

# THE STUTE

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STEVENS INSTITUTE OF TECHNOLOGY

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## Is the President's salary just?

Daniel Jabbour  
Technical Editor

In the midst of the 8.5-million dollar deficit in the school's budget, university President Hal Ravech was paid \$696,965 for the 2002-03 academic year. Raveché ranks as the tenth highest paid private university president in the nation, according to a recent survey in the Chronicle of Higher Educa-

tion, putting him right above Yale University's President Richard C. Levin. This figure represents a \$200,000 increase in income over the previous year.

The complexity of a technical institute, as well as the need to attract top-level executives can justify the cost of a chief executive. The president often brings tremendous amounts of grant money and research to the institution. "Three of the ten on that list [the Chronicle survey] are presidents of technical institutions on the East Coast," said Vice President Maureen Weatherall. "Our president has an extremely long tenure,

and his compensation reflects that."

President Raveché comments on his experience here, "I can remember when I started as president... we required our students to buy a text book by one of our faculty, in electrical engineering, and the students would come up to me, in this room, and say, 'Dr. Raveché, look—there are mistakes in this book.' And we were still forcing our kids to buy it. 10 years later, look at the difference. We have outstanding faculty. The students are happy, the students are dedicated... this is a day and night dif-

Continued on page 3



Raymond Perfetti/  
Photography Editor

The Hoxie House is home to Hal Raveché and his family.

## Students meet SGA candidates

John Frega  
Managing Editor

Jacobus Lounge was transformed into an arena for students to meet the vice-presidential candidates for the upcoming SGA election and vote for the new leadership of the Stevens student government, all while enjoying a free slice of pizza. The event was organized and funded by Jason Taormina '05, an independent political observer on campus who was looking for a way to gather students together in the hopes of changing the trend of traditionally poor voter turnout in SGA elections. "I've been seeing very low voter turnout for the five years I've been a student here. I wanted to do something that would boost voter turnout above the normal 22-24%. The SGA is also trying to pass a constitutional amendment, and

Continued on page 2

## Stevens receives 2.6 million dollar donation from alumnus

Daniel Jabbour  
Technical Editor



Meagen Henning/Stevens News Service

President Raveché and CFO Falconi receive \$2.6 million gift from Katherine K. Dashiell, in memory of her father. (L-R) Elysa Scharf, Hal Raveché, Susan Head, Stefano Falconi.

A trust fund, established by Katherine K. Dashiell, in memory of her father, William Wales Dashiell, class of 1879, was transferred to Stevens this Thursday after the last remaining members of her estate passed away.

Ms. Dashiell died in 1978. She left a donation of \$2,000 in her will. Her estate also funded a trust, which paid an income to her sister and niece. Once both died, the assets were to be transferred to Stevens, in memory of her father. Executives Susan Head, Vice President, and Elysa Scharf, Senior Vice President, from Wachovia Bank, the trustee of the trust, delivered the check today to President Hal Raveché, and the newly appointed Chief Financial Officer, Stefano Falconi.

William W. Dashiell graduated with a degree in mechanical

Continued on page 3

## Students meet SGA candidates

**Continued from page 1**  
need to have one third of the campus to vote in order for it to have a chance of passing," explained Taormina.

Apparent student apathy has turned this into a very unusual election. When initial nominations for president and vice president closed on February 8, no students had submitted a completed Nomination Form to the SGA. After the nomination period was extended, two tickets emerged. The ticket of Pierce Smith '06 and Leigh Shahbazian '07 brings previous SGA experience to their campaign; Smith is currently a senator while Shahbazian is the current Secretary. Their opponents Ryan Lynch '06 and Dave Velasco '06 are each running their first SGA campaign, but were both founders of the American Cultures Club. Velasco and Shahbazian were busy speaking to students trying to gather votes and inspire voter turnout. Both vice-presidential candidates were very excited with how the campaign had been progressing. Velasco was "really excited with how the campaign was going," and added "we're seeing amazing voter turnout; we really want to see students being involved in the election." "We're making ourselves visible on campus, people are getting sick of looking at our faces, which is what we wanted to accomplish," explained Lynch. Shahbazian felt equally well about her ticket's chances. "I'm really impressed by the number of students asking us questions about the campaign; they seem genuinely interested in the most talked about issues." Smith seconded, "I think that we have had several different opportunities to get our message out there and I think that it is going well. I encourage more people to vote for both the presidential election and the constitutional changes."

