

Minutes of the Meeting of the Executive Committee of the University of Kentucky, Tuesday, February 25, 1936.

The Executive Committee of the Board of Trustees of the University of Kentucky met in President McVey's office at 10:30 a.m. on February 25, 1936. The members of the Committee present were Judge Richard C. Stoll, Chairman; Judge Robert G. Gordon, J. B. Andrews, and R. Miller Holland. 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 December 31, 1936, were approved as published.

2. Financial Report.

The financial report for the month of January, 1936, was filed and ordered recorded in the Minutes. The report reads as follows:

Statement of Income and Expenditures
Month of January 1936

	<u>Previously Reported</u>	<u>Current Month</u>	<u>Fiscal Year to Date</u>
General Fund Income			
Federal Appropriation	21,375.00	7,125.00	28,500.00
Vocational Ed. Board	10,732.90	2,239.11	12,972.01
Int. on Peabody Endow.	1,000.00		1,000.00
State Appro.-Back Sal.	71,100.00		71,100.00
State Appro.-Sum. Sch.	9,000.00		9,000.00
Special Agr. Appro.	12,750.00	2,000.00	14,750.00
State Appro.-Repairs to Bldgs.	1,500.04	1,201.88	2,701.92
State Appro.-General	335,675.79	52,028.24	387,704.03
Student Fees	112,962.18	2,158.56	115,120.74
Student Fees - Sum.Sch.	59,074.67	153.50	59,228.17
Student Fees - U.H.S.	5,383.50	180.00	5,563.50
Student Fees - El.Tr.Sch.	4,220.00	60.00	4,280.00
Student Fees - Un.Ext.	10,061.56	588.03	10,649.59
Misc. Receipts	8,897.28	208.41	9,105.69
Rentals	1,450.30	225.00	1,675.30
Men's Dormitories	8,885.30	504.10	9,389.40
Total	<u>674,068.52</u>	<u>68,671.83</u>	<u>742,740.35</u>

Expenditures			
Instruction	376,452.05	77,292.05	453,744.10
Administration, Expense & Maintenance	122,668.13	20,877.52	143,545.65
Additions & Betterments	9,868.04	1,462.14	11,330.18
Total	<u>508,988.22</u>	<u>99,631.71</u>	<u>608,619.93</u>
Excess of Income over Ex- penditures	<u>165,080.30</u>	<u>(30,959.88)</u>	<u>134,120.42</u>
Patterson Hall Income			
Board	27,050.16	687.80	27,737.96
Misc. Receipts	250.51	4.55	255.06
Room Rent - Summer School	2,089.00		2,089.00
Total	<u>29,389.67</u>	<u>692.35</u>	<u>30,082.02</u>
Expenditures			
Expense	19,415.59	4,200.18	23,615.77
Additions and Betterments	486.90	60.35	547.25
Total	<u>19,902.49</u>	<u>4,260.53</u>	<u>24,163.02</u>
Excess of Income over Ex- penditures	<u>9,487.18</u>	<u>(3,568.18)</u>	<u>5,919.00</u>
General Fund Income	703,458.19	69,364.18	772,822.37
General Fund Expenditures	<u>528,890.71</u>	<u>103,892.24</u>	<u>632,782.95</u>
Excess of General Fund Income over Expendi- tures	174,567.48	(34,528.06)	140,039.42
Accounts Payable - liqui- dated	(71,191.63)		(71,191.63)
Excess of Expend. over Re- ceipts for General Ledger accounts	<u>(79,273.49)</u>	<u>46,690.52</u>	<u>(32,582.97)</u>
Excess of Receipts over Expenditures for the fiscal year to date - General Fund	<u>24,102.36</u>	<u>12,162.46</u>	<u>36,264.82</u>
Excess of Receipts over Ex- penditures for the fiscal year to date - General Fund			36,264.82
Cash in Bank July 1, 1935 - General Fund			<u>5,837.75</u>
Cash in Bank January 31, 1936 - General Fund			<u>42,102.57</u>
Experiment Station Income			
Hatch - Federal Appro.	7,500.00		7,500.00
Milk and Butter - Cash Rec.	4,852.35	890.49	5,742.84
Beef Cattle Sales	1,453.78	302.92	1,756.70
Dairy Cattle Sales	535.54		535.54
Sheep Sales	222.58	315.36	537.94

