Fund Crisis Only Temporary

Won't Affect Expansion ...

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The current “financial crisis” in University construction is temporary and will probably not affect University expansion, according to Morris Kessler, assistant comptroller.

The University will simply plan for the higher costs, and ask the state legislature for more money in the biennial budget requests, he explained. Other sources of income will also provide funds for construction.

The “financial crisis” was explained in University President David D. Henry’s State of the University message, in which he stated that the University must continue to expand, but also warned of delays facing construction in Urbana and Chicago Circle. He attributed delays to costs incurred by increased construction in the two areas, a shortage of labor, and the need for expensive overtime work, as well as a minimum budget approved by the state legislature last year.
He stated that bids on the last three building projects in Urbana exceeded estimates by 27 to 49 per cent, and that bids for Phase II construction at Chicago Circle exceeded estimates by 50 per cent.

Kessler noted that the University will now base estimates for future construction on higher cost scales, and will therefore ask for more money. "We'll ask the legislature for more money next time. If there is more money, either you get the building, or you don't."

He added that "Once at this level of costs, there is no indication that they will go down. Whether there will be any relief so that prices will not increase is something I can't predict."

Funds for the University's biennial budget, from which construction costs for academic buildings are derived, must be approved by the State Board of Higher Education. The State Board is currently debating whether the University ought to expand much beyond its present size. Henry and the Board of Trustees contend that there should be no ceiling on enrollment.
Should the State Board prove reticent about approving funds, the University has three other sources of income for construction of academic buildings. Funds from the State Legislature, however, eventually provide the bulk of construction funds.

Federal funds are becoming increasingly important, explained Kessler. Prior to 1965, most federal funds were earmarked for scientific research or buildings.

In 1965, the Higher Education Facilities Act was revised to allow funds for construction of non-technical and scientific buildings. The University received two million dollars under this act, one million for construction of the library at Chicago Circle, another for construction of the proposed new Undergraduate Library at Urbana.

The National Science Foundation has provided numerous grants, as have the Atomic Energy Commission and the National Institutes of Health.

Federal Grants Fluctuate

Federal grants, however, fluctuate widely from year to year. In 1962-63, the University received $1,700,000; in 1963-64 it received
$526,000, and in 1964-65, $10,260,000. The last sum provided over a million dollars each for the construction of the Civil Engineering Building, the East Chemistry additions, the Biology Laboratory, the Children’s Research Center, and the Coordinated Science Laboratory project.

Another source of funds is the Illinois Building Authority. This institution was set up by the legislature to allow the state to build by borrowing funds. The IBA sells bonds, provides money for building construction, and rents buildings to the University. The money the University pays in rent eventually repays the bonds. The money for the rent, however, comes from the legislature in the biennial budget.

Gifts provide another source of income, but they are unpredictable and seldom provide for construction of an entire building, especially one of an academic nature. The Krannert Center for the Performing Arts, built by means of gift funds, is an unusual case, and it is not strictly academic.

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Daily Illini, 10 March 1966 — Trustees Approve Request for Funds [ARTICLE]
Back
The University's application for some $2 million in federal building funds was approved Wednesday by the executive committee of the University Board of Trustees.

The funds would most likely be used for a psychology laboratory building at the University, although the money could be used for either building or equipment.

The state board must decide allocation for $4.8 million in federal funds among public and private universities in Illinois.

The University has already received $1 million for the new Undergraduate Library scheduled for May, 1968.
Money for what?

Monday night's library sit-in uncovered some interesting information about the problems of running the undergraduate library.

One reason the library cannot stay open longer, according to R. W. Oram, associate director for public services, is that neither staff nor money is available. In the past, the Library has been one of the most acquiescent bodies on campus in meeting student demands for increased hours; last year, for example, the library extended its closing to midnight because of introduction of key privileges for women.

On demands for later service at night and all-day service on Sunday, however, the Library staff has flatly refused, explaining that there isn't enough demand for services at those hours to warrant spending extra money.

Monday night, the Library withdrew the "not enough demand" argument and simply explained that there isn't enough money. This is true. But . . .

It is very interesting to note certain priorities agreed upon by those who allot funds for Library service, to wit:
At the March meeting of the Board of Trustees, unanimous approval was given to expenditure of $87,000 for carpeting in the new underground Undergraduate Library. The money had originally been allocated for drainage equipment, and the floors were originally to have been vinyl asbestoes. But the drainage equipment proved unnecessary, so the Illinois Building Authority added another goody to the Library. Needless to say, it became apparent to administrators before — that the $87,000 was needed elsewhere.

What good is carpeting if the Library has to scrimp on books and services?