The budget picture for East Carolina University is brightening following the release of the governor's proposed state budget last week, but inevitable cuts will still force tough choices, university officials said.

Gov. Beverly Perdue's $19.9 billion state budget proposal cuts ECU's budget by 9.5 percent, according to Interim Vice Chancellor for Finance and Administration Rick Niswander. A cut of up to 20 percent was expected based on the overall $3 billion gap between revenues and expenditures.

“The governor's budget treats the UNC system very well, given the circumstances,” Chancellor Steve Ballard told the ECU Board of Trustees at a lunch discussion on the budget Thursday at Mendenhall Student Center.

Perdue's budget made up the shortfall mainly by cutting state jobs and extending a state sales tax. In addition to a lower-than-expected base cut, her budget provides about half of ECU's requested enrollment funds and maintains full support for the Brody School of Medicine and the new dental school opening this fall.

“We hope the governor's budget passes with the 9.5 percent cut,” Ballard said. “We're preparing for a base cut of 15 percent, but we hope it will be closer to 10.”

A 20 percent cut would mean the loss of as much as $60 million. State funding makes up roughly $300 million of the university's $800 million budget. The N.C. House and Senate are working on their versions of the state budget expected in coming months.

“It's impossible to know for sure; there's a lot of arithmetic to do before we get the bottom line,” Ballard said.

The state shortfall, once estimated at $3.7 billion, may be reduced as revenues continue to come in. About $600 million from this year's budget may be rolled into next year, reducing it to $3.1 billion, according to Niswander.

“The revenue gap is coming down, and will likely go a little more,” Ballard said. Trustees and administrators debated different approaches to handling cuts at ECU, particularly cutting some areas more than others as needed as opposed to cutting all areas by the same amount.
Ballard said the university already has done about all it can do in terms of reducing administrative costs and increasing tuition. He suggested looking at unit reductions and dipping into emergency funds.

Unit cuts likely would involve each college giving back around half of the base cut. While most units could handle a 4-5 percent cut, “it will be tough, it will make a difference,” Ballard said. “But there's no question that the units will have to be a category of the cuts.”

ECU already has approved a tuition increase of 6.5 percent in November, which was approved by the UNC system Board of Governors in February and awaits final action from the legislature.

The trustees will hold their full board meeting this morning.

Contact Jackie Drake at jdrake@reflector.com or (252) 329-9567.
Spelling on the agenda for ECU musical
By Kelley Kirk
The Daily Reflector
Friday, February 25, 2011

Participating in a spelling bee for most school-aged children is a rite of passage. For others, it's more than that. It's a passion and a deep desire to be the best.

East Carolina University's School of Theatre and Dance will present the musical “The 25th Annual Putnam County Spelling Bee” at 8 p.m. today-Tuesday, except Sunday when the show will be at 2 p.m.

The spelling bee is set in a high school gym. The six spellers are: newcomer Olive Ostrovsky, whose mother lives in an ashram in India and father constantly works late; last year's finalist William Barfee, who was eliminated because of an allergic reaction to peanuts; neat freak, lisp-speaking Logainne SchwartzandGrubenierre, who is the youngest and most politically aware of the contestants; Marcy Park, who recently moved from Viriginia and placed ninth in last year's nationals; Leaf Coneybear, who is from a large family of hippies and makes his own clothes; and Boy Scout Chip Tolentino who was last year's spelling bee winner.

As you can see, the characters are an unusual bunch that, given their varying oddities, could become cartoonish or over-the-top. Keeping the characters realistic falls to director Robert Caprio.

“It's a trap that can very easily be fallen to by actors with little training,” he said. Caprio explained that he works with the actors to build their character, layering them and slowly piecing them together to avoid a cartoony flair.
Writer Rachel Sheinkin also took into account that the adolescent characters have problems like real kids with siblings and authority figures. The musical gives the history behind each character as the spelling bee progresses.

Caprio said that the musical doesn't contain any graphic language, but it's not really a children's show.

“Part of the humor is the words (in the spelling bee) and how they are placed into sentences,” he said.

In addition to the cast, four audience members will be asked to join the spelling bee on stage.

“It's built into the script,” Caprio said.

He said voice and articulation teacher Natalie Stewart will screen attendees as possible on-stage spellers.

“The spelling ushers will escort the guest spellers onto the stage and off,” Caprio said. Because the guest spellers will vary from night to night, the show will never be the same twice.

