

# OSU plans to cut jobs, programs due to shortfall

Administrators say the budget moves stem from a slowing economy and rising costs

By John Liebhardt  
Oregon Daily Emerald

Oregon State University administrators are making plans to cut jobs and academic programs because of a projected \$19 million shortfall in its operating budget.

Justin Geddes, OSU's student body president, said OSU's budget woes have forced a select committee of administrators and department heads to submit details of cost-cutting plans to offset the shortfall.

"This is the most serious thing the University has gone through in a long time," Geddes, the only student representative of that committee, said.

The 17-member group, known as the President's Cabinet, will present preliminary findings to OSU faculty and staff Monday. OSU

President Paul Risser must approve the proposal by Dec. 15.

OSU administration officials did not return calls to explain the reason for the shortfall, but The Oregonian reported that the administration is blaming a slowing economy and rising costs.

Faculty and staff at the 17,500 student university are anxiously awaiting the cabinet's findings to see where cuts will be made. "Right now, it is too early to tell," said Doug Deryberry, president of the OSU branch of the American Association of University Professors. "I am sure they are going to cut jobs, which will be a bad thing. But it is too early to tell."

The announcement from Corvallis took University of Oregon officials by surprise.

"I was shocked by the report," said University President Dave Frohnmayer. "I heard an indication (of the shortfall) earlier this week, but I did not think it would be of this dimension."

Frohnmayer was also quick to point out that the University of Oregon, which has a similar enrollment as OSU, is operating on a balanced budget for the next two years. An extra number of administrators at OSU may have led to the budget difference at the two schools, Frohnmayer said.

"I do not know the entire story at OSU," he said. "We have a very lean administrative structure compared to what I have heard is more (departments) at OSU."

Geddes admitted that cutting programs and layers of administration at OSU will be a very difficult task. "We don't want to take a peanut butter approach to the cuts, we don't want to cut from everything," he said, noting cuts could come from reducing layers of administrators and perhaps combining similar academic programs.

Geddes admitted that he will attempt to block any tuition hikes,

enrollment caps or funding cuts for diversity programs. Anything else, he said, is fair game. "We will look at every single program and every single department on campus. We will also look at reducing a layer of administrators," he said.

Adding to OSU's budget woes is a call by Gov. John Kitzhaber to withhold 2 percent of general funds to all state agencies.

John Liebhardt is the higher education editor for the Oregon Daily Emerald. He can be reached at johnliebhardt@dailyemerald.com.

## China Blue, University Bookstore working out insurance conflict

The 13th Avenue restaurant faces difficulties that have left it closed indefinitely

By Brook Reinhard  
Oregon Daily Emerald

Students may be wondering why China Blue, a longtime fixture near campus, has been closed for the past several weeks. The restaurant won't be reopening until they can meet demands made by their landlord, the University Bookstore. China Blue must meet city code and comply with requests made by the bookstore's insurance company, but the restaurant believes the difficulties may not end there.

China Blue leases the upper floor of the building adjacent to the bookstore, which owns both buildings. The restaurant drew attention to itself after grease backed up the plumbing system and caused sewage facilities to overflow. The owners are now getting the necessary permits needed for the bookstore's insurance company to continue coverage.

Difficulties started a year ago with a grease fire at the restaurant. Although the fire was quickly put out by the building's sprinkler system, no one could find the sprinkler shutoff, said Tai Tsui, an unofficial spokesman for China Blue. Tsui is married to the co-owner of China Blue. English is his third language, and, in spite of minor difficulties with it, he often acts as an interpreter for his wife, Liyun Tsui, and the other co-owner, Tom Cao.

Tsui estimates that between 40 and 45 gallons of water soaked through the floor of the restaurant, causing more than \$120,000 in damage, \$93,000 of which was covered by China Blue's insurance company.

The bookstore's insurance coverage expires Oct. 21. China Blue and the bookstore have separate insur-

ance policies, but the company that insures the bookstore has certain requirements for the insurance coverage of its other tenants. China Blue's former insurance company was not one of the 1,600 companies recognized by the state of Oregon. Since the fire, China Blue has contracted out new insurance, Tsui said.

The bookstore, an independent non-profit corporation, has repeatedly said insurance coverage is the main difficulty. According to the lease, which runs through August 2005, the bookstore is responsible for fire insurance coverage. The pressure for China Blue to be insured has come from the bookstore's insurance agency.

"The biggest problem (with China Blue) is their insurability," bookstore General Manager Jim Williams said. He added that the bookstore has had other problems with the restaurant. "They've had an operation that's unsafe. The whole thing has happened because of them, not us."

The bookstore started noticing problems when their other tenants began having difficulty with their sewer systems.

"We had a series of small mishaps that let us know there was a problem," said bookstore controller Rhonda Stoltz. The bookstore alerted the city about China Blue's difficulties. "We had to work with city officials (to get China Blue to comply)," she said.

Before the restaurant can reopen, a new grease trap must also be installed. It is required under the city's plumbing code and by the Lane County health code, said Bill Lemons, commercial code analyst for the city of Eugene. A permit to install a grease trap was issued by China Blue on Oct. 12.

Installing the grease trap hasn't been the only point of conflict, Tsui said. Several weeks ago, he said

that Stoltz called him up and demanded that the bookstore be allowed to contract out kitchen cleaning for China Blue. "Rhonda said to me, 'If you don't let us clean the grease traps every week, we'll cancel the lease,'" Tsui said.

Stoltz did have a conversation with Tsui, but disputes some of the details, such as requiring cleaning every week.

"We're having some difficulty with communication. They haven't been emptying the (existing) grease trap," Stoltz said. The lease between the bookstore and China Blue does not require a weekly cleanup, but Eugene's city code does say that grease traps must be maintained regularly.

"Our insurance company will not insure us if China Blue doesn't comply," she said.

Tsui said that conflicts between the bookstore and restaurant may continue.

"The bookstore hired a lawyer and said the lease was in default," Tsui said. He also said he has heard rumors the bookstore planned to use the space for other purposes.

"Initially we got along pretty good. After they lost their warehouse, they needed space. They hired a lawyer to study the lease, (who said) the lease was in default," Tsui said. He added that China Blue is doing their best to comply with demands made and has hired a lawyer to represent them. The lawyer for the restaurant declined to comment because negotiations are still in progress.

Williams denied that the bookstore was trying to push China Blue out or that it had other plans for the space.

"We're trying to protect the interests of students, faculty and staff," Williams said.

Brook Reinhard is a community reporter for the Oregon Daily Emerald. He can be reached at brookreinhard@dailyemerald.com.

Alumni Fellows Awards, the highest alumni award given by the College of Arts and Sciences.

Fullerton was the first person to receive a Ph.D. from the University sociology department and went on to teach at Drake University and Florida State University before joining San Jose State University.

Hohnke received a master's degree and a Ph.D. in biology and later went to work for Pfizer Central Research and the University of Connecticut

Health Center, becoming the vice president for research. Presently, Hohnke works in the venture capital field as a partner with Javelin Capital Fund, based in Birmingham, Ala.

William Sullivan received a master's degree in German and is a travel writer who primarily writes about the state of Oregon. He is known for his hiking guides and his travel journal, "Listening for Coyote," published in 2000 by Oregon State University press.

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### News briefs

#### Alumni receive top honors

The Alumni department will present three University graduates with honors at its seventh annual Profile in Achievement awards banquet today. Gail Fullerton, Class of '55, Lyle Hohnke, Class of '70 and William Sullivan, Class of '79, will receive the