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Revenue shortage predicted for this state

by Lynn Medford
Staff Writer

North Carolina is going to be in big financial trouble if, as many economists predict, the state's tax revenues fall more than \$50 million short this year, House Appropriations Committee Chairperson Jimmy Love, D-Lee, said Sunday.

Economists have estimated that because of inflation, state tax revenues will be \$20 million to \$150 million less than was anticipated when the state's 1976 budget was prepared, Love said.

The estimates were based on North Carolina's economic situation between June and November and on corporate

income taxes already collected, he said. The actual revenue shortage will not be determined until May when individual income taxes have been collected.

But economists and the budget committee will review the December-January economic trend in early February to try to predict a more accurate picture of the shortage, Love said.

If the state's economic situation has worsened, the General Assembly may move its scheduled May session up to March, he said. He added that this is doubtful.

Love said the revenue shortage would necessitate sharp cuts in the state's budget, despite the \$300 million already trimmed by the General Assembly last summer.

"We've already cut right much out of the budget last time, and now we'll have to cut from capital improvements," he said, citing the prison system, building projects in the University system and the East Carolina University medical school as areas for which major cuts may be made.

While the monetary shortage could be alleviated by increasing the value of the University capital improvements bond referendum, most of the compensation would have to come from cutting project budgets and eliminating and delaying projects, he said.

Several state legislators believe the shortage will be more than \$50 million. "My feeling is that the high side of the figures will be more likely—\$70 to \$80 to \$90 million," Sen. Charles Vickery, D-Orange, said. "I don't know any reason why the economy will go up and bring in more revenues."

Rep. Ed Holmes, D-Orange, said he believes a realistic estimate is between \$50 to \$60 million.

New government positions and projects could be cancelled to make up for part of the shortages, Holmes suggested. "It would seem to me to be less painful to cut down on some positions created by not yet filled, or some capital improvement projects that were appropriated but not yet started," he said.

The state will have an unknown amount of reversions (funds that were appropriated but not spent) which could be appropriated, but Holmes said that reversions—expected to amount to only about \$41 million—would probably be exhausted quickly.

It is dangerous to depend on reversions anyway, he said, since they are unpredictable and to use them would "put the squeeze on us for next year" if 1976-77 revenues did not increase.

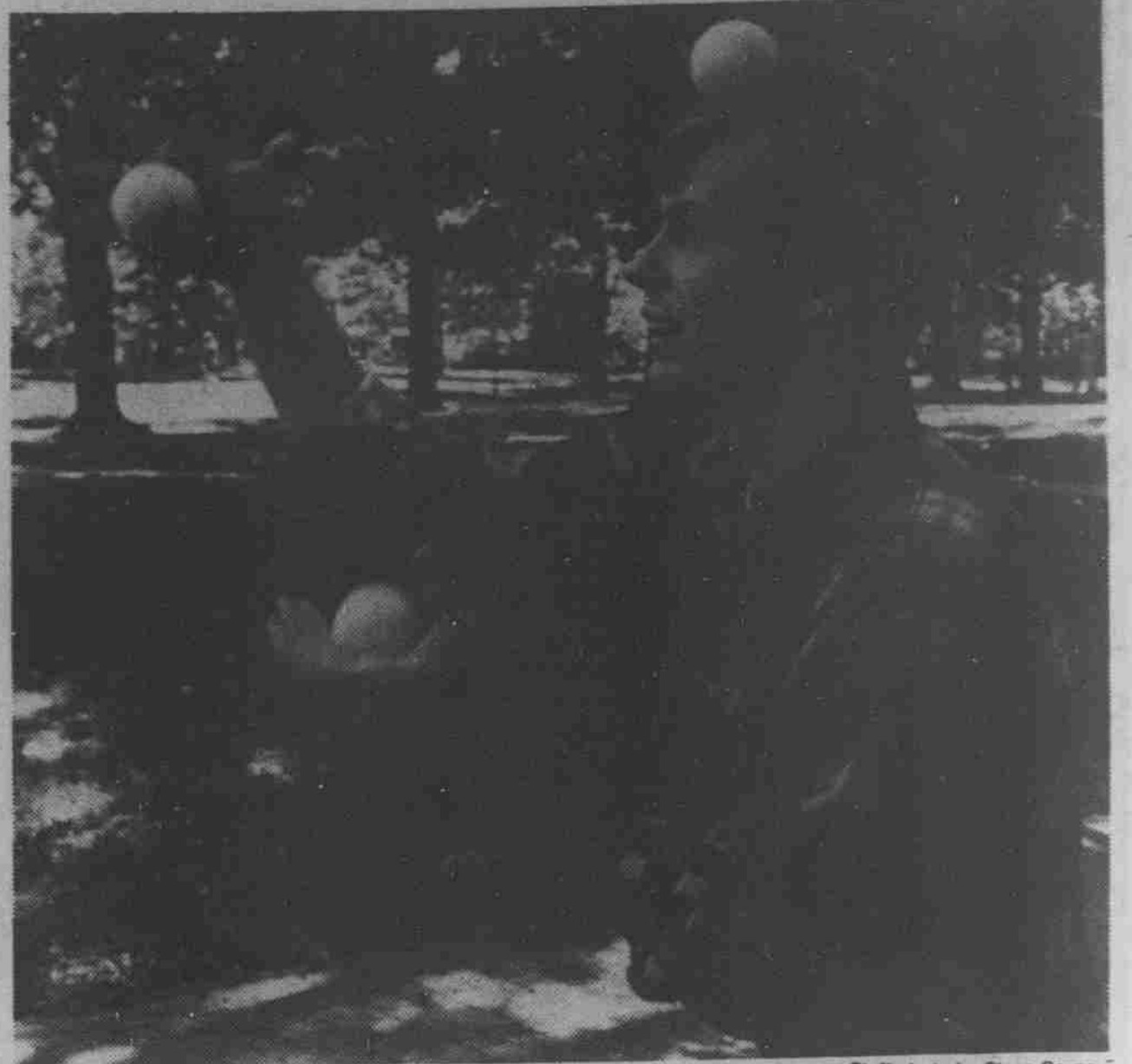
Love explained that reversions are derived largely from turnovers in state personnel, leaving unused salary funds. But with the bad economic conditions, people are not leaving their job, and the reversions do not materialize.

