

Minutes of Meeting of the Executive Committee of the University of Kentucky, June 23, 1932.

The Executive Committee of the Board of Trustees of the University of Kentucky met in President McVey's office at the University of Kentucky June 23, 1932, at 10:30 a. m. All the members of the Committee, viz., Judge R. C. Stoll, Judge Robert G. Gordon, E. B. Webb, Joe B. Andrews, and James Park, were present. President Frank L. McVey and Secretary D. H. Peak were also present.

1. Minutes Approved. The Minutes of the meeting of the Executive Committee of April 29, 1932, and the Minutes of the meeting of the Executive Committee of May 13, 1932, were approved. The Minutes of the meeting of the Board of Trustees of June 4, 1932, were presented to the Committee, and they were then referred by the Executive Committee to the next meeting of the Board of Trustees.

2. Financial Report. The financial report for May was received and ordered to be recorded in the Minutes.

EXHIBIT "B"

Statement of Income and Expenditures
Month of May 1932

	Previously Reported	Current Month	Fiscal Year To Date
General Fund Income			
Federal Appropriation	42,750.00		42,750.00
Bureau of Mineral and Topographic Survey		166.22	166.22
Vocational Ed. Board	5,879.62		5,879.62
State Tax	791,191.62	72,221.40	863,413.02
Int. on Lib. Loan Bonds	1,700.00		1,700.00
Int. on Endowment Bonds	8,644.50		8,644.50
Student Fees	150,387.66	699.76	151,087.42
Student Fees - Summer School	46,861.90		46,861.90
Student Fees - Un. High School	10,510.00	611.70	11,121.70

Student Fees - Elementary Training School	14,194.35	1,218.30	15,412.65
Student Fees - Univ. Extension	27,665.52	2,158.58	29,824.10
Miscellaneous Receipts	22,425.88	1,495.83	23,921.71
Special Agr. Appro.	2,253.26	4,515.73	6,768.99
Rentals	2,921.90	497.50	3,419.40
Men's Dormitories	19,233.99	178.25	19,412.24
Total	<u>1,146,620.20</u>	<u>83,763.27</u>	<u>1,230,383.47</u>
Expenditures			
Instruction	720,014.21	70,460.22	790,474.43
Adm. Exp. & Maint.	301,949.19	15,301.78	317,250.97
Additions and Betterments	107,928.78	482.32	108,411.10
Total	<u>1,129,892.18</u>	<u>86,244.32</u>	<u>1,216,136.50</u>
Excess of Income over Expenditures	16,728.02	(2,481.05)	14,246.97
Patterson Hall Income			
Board	61,820.28	717.70	62,537.98
Misc. Receipts	212.90		212.90
Room Rent - Sum. Sch.	4,777.75		4,777.75
Total	<u>66,810.93</u>	<u>717.70</u>	<u>67,528.63</u>
Expenditures			
Expense	46,812.76	5,421.66	52,234.42
Add. & Betterments	8,844.25		8,844.25
Total	<u>55,657.01</u>	<u>5,421.66</u>	<u>61,078.67</u>
Excess of Income over Expenditures	<u>11,153.92</u>	<u>(4,703.96)</u>	<u>6,499.96</u>
General Fund Income	1,213,431.13	84,480.97	1,297,912.10
General Fund Expend.	<u>1,185,549.19</u>	<u>91,665.98</u>	<u>1,277,215.17</u>
Excess of General Fund Income over Expend.	27,881.94	(7,185.01)	20,696.93
Excess of Receipts over Expenditures for General Ledger Accounts	52,677.45	(24,502.52)	28,174.93
1931-32 Accounts Payable	33,803.17	33,511.78	67,314.95
Excess of Receipts over Expenditures for the fiscal year to date - General Fund	<u>114,362.56</u>	<u>1,824.25</u>	<u>116,186.81</u>