“The audience will have a great time because it's a lot of fun to watch,” Caprio said. “It's got a competitive game structure so the audience can root for their favorite character.”
NFL QB David Garrard visits with NC National Guard

MORRISVILLE, N.C.–NFL quarterback David Garrard is spending some time with members of the North Carolina National Guard thanks to an old friend.

The Jacksonville Jaguars' star and former East Carolina University standout is scheduled to visit on Friday with members of the guard at the armory in Morrisville.

During high school, Garrard worked in a shoe store with Sgt. 1st Class Gregory L. Bethea as his manager. Bethea is with the guard's Recruiting and Retention Battalion.

Garrard and Bethea remained in touch, and when Garrard wanted to start a football/cheerleading camp for North Carolina youths, Bethea helped out.

Garrard has raised more than $200,000 for Crohn's & Colitis Foundation of America, and also founded the David Garrard Foundation, which focuses on Crohn's Disease, breast cancer awareness and healthy lifestyles for kids.
Professor says plenty of water at proposed plant site

By John Henderson
Friday, February 25, 2011

A hydrogeology professor at East Carolina University has determined that wells in Southern Nash County would be ideal for supplying Sanderson Farms with its own water supply for a new poultry processing plant.

In the meantime, plant protestors have taken out an advertisement in the Rocky Mount Telegram expressing their concerns about Sanderson Farms withdrawing 1.2 million gallons of water a day from the underground water supply.

Nash County and Rocky Mount are hoping to earn revenues from the sale of water to the proposed plant, which has been delayed by at least a year after Sanderson Farms officials on Thursday indicated they will wait to make a decision about building a second plant in North Carolina while they evaluate feed prices. Rocky Mount has offered to sell Nash County the water for the plant, and the county could have piped the water to the site and billed the company. Rocky Mount would earn $3,000 a day from the sale of the water to Nash County, and it is unclear whether the county would have marked the price up.

Richard Spruill, a university professor for 32 years, was hired by Sanderson Farms to evaluate water wells near the proposed plant site at the southeast quadrant of N.C. 97 and Interstate 95.

He said he was impressed by the initial results.

“This is an aquifer system with a type of bedrock capable of producing significant quantities of water and producing it in a sustainable way,” he said.

Spruill is designing a water well system for Sanderson Farms, which is interested in building a poultry processing plant on the site.
“Our results of this (test) indicates that aquifer is capable of producing large quantities of water at individual wells with reasonably high water quality,” Spruill said.

The well system being designed most likely will have four to six wells spread over a significant distance that would alternate pumping every 12 hours, Spruill said.

Opponents of the plant took out an advertisement in the Rocky Mount Telegram on Friday outlining their concerns.

“When 83 counties in North Carolina, including Nash and Wilson, are currently in drought conditions, just imagine the impact of nearly 50 wells sucking out 1.2 million gallons of water a day from the aquifer,” states the ad paid for by the Nash County Landowners Association. “Let’s protect our communities, neighborhoods and families east of Bailey that depend on water for their homes.”

Spruill said one productive well in the area pumping out 700 gallons of water a minute might be nearly enough to supply the entire amount needed by the chicken processing plant.

The ad challenges the honesty of Sanderson Farms officials.

For example, the ad states, Carolinas Gateway Partnership Chairman Frank Harrison told readers in the Rocky Mount Telegram in December 2010 that Sanderson Farms would use water from the city of Rocky Mount. The partnership, a private-public industrial recruitment agency, strongly supports the chicken plant.

The ad goes on to state that Sanderson Farms CEO Mark Cockrell said later on a radio show that the company planned to use well water.

“If Sanderson Farms won’t tell us the truth about their water well operations, then why should we believe them on anything?” the ad states.

Harrison said buying water supplied by Rocky Mount always has been a viable option for Sanderson Farms.
“Until they did that (well) test to know how much water is out there, and whether it would affect existing property owners, their lead source (for water) was, and is, Rocky Mount,” he said.

Bob Billingsley, the director of development and engineering for Sanderson Farms, said that company never definitely said it was going to buy water from Nash County.

“We have said we were going to go in and evaluate all options available to us on water,” he said.

Derek Hawkes, Nash County engineer and public utilities director, said he still believes that Sanderson Farms would need to purchase some water from Nash County.

“I don’t think groundwater (wells) would necessarily fully support the (daily plant) production, Hawkes said.
IRS seeks $6.5 million from Duke lacrosse settlement

BY JESSE JAMES DECONTO AND JOSEPH NEFF - Staff Writers

DURHAM—The Internal Revenue Service has filed a $6.5 million tax lien against Reade Seligmann for 2007, the same year the former Duke lacrosse player settled with the university over its handling of rape allegations against him and two other players.