So what are the issues in this campaign? According to Velasco, "our goal in this campaign is to make students a priority." Lynch added, "we want to make the SGA

much more visible and more influential for everyone." Smith and Shahbazian are focusing their campaign on academic issues. "We are looking to see the revitalization of the library as a resource for students and we also want to improve communications between students and faculty. We want to see students happier about their academic life at Stevens; we feel that if they are happier about their classes, they will become more involved in other aspects of life here." Smith also reiterated, "we want to reach out to faculty and improve all facets of the academic life here at Stevens, starting with continuing the progress on the reading day that the last administration began. Leigh and I would like to also make SGA meetings more focused on student concerns and issues. We will focus, if elected, on shorting the procedural business during meetings and we would also like to streamline and revise the budgetary guideline for this purpose as well."

As a potential voter, you may also be wondering why these candidates did not emerge during the initial nomination period. When asked why he chose to run after the nominations were extended, Lynch said "Dave and I stepped up because when we found out that no one was running, we were angry because out of 1700 students, no two stepped up. It was disappointing to see that no one from within the SGA had stepped up to take the position. The government in a small school like Stevens has the potential to be very effective and powerful; we want to make to government work for the student body."

Shahbazian was "tentative on making the decision due to time commitments and other activities," and added "I wanted to make sure I did my research before I took on the responsibility. I realized I can really learn by doing, and college is only four years, I didn't want to have any regrets. At the same time, I also researched the amount of work I would be doing [as vice-

president] from Rob [Hoar '06, current SGA Vice-President] and Corina [Kellner '05, current SGA President] who both held the position." Smith mentioned that his decision to run came from the lack of an emerging candidate from the current administration, "I had been thinking about it for quite a while before the deadline and realizing that no one else had stepped up from the current cabinet to run I felt there needed to be a candidate who had experience at SGA and extensive experience in dealing with administration and student life. It did not take me long to decide that the SGA needed a strong leader and unfortunately I did not have the time to get a running mate, 170 signatures and the rest of the requirements finished before the deadline."

There are also two constitution amendments on the ballot this election. The first amendment would change the way students are classified. The new system would classify students by the year they entered, as opposed to the current system that classifies students based on the number of credits they have earned. "This will make it easier to make sure that you vote for your peers. There were cases in the past where a student would try to vote and find that because of the number credits they had earned, they were not voting as a member of the class they entered with. The new system would ensure that students can work with and be represented by the students that they came into school with," explained Cecilia Arias '07, a second year senator. The second amendment would call for the further definition of a secretary pro-temp. The pro-temp is appointed by the current secretary to stand in for the secretary in the event that he/she is absent. This would ensure that meetings would keep running smoothly. Both of the constitution changes can be viewed on the SGA vote server, [www.stevens.edu/vote](http://www.stevens.edu/vote).

The polls are open until Tuesday, February 22.

## Stevens finances scrutinized

**Drew Cottrell**  
*Editor-in-Chief*

Stevens financial system has faced increasing amount of scrutiny lately after last year's bond downgrades and recent reports that the Institute's auditor may leave. Many members of the Stevens community are asking what the future holds. Both the faculty and administration agree that the Stevens Office of Finance has experienced difficulties in recent years, yet there does not seem to be a consensus on the cause of the financial difficulties. President Raveché explained, "this organization has grown so rapidly and so much, that we outpaced many, many capabilities. The explosive growth in research created problems because it was hard to keep up with it all, and now we're getting caught up." Vice President Maureen Weatherall posed the question, "Do you want a good bond rating and have nothing happening on your campus?" Raveché added, "All these investments, a huge amount, went into creating facilities for students. And, to do that, we had to go into debt. We knew that. We had to do it." Yet at the same time, members of the faculty, who were involved in Stevens' tremendous growth during the past decade, are still finding the financial problems surprising. Professor Edward Whittaker, Chairman of the Faculty Council, stated, "The plan was not to have a deficit budget for the Babbio Center or other development. It was planned to do this with a balanced

budget." He continued, "I think the deficits are appearing without a lot of forethought." Raveché claimed that such a misunderstanding may be due to a lack of communication between the administration and faculty, but stated, "maybe you don't communicate enough, but they saw the buildings going up, right?"

