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## Audit report encourages new aid computation

By JEFF HAWKES  
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A state audit of the University's fiscal year ending June 30, 1976 recommended a change in the way the state appropriation to the University is calculated.

The audit report alleged that the current appropriation method potentially allows the University to get more state funds than it needs. However, the audit does not charge that overfunding actually has occurred.

The state legislature now determines the University's appropriation based on the University's "cost" of education, the audit report said.

Calculating the University's appropriation by the "cost" method does not take into account money that the University earns during a fiscal year,

said a spokesman for state Auditor General Al Benedict.

The audit report said the University expects to receive its entire appropriation request if the University's expenditures exceed its appropriations.

"In principle we are opposed to an appropriation basis that excludes revenues and in effect makes grants to the Universities that can significantly exceed their operating needs," the report said. "We do not believe this represents effective utilization of taxpayers' monies."

Auditor General Benedict recommended that the appropriation calculation be changed from the "cost" method to a method based on student credit hours or equivalent full-time students.

An appropriation by the student credit

hours method would be based on the total number of credits generated by University students during a regular school year.

Likewise with the equivalent full-time student, the appropriation would be based proportionately according to the definition of an equivalent full-time student. It is usually defined as the average number of credits per year it takes a student to graduate, or about 30 credits for University undergraduates.

If the legislature or the governor does not want to make the change to the above appropriation methods, Benedict recommended that "cost" or "net cost" be clearly defined as well as the items of expense and revenue included in the University's appropriation calculation.

The "net cost" method of appropriation calculation was used two years ago by the legislature, but was changed to the "cost" method when state auditors asked that "net cost" be more clearly defined.

Appropriation acts do not adequately define "cost" or "net cost," the report said.

"To define 'net cost' and/or 'cost' has merit and we would not object to such definitions," said Steve A. Garban, University controller.

Garban said there are many ways to determine appropriations methods, adding that each one has advantages and disadvantages.

"We would like to participate in any activity involving a determination of the definition or alternative methods of financing," he said.

Garban said the University "could live with" either the student credit hour or equivalent full-time student methods for appropriations if the new method continued to provide adequate funding.

He said the credit hours method would not give the University "enough time to plan accordingly" if there was a sudden decrease or increase of students.

He said the class size could fluctuate up or down in a small period of time, but that the actual expenses cannot be increased or decreased as quickly.

He also said such appropriation methods "place emphasis on generating credit hours and the quality of education may suffer."

He said the appropriation for the Hershey Medical Center is based on the equivalent full-time student method.



### Wet

Raindrops glisten on a bush outside Carnegie in yesterday's downpour. But the rain didn't daunt the Collegian weatherman, who went ahead to create this poem:

This morning some thunder and rain  
the weatherman will entertain.  
But those of you who are more sane,  
you'll have your share so don't complain.  
My forecast also does contain,

a fair afternoon to regain.  
Highs of eighty-two can attain,  
in you no feeling of disdain.  
Look tonight at a weathervane,  
for what it shows it should pertain,  
to clear skies that we will retain,

and cooler fifty-eight obtain.  
For tomorrow we should maintain,  
the fair weather that now doth reign.  
Highs of eighty should cause no pain,  
for those of you who are more sane.

— by Bill Dovic

## PSU use of state \$ for PR investigated

By JEFF HAWKES  
Collegian Staff Writer

The University controller last night said public fund expenditures for University public relations are "just and justified."

The state auditor general's office announced over the weekend that it has discovered at least one instance of the University using state money to promote itself. A spokesman said the public relations expenditures will be investigated.

The auditor general's new finding is in addition to an audit released last Sunday of the University's fiscal year that ended June 30, 1976.

The University's public relations expenditures included free football tickets to certain legislators and top state officials.

University Controller Steve A. Garban said he thinks it is important to invite state officials to the University, "and football games happen to be a good time to have them here."

"Nothing we've seen says it is illegal," said a spokesman for state Auditor General Al Benedict. "It may be

questionable, but we're not ready to make an evaluation of that until we have further information."

The auditor general's probe includes looking into the public relations expenditures of Temple University and the University of Pittsburgh, the state's other two state-related universities.

The probe is to determine if the use of public funds for public relations is unique to Penn State or if it is a common practice among state-related universities.

"It's not a thing of crisis importance," said Gil Gott of the auditor's office. "We're just going through the records and documents."

Gott was unsure when the investigation would be completed because he said the office just recently received Temple's audit.

Gott denied that Benedict has begun the probe to enhance his political image for a possible race for the governor's seat next year.

"If he wasn't uncovering this, then they would say he is covering it up for political reasons," Gott said. "How do you win?"