Despite the impending financial situation, Holmes, Vickery and Love said the pay raises promised last session to state employees would be a top priority with the legislators.

Employees had hoped to get pay raises last year, but the \$300 million budget cut made it impossible for the legislature to grant them. The assembly pacified the employees with promises of a raise this year.

"I'm hopeful and confident that state employees will get their raise, probably a 5-7 per cent raise," Vickery said. "I personally hope they get a 10 per cent cost-of-living raise."

Love said every effort would be made to give the employees the raise, but said even a 5 per cent increase would necessitate a \$70 million appropriation.



David Sheppard seems to have his hands, and his head, full as he juggles in Polk Place.

UNC given grants for scientific study

by Laura Scism
Staff Writer

UNC has received seven state research grants totaling approximately \$71,000 from the N.C. Science and Technology Committee in Research Triangle Park, Gov. Jim Holshouser's office announced recently.

The chemistry, geology, botany and marine sciences departments recently were awarded \$55,000 in grants to purchase equipment that will be used for industrial research. Two UNC professors received individual grants from the committee to study problems of statewide concern.

In all, the committee awarded 22 grants totaling \$181,000 to universities and scientists throughout the state. Also receiving grants were N.C. State University, Duke University, N.C. Central University, Davidson College, the Research Triangle Institute and UNC campuses in Greensboro, Asheville and Charlotte.

Prof. David Steward of the geology department said Monday that his department's \$10,000 grant will be used to purchase a gravity meter, which measures minute changes in the Earth's gravitational field. He said the meter could be used to select safe locations for nuclear power plants or to predict earthquakes but noted he did not anticipate using the meter for the latter purpose.

The chemistry department received \$14,000 to purchase a device to study highly conductive materials. Such research could enhance the possibility of transmitting electric power over long distances cheaply.

A second \$8,000 grant to the chemistry

department will go toward the purchase of accessories for two mass spectrometers. This research project involves trace analysis of organic materials, such as flavor components in food, Prof. Maurice Bursey said. N.C. State will collaborate with UNC in this research, he added.

The botany department's \$14,000 grant will be used in studies of tumor-causing bacteria, Prof. Ann Matthyse said Monday. Researchers are studying ways to control mosquitoes and disease in N.C. crops, she noted adding that the research might lead to an alternative for pesticides.

The Institute of Marine Sciences received \$9,000 to research the history of the sea level along the North Carolina coast and predict future coastal changes.

Prof. Charles Jenner of the zoology department was granted \$5,500 for individual research. He said the money will be used by three zoology graduate students to publish an already completed study of two varieties of crustaceans. Jenner said the crustaceans were food sources for commercially important animals.

Dr. James "Coke" of the chemistry department also received an individual grant of \$10,000 for insect control research. Coke said he would try to find better and cheaper ways to manufacture a chemical used by insects to communicate with each other. He noted that this chemical could be used to lure insects to insecticide traps.

Over 78 proposals for the grants were submitted to the 14-member selections committee. Annual financial reports to the committee over the past 10 years indicate that each \$1 awarded in state funds for research has been matched by \$6 by out-of-state sources.

Holiday apartment thefts down

by Dwight Ferguson
and Bob King
Staff Writers

Students' apartments were virtually untouched by burglars during Christmas holidays because of increased patrols in student living areas, area police and security officers said.

Lt. Kenneth Horne of the Carrboro Police Department said that only one student apartment was reported to have been burglarized during the Christmas holidays. Approximately \$275 worth of goods, including a tape player and television was reported stolen from the apartment of senior Karen McKee of Royal Park apartments. Horne said that there were some leads in the case, but no arrests have been made yet.

However, he noted that there were several burglaries at Old Well apartments over Thanksgiving weekend. Police investigations of these and the Christmas burglary have led to several arrests, including some for burglaries more than a year old, Horne said.

He added that most of the burglaries were

the work of one or two groups of youths aged 16 to 19. He said he hesitated to call them professionals because of their ages, but said that they were looking for money and goods to resell. "In their motives," he said, "they are at least semi-professional."

Lt. H. Lucas Lloyd of the Chapel Hill Police Department said he had heard "no reports directly relating to students" during the Christmas holidays.

Last year, Lloyd said, several fraternities were burglarized during Christmas vacation. But increased patrols of fraternities have kept such burglaries from happening this year, he said.

UNC Security Services Director Ted Marvin said the campus police have received only scattered theft reports so far this year. "We've been either very fortunate or successful in our prevention programs," he said.

"Over the past few years, theft problems have occurred just before and just after break," Marvin explained. "The pattern has been to break into students' rooms late at night one or two nights after they return from vacation, when they're carrying their tuition money in their wallets and purses."

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We are sorry for any inconvenience this may have caused RW's or readers of the DTH.

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