Excess of Receipts over Expenditures for the fiscal year to date - General Fund			116,186.81
Cash in Bank July 1, 1932 - General Fund			<u>(107,858.56)</u>
Cash in Bank May 31, 1932 - General Fund			<u>8,328.25</u>
Trust Fund Income			
Student Loan Fund	2,368.06	77.89	2,445.95
Student Notes Paid	<u>4,095.90</u>	<u>143.63</u>	<u>4,239.53</u>
Total Receipts	<u>6,463.96</u>	<u>221.52</u>	<u>6,685.48</u>
Expenditures			
Expense	509.82	40.00	549.82
Student Notes	<u>5,578.00</u>	<u>503.50</u>	<u>6,081.50</u>
Total	<u>6,087.82</u>	<u>543.50</u>	<u>6,631.32</u>
Excess of Receipts over Expenditures	<u>376.14</u>	<u>(321.98)</u>	<u>54.16</u>
Excess of Receipts over Expenditures fiscal year to date - Trust Fund			54.16
Cash in Bank July 1, 1932 - Trust Fund			<u>1,417.64</u>
Cash in Bank May 31, 1932 - Trust Fund			<u>1,471.80</u>
Experiment Station Income			
Hatch - Federal Appro.	15,000.00		15,000.00
Milk and Butter - Cash Receipts	9,952.30	813.68	10,765.98
Beef Cattle Sales	1,076.35		1,076.35
Dairy Cattle Sales	267.78	65.00	332.78
Sheep Sales	424.93		424.93
Swine Sales	760.76		760.76
Poultry Sales	2,486.27	170.01	2,656.28
Farm Produce Sales	1,889.26	21.20	1,910.46
Horticultural Sales	1,199.75		1,199.75
Seed Test	22.00		22.00
Rentals	5,519.60	144.67	5,664.27
Miscellaneous	3,216.89	11.02	3,227.91
Fertilizer - Fees	23,439.75	4,121.63	27,561.38
Public Service - St. Appro.	14,125.54	3,551.83	17,677.37
Public Service - Misc.	39.60		39.60
Feeding Stuffs - Fees	26,743.15	1,565.93	28,309.08
Adams - Fed. Appro.	15,000.00		15,000.00
Serum - Sales	2,532.82	133.65	2,666.47
Serum - Virus Sales	124.95	11.55	136.50
Serum - Supply Sales	156.10	13.50	169.60
Serum - Misc. Receipts	54.11	37.50	91.61
State Appropriation	31,797.75		31,797.75

Creamery License - Fees	5,639.00	1.50	5,640.50
Creamery - Testers Lic.	1,912.00	56.00	1,968.00
Creamery - Glassware Tested	270.29	13.86	284.15
Robinson - St. Appro.	15,665.41		15,665.41
Robinson - Misc. Rec.	500.09		500.09
West Ky. - St. Appro.	13,713.85	1,873.86	15,587.71
West Ky. - Misc. Rec.	2,650.96	(1,873.86)	777.10
Purnell - Fed. Appro.	60,000.00		60,000.00
St. Appro. - Patterson Farm Purchase	25,000.00		25,000.00
Nursery Inspection - Fees	1,740.00	35.00	1,775.00
Nursery Inspection - State Appro.	2,273.92	110.04	2,383.96
Poultry Improvement	1,730.00	300.00	2,030.00
Cream Grading	7,450.00	700.00	8,150.00
Blood Test	1,379.25	113.50	1,492.75
Dark, Fired Tobacco Growers' Assn.		3,000.00	3,000.00
Total	<u>295,754.43</u>	<u>14,991.07</u>	<u>310,745.50</u>
Expenditures			
Expense	317,334.53	32,848.18	350,182.71
Additions & Betterments	<u>2,658.21</u>	<u>19.40</u>	<u>2,677.61</u>
Total	<u>319,992.74</u>	<u>32,867.58</u>	<u>352,860.32</u>
Excess of Expenditures over Income	(24,238.31)	(17,876.51)	(42,114.82)
1930-1931 accounts pay- able liquidated during Current Year	<u>(16,511.37)</u>		<u>(16,511.37)</u>
Excess of Expenditures over Receipts	<u>(40,749.68)</u>	<u>(17,876.51)</u>	<u>(58,626.19)</u>
Excess of Expenditures over Receipts for the fiscal year to date - Experiment Station			(58,626.19)
Cash in Bank July 1, 1931 - Experiment Station			<u>60,174.95</u>
Cash in Bank May 31, 1932 - Experiment Station			<u>1,548.76</u>
Extension Division Income			
Federal Smith-Lever	148,310.55		148,310.55
Federal Add. Co-op.	31,000.00		31,000.00
Federal Supplementary	53,091.74		53,091.74
Federal Capper-Ketcham	36,801.18		36,801.18
State Smith-Lever	84,329.10	20,781.37	105,110.47
State Capper-Ketcham	3,920.07	11,452.73	15,372.80
Urban Garden Fund	5,000.00		5,000.00
County and Other	1,882.01	121.66	2,003.67
Total	<u>364,334.65</u>	<u>32,355.76</u>	<u>396,690.41</u>