Swine Sales	1,359.95	78.46	1,438.41
Poultry Sales	1,271.22	272.51	1,543.73
Farm Produce Sales	733.87	789.80	1,523.67
Horticultural Sales	394.90	3.50	398.40
Seed Test	383.09	90.20	473.29
Seed Inspection	6,478.36	2,082.01	8,560.37
Rentals	2,868.01	2,144.67	5,012.68
Miscellaneous	334.65	40.64	375.29
Fertilizer - Fees	11,056.46	2,040.00	13,096.46
Public Service - State Appro.	11,570.64	1,871.34	13,441.98
Public Service - Misc.	11.60		11.60
Feeding Stuffs - Fees	23,406.86	5,413.03	28,819.89
Adams - Federal Appro.	7,500.00		7,500.00
Serum - Sales	1,101.19	125.00	1,226.19
Serum - Virus Sales	95.50	7.35	102.85
Serum - Live Stock Sales	117.45		117.45
Serum - Supply Sales	85.60	9.75	95.35
Serum - Misc. Receipts	2.35		2.55
State Appropriation	29,189.25	3,810.75	33,000.00
Creamery - License Fees	8,247.00	43.50	8,290.50
Creamery - Testers' Lic.	2,786.95	59.00	2,845.95
Creamery - Glassware Tested	441.32	6.48	447.80
Robinson - State Appro.	6,181.31	1,059.55	7,240.86
Robinson - Misc. Rec.	1,493.37	273.21	1,766.58
West Ky. - State Appro.	8,777.40	1,175.57	9,952.97
West Ky. - Misc. Rec.	5,851.43	363.52	6,214.95
Purnell - Federal Appro.	30,000.00		30,000.00
Bankhead-Jones - Fed. Appro.	9,669.91	5,130.97	14,800.88
Nursery Inspection - State Appro.	1,450.39		1,450.39
Nursery Inspection - Fees	1,140.00	115.00	1,255.00
Total	<u>188,564.28</u>	<u>28,514.58</u>	<u>217,078.86</u>

Expenditures

Expense	157,323.43	25,558.02	182,881.45
Add. & Betterments	2,413.24	33.46	2,446.70
Total	<u>159,736.67</u>	<u>25,591.48</u>	<u>185,328.15</u>

Excess of Income over Expenditures	28,827.61	2,923.10	31,750.71
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Accounts Payable - li- quidated	(3,150.32)		(3,150.32)
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Excess of Receipts over Expenditures for General Ledger accounts	<u>16,270.81</u>	<u>5,447.78</u>	<u>21,718.59</u>
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Excess of Receipts over Expenditures	<u>41,948.10</u>	<u>8,370.88</u>	<u>50,318.98</u>
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Excess of Receipts over Expenditures for the fiscal year to date - Experiment Station			50,318.98
Cash in Bank July 1, 1935 - Experiment Station			<u>(23,296.47)</u>
Cash in Bank January 31, 1936 - Experiment Station			<u>27,022.51</u>

Extension Division Income			
Federal Bankhead-Jones	144,925.05		144,925.05
Federal Smith-Lever	74,154.38		74,154.38
Federal Add. Co-op.	15,500.00		15,500.00
Federal Supplementary	26,545.52		26,545.52
Federal Capper-Ketcham	18,400.49		18,400.49
State Smith-Lever	63,000.00	9,500.00	72,500.00
County and Other	11,574.10	1,244.36	12,818.46
Total	<u>354,099.54</u>	<u>10,744.36</u>	<u>364,843.90</u>

Expenditures			
Expense	<u>254,212.30</u>	<u>53,863.32</u>	<u>308,075.62</u>

Excess of Income over Expenditures	<u>99,887.24</u>	<u>(43,118.96)</u>	<u>56,768.28</u>
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Excess of Income over Expenditures for the fiscal year to date - Extension Division			56,768.28
Cash in Bank July 1, 1935 - Extension Division			<u>303.82</u>
Cash in Bank January 31, 1936 - Extension Division			<u>57,072.10</u>

Trust Fund Income			
Student Loan Fund	2,938.08	181.03	3,119.11
Student Notes Paid	2,064.82	376.26	2,441.08
Total Receipts	<u>5,002.90</u>	<u>557.29</u>	<u>5,560.19</u>

