

Law may cut student aid by March 1

By RACHEL STIFFLER
Staff Writer

Large reductions in student financial aid could occur as soon as March 1 if a budget-balancing measure recently passed by Congress takes effect, said Eleanor Morris, UNC director of student aid.

The Gramm-Rudman-Hollings plan is designed to balance the federal budget by putting a ceiling on the deficit every year until 1991. If it passes a constitutionality test in federal court, North Carolina could lose \$200 million of funding over the next two years.

Morris said she expected a 4.5 percent to 5 percent cut in student aid programs for the fall semester, 1986, although she had not received any official notice of how much reduction there would be.

The Pell Grant Program, which is for students with the greatest financial need, could be cut by as much as 30 percent by fall, 1987, she said.

Morris said any federally-funded financial aid programs would be affected by the law, including graduate assistantships and research grants. Students receiving the Guaranteed Student Loan would have to pay a 5.5 percent service charge instead of 5 percent, she said.

Except for Pell Grants, the Student Aid Office would decide if the available money would be awarded to fewer recipients or if the same number of students would receive less money. Pell Grants would be reduced in both areas, Morris said.

She said the 4.5 percent to 5 percent reductions that could occur next year were more serious than they sounded.

"That's not a lot of dollars, but if we don't have the money to go around, it'll be felt by everybody," she said.

The law is already affecting the hiring of state workers, said Tim Pittman, Governor Martin's press secretary.

"The effect of Gramm-Rudman-Hollings is still being evaluated but in preparation for when it does take effect, the governor has ordered a slowdown in hiring," Pittman said. "As employees leave their jobs due to retirement and job changes, their positions will not be filled."

Marvin Dorman, deputy state budget officer for the N.C. Office of Management and Budget, said an analysis has not yet been done on how much the law would affect business and private education.

"It may be midnight on March 1 before we get the final figures," he said.

One-third of the reductions would probably be in the state highway program, Dorman said. Public education funding for vocational programs and handicapped students would be particularly affected, he said.

Jim Woodall, director of budget and analysis for the N.C. Department of Human Resources, said his department would be "significantly affected" by the law.

"If 50 percent of the reductions come in domestic programs, a lot of the (federally-funded) health and social services we provide will be cut," he said.

Five state programs would each receive a 5 percent reduction in funding between March 1 and the end of September, Woodall said. They include: social services; programs for low-income families who cannot heat their homes; maternal and child health programs; preventive health services; and alcohol, drug abuse, and mental health programs.

Woodall said budget cuts could be much more serious the year after the law takes effect, possibly reaching 15 percent to 20 percent.

Reagan asks for contra aid

From wire reports

WASHINGTON — President Reagan has decided to request \$90 million to \$100 million in aid for the rebels seeking to overthrow the government of Nicaragua, a White House official said Tuesday.

At least \$60 million of the proposed aid would be used for military aid to the rebels, generally called contras. The remainder of the aid would be used for food, medicine, clothing, boots and other non-lethal supplies, the official said.

Reagan reportedly told several key Republican senators that the Soviet Union's perception of U.S. strength depended largely on congressional approval of aid to the Nicaraguan rebels, among other factors.

Ghandi assassins sentenced

NEW DELHI, India — A court sentenced three Sikhs to death Wednesday for the June 1984 assassination of Prime Minister Indira Gandhi.

Satwant Singh, Kehar Singh and Balbir Singh were sentenced after being declared guilty of murder. Hanging is the established form of capital punishment in India.

The defendants showed little emotion as they heard the verdict. All three pleaded innocent when the trial began last May.

GNP growth slows

WASHINGTON — The Gross National Product grew only 2.3 percent in 1985, far short of the Reagan administration's goal of 3 percent, the Commerce Department reported Wednesday.

The figure, indicating a sluggish economy and a growing trade deficit, was far less than the 6.6 percent growth in 1984.

news in brief

White House spokesman Larry Speakes said the report indicated that Congress needs to approve President Reagan's proposed budget for 1987, which involves a smaller deficit.

Congress threatens tax hike

WASHINGTON — The second session of the 99th Congress opened with warnings of a coming tax hike and calls to repeal the Gramm-Rudman-Hollings budget-balancing law.

President Reagan, in a meeting with GOP congressional leaders Tuesday, said his fiscal 1987 budget would meet the law's deficit target of more than \$50 billion without raising taxes, hurting the needy or cutting into national security.

