

State and Local

University contributes \$350.7 million

Study says A&M aids B-CS economy

By MONA L. PALMER
Staff Writer

Texas A&M contributed \$350.7 million to the Bryan-College Station economy in 1985, a University study reports.

Thomas Taylor, director of accounting services and acting controller in the fiscal department, says, "The impact is in two categories — one being the direct expenditures of the University, the other being the intangible effects we have."

The direct dollar impact includes the amount of payroll on campus, estimated student spending and visitor spending, he says.

Taylor also says campus construction indirectly affects the local economy.

The report, which was done by Texas A&M President Frank E.

Vandiver's office, says A&M paid about \$41.6 million to contractors for construction. This influences the local economy through contractor purchases and the employment of area residents.

The report also says the University spent about \$27.8 million locally for utilities, services and supplies.

Taylor says A&M's impact has increased steadily since 1983, with a big jump between 1983 and 1984.

In 1983, the University as a whole contributed \$319 million to the local economy compared to \$344 million in 1984, he says. The student contribution in 1983 was \$102.5 million but jumped to \$105.6 million in 1984.

The report says that in 1985 students contributed \$105.8 million to the economy with food

and housing accounting for the major expenditures, along with clothing, school supplies and recreation.

Bookman Peters, president of First City Bank, says "The relationship of A&M in the community is critical to the local economy."

"Texas A&M is the largest employer by far. I would guess that the second largest employer might be GTE and A&M employs five or six times as many people as GTE. That in itself tells the whole story."

"We are extremely sensitive to what happens there and certainly this area has boomed and grown because of the growth at A&M, and there is no way I can overstate the importance of A&M to this community."

"That goes beyond just finan-

cial. That goes into intellectual, recreational and performing arts — the scope is broad."

Peters also says he is concerned about the effects of Gov. Mark White's budget cuts on A&M and the community.

Taylor says the fiscal department can't make projections about A&M's future economic impact.

"We had some thoughts, some projections last week, which probably don't mean very much this week," he says. "We were predicting another slight decline in student enrollment next year but we anticipate it beginning to stabilize after that."

"We plan to continue an increase in research volume although at a slower pace, but beyond that I'd hate to predict anything at this point."

Andersen defaults on construction of A&M building

By GRETCHEN HOELSCHER
Reporter

With more than \$6 million of construction still to be completed on the new chemistry building, B.B. Andersen Construction Co. has defaulted on its building contract with the Texas A&M University System, which will result in a delayed completion date.

Officials at Andersen didn't return phone calls when contacted by The Battalion.

Construction on the building began in 1984 and was scheduled to be finished this May.

Now, however, the building probably will not be ready until well after the start of Fall 1986, said George Cole, a project manager at A&M's Facilities Planning and Construction Department.

A specific completion date is hard to pin down at this time, Cole said, because weather also affects construction progress.

According to a letter from Gen. Wesley E. Peel, vice chancellor of Facilities Planning and Construction, to Chancellor Arthur G. Hansen, the contract between A&M and B.B. Andersen was terminated for default Jan. 15.

The United States Fidelity and Guaranty Co., the insurance company for B.B. Andersen, had to find another contractor to complete the job.

Don Mills, a project manager for the company, said Avery Mays Construction Co. will take over the project.

"The bonding company came to us and asked us to have a look at the job and see if we'd be interested in taking it over," he said.

Avery Mays then sent a solicited proposal to the insurance company to complete the remaining work on the structure.

Following a recommendation by Vice Chancellor Peel, the Texas

A&M Board of Regents approved the takeover agreement at its last meeting and Avery Mays Construction replaced B. B. Andersen Construction as the contractor for the new building.

Avery Mays will have to meet the same contract requirements that B.B. Andersen did.

But the actual change was not as easy as signing a contract.

"It didn't just happen overnight," Mills said. "Andersen kind of phased themselves out, and we just kind of moved in right behind them."

Although the actual contractor has changed, Mills said, Avery Mays will use the same subcontractors and subcontractors that had already been signed with B.B. Andersen.

However, the subcontracts will have to go through a ratification process that involves approval by Avery Mays and the insurance company that hired them, Mills said.

"We have not finished ratifying everyone's contract yet," Mills said.

Cole said it won't cost A&M a cent to change contractors in the middle of the project.

According to Gen. Peel's letter, Avery Mays will complete the work on the building for \$6,435,897.64, the unpaid balance in B.B. Andersen's old contract, plus a contractor's fee that will be paid by B.B. Andersen's insurers.

Therefore, the building will not cost A&M any more than the amount originally appropriated by the regents.

Mills said he is not worried about the ability of Avery Mays to fulfill their contractual obligations to A&M. He said there are no unusual problems associated with putting up a structure on a college campus, with the exception of traffic and parking.

"It's kind of a hassle sometimes to get material in here," Mills said. "We usually try to get most of the big loads of material in early in the morning before classes start."

Governor stresses importance of budget cuts

By FRANK SMITH
Staff Writer

Gov. Mark White visited College Station briefly Thursday and reiterated his belief that the state's estimated \$1.3 billion revenue shortfall will be met by his proposal for 13 percent budget cuts for state agencies.

White expressed confidence in his proposal following his 30-minute address to the 28th annual County Judges and Commissioners' Conference, which was held at the College Station Hilton.

He also said he still doesn't think it necessary to call a special session of the Legislature to help solve the state's financial crisis.

"If you look at the numbers we're looking at, that's what we're going to rely on to get our goal is," White said. "Just cutting alone will save us \$400 million — that's a pretty good start."

White added that higher educa-

tion will be cut in areas that don't affect faculty salaries or educational quality. However, he said administrative overhead costs will be very closely evaluated.

In his conference speech, White lamented the expenditure of \$38 million every two years for remedial education courses in state colleges and universities.

"Thirty-eight million dollars teaching kids how to read and write?" he said. "That's what we're going to start doing in first grade."

White said the budget-cutting plan will require the imagination of workers in each state agency as well as cooperation between both the public and private sectors.

He cited an example that he said demonstrated the need for such cooperation, saying he was recently told that car companies manufacture police cars only at a certain time of year.

Consequently, some departments purchase the cars during the limited

time they're available and extra cars sometimes sit idly on parking lots for months and depreciate, he said.

"That's not the American business system working for the consumer," White said. "We're the consumer in this case — we the state government, you the county government and yes, all of us as taxpayers."

White also told the conference that Friday he asked President Reagan to impose a temporary variable tariff on imported oil.

"All we're saying is that there has been dumping in the oil market," White said. "Saudi Arabia is dumping oil into the market and artificially driving down the price."

"The administration in Washington says that's not so — that this is just free market forces at work. Anybody that would believe that would believe anything."

After making his conference speech, White said he has not received a response from Reagan about the tariff proposal although

the President has consented to meet sometime in the future with White and Oklahoma Gov. George Nigh.

"I'm anxious for a meeting with him because I think it's vital to the future of our country's national security that we have adequate oil supplies to fuel the ships, the tanks and the planes that we rely upon for our nation's security," White said.

In Washington, the Senate Finance Committee conducted a hearing on Texas Sen. Lloyd Bentsen's bill calling for the creation of a permanent, variable tariff on oil imports and a minimum per-barrel price to protect the domestic oil industry.

During that hearing, J. Roger Mentz, a Reagan administration official, told the committee that raising taxes on imported oil would cost the average family up to \$365 a year, penalize the poor, hurt key allies and damage the nation's trade balance.

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