Expenditures			
Expense	15.00		15.00
Student Notes	100.00		100.00
General Ledger accounts	5,000.00		5,000.00
Total Expenditures	<u>5,115.00</u>		<u>5,115.00</u>

Excess of Receipts over Expenditures	<u>(112.10)</u>	<u>557.29</u>	<u>445.19</u>
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Excess of Receipts over Expenditures for the fiscal year to date - Trust Fund			445.19
Cash in Bank July 1, 1935 - Trust Fund			<u>1,128.84</u>
Cash in Bank January 31, 1936 - Trust Fund			<u>1,574.03</u>

Summary

General Fund Income	703,458.19	69,364.18	772,822.37
Experiment Station Inc.	188,564.28	28,514.58	217,078.86
Extension Division Inc.	354,099.54	10,744.36	364,843.90
Trust Fund Income	2,938.08	181.03	3,119.11
Total	<u>1,249,060.09</u>	<u>108,804.15</u>	<u>1,357,864.24</u>

General Fund Expend.	528,890.71	103,892.24	632,782.95
Experiment Sta. Expend.	159,736.67	25,591.48	185,328.15
Extension Div. Expend.	254,212.30	53,863.32	308,075.62
Trust Fund Expenditures	15.00		15.00
Total	<u>942,854.68</u>	<u>183,347.04</u>	<u>1,126,201.72</u>

Excess of Income over Expenditures	306,205.41	(74,542.89)	231,662.52
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Accounts Payable - liquidated	(74,341.95)		(74,341.95)
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Excess of Expenditures over Receipts for General Ledger accounts	(68,002.68)	52,138.30	(15,864.38)
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Student Loan Fund Notes	1,964.82	376.26	2,341.08
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Petty Cash account	<u>200.00</u>		<u>200.00</u>
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Excess of Receipts over Expenditures for the fiscal year to date - Combined Fund	<u>166,025.60</u>	<u>(22,028.33)</u>	<u>143,997.27</u>
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Excess of Receipts over Expenditures for the fiscal year to date - Combined Fund			143,997.27
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Cash in Bank and on hand July 1, 1935 - Combined Fund			<u>(14,026.06)</u>
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Cash in Bank and on hand January 31, 1936 - Combined Fund			<u>129,971.21</u>
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Abstract of item shown on Statement of Income and Expenditures as "Excess of Expenditures over Receipts for General Ledger accounts \$15,864.38"

	<u>Debit</u>	<u>Credit</u>
Accounts Receivable		679.37
Insurance Paid in Advance	263.51	
Sundry accounts	<u>16,280.24</u>	
	16,543.75	
	679.37	
	<u>15,864.38</u>	
		<u>679.37</u>

3. Out-of-State Travel Expense.

The Business Agent reported the following letter relative to request for out-of-state expense:

February 14, 1936

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

Dear Mr. Peak:

I regret to advise you that the Board of Public Property at its meeting February 10th concurred in the opinion of the Attorney General that your request for travel authorization for a trip to Cleveland, Ohio, January 20-24 be disapproved.

I quote from the opinion of the Attorney General, "The requirements of the law are that the persons seeking this right shall be officers or employees of the State, and that the trip shall be on official business, and that it is necessary. Under the previous ruling of the board I feel that this authorization falls in the list of those disapproved by the board and I, therefore, recommend that it be not allowed."

(Signed) Walter W. Mulbry
Secretary to the Governor.

Reference is made to Section 8, Minutes of the Meeting of the Board of Trustees, January 14, 1936. Although several requests have been made, no request for out-of-state travel expense has been reported favorably. In fact, no report has been received except that on the request of D. V. Terrell which is the one referred to in letter copied above.

President McVey then stated that he and the Business Agent had a conference with Attorney General Vincent on February 24, 1936; that General Vincent stated in that conference that he could not take the responsibility of passing on requests for out-of-state travel and that he had passed back to the Board of Public Property the responsibility of allowance or refusal of such requests. President McVey stated that he explained to General Vincent the importance to the University of having members of its staff attend group meetings and association meetings held in other states and that he then made the following suggestion as a possible solution:

