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Senators oppose 3.5% budget cut

By Pat Higgins

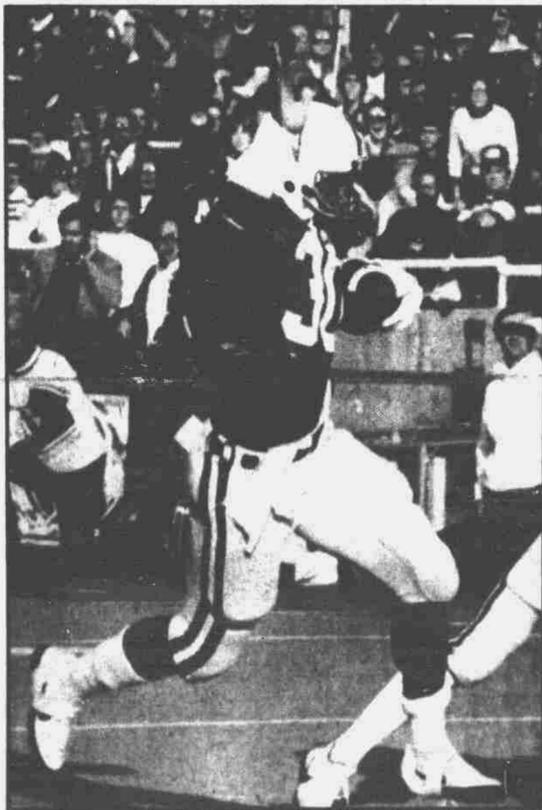
State Sen. Don Wesely of Lincoln predicted that this week's special session of the Nebraska Legislature is "going to be crazy" trying to decide on how to balance the state budget.

Gov. Charles Thone opened the session Friday by proposing a 3.5 percent across-the-board cut that includes state aid programs to local governments. Thone also recommended allowing about \$5 million in state agency cash and revolving funds to lapse into the state general fund. His planned budget cuts and recommendation would avoid raising taxes when the State Board of Equalization meets next Monday, he said.

Unlike last year's special session, when Thone's budget cuts were adopted with only a few votes in opposition, some state senators demonstrated little support for Thone's plan.

Tax hike unavailable

Wesely said that he sees no way to avoid a tax hike



Staff Photo by Craig Andresen

Nebraska I-back Mike Rozier sets a single-season rushing record in the Huskers' 48-10 win against OSU.

along with the budget cuts. The expected revenue shortfall through December will be \$30 million, and Wesely said he expects more shortfalls through the end of fiscal year on June 30.

Some tax loopholes can be closed to gain additional revenue, including tax breaks for cigarette wholesalers, he said.

The Appropriations Committee chairman, state Sen. Jerome Warner of Waverly, will exert great influence during the special session, Wesely said.

Warner said he plans on amending Thone's proposals, since the state is facing a deficit of \$55 million for the fiscal year. Warner proposes a 1 percent increase in individual state income tax, which would raise \$20 million for the state.

Warner also proposed budget cuts of not more than 2 percent across the board. Other selective cuts could be made in areas such as capital construction projects, he said. Some of the selective cuts could be restored at a later date.

Warner's across-the-board cuts also would include state aid to local government, he said. A 2 percent across-the-board cut would not be as tough on state agencies as Thone's 3.5 percent cut, Warner said.

Proposal disappointing

State Sen. Dave Newell of Omaha said that he was disappointed with Thone's proposals. The proposal offered solutions that would last only through the calendar year, not the fiscal year, Newell said. The fiscal year deficit could reach \$70 million.

"This would leave the new governor and the Legislature that meets in January with serious fiscal problems. How do you cut \$70 million out of the budget?" Newell said.

State Sen. Dave Landis of Lincoln said that he would like to see across-the-board cuts of 2 percent or less. Landis said that there is not enough time to prioritize budget cuts, and that a tax increase is likely.

Landis said he doesn't expect Thone to play as large a role as he had in the past.

"From what I read in the papers, Gov. Thone expects to spend less time on this. He expects us to react to his proposals, and he's not going to try to muscle his way around," Landis said.

William Swanson, chief lobbyist for the university, said that the university is opposed to any cuts in its budget. Hearings on the university budget begin at 9 a.m. today.

Gov. Thone, in his last address to the Legislature, thanked his department heads and his staff. He also paid tribute to the Legislature.

"I'm ending my administration as I began it, with a pledge to cooperate with you in the best interests of Nebraska."

