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inside today

Don't Smoke: But don't worry about it, because the regents' new campus smoking ban probably is impossible to enforce p.8
Swine Flu Shootout: Students should be able to get vaccinated against the swine flu next fall p.7



Photo by Ted Kirk

No, it's not a mysterious sultan traveling incommunicado or a strange Ku Klux Klanner. It's a portable curtain and the feet belong to a puppeteer. His admirer is waiting for the next puppet to peer out. The Playhouse Puppeteers gave a free performance Wednesday near the Broyhill Fountain.

University investments drawing lower return rate than before

By Ron Ruggless

University investments this year are drawing a lower rate of return than in previous years, said Emily Nelson, NU assistant investment officer and endowment manager.

Interest on temporary cash balances (tuition payments, advance registration deposits, etc.) for July 1975, to March is \$336,547. This compares to \$771,848 in 1974-75, \$820,811 in 1973-74 and \$254,905 in 1972-73, she said.

Nelson said temporary cash balances range from \$4 million to \$14 million, depending on when tuition and other monies come into the university and when they are used.

All university investments are made through the State Investment Council, or with its advice, Nelson said.

William Erskine, vice-president for administration, said that in addition to temporary cash interest revenue, interest from endowment funds (given to the university by individuals) probably will be less than in previous years. The university has \$4.3 million in endowment funds this year.

Nelson said \$539,714 was made from endowment interest in 1974-75, compared to \$441,503 in 1973-74 and \$372,693 in 1972-73. Figures for this fiscal year are not available, she said.

Erskine said the university's investments are managed daily, under the recommendation of State Investment Officer Don Mathes.

Most university investments are in common and pre-

ferred stocks, government securities, treasury notes and commercial paper.

The endowment funds held by the university are going into a pooled account, Erskine said, which is a change from investing the funds separately.

The NU Board of Regents, which has control over the funds, along with the Nebraska Legislature, decided a pool investment would allow spreading of investments to receive maximum security from them.

He said the Omaha National Bank will be handling the pooled investment.

"There is less of a chance that an investment could go sour," Erskine added, "and a lot more investing can be done with larger sums of money."

Harry Haynie, University of Nebraska Foundation president, said the foundation contributes from \$1.5 million to \$2 million each year to the university.

This money is used for student scholarships, construction, library purchases and professorships, he said.

The foundation, a nonprofit charitable organization separate from the university, "encourages alumni to give something (monetary) every year," Haynie said.

It has its own investment program, he noted, but NU President D.B. Varner and two regents are on the foundation's board of directors.

He said foundation money is spent as donors dictate.

"We do not try to add up a lot of dollars on our financial statement," Haynie added. "We just try to benefit the university as much as possible."

No tax increases in store—for now

By Joe Hudson

Sales and income taxes were not altered Wednesday at a meeting of the State Board of Equalization, but Secretary of State Allen Beermann warned that the board may be forced to increase rates when it meets again in November.

The board, with Treasurer Frank Marsh absent, voted unanimously to keep state sales and income taxes at their respective 2.5 per cent and 15 per cent levels.

During the meeting, Beermann questioned Tax Commissioner William Peters' projection that the general revenue fund will have a \$12.2 million balance when the current fiscal year ends June 30.

Beermann said the projections indicate the state may be "very, very close" to a fiscal crisis if tax rates are not changed.

The board could make a better tax rate decision, Beermann added, if it could meet closer to the end of the fiscal year, when, he said, a more reliable cash balance estimate would be available.

Peters' projection assumed state agencies will spend 95 per cent of their 1975-76 appropriations. That assumption is based on "historical experience," Peters said.

The tax commissioner's figures show that with a 100 per cent expenditure rate, the state will face a \$8.8 million deficit June 30, the end of the fiscal year.

Projections would have to be off at least 4 per cent to cause a cash flow problem, Peters said. He said he did not expect cash flow problems in future months, but admitted the state could be "very close" to such a crisis if his projections are off.

Cash flow problems refer to the temporary shortage of funds in the state budget resulting from the difference between the fiscal and tax year.

"But we also may have several million dollars extra" if the estimates are inaccurate in the other direction, Peters said.

"As far as any serious cash flow problems are concerned," Peters said, "we wouldn't encounter anything comparable to this month until April of next year."

The state has been forced to delay mailing of income tax refunds since March 22, and a school aid payment due April 15 also was postponed.

Peters said Marsh now has been authorized to send the school aid checks, and that about 45,000 income tax refund checks will be in the recipients' mailboxes late next week.

The board, comprised of Beermann, Peters, Marsh, Gov. J. James Exon and Auditor Ray A.C. Johnson, met to comply with a 1975 law requiring the board to consider tax rate adjustments within 15 days of the end of each legislative session.



Photo by Kevin Higley

The Golden Arches may not shine on R St. as McDonald's Restaurants postpones its rezoning request hearing for a second time.

McDonald's defers rezoning

McDonald's Restaurants has asked the city for a second deferral of its zone change application to build at 1319 and 1325 R St., according to Denny Paul, real estate manager in the McDonald's regional office in St. Louis.

Paul said he was not sure when, if ever, McDonald's will apply to change the zoning of the property from residential to commercial. McDonald's had not expected any controversy over the proposed zoning change, he said.

McDonald's rezoning request originally was scheduled to be heard by the Lincoln City Planning Commission on March 17, but representatives from McDonald's and the land's owner, Nebraska Bookstore Co., asked to postpone the hearing.

McDonald's signed a contract in March transferring the land's ownership from Nebraska Bookstore. But completion of the contract was contingent upon successful rezoning.

"We didn't think we'd cause such a stir," Paul said.

"We have no idea why people are opposed to it."

McDonald's has outlets on college campuses throughout the country, Paul said. He added that many are located in student unions.

Ohio State University has three fast food chains located in its student union, Paul said. There are outlets at two other Ohio universities and one in the Franklin Mint in Philadelphia, Paul said. There are more outlets on campuses, he said, but he was not sure of their locations.

Rita Peterson, a secretary for the City Planning Commission, said she had contacted McDonald's earlier this week and was told by a person in the St. Louis office that the company wanted the zone change hearing to be postponed indefinitely.

"They said they would contact the city if they decided to ask for the zone change," Peterson said.