That the head of the institution or department make an annual request to the Board of Public Property for allowance of a sum sufficient to meet all requirements for out-of-state travel expense; that such sum be set up on the books of the State Auditor; and that the head of the institution or department be allowed to designate the expense accounts to be charged to the allowance by the Auditor without further reference to the Board of Public Property. The Attorney General stated that such a plan seemed feasible to him and then suggested that President McVey discuss the question with the members of the Board of Public Property at meeting to be held that afternoon. President McVey made known the facts above stated to Mr. Mulbry, the Secretary of the Board, and the latter concurred in the Attorney General's suggestion. When the Board of Public Property was called to order, President McVey and Mr. Peak were invited to appear before it. President McVey then repeated the suggestion he had made to the Attorney General, explaining at length the importance of the matter to the University. The Chairman of the Board of Public Property stated that expenditures were being looked into very closely on account of deficiency of revenue, but that the Board would consider the suggestion and do what it could to assist in the proper solution of the problem.

4. Allotments of Appropriations.

President McVey presented the following letter showing allotments for month of February:

January 17, 1936

Dr. Frank L. McVey, Pres.,
University of Kentucky
Lexington, Kentucky

Dear Dr. McVey:

The Board of Finance and Budgetary Control, at its meeting of February 13th, allotted one-fifth of the unallotted balance of the University of Kentucky for the month of February.

(Signed) Walter W. Mulbry, Secretary
Board of Finance and Budgetary Control

5. Insurance - Fire and Tornado.

The bill relative to fire and tornado insurance on state-owned property, passed at the recent session of the State Legislature, was read in part and discussed. The Business Agent was directed to consult Mr. Scott of the firm of Klair and Scott relative to the status of University insurance, and especially to find out the practical and cheapest way to keep insurance on University property during the interim between expiration of policies and the period when the new law takes effect. It was stated that the exceptions in the law quoted as follows: "Provided, that contracts of insurance in force at the effective date of this act which can not legally be cancelled and any insurance on property financed under statutory amortization plan, are exempt from this prohibition during the course of their effectiveness", apply to insurance carried on the warehouse or service building and the men's dormitories, all of which are financed by the Security Trust Company of Lexington, Kentucky, on statutory amortization plan.

6. Interest on Bonds.

President McVey stated that he and the Business Agent had consulted Attorney General Vincent, as directed in Minutes of December 17, 1935, in regard to the claim of the University for amount due and unpaid on statutory bond for land grant funds. The Attorney General promised to give personal attention to this, the question to be raised by request to the Auditor of Public Accounts to give the University credit for the amount due and unpaid.

7. Damage to Gymnasium by Blasting.

In the Minutes of February, March, April and May, 1935, may be found the history of a claim against the American Mutual Liability Insurance Company for damage to window lights in the gymnasium by reason of blasting done by the Northern States Contracting Company.

It now appears from report from Superintendent of Buildings and Grounds that no further damage is likely to develop.

Report:

March 5, 1936

Mr. D. H. Peak
Business Agent

Re; Claim against Northern States Contracting Co., Covering Glass Breakage, Alumni Gymnasium.

Dear Mr. Peak:

It has been over a year now since these window lights were broken out from blasting and as far as I can see no settlement or further damage has occurred as the re-

result of this blasting. I think you should proceed to collect the amount claimed for broken glass, namely \$12.60, and credit it to the building.

(Signed) M. J. Crutcher
Supt.

On motion and second the Business Agent was directed to make settlement on terms originally offered by the American Mutual Liability Insurance Company, that is, to accept \$12.60 in full settlement of claim of the University.

8. Salaries Paid from Federal Funds - Subject to Income Tax.

President McVey stated that a ruling given to the University several years ago by the collector of internal revenue held that payments to employees from federal funds granted to states and state schools were not subject to federal income tax. Recently a ruling has been made that reverses the former ruling. The situation is fully set out in the following notice sent to the Experiment Station and Agricultural Extension employees by Dean Cooper:

February 7, 1936

Question has been raised regarding the payment of income tax on salaries paid from federal funds allotted to institutions. The statement of the Solicitor of the Department of Agriculture, in part, is as follows:

"If all or part of the compensation of an officer or employee of a state or political subdivision thereof is paid directly or indirectly by the United States, such compensation (or part) is taxable, as for example, any compensation paid by the United States to officers of the National Guard of a state, or compensation paid by a state to officers or employees of an agricultural school or college wholly or partly out of grants from the United States."