But a Charlotte lawyer who represented Seligmann during the criminal proceedings said that his client paid the tax and that the lien is incorrect. "It was a substantial amount of tax," said attorney Jim Cooney, who confirmed the taxes were on his client's settlement money.

Seligmann got no notice of the tax lien and found out about it only recently when The Detroit News found the lien and wrote about it, Cooney said. The dollar value of the settlement has never been made public, and Cooney would not disclose a figure.

But $6.5 million represents taxes on approximately $18 million, according to Raleigh tax lawyer Jack Cummings.

If Duke made identical settlements with former players Colin Finnerty and Dave Evans, the total payment may have topped $50 million.

"You've got enough zeros there that somebody has bound to have thought about it and decided that they didn't owe any tax," Cummings said. There are tax exemptions for some financial settlements, though probably not this type, he explained.

Michael Schoenfeld, Duke's vice president for public affairs and government relations, declined to comment.

New York accountant David Weiss, listed on the lien document, did not respond to a phone call Thursday afternoon.
Cummings said tax law requires payment on damages for emotional distress, based on a change in 1996.

"That's right in the statute," Cummings said. "The word 'physical' was added in there ... because of exactly this sort of thing. People were claiming it was not income."

Cummings said even if physical injury arises from emotional distress, as in the case of a stomach ulcer, for example, settlement money would still be taxable. Even for settlements meant to cover lost earnings in the future, Cummings said the IRS expects to be paid taxes.

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Harvard and Princeton each announced Thursday that they would revive their early-admission programs, allowing high school seniors who apply by next Nov. 15 to get a decision by Dec. 15 without having to promise to attend the college if admitted.

In September 2006, when both universities decided to eliminate early admissions for those starting college in 2008, Harvard and Princeton said they wanted to start a trend that would help even the playing field between wealthy applicants and those who needed to compare financial-aid offers from different colleges. But only the University of Virginia followed their lead — and it announced last year that it would reinstate early admissions.

“In eliminating our early program four years ago, we hoped other colleges and universities would do the same, and they haven’t,” said Shirley M. Tilghman, Princeton’s president. “One consequence is that some students who really want to make their college decision as early as possible in their senior year apply to other schools early, even if their first choice is Princeton.”

Meanwhile, with the economic downturn, a growing number of applicants sought early admission, leading the universities who had abandoned their programs to lose out on some top students.

“The very people we were targeting, people from modest economic backgrounds, were sent into a high state of anxiety and uncertainty by the economy and it reached the point where, this past year, record numbers of people were applying early,” said William R. Fitzsimmons, Harvard’s dean of admissions. “At many high schools it was very common to have 60, 70, 80 percent of the students applying early, and we heard rumors that in some cases, it went up to 100 percent.”

Ruefully, Mr. Fitzsimmons described one young woman who would have liked to attend Harvard, but was so worried because she needed substantial
financial aid that another university’s recruitment effort “stampeded” her into its binding early-decision program.

Michael D. Smith, dean of Harvard’s Faculty of Arts and Sciences, said, “We looked carefully at trends in Harvard admissions these past years and saw that many highly talented students, including some of the best-prepared low-income and underrepresented minority students, were choosing programs with an early-action option, and therefore were missing out on the opportunity to consider Harvard.”

According to David Hawkins, director of public policy and research at the National Association for College Admission Counseling, about a quarter of four-year colleges offer early decisions, whether through nonbinding early action or binding early decision.

“Particularly at these institutions with these highly motivated students, the desire for some kind of early decision is not likely to abate,” Mr. Hawkins said. “There is anxiety around the college admissions process, and a bird in the hand is worth two in the bush.”

Few colleges — Stanford and Yale among them — offer the kind of single-choice, nonbinding early-action program that Harvard and Princeton will use, in which students may apply early to only one college.

“A single-choice early-action plan lets students tell us we’re their first choice, so we get a start on building the class,” said Janet L. Rapelye, Princeton’s dean of admission. “At the same time, it allows them to apply to other schools, and for students who need a generous financial aid package, gives them freedom to compare, so it’s a win-win for them.”

Almost 59 percent of Princeton’s first-year students receive financial aid, and the average grant is $35,157.

More than 60 percent of Harvard College students receive scholarship aid, and the average grant is about $38,000.