Expenditures			
Expense	<u>360,689.73</u>	<u>33,841.78</u>	<u>394,531.51</u>
Excess of Income over Expenditures	<u>3,644.92</u>	<u>(1,486.02)</u>	<u>2,158.90</u>
Excess of Income over Expenditures for the fiscal year to date - Extension Division			2,158.90
Cash in Bank July 1, 1931 - Extension Division			<u>6,905.79</u>
Cash in Bank May 31, 1932 - Extension Division			<u>9,064.69</u>
Summary			
General Fund Income	1,213,431.13	84,480.97	1,297,912.10
Trust Fund Income	2,368.06	77.89	2,445.95
Experiment Station Income	295,754.43	14,991.07	310,745.50
Extension Division Income	<u>364,334.65</u>	<u>32,355.76</u>	<u>396,690.41</u>
Total	<u>1,875,888.27</u>	<u>131,905.69</u>	<u>2,007,793.96</u>
General Fund Expenditures	1,185,549.19	91,665.98	1,277,215.17
Trust Fund Expenditures	509.82	40.00	549.82
Experiment Station Expenditures	319,922.74	32,867.58	352,860.32
Extension Division Expenditures	<u>360,689.73</u>	<u>33,841.78</u>	<u>394,531.51</u>
Total	<u>1,866,741.48</u>	<u>158,415.34</u>	<u>2,025,156.82</u>
Excess of Expenditures over Income	9,146.79	(26,509.65)	(17,362.86)
1930-1931 accounts payable liquidated during Current Year	(16,511.37)		(16,511.37)
1931-1932 accounts Payable	33,803.17	33,511.78	67,314.95
Excess of Receipts over Expenditures for General Ledger accounts	52,677.45	(24,502.52)	28,174.93
Student Loan Fund - Notes	<u>(1,482.10)</u>	<u>(359.87)</u>	<u>(1,841.97)</u>
Excess of Receipts over Expenditures for the fiscal year to date - Combined Fund	<u>77,633.94</u>	<u>(17,860.26)</u>	<u>59,773.68</u>
Excess of Receipts over Expenditures for the fiscal year to date - Combined Fund			59,773.68
Cash in Bank and on hand July 1, 1931 - Combined Fund			<u>(37,360.18)</u>
Cash in Bank and on hand May 31, 1932 - Combined Fund			<u>22,413.50</u>

Abstract of item shown on Statement of Income and Expenditures as "Excess of Receipts over Expenditures for General Ledger Accounts \$28,174.93".

	<u>Debit</u>	<u>Credit</u>
Accounts Receivable		32,524.19
Insurance Paid in Advance	3,709.77	
Notes Payable	14,515.73	
Sundry Accounts		<u>13,876.24</u>
	18,225.50	46,400.43
		<u>18,225.50</u>
		28,174.93

3. State Appropriation and Budget Distribution. Report of J. P. Johnston, attorney, was accepted and ordered incorporated in the Minutes.

Letter from Mr. J. Pelham Johnston to Dr. Frank L. McVey, June 14, 1932.

"I am enclosing you a letter which I received from the Auditor, together with a copy of the Attorney General's opinion on the question of whether the appropriation of the millage and inheritance taxes to the University of Kentucky Statutes S. 4019 was repealed by the 1932 Budget Appropriation Act, being House Bill No. 378, which opinion was enclosed with the Auditor's letter. I have made copies of these letters for my files and am sending you the originals, as I feel that you would like to have in your hands the Auditor's letter stating that he would be governed by the Attorney General's opinion."

Letter from Mr. Dan Talbott, Auditor of Public Accounts, Frankfort, Ky., to Mr. J. Pelham Johnston, June 9, 1932.