But Senate Budget Committee Chairman Pete Domenici, R-N.M., said budget cuts alone would not be enough to meet the requirements of the law and predicted tax hikes in fiscal 1987.

Walesa charged with slander

WARSAW, Poland — The Polish government said Tuesday that it would put Lech Walesa, Nobel Peace Prize winner and founder of the outlawed Solidarity trade union, on trial for slander.

Walesa faces slander charges for saying voter turnout in an Oct. 13 election was 60 percent instead of the 79 percent claimed by the government. He called for a boycott of the election because communist authorities controlled the selection of candidates.

Carrboro aldermen endorse merger study

By KATHERINE WOOD
Staff Writer

The Carrboro Board of Aldermen agreed Tuesday night to endorse a study of merger possibilities between Chapel Hill and Carrboro.

The study will be funded through private donations collected by *The Chapel Hill Newspaper*, according to the board's adopted resolution.

Mayor James Porto Jr. said he wanted the board to "endorse the idea of the study itself with no commitments."

Alderman Doug Anderson proposed adding a clause to the original resolution that would say: "This endorsement is in no way a commitment of public

dollars or an endorsement of merger." After agreeing to add Anderson's proposal, the board adopted the resolution with a vote of five to two.

Alderman Hilliard Caldwell, who was opposed to the resolution and the study, said before the meeting, "I will never support a merger of the two towns. They are two distinct, different communities, and Carrboro wants to remain Carrboro."

Caldwell said the major emphasis in Carrboro should be revitalization.

"Carrboro, which was once a budding community, has been dying off," he said. "However, nobody wants to bite the bullet to say . . . what we need to do."

A representative of Carrboro's Downtown Development Committee agreed with Caldwell. Carrboro should focus on improving traffic circulation, making parking spaces more accessible and reviewing the progress and needs of the Farmers' Market, the representative said.

In addressing parking and traffic concerns, Caldwell said before the meeting that making Roberson Street one-way is a possibility.

"I would like to set up scenarios of what a one-way street would look like," Caldwell said. "Also, businessmen in the downtown area would have to agree to (making Roberson Street one-way) before this effort at revitalization would work."

Although the board did not discuss

the Roberson Street issue Tuesday night, it did adopt a revised budget ordinance that would provide funds for the reconstruction of Old Pittsboro Road.

According to the meeting agenda, the Old Pittsboro Road project needs \$10,180 before it can meet the \$71,980 reconstruction bid by the Nello Teer Asphalt Plant. This was the lowest bid presented for reconstructing the road.

The board adopted this ordinance and agreed to let the Nello Teer Asphalt Plant do the reconstruction.

In other action the board adopted an ordinance, suggested by Diana Woolley, to allow private land owners in some cases to have cars towed that are parked on their property without permission.

Group sponsors lip sync contest for the record

Members of Students Against Multiple Sclerosis will be in the Pit from 11 a.m. to 1 p.m. Thursday and Friday to recruit students for a lip sync contest

to be held March 1. The winner will go on to national competition. Registration forms will be available in the Pit.

A quote in Tuesday's story "Wheelchair access improved in SAC but still limited" should have quoted Cindy Neville as saying, "We saw a lot of cars with handicapped tags being turned away." *The Daily Tar Heel* regrets the reporting error.

Also Tuesday, in the candidate roster for February elections, senior class vice president candidate Jane Miskavage's name was misspelled. The *DTH* regrets the editing error. Also, the listing of *DTH* editor candidates did not mean to imply that Guy Lucas and Jim Zook were running as co-editor candidates.

Thursday's story "N.C. law schools seeing no decline in enrollment" should not have said the UNC Law School recruited practically by invitation alone. Law School Dean Kenneth Broun said the school went on several recruiting trips annually. The *DTH* regrets the reporting error.

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Egon Von Furstenberg Apres' Ski Shetland Wool Sweaters, Crew Necks Reg. \$55, Now \$16⁰⁰
Wool Shetland or Lambswool Cardigan Sweaters to \$65 — \$29⁰⁰
Lambswool V-neck Sweaters by Parker or Vienna Reg. \$47.50, Now \$22⁰⁰
Worsted Wool Slacks by Jordache Reg. \$67.50, Now \$35⁰⁰
Corduroy Slacks Reg. \$42.50, Now \$16⁰⁰
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