In view of this regulation, question has been raised regarding the payment of federal income tax on salaries or parts of salaries received out of the federal funds allotted to the experiment stations and extension divisions. Washington officials submitted to the Solicitor of the Department of Agriculture the question as to whether or not, under the Revenue Act now in force, experiment station and extension

workers receiving salary payments from the Hatch, Adams, Purnell, Bankhead-Jones, Smith-Lever, Capper-Ketcham funds must pay income tax on the amount so received. The Solicitor has pronounced himself on the subject as follows:

"The answer to this question is that, in accordance with the regulations of the Bureau of Internal Revenue which have been issued pursuant to the said Revenue Act and which you have quoted in your memorandum, such compensation is taxable under the Federal Income Tax Law.

"You are quite right in your statement that this 'ruling' is a complete reversal of that which formerly obtained under the pronouncement of Mr. Roper, when he was Commissioner of Internal Revenue in 1919, and of the decision of the United States Board of Tax Appeals in 1932 in the Sappington case. It is also a complete reversal of Article 643 of the regulations issued by the Bureau of Internal Revenue pursuant to the Revenue Act of 1932, wherein it is specifically stated that such compensation as is described in the new regulations is not taxable income. In spite of these former decisions and regulations, however, the fact is that, in view of the regulations now in force, such incomes are now taxable and will continue to be so as long as this regulation stands."

The ruling applies to salaries paid from the Morrill-Nelson appropriation, as well as to those paid from other federal appropriations.

A letter from A. R. Mann, Chairman of Association of Land Grant Colleges and Universities, to President McVey suggested that the University of Kentucky join with other land grant institutions in a suit to test "the ownership of federal appropriations to land grant colleges from the standpoint of their liability for income taxes." Judge Sveinbjorn Johnson, counsel for University of Illinois, has been retained as counsel in the case.

The correspondence was presented to the Executive Committee and the members of the Committee were of the opinion that the question involved is a private one for staff members, and that it is not advisable for the University as an institution to become a party to the suit.

9. Time Clock - Athletic Field.

Contracts with the Louisville Times for erection of time clock on Athletic Field and contract of the Louisville Times Company with the Western Union Telegraph Company for installation and care of said clock, were presented.

The contracts were received, approved and ordered filed, in the Business Office.

10. Summer School Fees.

President McVey presented the following communication:

January 13, 1936

President Frank L. McVey
University of Kentucky

My dear President McVey:

In accordance with my conversation with you this morning we are entering the following as fees for the summer session:

\$22.75 for all students except the College of Law.

\$27.50 each term for College of Law students instead of the \$31.50 which we have charged for the past four summers.

If we later have an appropriation from the legislature that will justify lowering the regular fees we can still do so.

(Signed) Jesse E. Adams
Director.

On motion and second the fees were fixed at amounts set up in the communication.

11. Geology Truck.

Request of Dr. A. C. McFarlan, head of the Department of Geology, for purchase of a new truck for use in the department was presented. He stated that a truck was purchased about six years ago, and an amount more than sufficient to pay the purchase price has been turned into the University treasury. (This was verified by the Business Agent). That truck is now about worn out. In the opinion of Doctor McFarlan it is better and more economical to trade in the old truck as part payment on the purchase of a new one than to make cash outlay for repairs and upkeep of the old truck. A new truck will cost about \$1300.00. The income from use of truck is expected in course of time to exceed the cost.

Due to the present condition of University finances, the members of the Committee expressed opinion that an appropriation for purchase of truck is not advisable at this time, and no action was taken.

12. Student Loan Fund.

Report of Dean Jones was received and ordered incorporated in the Minutes:

Report.

February 22, 1936

President Frank L. McVey
University of Kentucky

Dear President McVey:

I am making a brief report on the Student Loan Fund with certain recommendations.

We have at present invested: In State warrants - \$4,134.24; in Lexington Water Works bonds - \$5,000; in savings account - \$4,000; in cash - \$2,091.49. In addition, there is the Walter Patterson fund of \$5,000. The total in the fund is \$21,222.73. In addition, there is in savings account the Wiley Fund of \$1,000.00.

At the suggestion of Governor A. B. Chandler we sought assistance of the Attorney General and his Staff in collecting outstanding debts. General Vincent designated Mr. J. W. Jones for the work.

We write the letters on stationery of the Attorney General and deliver the letters to Mr. Jones who mails them out from Frankfort. We have made a favorable beginning, having received payments from ten debtors from whom we had not heard in years.