"As requested at your meeting yesterday, I am today forwarding to you an opinion of the Attorney General that has just been sent to me, concerning tax revenues for the benefit of the University of Kentucky.

"It seems, from this opinion, that the Attorney General has ruled as you wish in the matter. My office will abide by this opinion."

Letter from S. H. Brown, Assistant Attorney General of Kentucky (letter approved by the Attorney General) to J. Dan Talbott, Auditor of Public Accounts, June 8, 1932.

"Yours of June 7th, addressed to the Attorney General, has been referred to me. With your letter you enclose a letter from the Honorable J. Pelham Johnston, of Lexington, to you, with reference to the appropriation for the University of Kentucky for the fiscal years 1933 and 1934. You request an opinion from this department on behalf of Mr. Johnston as to just what appropriation the University will be entitled to for the fiscal years 1933 and 1934.

"In reply to your inquiry it is perhaps proper to briefly review the history of the passage of the appropriation bill passed by the last General Assembly, providing for the maintenance and upkeep of the various departments of the state government. The Act as passed by the General Assembly made lump sum appropriations to the University, to each of the four teachers' colleges and to the common schools, each of these institutions having theretofore received by the provisions of Section 4019 Kentucky Statutes, 1930 edition, a specified percentage of the revenue derived from the levying of certain taxes. The last General Assembly also passed an Act known as House Bill 654, amending and re-enacting Section 4019 of the Kentucky Statutes and providing that all the revenue which had theretofore been distributed on a percentage basis to various departments and institutions should go to the credit of the general expenditure fund. This bill, however, was vetoed by the Governor, leaving

Section 4019 as enacted by the 1930 session of the General Assembly in effect, that is, unless it was repealed by Section 110 of the appropriation bill above referred to, which Section is as follows:

'All annual and/or continuing appropriations not provided for in this act and all other laws and parts of laws in conflict herewith are hereby repealed.'

"The Governor, as pointed out in his veto message, was of the opinion that the Section above quoted did not repeal those provisions of Section 4019 which distributed certain taxes to various institutions on a percentage basis. Therefore, under the authority of Section 88 of the Constitution he struck out of the appropriation bill the lump sum appropriations above referred to the University, the four teachers' colleges and the common schools. It is, therefore, apparent that if Section 110 of the appropriation act did repeal the provisions of Section 4019 relating to the University, the four colleges and the public schools, then all of these institutions are without an appropriation for the ensuing biennium. This was, of course, never the intention of the General Assembly. Section 110 should, in my opinion, be construed in the light of all the events and surrounding circumstances above referred to and with that view I am of the opinion that the courts would construe said section as repealing the pertinent provisions of Section 4019 only in the event that the Governor did not exercise his constitutional prerogative and strike the lump sum appropriations above referred to from the bill. I am, also, of the opinion that Section 110 of the appropriation Act does not repeal the provisions of Section 4019 under discussion for the reason that to do so would violate Section 180 of the constitution, which in part is as follows:

'Every Act enacted by the General Assembly
* * * * levying a tax shall specify distinctly the purpose for which said tax is levied and no tax levied and collected for one purpose shall ever be devoted to another purpose.'

Section 4019 and Section 4281a-6 as amended by Section 4019 specify distinctly the purposes for which the taxes therein referred to are levied. To repeal the distributing provisions of Section 4019 would be to leave said Section silent as to the purpose of the levies therein made.

"I am, therefore, of the opinion that Section 4019 of Kentucky Statutes is still in full force and effect and that the University of Kentucky will receive for the fiscal years 1933 and 1934 the revenue appropriated to it by that Section."

4. Taxes Under New Federal Act. The effect of the new federal act in its relation to the University of Kentucky was discussed. President McVey was asked to get a ruling on the questions involved.

5. Liability for Salary after Death of Employee. A report made at the last meeting of the Board showed that the group insurance plan had been accepted by a large majority of University employees. It is the sense of the Executive Committee that such insurance is ample protection to families and estates of employees, and the following resolution was offered and passed.

"It appears that there is no liability of the University of Kentucky for salary of employee after death of such employee, and it is hereby recommended that payments of salary be discontinued at the end of the month in which the death of the employee occurs."

