by donors, and trust earnings. Fellowships and scholarships comprise the major philanthropic program of the Society—made possible by gifts from alumni, friends, and participating industrial firms.

CONTRIBUTIONS FROM ALUMNI

Total contributions and bequests decreased by \$394,000 during the fiscal year. A reduced number of designated gifts for scholarships, fellowships, and the Chapter Endowment Initiative represent most of this decrease. Tau Beta Pi's Annual Giving Campaign brought in gifts of \$987,000 (down 9.6%) from 9,962 donors (down 4.3%), including 230 new donors (up 10.6%). Their names were published in each issue of *The Bent*. Included in the total is \$48,300 allocated to the Fellowship and Scholarship Programs from 251 companies that match gifts from employees.

The Society was included as an eligible organization in the 2016 national Combined Federal Campaign which brought in \$5,700 in gifts.

INITIATION FEES

Tau Beta Pi's low Association initiation fee covers the cost of the official badge, membership certificate, copies of the *Constitution and Bylaws* and *Information Book*, and a four-year subscription to *The Bent*. The initiation fee has been \$45 since August 1, 2014, and includes \$10 that is used for partial support of the annual Convention.

STUDENT LOANS

Only five new loans were made to members in 2015-16 for a total of \$12,500. None was for the initiation fee. Five loans were repaid, none were written off during the year, leaving 15 outstanding on July 31, 2016, with a principal balance of \$26,000. Since inauguration in 1932 of the program, 1,802 loans have been made to student members for a total of \$898,000.

PUBLICATIONS

During 2015-16, the four issues of *The Bent* contained a total of 216 pages, and 398,000 copies were delivered to paid subscribers. This represents no change in paid copies above the previous year's circulation total. Engineering and graduate-school recruitment advertising for the year totaled 13.5 pages, an 8% decrease from the previous year. Total production cost of the magazine per paid copy was \$1.00, down from \$1.04 the preceding year.

New *Bent* life subscribers numbered 84 (up from 83), bringing total life subscriptions to 80,329. Of all the life subscribers enrolled since 1929 when the plan was instituted, 13,200 are deceased, and their fees totaling

THE TAU BETA PI ASSOCIATION

STATEMENT OF ACTIVITIES

For the years ended July 31, 2015 and 2016

REVENUE	Unrestricted	Temporarily	Permanently	2016	2015
		Restricted	Restricted		
Initiation and chapter fees and fines	\$ 229,698			229,698	238,350
Chapter and individual sales	196,495			196,495	183,035
Contributions and bequests	1,100,197	76,881	669,959	1,847,037	2,240,918
Convention	265,026			265,026	223,227
<i>Bent</i> publication	201,334			201,334	196,663
Net life subscription fee transfer	23,895			23,895	28,670
Student loan interest	1,306			1,306	2,510
Miscellaneous/ Net gain on equipment sales	12,282	1,000		13,882	9,621
Interest and dividends	485,613	661,082		1,146,695	1,191,762
Net gain (loss) on investments	(620,700)	(794,432)		(1,415,132)	(333,974)
Change in value of split-interest agreements			(23,354)	(23,354)	17,683
Net assets released from restrictions	415,371	(415,371)	-	0	0
TOTAL REVENUE	2,311,117	(470,841)	646,425	2,486,702	3,998,463
EXPENSE					
Program services					
(C) Advisor Program	24,939			24,939	25,001
Alumni Program	70,028			70,028	86,048
<i>Bent</i> publication	398,879			398,879	414,922
(C) <i>Bulletin</i> production	20,323			20,323	20,468
(C) Chapter and initiate supplies	328,084			328,084	313,687
(C) Convention	628,955			628,955	666,261
(C) Cost of chapter and individual sales	158,887			158,887	169,577
(C) District Program	238,606			238,606	227,036
(C) Engineering Futures Program	156,647			156,647	165,493
Fellowship & Scholarship Program	695,134			695,134	907,800
(C) Greater Interest in Government Program	5,101			5,101	5,007
(C) K-12 MindSET Program	35,285			35,285	35,540
(C) Laureate Program	14,787			14,787	17,955
McDonald Mentor Program	6,260			6,260	5,134
(C) Student Assistance Program	2,161			2,161	2,151
Student Loan Program	6,131			6,131	6,183
<i>Total program services</i>	2,790,206			2,790,206	3,068,264
General and administrative	267,938			267,938	284,025
Alumni Giving Program	262,279	0	0	262,279	300,400
TOTAL EXPENSE	3,320,423	0	0	3,320,423	3,652,688
CHANGE IN NET ASSETS	(1,109,306)	(470,841)	646,425	(833,722)	345,775
Net assets, beginning of year	8,862,245	8,241,209	6,374,046	23,477,500	21,131,725
Net assets, end of year	\$7,852,939	7,770,368	7,020,741	22,643,778	23,477,500

Financial statements have been audited.

\$390,000 have been transferred to the Fellowship Fund in accord with the Constitutional requirement.

An average of 57 copies per issue in 2015-16 was delivered to annual renewal subscribers, 37,623 copies to original four-year subscribers, and 61,664 copies to life subscribers, for a total of 99,344 paid copies per issue. The total number of paid copies for the Summer 2016 magazine was 100,103.

The Association is indebted to the alumni who serve as judges and writers of the Brain Ticklers column: H.G. McIlvried III (chair), D.A. Dechman, J.C. Rasbold, and F.J. Tydeman. J.R. Stribling will be taking over for D.A.

Dechman this coming year.

THE BULLETIN

During 2015-16, the four issues contained a total of 42 pages, and no copies were printed. All issues are available on the website. Published chiefly for sharing information with student members, officers, and advisors of the collegiate chapters, the newsletter is a valuable means of exchanging project ideas and distributing advice and guidelines related to chapter operations.

OTHER COMMUNICATIONS

New editions of the *Constitution and Bylaws and Eligibility Code* and the

Information Book were printed in August and September 2015, respectively. Other brochures and materials were updated and reprinted throughout the year.

Tau Beta Pi's presence on social media continued to increase. Over 23,300 members are part of our LinkedIn group, 3,900 people "like" Tau Beta Pi on Facebook, 722 people follow @taubetapi on Twitter, and over 5,000 people read our blog with daily news 7,300 times last year. The website has received over 29.7 million visits since its creation and contains a wealth of operational and historical information about the Society. Visit tbp.org to find the latest TBI news!