## PSU wage offer before union

By DAVE SKIDMORE  
Collegian Staff Writer

Teamsters Local 8, representing more than 2,000 University maintenance, food service and technical workers, will vote tomorrow night to accept or reject the University's latest wage offer.

A vote of more than two-thirds of the members for rejection will authorize union officers to call a strike. But union president Jane Pivovsky said last week that a strike probably will not be called until September, when it will have more effect.

Last summer, Local 8 voted to reject the University's first offer but later accepted a second offer in the fall.

"Most people feel they have nothing to lose by voting this (offer) down," one union member said last night. He said most union members expect the University to come back with some kind of new offer after the strike vote.

However, University President John W. Oswald said in a press conference last week that this offer is final.

He said in a letter printed in The Daily Collegian and other local newspapers that the University does not have the moxy to meet the union's demand of an 8 per cent wage hike. The

University has made a 5 per cent offer.

In the letter Oswald said: "It is my fervent hope that an understanding of the University's fiscal situation will prevail."

One union member said of Oswald's letter: "It really doesn't mean anything to me. It's the University's problem where they get the money."

Although the union member said chances are good for a strike vote tomorrow, he said a strike vote probably would not carry in the fall.

"By that time everybody will be so disgusted the back pay will look attractive as a lump sum," he said.

The current wage rate, which ranges between \$3.72 and \$6.06 per hour, expires tomorrow. Any agreement reached will be retroactive.

He said union members would be unlikely to vote for a strike over an amount as small as the 3 per cent difference between the union's demand and the University's offer.

He said if the strike lasts longer than a few days, union members would not be able to regain their losses.

Local 8 meets 7:30 tomorrow night in the Eisenhower Auditorium.

## U.S. court upholds tape ruling

WASHINGTON (UPI) — The Supreme Court ruled 7 to 2 yesterday that Congress acted properly in treating Richard Nixon differently from other presidents and putting his White House tapes and papers under government control.

The court majority upheld the constitutionality of the 1974 law giving the government custody of 880 reels of White House tapes and 42 million documents from Nixon's administration and stipulating the materials be screened to determine which are private and which are public.

It rejected Nixon's argument that when he was set apart by Congress from previous presidents — who were allowed to dispose of their papers as they wished — he in effect was punished without a trial and without proof that he had done anything wrong.

Announcing the historic decision from the bench, Justice William Brennan declared Nixon was "a legitimate class of one" due to the circumstances which made him the first president ever to resign.

He said when Congress acted in 1974 — a period of "political turbulence" — Nixon's tapes were in "imminent danger" of being destroyed and his papers were not securely housed in a presidential library.

The opinion said the law did not violate the separation of powers principle, unduly intrude on Nixon's privacy or significantly interfere with his 1st Amendment rights to freedom of association. And it rejected Nixon's claim of presidential privilege, saying this applies to the office and not to the man.

R. Stan Mortenson, one of Nixon's

lawyers, said yesterday afternoon he had received a copy of the opinion and was "still trying to go through and understand it and all of its ramifications." He said "no decisions have been made" whether the court will be asked to reconsider its action within the 25 days allowed.

As for Nixon, Mortenson said in response to a question: "Yeah, he's aware of the decision. I'd rather not talk to you about it."

The opinion did not cover the Watergate tapes that were used in the coverup trials, since they are part of the public domain.

"The constitutional questions to be decided are, of course, of considerable importance," Brennan wrote. "They touch the relationship between two of the three coordinate branches of the federal government, the executive and legislative, and the relationship of appellant Nixon to his government."

## Police nab Rockview prisoner after chase

State police apprehended an escapee from Rockview Correctional Institute who had been at large for more than a year, after a high-speed chase and a foot race.

John Franklin Loesch, Jr. sustained minor injuries after he drove over a 70-foot embankment off the unfinished State College bypass on a stolen motorcycle, State Police at Rockview said.

The motorcycle, a gold Honda with Maine license plate, was stolen from Larry R. Parks, of Lemont, who had bought the bike on Tuesday night, police said.

Loesch wrecked the motorcycle after driving off an embankment over Old Boalsburg Road.

State policeman Ronald Avellino apprehended on foot Loesch after following him over the embankment in his patrol car.

Police said Loesch fired shots from a .30 caliber rifle he had in his knapsack at Avellino and John McCabe, a State College policeman.

State College police first spotted Loesch in the Oak Hall area and established roadblocks in the Boalsburg area.

After Loesch drove over the embankment, police chased Loesch on foot from Oak Hall Road near Boalsburg and pursued him along a power line that carried a live current.

Loesch was taken by ambulance to the Mountainview unit of Centre Community Hospital where he was still in the emergency room with a possible shoulder injury, hospital and police spokesmen said.