The severity of Stevens' financial problems are subject to various opinions as well. When asked if Stevens' financial department has been mismanaged, Weatherall stated, "no. Has there been some turnover that has caused some missed deadlines and caused clerical errors, yes." While he does not believe the institute is in an extremely dangerous situation, Whittaker stated, "At any given time you should be able to have a financial outlook and say, 'by the end of the year we will be at ...' People are surprised we operate at a deficit, it takes months and months to figure it out."

Regardless of the causes, both sides agree that changes are necessary. Weatherall acknowledged, "We have decided to improve our financial systems." Whittaker added, "decision making is the key here ... we want to prevent poor decisions in the future. We obviously have a defect in that process." Both sides have expressed confidence in Stefano Falconi, the incoming Vice President for Finance, CFO, and Treasurer, who will be coming to Stevens at the end of the month, and are eager to see what changes he will bring to the Office of Finance.



### 'Habitat for Humanity' Dell Laptop Winner

Congratulations to Steve Jacobsen, grand prize winner of the Habitat for Humanity raffle. Dean for Student Life Kenneth Nilsen awarded Steve the Inspiron Notebook donated by Dell Computer Inc. on February 4. Catherine Shmaitis was the first runner up, winning a \$40 gift certificate from Saporito Grill, and second runner up Joseph Tiseo was awarded Stevens clothing from the campus store. The Stevens Habitat for Humanity group was thankful for the support from everyone who purchased a raffle ticket and congratulates the winners!

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# Is the President's salary just?

School	President	Salary	Expenditures	Revenue	% of Expenditures to President
Johns Hopkins	William R. Brody	\$897,786	\$2,500,000,000	\$2,500,000,000	0.04%
U Penn	Judith Rodin	\$893,213	\$2,900,000,000	\$3,200,000,000	0.03%
Vanderbilt U	Gordon Gee	\$887,209	\$1,900,000,000	\$1,800,000,000	0.05%
RPI	Shirley Ann Jackson	\$848,057	\$331,000,000	\$307,000,000	0.26%
Boston U	John R. Silber	\$808,677	\$1,300,000,000	\$1,300,000,000	0.06%
Drexel	Constantine N. Papadakis	\$805,158	\$345,000,000	\$355,000,000	0.23%
NYU	John E. Sexton	\$773,012	\$2,100,000,000	\$2,200,000,000	0.04%
USC	Stevens B. Sample	\$704,861	\$1,700,000,000	\$1,800,000,000	0.04%
Boston U	Jon Westling	\$700,626	\$1,300,000,000	\$1,300,000,000	0.05%
Stevens	Harold J. Raveché	\$696,965	\$123,000,000	\$115,000,000	0.57%

\*Boston appears twice as the university had two presidents during the reported year

**On average, presidents' compensation is .13% of the school's expenditures. President Raveché's is over 4 times that average.**

## Loans to President Raveché

President Raveché has received approximately \$1.88 million in loans from Stevens since 1995, at an interest rate of 2% (\$475,000 is set at 4%). "Apparently, it is a common practice in higher education. It was common in the corporate world as well until Sarbanes-Oxley," explained Michael D'Onofrio, Controller for Stevens Institute of Technology. Sarbanes-Oxley is a law, signed in 2002, designed to prevent financial malpractice and accounting scandals such as those exemplified in Enron.

"It's common practice to do it as we've done it," Walsh. "[to] directly loan to the senior officers at least at a modestly preferred rate..."

Some criticize the practice, even at the University level. "Why doesn't he have to go to the bank? Why does he benefit from a non-profit? I don't understand it. There are banks for that, I'm sure he would qualify for loans," commented Whittaker.

Continued from page 1  
ference."

"You walk with this guy... through the second floor dining room there at a lunch time, and it's kinda like walking with a rock star because he'll stop like three or four people all the way through, and be making comments and questions to them... the guy's always on time-share," explained Trustee James M. Walsh.

