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Thone expected to request 5 percent budget cut

Nebraska Gov. Charles Thone is expected to ask for a 5 percent cut in funding for state agencies and the university at the special legislative session beginning today.

The NU Board of Regents passed a resolution Wednesday calling for no cuts at all in the university system. The anticipated revenue shortfall is expected to be \$30 million.

William Swanson, NU vice president for governmental relations, said the university administration is totally in agreement with the regents' stand. University lobbyists will work against any cuts.

"I haven't seen any of the proposed bills yet but our position is to avoid any cuts," Swanson said.

State Sen. Don Wesely of Lincoln said this year's problem stems back to last year's special session. The university and the state agencies were cut by 3 percent, while state aid to municipalities was not cut at all.

Wesely called for an adjustment in this year's tax rate but he said that budgets will also have to be cut.

Last year 'unfair'

"What happened in last year's special session was one of the most unfair things I've ever seen," he said. "Sens. (Dave) Landis, (Chris) Beutler and myself introduced a bill that would have cut the university, state agencies, and state aid all by 1 percent."

Wesely said last year the university was coming off of a small budget increase while this year's budget increase was negligible. The university budget is already down to

the bone, he said.

"We dug ourselves into a hole last year and now it's even worse. The problem is compounded by the economy, which has cut the revenues back. I think that in the session beginning in January we'll have to promote the economy in the state," Wesely said.

Governor-elect Bob Kerrey campaigned on a promise not to cut state aid to local subdivisions. Wesely disagrees.

"I can understand why Mr. Kerrey said that but I think the burden has to be shared. The local subdivisions have already been lobbying me," Wesely said.

Last year the university didn't fight as hard as it should have against the budget cuts, he said. This year the regents and administrators appear more prepared to fight the cuts.

Wesely said \$30 million is too large of a figure to merely cut wasteful and inefficient spending. The university will have to accept some cuts, he said.

Protect jobs

State Sen. Rex Haberman of Imperial said his main concern is protecting jobs. He said he will look into "every nook and cranny" to find ways to cut the budget. He is considering a bill to cut college and university summer sessions down to only one session.

"I'm trying to get the facts and figures on this. It would be for all the colleges in Nebraska, and I think that is could save thousands of dollars," he said.

Haberman said he is not against education but that

there is not enough money to go around. He said cutting some summer sessions would be better than an across-the-board cut. Haberman anticipates that the session will last longer than the scheduled seven days.

"The universities and colleges are going to have to be willing to do something. Those that don't want to cooperate, I'm going to look at with a callous eye," he said.

Larry Walklin, UNL journalism professor and faculty senate president, said he strongly supports the regents' position. He said the regents have demonstrated clear support of the university.

"I think they've indicated how desperate a position the university will be in if we're cut anymore," Walklin said.

New vice president announced for RHA

The resignation of Tom Mockler, Residence Hall Association president, was announced at RHA's Thursday night's meeting by Melba Petrie, former RHA vice president.

Petrie said she assumed the presidency on Oct. 24, when Mockler resigned for "personal reasons."

According to the RHA by-laws, Petrie has three weeks to appoint a vice president for the RHA representatives to approve, said RHA adviser Richard McKinnon.

Petrie appointed RHA executive assistant Kathy Mach as RHA vice president, and asked for the representatives' approval.

Bob Wolz, RHA representative, made a motion to delay vice presidential appointment for one week. However, the motion did not carry.

Schramm President Patrick Edwards made a motion to appoint Mach as RHA vice president. The motion was approved.

"Kathy has three-and-one-half years of experience in RHA and the department of housing," Petrie said. "She has a wealth of information and would be a valuable resource."

Dan Wedekind, ASUN president, spoke to RHA about proposed budget cuts before the Legislature in the Nov. 5 special session.

If a 5 percent budget cut was made, \$7.5 million would be cut from the UNL budget, he said.

Wedekind said 70 percent of the UNL budget is salaries for faculty members. He noted that UNL faculty members are to receive a 2.5 percent salary increase, compared to the 7 percent to 13 percent increases of other Big Eight schools.

In order to avoid cuts, Wedekind said the most significant action students and their parents can take is to write or telephone their state senators.



Staff Photo by Craig Andresen

Reflections of the Lincoln skyline off the surface of Capitol Beach Lake soon will be swallowed by a thick layer of ice as local temperatures continue to fall.

Beck urges Social Security reform

By Pat Higgins

Social Security reform is the most pressing economic issue facing the country, Robert Beck, chief executive officer of Prudential Life Insurance Co., said Thursday. Beck, a member of the President's Commission on Social Security Reform, spoke as part of the Faulkner lecture series in the Nebraska Union. Beck said the commission's report will be released later this month and that this is the right time to reform the Social Security system. He outlined a number of short- and long-term solutions to get the system on stronger financial ground.

The Social Security system is in bad shape because of a variety of factors, Beck said. The trend toward early retirement, longer life expectancy and a higher percentage of the elderly in society have contributed to the crisis. He said the Social Security program has been living dangerously beyond its means.

"The public has been led to believe that this is an insurance program, which it is not. It is an intergenerational transfer of funds," Beck said.

There is only a three-month money supply in all the Social Security accounts, he said, adding that the elderly are terrified their benefits will be cut and that younger workers are skeptical of ever seeing benefits.

"The choice is either to increase taxes or continue future benefit growth," Beck said. "I don't think that there is much sentiment to increase payroll taxes."

Beck proposed short-term reforms such as linking benefit increases to wage increases. In the last three years, Social Security benefits have increased by 40 percent while average wages have increased by 30 percent. Because benefits are tied to the U.S. Consumer Price Index, the benefits contribute to inflation, he said.

Beck said it seems fair that the wage earners who pay into the system should be able to keep pace with those collecting benefits.

Another short-term reform that he proposed would eliminate "double-dipping" by government employees who receive Civil Service pensions in addition to Social Security.

As far as long-range recommendations, Beck proposed an increase in the retirement age to 68. He said this should be phased in gradually over the next two decades. People could still retire at age 62 with reduced benefits, he said.

"The time to enact this is now so people would have the chance to plan for their futures," he said.

Beck's second long-range proposal was that Social Security participation should be made mandatory for government employees.

The use of savings and private pension plans should be encouraged more in the future, he said. Individual retirement accounts limits should be increased. He said that private pensions contribute to capital formation, which ultimately provides jobs. Favorable regulation and legislation by the government should be aimed at the private pensions.

"I applaud the efforts of the Reagan administration in this regard," he said.

Beck said the time to act on Social Security reform is now, because the elections have just concluded. He said he favors a bipartisan approach to reforming the system and an active leadership role by the president.

"These solutions do not require a reduction in benefits," he said.

"We can't waste time on political squabbles."



Staff Photo by Craig Andresen

Robert Beck