But from our worst offenders not even the letter of the Attorney General brings any response. I suggest that a committee be appointed which in cooperation with the Attorney General shall be authorized to bring suits. Some of the debtors I refer to are Ramey, principal of a school in Johnson County; McCray, principal in Bourbon County; Ernberg, lawyer in Richmond and lately government employee, Fortson in Paducah, and a number of others.

By the time the Executive Committee next meets we shall probably have over \$7,100 awaiting investment.

We occasionally make a loan but the NYA takes care of our cases of real need and we are thus enabled to let the loan fund accumulate.

I desire to mention one debt in particular, that of Miss Mary Elizabeth Stewart of Paris, Kentucky. She borrowed \$250 in 1927 and 1928 and has paid the interest yearly but nothing on the principal. Her health seems to be impaired and her earning power is curtailed. The probability is that she will never be able to pay the debt. Her surety, Superintendent Lee Kirkpatrick, is greatly hurt in feeling when we suggest that he pay it. It seems to me that the loan fund is running a considerable risk here.

(Signed) T. T. Jones
Dean of Men

13. Report of Athletic Association.

President McVey presented report of the Athletic Association which was ordered inserted in the minutes:in condensed form:

ATHLETIC ASSOCIATION - UNIVERSITY OF KENTUCKY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR MONTH OF
 January 1936

Cash Balance - December 31, 1935 \$14,023.31.

Receipts

Basketball \$3,219.44
 Football Programs 745.80
 Football Guarantee 1,478.31

Total Receipts 5,443.55
 Total Receipts and Cash Balance \$19,466.86

Total Disbursements 6,956.48
 Balance \$12,510.38

Note - First National Bank & Trust Com-
 pany 7,975.00
 Due March 14, 1936.

Audit of Athletic Association by Howard Kroehl & Company.

ATHLETIC COUNCIL - UNIVERSITY OF KENTUCKY
 Lexington, Kentucky
 CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING DEC. 31, 1935
 BALANCE, JANUARY 1, 1935 \$3,516.05

Receipts

Students' activities-less refunds.... \$17,221.26
 Faculty 2,574.49
 Football 73,401.71
 Football programs 2,908.80
 Basketball 9,449.08
 Basketball tournament 5,361.90
 Track 350.00
 Tennis 55.00
 Shrine dance 25.00
 Miscellaneous sales and refunds 203.48
 Federal tax collected (faculty, etc.) . 551.40
 Broadcasting 75.00
Total Receipts and Balance 112,177.12
\$115,693.17

Disbursements:

Football (opponents' share and other expense).....	\$42,027.54
Basketball (opponents' share and other expense).....	9,132.89
Football programs	1,976.57
Basketball tournament	5,148.08
Track	3,218.34
Golf	189.34
Tennis	547.15
Rifle range	170.54
Conference expense	464.13
Fixtures and equipment (K.E.R.A. & P.W.A.)	1,341.60
Auditing	89.83
Stationery and supplies	538.05
Insurance	82.89
Interest	756.10
Taxes	5,751.15
Payment on note	25.00
	<u>\$71,459.20</u>

Salaries:

Secretary	3,000.00
Office	1,100.00
Football coaching staff	16,349.92
Basketball coaching staff	4,750.00
Track	500.00
Trainer	2,000.00
Ground Custodian	1,092.00
Gymnasium custodian	900.00
Publicity	500.00
	<u>101,651.12</u>

BALANCE, DECEMBER 31, 1935 14,042.05

ACCOUNTED FOR AS FOLLOWS:

First National Bank and Trust Co., Lexington, Kentucky	\$14,023.31
Due from University of Kentucky.....	8.74
Check of L. G. Forquer, not yet deposited..	10.00
	<u>14,042.05</u>

14. Grants-in-Aid.

President McVey made a statement relative to grants in aid. He presented a memorandum showing actual expense for this year to date and estimate of expense for remainder of the year. The statement also showed the estimated expense for 1936-1937. The statement was received and the situation discussed. The statement appears as an appendix to these Minutes.

15. Representative to Harvard Celebration.

Letter from Dr. Jerome D. Green, Director of Harvard University Tercentenary Celebration, in answer to notice of appointment of a representative to attend the celebration was presented. The Executive Committee named President McVey to represent the University in compliance with the request made in Doctor Green's letter.

