

WEATHER: Occasional light snow or flurries this afternoon with little, if any accumulation and a high in the lower 30s. Northeast wind 5 to 10 mph. Snow chances 60 percent. Turning windy and colder tonight with a 50 percent chance of light snow and a low in the upper teens.

Pianist Schub in Lincoln Tuesday

Arts and Entertainment, Page 7

Creighton downs NU, Nee hit with technicals

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Cold castles

Jerry Holmes of Valley Ice Co. of Lincoln sculpted an ice castle at the entrance to Sheldon Memorial Art Gallery Sunday as part of the Sheldon Holiday Spectacular Christmas-tree decorating party. More than 1,000 people attended the party sponsored by the Nebraska Art Association.

Senator forecasts tuition increase

By Merry Hayes
Staff Reporter

State senators, college representatives and others concerned about college-student debt called for an analysis of priorities Friday so that policies could be made to help students better understand the need for and the consequences of borrowing money.

State Sen. Bill Harris of Lincoln said the current policies on higher education do not reflect society's values.

"We are a confused nation. We are a confused state," Harris said. "There are inconsistencies between our goals and our policies."

Harris said that the educational system in Nebraska is the most important ingredient to economic growth and development and yet it is continually weakened by budget cuts.

He said if people ignore the situation, they will see the educational system disintegrate.

Richard Hoover, UNO vice-chancellor of Educational and Student Services agreed. Hoover said education costs in Nebraska are still less than the national average educational costs, but the problem cannot be ignored.

Hoover said forecasts call for a tuition increase of 7 percent per year for the rest of the decade. This is about double the rate of inflation.

In addition to the increase of college

Student borrowing continues to climb

costs, the decrease in grant assistance and the increase in student borrowing have caused major negative effects that are now surfacing, he said.

In a report presented by Hoover, figures showed that during the 1985-86 academic year, 3.2 million students borrowed a record \$8.8 billion in the Guaranteed Student Loan program while an additional million students borrowed \$850 million in the National Direct Student Loan program and another \$800 million in other, smaller federal loan programs.

There also has been a major shift from grant funding over the last 10 years. In 1976, students who received federal assistance received 80 percent of assistance as grants, 3 percent in the form of work study and 17 percent in the form of loans. According to the American Council on Education, that ratio had shifted to 52 percent loans, 45 percent grants and 3 percent work study by the 1985-86 school year.

Hoover said these changes are especially harming the chances for minorities and low-income individuals to enter or to finish college. While the number of minority high school graduates has been increasing since 1975, the number of blacks and Hispanics enrolling in college has been decreasing, he said.

Hoover said students' career choices also will be affected by the amounts of loan assistance they receive.

Hoover said a recent study by the Carnegie Foundation for the Advancement of Teaching found that students who receive minimal college loan assistance are more apt to enter low-paying fields such as education, fine arts and the social sciences. Students who tend to borrow more usually enter high-paying fields such as business, engineering and health, the study reports.

Students have been defaulting in record numbers on the GSL program, Hoover said.

The GSL program, the largest federal loan program, began in 1965. Since then, over \$42 billion has been loaned to students. In 1972, loans in default totaled \$50 million, and by 1978 that figure increased to \$225 million. About \$8 billion was lent under this program in 1985. U.S. Secretary of Education William Bennett estimated that accumulative default costs could reach \$12 billion within five years. Those who have not defaulted are caught in what seems to be a "never-ending" repayment schedule, he said.

Hoover said another negative effect is caused by the new tax code, which takes effect January 1987. According to

the code, students cannot deduct interest payments from their taxes. Hoover made three recommendations to help curb student debt:

- A student scholarship program with a ceiling.
- State-instituted tax-exempt loans with loan with low interest and long repayment periods for families with incomes from \$25,000 to \$75,000.
- Funding to improve loan and career counseling.

State Budget Director Larry Bare said it is obvious that college costs are shifting to students and parents, but more data on the impact of loans on career choice is needed before one can determine a causal effect.

Bare said people should ask not how they can get more funding but how they can decrease college costs.

"Increased quality and lower costs are the essence of what we're striving for," Bare said.

State Senator Jim McFarland of Lincoln said there is a need for a revised scholarship and loan program and in increased interest in the work-study program. People who work their way through college are often overlooked, he said.

"Work study has not been given the full benefit of the positive effects it has," he said.

Maryln Adams, legislative associate

See DEBT on 3

Committee adjusts budget

By Michael Hooper
and Jen Deselms
Senior Reporters

Members of the Legislature's Appropriations Committee this morning will vote on an amendment to LB 1, that would change proposed state budget cuts from \$6.5 million to nearly \$6.8 million.

Committee members decided not to vote during a Sunday night meeting after a suggestion to "sleep on it" from Senator Calvin Carsten of Avoca.

No changes were made in the \$1.5 million cut proposed for the University of Nebraska. But if the amendment is approved, a nursing program planned for Scottsbluff in conjunction with the university will not be cut. An earlier proposal would have repealed \$100,000 appropriated by the Legislature last spring.

NU President Ronald Roskens told the Appropriations Committee Friday that more budget cuts to the university would severely damage programs.

"We must not . . . mistake the inevitable consequences of these actions," Roskens said. "The quality and scope of education will suffer."

Roskens made his presentation with Tom Morrissey, chairman of the State College Board of Trustees, and J. Richard Gilliland, president of Metropolitan Technical Community College Area in Omaha.

Not only is NU facing a budget cut, but the state colleges are facing a \$245,000 cut and the technical community colleges a \$336,704 cut.

Nebraskans understand that further cuts in the higher-education budget will have a profound, negative impact on Nebraska's future, Roskens said.

Last spring, because of budget cuts and a shortfall, totaling \$3.8 million, 35 faculty positions and 57 staff positions were eliminated, said Robert Furgason, vice chancellor for Academic Affairs.

Such faculty and staff eliminations ultimately hurt the students, Furgason said. He said, for example, that more than 400 requests for Business Education 120 could not be honored because of a lack of funds.

"Normally we'd set up other sections," he said, "but now, with budget cuts, it's impossible."

Thomas Krepel, assistant to the chancellor and director of university relations, said the university cannot continue to take incremental cuts.

"It's an insidious cycle," Krepel said. Nebraskans do not realize that after the university takes a cut year after year, it all adds up, he said.

About 72 faculty and staff positions have been eliminated or reallocated at the Institute of Agriculture and Natural Resources since 1980-81 because of budget cuts.

"If those cuts were done at one time it would make the headlines," Krepel said.

But as the university has had to make incremental cuts over the years, some people do not realize the impact, Krepel said.