6. State Inspector and Examiner. Report was made by President McVey that two members of the staff of the State Inspector and Examiner were making examination of the financial affairs and other activities of the University. Consideration was deferred until a report of the examination is received.

7. Annual Audit. It was ordered that the Marwick, Mitchell, Peat and Company of Saint Louis be employed to make the annual audit of the books of the Business Office, the charge for such audit to be \$750.00.

8. Police Authority for Watchman. President McVey suggested that the night and day watchmen of the University buildings and grounds should be given some police authority, if possible. A discussion disclosed that the city can not assume police control of University property, but that the University watchmen may be made county patrolmen. The question was referred to President McVey for such action as he deems proper.

9. Credit Union. President McVey reported that \$19,000.00 had been loaned by the University of Kentucky Credit Union to members of the University staff. The total amount available for loans will probably reach \$43,000.00.

10. Parker Library. President McVey reported that Miss Sallie T. Smith of Lexington, Kentucky, has presented to the University the library of Mr. A. T. Parker. President McVey was authorized to extend thanks of the Board of Trustees for the gift.

11. C. & O. Railroad Agreement. It was ordered that the agreement with the C. and O. Railroad Company for the University to make coal tests be extended for a period of one year from July 1, 1932, and the action of Chairman R. C. Stoll in signing renewal agreement is hereby approved. Agreement is as follows:

June 1, 1932.aw

File - 370

Mr. Richard C. Stoll,
Chairman of Executive Committee,
University of Kentucky,
Lexington, Kentucky.

Dear Sir:

The agreement entered into by and between the University of Kentucky and The Chesapeake and Ohio Railway Company, dated July 1st, 1931, covering the tests of coal and stokers, contains the following clause:

" " This ~~agreement~~ agreement is for the term of one year, and shall expire July 1st, 1932, unless it is extended by mutual agreement made prior to July 1st, 1932."

It is evident that the tests will not be completed by July 1st, 1932, and that the work will extend into another year, requiring the continuation of the services of the persons conducting the tests. It is our desire to continue these tests, at least until the present schedule of work is completed, and if agreeable to the University of Kentucky, it is agreeable to The Chesapeake and Ohio Railway Company that this agreement continue in effect, with the understanding hereinafter mentioned, from month to month after July 1st, 1932, until either party gives thirty days written notice to the other party of its desire to terminate the agreement.

It is understood that one-twelfth of each of the annual salaries provided for in the agreement of July 1st, 1931, of the personnel whose entire services are engaged in the conduct of these tests, shall be made available by the Railway Company each month, and that after July 1st, 1932, salaries shall be on a monthly basis, the monthly salaries being one-twelfth of the annual salaries provided for in the agreement of July 1st, 1931, and that in all respects the agreement shall continue on a monthly basis instead of an annual basis.

It is further understood that the application of the provision of the agreement dated July 1st, 1931, reading as follows:

"In addition to the above amount, an amount not to exceed \$2,000 per annum to cover fees to be divided between the Department of Mechanical Engineering and the Department of Mining and Metallurgy, to be paid the men in these departments who will supervise the work and otherwise be responsible for the character of the finished report."

shall be modified to cover only the fees to be paid the men in the departments mentioned who devote their entire service to the supervision of the work and the preparation of reports during the months of July and August, 1932, the personnel and the amount of said fees to be fixed by the Committee under whose jurisdiction the tests are being conducted.

The Chesapeake and Ohio Railway Company agrees to the continuation of the said agreement of July 1st, 1931, under the terms and conditions set forth in this letter.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

By G. D. Brooke
Vice-President and General Manager

The University of Kentucky agrees to the continuation of the said agreement of July 1st, 1931, under the terms and conditions set forth in this letter.

UNIVERSITY OF KENTUCKY

By Richard C. Stoll
Chairman of Executive Committee

12. Geological Survey Bills. The Business Agent reported that he had submitted to the State Auditor the bill for \$742.71 approved at the June meeting of the Board of Trustees for expense in part of removal of the property of the State Geological Survey from Frankfort to Lexington; that the question of payment had been referred by the Auditor to the Attorney General for an opinion as to the funds from which the expense of removal shall be paid; that the Attorney General ruled that the expense be paid from the appropriation made in the act authorizing the transfer of the department to the University of Kentucky and from collections made on sales in the department. The Executive Committee suggested that the question be taken up again with the Attorney General.