16. Municipal League Room.

Reference is made to following order in Minutes of December 31, 1935:

The President suggested that the Municipal League had asked for a room or rooms at the University of Kentucky for offices. The Executive Committee deemed it inadvisable to permit organizations not connected with the University work to be housed on the campus and suggested that the President notify the Secretary of the Municipal League that rooms are not available.

It appears that suitable place for the League to move has not been found, and that the request to remain at the University of Kentucky has been renewed. No change was made in the order as copied above, but President McVey was directed to inform Mr. Carl Wachs, Executive Secretary of the League, that he may continue to occupy the University rooms a short time until other suitable quarters are available.

17. University Press.

The President of the University called attention to the need for a University Press. He stressed particularly the importance of having an agency through which the work of the University, writings of the members of the staff, alumni and others might find a means of publication. Under present conditions it would be difficult, if not impossible, to secure complete freedom of action because of the restrictions placed upon State printing. He recommended that a study be made of the matter, that various persons interested in it be brought together to discuss ways and means of organizing such a press.

18. Enrollment Second Semester.

President McVey stated that the amount of fees for second semester, 1935-36, is estimated at approximately \$113,000.00, as compared with \$120,000.00, estimated for first semester. He presented figures compiled by the Registrar showing enrollment for first semester as 3,173 and for second semester, 3,003. For the corresponding periods 1934-35, the enrollment was, first semester, 2,823; second semester, 2,688. See appendix.

19. Tobacco Greenhouse.

Letter from Dean Cooper:

"In connection with the tobacco research projects of the Experiment Station, we wish to erect a small laboratory and greenhouse for the conduct of this work. It is expected that this construction will be financed from Bankhead-Jones funds now available to the Experiment Station. Attached is a tentative floor plan. The estimated cost is from \$10,000 to \$11,000.

"May I have permission to arrange for the necessary architectural service and instruction as to the matter of securing bids for this building? It represents a rather small job and if possible I hope that the contract can be let with your approval of the bids and without waiting for a meeting of the Executive Committee to pass on them."

On motion and second, the plan, as suggested by Dean Cooper, **was approved**, the understanding being that cost of construction is expected to be paid from Bankhead-Jones funds. Dean Cooper was directed to proceed with the project, the question of location to be reported later to this Committee.

20. Nursery School.

The remodelling of the dwelling on Washington Avenue, recently occupied by Doctor Patrick, for purpose of housing the Nursery School, was approved. The estimate made by the Superintendent of Buildings and Grounds is \$375.00. See Minutes of October 31, 1935.

21. Landscape Planning.

Mr. Gordon, seconded by Mr. Holland, moved that Mr. Bryant Fleming be engaged by the President for purpose of landscape planning, especially in connection with new buildings. It was suggested that the charges for his services be paid from proceeds of sale of bond issue, if possible. See Minutes of December 17, 1935.

22. Gas Company Refunds.

The Business Agent made following report:

The University has received from the Central Kentucky Natural Gas Company checks amounting to \$3,205.65 for College Division and \$647.21 for Experiment Station from impounded funds. None of these checks have been sent to the bank for two reasons; first because we wanted to check our account for errors if any. This check has practically been completed and it seems that there are errors that will amount to \$200.00 or more and payment has not been made on some of our accounts. The second reason is that we would like the Executive Committee to advise us what to do with these checks for the reason stated above and the further reason that the gas case has not been finally determined and the cashing of these checks may stop the University from any further claim. I would like to have the advice of the Executive Committee.

On motion and second it was ordered that all funds received by the College Division from refunds by Central Kentucky Natural Gas Company from impounded funds be set aside for transfer to the "University of Kentucky Building Revenue Bond and Interest Redemption Fund", required to be set up as shown in Minutes of January 14, 1936. All monies set aside to this fund shall be independent of the operating income and revenue of the University and shall not be reported and transferred to the Auditor of Public Accounts or state finance officer.

23. Stoll Field -- W. P. A. Project.

The following report of D. V. Terrell on Stoll Field Project was approved and ordered inserted in the Minutes:

February 21, 1936

My dear Doctor McVey:

I wish to report the status of our athletic projects as of February 11, 1936, covering five pay periods of two weeks each.

Spent by the Federal Government.