Loesch escaped from Rockview in April of 1976 and had been at large since then.

## Keating Dam proposal is creating controversy

By STEVE LESTER  
Collegian Staff Writer

As Congress and President Carter haggle over the fate of water projects, a similar controversy brews in central Pennsylvania over the proposed Keating Dam.

The Army Corps of Engineers is studying the prospects of building a

large multi-purpose dam on the west branch of the Susquehanna River, about 50 miles upstream from Lock Haven, in the northern tip of Centre County near the village of Keating.

It would be the third largest dam in the East, according to Peter Hart, head geologist for the corps' Baltimore district covering the Susquehanna River basin.

The dam would provide flood control, hydroelectricity and recreation, according to the corps. It would be 363-feet high and would create a 49-mile lake covering about 12,000 acres, which includes land occupied by 156 homes in the village of Karthaus.

The corps says the project would cost about \$718 million, more than any current project except the \$1.4 billion central Arizona project.

As with many corps proposals, the Keating project has encountered widespread opposition.

Corps projects are usually spurred on by local Congressmen; however, freshman Rep. Joseph S. Ammerman opposed the project during his successful campaign against the former incumbent Albert W. Johnson.

"I opposed the ... project for environmental reasons," he wrote to this reporter in December. "Past observations over the years have made me most suspicious of the Army Corps of Engineers and their proposals."

Ammerman will not change his position unless some economic development "drastically changed the

picture," his press secretary said Friday.

Russell P. Letterman, state assemblyman from Clinton County, also opposes the project, according to a letter he wrote to this reporter in January.

Letterman's position is paradoxical because communities in Clinton County, particularly Lock Haven, would be the main beneficiaries of the flood protection the dam would provide.

Letterman opposes the project because it needs "a hell of a lot more research," he wrote. "As I understand it, the Army Corps of Engineers is not taking into consideration facts such as sulphur pollution from abandoned mines, or any form of environmental damage that may occur as a result of the building of this monstrosity. I have very little faith in the 'facts' as presented by the Army Corps of Engineers."

Sulfuric acid pollution from abandoned mines and mine waste dumps has been a serious problem for the Susquehanna River. About 650 miles of "significant tributaries" have no life activity, government documents say, while 230 miles of "principal rivers are seriously degraded or periodically threatened."

"It doesn't make sense to saddle upstream communities with a big acid lake while downstream communities reap the benefits of flood control protection," said John Sweet, faculty advisor to the Penn State Outing Club.

The staunchest opposition would most likely come from those people whose

lives would be drastically changed by the project.

Glen Gakle, chairman of the board of supervisors in East Keating Township, said he was "born and raised" in the area and he opposes the dam project.

"As far as I know it's going to hurt," he said. "There are some beautiful campsites up there and there's a lot of action on that river," most of which would be eliminated by the project.

He said a large number of young people use the west branch for white-water recreation, and "(the number is) multiplying every year. I hope a lot of them kick against it."

Despite the apparent opposition by politicians, environmentalists, hunting and fishing clubs, white water enthusiasts and local residents, research on the project still continues.

"Who authorizes such research?" one might ask.

The answer lies in Harrisburg. At a public workshop in Lock Haven last summer the corps said the project was not economically feasible.

Shortly afterward, Maurice K. Goddard, state Secretary of the Department of Environmental Resources, authorized further corps study on the project in the name of the Commonwealth of Pennsylvania, a corps spokesman said.

In addition to flood control, hydroelectricity, recreation and area redevelopment, the corps is now studying the benefits that could be derived from a concept it calls "low-flow augmentation."

This new project involves regulating the river's depth during dry weather to reduce pollution.

When asked why he authorized more research, Goddard said, "You can't build a dam without further study."

"We need flood control, we need low flow augmentation, (and) more recreation waters," he added.

In regard to Ammerman's position and Letterman's calling the project a "monstrosity," Goddard said, "That's one of the problems of America. People make snap decisions."

He said the Raystown Dam near Huntingdon received much opposition during its planning stages but "you try to take that project (away) today and I don't think the people of Huntingdon would let you."

The town of Clearfield "didn't get a drop" of flood water during tropical storm Agnes, he said, because of the flood protection provided by a nearby dam at Curwensville.

If the dam were not built, "Clearfield would have been decimated," he said.

"I'm not endorsing the (Keating) project, just encouraging further study on it."

The corps plans to announce its findings on the new study some time next spring, a corps spokesman said.

By that time the project may be considered economically feasible.

The second part of this article will deal with the corps' method of determining economic feasibility — the concept of cost-benefit analysis.

