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Charges of loan account misuse checked by HEW official

by George Wright

Accounting procedures concerning student loan money at UN-L will be reviewed next week as part of a follow up on allegations made by Jack Ritchie, former director of UN-L's student aid office.

Joseph Wettstein, assistant regional administrator for student financial assistance, said he will meet University officials to discuss the alleged violations of federal regulations on the use of National Direct Student Loan (NDSL) funds. Wettstein is a Health, Education and Welfare (HEW) official in Kansas City.

Ritchie had charged that the University violated federal regulations on handling loan money repaid by students and invested by the state. Ritchie said the interest lost was between \$200,000 and \$500,000, and should have been returned to the student aid office for future NDSL loans.

Miles Tommeraasen, vice chancellor for business and finance, called the charges "nonsense" and said Ritchie was irresponsible for saying \$500,000 could have been made in interest on the loan money, even over a five to six year period.

Tommeraasen said the charges could be misleading, because the interest money in question is not interest money charged the student for the loan but is interest earned by investing of loans paid back by students.

Ritchie said that the total dollars of misused money quoted was not exact and that the \$200,000 dollar figure was probably too low and the \$500,000 too high but, he said, his actions were more responsible than ignoring federal guidelines.

He said there is a lack of concern for federal regulations and a lack of concern for the office of financial aid as well at UN-L.

NDSL money is mixed with 500-600 other accounts in a state pot, labeled 6512 and then invested, Tommeraasen said. The status of money received from students who are repaying loans is in question.

"Is it still federal money after the state has collected it, invested it and reloaned it, or has it lost its identity," he said.

Tommeraasen said the argument is basically an "argument between accountants" and it may cost more



to find out the amount of interest of this money than the interest itself.

Ron Fritz, acting director of the student aid office said about \$1.6 million in NDSL is distributed to UN-L students. He said that 2,100 students receive NDSL money, ranging from loans of \$100 to over \$2,000.



School of Journalism photo

Lt. Gov. Gerald Whelan said that he might suggest that the UN-L budget be reduced if he is elected governor.



School of Journalism photo

Republican Congressman and gubernatorial candidate Charles Thone said duplication and competition between Nebraska colleges should end.

Candidate Whelan suggests UN-L budget reduction

In order to limit state spending to a five percent increase, Lt. Gov. Gerald Whelan said that, if elected, he might suggest that the University of Nebraska's budget be reduced.

Whelan's remarks were made Sunday in Kearney at the first debate between gubernatorial candidates, Democrat Whelan and Republican Congressman Charles Thone.

"The University of Nebraska may be looking at a reduction," Whelan said, adding that Nebraskans should get "greater accountability and productivity" from the University. He said some University instructors teach seven or eight hours while instructors at other

state colleges average closer to 14.

Thone, in response, said that the University is one of the "institutions most responsible for the good life we enjoy." The state school system should be "second to none," he said, but should also eliminate unnecessary duplications and competition in Nebraska's post secondary schools.

The first debate was limited to topics of inflation, taxes and spending. Two more debates are scheduled for August and September.

Lieutenant Governor nominees, Republican State Sen. Roland Luedtke and Democratic State Sen. Orval Keyes, also took part in the debate.

American Civil Liberties Union reviews Sports Complex policy

The American Civil Liberties Union (ACLU) is reviewing the new policy which allows groups to rent the Sports Complex for religious services.

The Union has requested a copy of the policy from the University and will check it for possible violations of the first amendment which require a separation of church and state, according to Barbara Gaither of the ACLU.

The new policy was approved last month by the University of Nebraska Board of Regents. Miles Tommeraasen said the old policy allowed religious groups to rent the complex but said they could not hold religious services there.

He requested that the Regents change the policy after the Seventh Day Adventists wished to hold a convention there but withdrew the request because of the religious services stipulation.

He said other religious organizations "from time to time" have requested to use the complex.

The new policy says that although the University does not condone any religion it will allow the complex to be used for religious services.

Gaither said the ACLU "position would depend on how they (the Regents) have written the policy."

There is probably no violation of the first amendment if religious groups must pay the same rental fee as other users and if all religious groups are treated equally, she said.

Tommeraasen said every renter of the complex pays the same fee of \$2500 each day and that all renters are treated equally.

There is a priority list for determining who uses the complex, Tommeraasen said. "The bottom priority is outsiders," he said.

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