Governor-elect Bob Kerrey has said that he has no

Roskens: No more cuts can be made without damage

The following is a letter, sent by NU President Ronald Roskens, to each of the state senators on Nov. 3 encouraging them not to vote for the proposed budget cut for UNL. Roskens has worked on a personal basis with senators on other issues, but this is his first formal, senate-wide attempt at persuading the Legislature.

Dear Senator:

As you move into the special legislative session to consider possible budget reductions, we feel it imperative that the position of NU be clearly stated. The NU Board of Regents strongly opposes any reduction in our 1982-83 appropriation.

The record will indicate that the university has been most cooperative in the past when confronted by state cash flow and revenue shortfall problems. We have gone as far as we can go. There are simply no more reductions to be made without seriously damaging the quality of our instructional, research, and public service programs.

While we are fully aware of the severity of the present economic crisis and the financial problems faced by many Nebraska citizens, we would fail in our role as managers if we did not alert you to the serious ramifications of a midyear reduction in the budget of the university.

For purposes of illustration, let us assume a budget reduction of 5 percent as the result of action taken by your body. For NU that would be a reduction of nearly \$7.5 million. When you consider that the increase in our 1982-83 appropriation granted earlier this year was about 4 percent, and that we have since notified faculty and staff of salary increases effective January 1, 1983, our problem is evident.

Our salary situation is of grave concern. Other Nebraska public employees of cities, counties and school districts have received increases considerably higher than the 2 percent that you previously authorized for state employees, as well as those of NU. Although surrounding states are also feeling the effects of the lagging economy and have faced budget reductions, our information indicates that all other Big Eight institutions, with whom we compete for faculty, have given 1982-83 increases ranging from 7 percent to 13 percent. Failure to proceed with the minimal 2 percent salary increase would have a most adverse effect on our faculty and staff.

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plans to influence the special session. But next year's presiding officer of the Legislature, Lt. Governor-elect Don McGinley, was in attendance Friday.

Door-to-door campaign helps Abboud defeat Koch

By Rebecca Stingley

Using a door-to-door campaign strategy and calling himself a representative instead of a politician, 26-year-old Chris Abboud last Tuesday defeated incumbent state Sen. Gerald Koch for a spot in the Nebraska Legislature.

Abboud, a 1982 graduate of the NU College of Law, said in a recent interview that he visited each household in the 12th District, which includes Ralston and Millard, two or three times during the campaign.

"I got to know the people, and they got to meet me. By taking time to see the people, I demonstrated my concern for the real problems facing the people in my district - high utilities costs, high health care costs and high taxes," he said.

Abboud's victory came at the expense of a formidable opponent. Koch had served two four-year terms and is the chairman of the Legislature's Education Committee.

In his campaign, Abboud proposed the creation of a citizens' utility board to check profits made by utility companies as a means of monitoring utility costs.

He also advocated the development of Health Maintenance Organizations in order to provide health care competition and thus reduce health care costs.

Abboud's biggest campaign pledge was to reduce state taxes and spending.

"When the private sector is prospering, the state government will be able to prosper. In economic times like these, the private sector has been forced to cut back. Therefore, state government must be cut back also," he said. "The solution to Nebraska's biggest problems is to spur economic development."



Staff Photo by Dave Bentz

Chris Abboud

Abboud said he began to consider running for the Legislature while attending law classes at the university. (He received an undergraduate degree from Creighton University in 1979.)

"In law school, I saw how wrongly the system is really working, though it is set up to work properly and help people," he said. "Law school unlocked everything in terms of ideas and inspired me to push ahead with this race."

The senator-elect spoke highly of the education he received from the university, although he said he is concerned about many aspects of the university's operation.

"The university system is too much of an administrative bureaucracy," he said. "When you've got 240 administrators averaging over \$50,000 annually and only 2 percent of the UNL budget being spent on instructional activity, the cuts that have to be made should come at the administrative level."

In addition to budget concerns, Abboud is bothered by the lack of jobs available in Nebraska for college graduates.

"I find it interesting that 46 percent of state taxes go into education, and then huge numbers of students have to leave the state to find jobs," he said. "We need business incentives in Nebraska to spur economic development so that we can employ these people."

Abboud is cautiously optimistic about working with Governor-elect Bob Kerrey.

"Governor-elect Kerrey has pledged to reduce taxes and spending. The people in my district voted for him, and hopefully, he will carry through on his promise not to increase taxes," he said.

Politics are not new to the Abboud family. Abboud's father served as a city councilman for Ralston in 1974, and his mother was one of the city's mayoral candidates in 1980.

Abboud said he hopes his election to the Legislature will inspire other young people to become more involved in politics and not to be afraid to approach government and powerful organizations.

"People need to learn early to fight for what they know is right," he said.