"He has generated grants for research, and grants for different schools and centers, out of Washington, and Trenton ... and other government entities, that rival the revenue from undergraduate and graduate tuition," commented

years for which figures are available.

When asked if she feels if the President's salary increases are necessary, Weatherall replied, "I believe ... if it meant he continues at Stevens and continues the work he's doing to benefit the institute, then yes."

"It's not the source of our [financial] problems, but it's peculiar. If you're paying such a high salary, you should expect world-class management, but we're not getting that," commented Professor Edward Whittaker, Chairman of the Faculty Council. "I don't think having the best president is quantified by his salary... It might be an

issue, "Do highly paid presidents of private colleges deserve their compensation? Those presidents and their governing boards are under more pressure than ever to prove it."

## Rutgers President Passes up Promotion

Rutgers President Richard McCormick also rates in the top 10 list. McCormick is the seventh highest paid public university president in the nation, earning a \$525,000 salary and \$100,000 annual retention bonus. McCormick placed third on the same survey last year, and dropped down after requesting the

university president was unreasonable. According to a November edition of the New York Law Journal, "... the bulk of the regents' decision concerned the compensation and benefits awarded to Adelphi's president, Peter Diamandopoulos. Over a 10-year period from 1985-95, the president's base salary went from \$95,000 to \$330,750..." Additionally, the president received free housing near campus, and the offer to buy a \$1.15 million Manhattan apartment for \$905,000.

## Alumnus leaves \$2.6 million

Continued from page 1  
engineering in 1879 and eventually became a member of W. W. Dashiell & Co., in New York, dealing in motive power and machinery supplies. He was also vice president and general manager of the New York Lubricating Oil Co. and Bayway Refining Co. In addition, he was a member of both the American Society of Mechan-

cal Engineers and the Engineers' Club of New York.

"President Raveché and the new CFO have determined to put the donation in the endowment," explained Marjorie Everitt, Assistant Vice President for Development and External Affairs. The money was left unrestricted, and thus its use is at the discretion of the university.

	1994	2004
Applications	1894	2351
Acceptance Rates	68%	49%
Entering Class	389	478
Entering Early Decision	40	80
SAT Range (25%-75%)	1050-1310*	1190-1390
Overall University Enrollment	1263*	1778
Net Undergraduate Revenue	\$13.5 Million	\$26.1 Million
Graduating Seniors w/Earned Masters	1	40
Princeton Review Selectivity Rating	82/100*	95/100

\*Data from 1995

## President Raveché has overseen tremendous growth and much advancement during his tenure at Stevens.

Walsh. He went on, "While you have a very high tuition bill, without the money that Hal brings in, that tuition bill would be anywhere from 12 to 15% higher ... there's an immediate monetary impact."

## Some question the cost of the executive

"He [President Raveché] is a very talented person, he's done a great deal for the school. But it's puzzling why he would get these big salary increases, while the school is having problems," expressed Professor Edward Friedman, Director of the Center for Technology Management for Global Development. According to IRS data, President Raveché's salary increased 41.8% between 2002 and 2003, the latest

indicator of how the trustees have been approaching the management of the Institute, and where their focus has been. We're operating in a way that in any time, we don't know if have a surplus or deficit."

"Universities do not exist to make money, but to educate our students and citizens, a role that is central to our democratic society. We send the wrong message when we transmogrify our campus presidents into C.E.O.'s" said Roger Bowen, General Secretary of the American Association of University Professors in a November 15, 2004 *New York Times* story.

University presidential salaries are becoming a source of debate around the country. *The Chronicle of Higher Education* reported in their November 19, 2004


Rutgers board pass him over for a salary increase last summer.

"He came to us and said, 'I am one of the highest-paid presidents ... I think I should be passed over for a raise ... and the board said 'yes,'" said Al Gamper, head of the Rutgers Board of Governors in a November 15, 2004 *Star-Ledger* article.

## Adelphi's Board of Trustees let go after presidential salary deemed unacceptable

Adelphi University of Garden City, New York, had their entire board of trustees dismissed, as well as law suits brought up against them, after the New York State Board of Regents found that unusually high compensation of their

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