The Business Agent presented a statement of further expense of removal which statement was approved by the Executive Committee, and the Business Agent was ordered to submit it to the State Auditor for payment. Copy of the statement follows:

Report of Expense of Transferring
Geological Survey properties from Frankfort
to University of Kentucky

June 23, 1932

Expense since June 4, 1932:

Union Transfer Company	\$162.50
Labor	207.40
Travel Expense	9.75
Expense of Superintendent Crutcher's department	20.68
	\$400.33

13. Payment of Note. President McVey was authorized to borrow an amount sufficient to pay the balance due on notes of \$85,000.00 at Security Trust Company after applying the proceeds of the sale of College Fund warrants lodged as security for the notes, it appearing that the amount required will not exceed the amount now in the State Treasury due the College funds of the University.

14. Purchase of Coal. The Business Agent reported that he had communicated with the chairman of the State Purchasing Commission in regard to contract for purchase of coal, and that he was authorized to get a bid from the company that has been in communication with the Superintendent of Buildings and Grounds. Copy of letter follows:

June 6, 1932

Mr. D. H. Peak, Business Agent,
University of Kentucky
Lexington, Kentucky.

Dear Mr. Peak:

We have for acknowledgment your letter of June 4, concerning coal contract for your School.

It is quite probable that nothing will be done in this matter until about the middle of July, but Mr. Alexander will get in touch with you personally before anything is done. We want to assure you that we shall give the proposition careful consideration, as it is the desire of the Commission to make as great a saving as possible in awarding this business.

Yours very truly,

STATE PURCHASING COMMISSION

Andrew Alexander
Chairman

15. Sale of State Warrants. The Committee on Sale of State Warrants was authorized to offer and sell the warrants on hand in its discretion. Warrants sold since last meeting of the Board of Trustees were approved as follows:

State Warrants Sold

No.	Amount		Interest	86 Per Cent	Total
E.2654	\$4,143.61	K. C.	132.94	\$3,553.13	\$3,686.07
E.8865	804.72	Western	3.58	690.05	693.63
E.8243	8,214.61	K. C.	58.20	7,044.03	7,102.23
E.2800	6,722.97	50M	208.22	5,764.95	5,973.17
E.3382	5,703.77	50M	160.02	4,890.99	5,051.01
E.1357	4,854.18	50M	194.84	4,162.46	4,357.30
E.1979	10,000.00	S. L.	361.10	8,575.00	8,936.10
E.9864	4,059.10	Robin-	18.04	3,480.68	3,498.72
	44,502.96	son	1136.94	38,161.29	39,298.23

16. Appointments and Continuations of Employment.

Continuation of employment of R. M. Heath, county agent, Franklin County, at a salary of \$236.66-2/3 a month, effective June 1, 1932, to April 30, 1933.

Continuation of employment of H. S. Patterson, county agent, Grayson County, at a salary of \$200.00 a month, effective June 1, 1932 to May 31, 1933.

Continuation of employment of Thomas W. Morgan, county agent of Trigg County, at a salary of \$166-2/3 a month, effective July 1, 1932 to June 30, 1933.

Continuation of employment of Sadie Wilgus, home demonstration agent, Calloway County, at a salary of \$150 a month, effective July 1, 1932, to June 30, 1933.

Continuation of employment of Marie Fortenberry, home demonstration agent, Pikeville, Kentucky, at a salary of \$181.25 a month, effective July 1, 1932 to June 30, 1933.

Continuation of employment of J. H. Atkerson, county agent, Allen County, at a salary of \$191-2/3 a month, effective July 1, 1932 to June 30, 1933.

Appointment of Paul K. Whitaker, part-time instructor in the German Department, for the year 1932-1933 at a salary of \$750.00.

15.

17. Leave of Absence. A leave of absence for one year on half pay, beginning July 1, 1932, was granted Dr. Wellington Patrick,

18. Resignation. Resignation of Gladys Garnett, assistant in circulation in the University Library, effective July 1, 1932, was accepted.

On motion, the meeting adjourned.

D. H. Peak
Secretary of the Board of
Trustees