For unskilled labor	\$5,156.20
For intermediate labor	881.33
For skilled labor	1,344.61
For supervision	566.30
	<hr/>
	\$7,948.44
For material approx.	8,100.00
	<hr/>
	\$16,048.44

Balance left in the fund set aside by the government for these projects.

For labor, etc.	\$12,963.56
For materials approx.....	282.00
	<u>\$13,245.56</u>

Expenditures by Athletic Department.

To February 11th, estimate.	500.00
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My estimate for the Athletic Department

for these projects was	4,485.00
Thus leaving a balance of	3,985.00

These projects as originally set up on government form 301 showed as follows:

Government Expenditure

Labor, etc.	20,912.00
Materials	8,382.00
	<u>\$29,294.00</u>

Athletic Department

Supervision	\$1,400.00
Materials and supplies	5,639.00
Equipment rental	2,194.00
Other direct cost	415.00
	<u>\$9,648.00</u>

Total	\$ 38,942.00
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At the present rate of expenditure there is sufficient money available to carry the projects to the first of June. I believe that they can be completed by that time.

The weather for the past two months has handicapped the progress of the work; however, with a break in the weather we will be in position to make a real showing.

I am giving you this report only as a matter of information.

(Signed) D. V. Terrell

24. P. W. A. Building Operations.

a. Opinion of Court of Appeals of Kentucky.

In case of J. D. Van Hooser and Company et al against the University of Kentucky, appealed from the Fayette Circuit Court, the Court of Appeals of Kentucky on February 11, 1936, returned an opinion affirming the opinion of the lower court. The opinion holds that it is legal for the University of Kentucky to enter into a contract with J. D. Van Hooser & Company and others for the sale of bonds for building purposes at the University of Kentucky. See Minutes of the meeting of January 14, 1936, for statement regarding the question of these bonds. A copy of the brief for the appellees filed by Stoll, Muir, Townsend and Park of Lexington, B. M. Vincent, Attorney General of Kentucky; J. W. Jones, Assistant Attorney General of Kentucky; and John C. Cooper, member of the Board of Trustees, Somerset; and a copy of the opinion of the Court of Appeals by Judge Rees were prepared and the secretary was authorized to file these papers. The copy of the opinion appears in the Appendix of the Minutes of this meeting.

b. Rent -- Experiment Station Annex.

The following letter of Dean Cooper was received and ordered inserted in the Minutes:

At the December meeting of the Board of Trustees, I understand that a resolution was passed, setting up a requirement of \$1000 monthly to be used in payment of rent on the annex which is to be constructed to the Experiment Station building. This amount is to be paid monthly from farm income fees and sales.

Will you please inform me as to how this matter should be handled? That is, should a requisition be drawn from month to month and handled through Mr. Peak's office, or is the necessary amount taken at the source monthly and established in a trust fund in Mr. Peak's office?

We shall be glad to handle it in any way that the Board instructs or deems advisable.

On motion and second it was ordered that \$1,000.00 per month, beginning December 1, 1935, and continuing until further orders of the Board of Trustees, be set aside from farm income, fees and sales (the refunds from Central Kentucky Natural Gas Company impounded funds to be included) for transfer to "University of Kentucky Experiment Station Annex Building Revenue Bond and Interest Redemption Fund." See Minutes of December 7, 1935, for order creating this fund.

All monies set aside to this fund shall be independent of the operating income and revenue of the Kentucky Agricultural Experiment Station and are not to be reported and transferred to the Auditor of Public Accounts or State finance officer.

c. Bonds - Experiment Station Annex.

The order to Courier Journal Job Printing Company to prepare blanks for bond issue was approved.

It was ordered that the \$50,000 in bonds as set out in Minutes of December 7, 1935, be issued, and that said bonds be sold to the First National Bank and Trust Company of Lexington, Kentucky, at par and accrued interest, the proceeds of sale to be deposited in said banks to accounts as designated in order shown in the Minutes of December 7, 1935.

d. Bonds - College Buildings Projects.

Contract with the Courier Journal Job Printing Company for preparing blanks for bond issue for college projects was approved, and the bill for the work amounting to \$800.00 was approved and payment ordered to be made from funds arising from proceeds of sale of the bonds.

Investment of Proceeds -- Temporary disposition of proceeds of sale of bonds was deferred for later consideration. The question of temporary investment of that part of the fund not needed for immediate payments on construction is to be considered.

e. Plans -- Student Union Building.

Dean Graham stated that the great amount of work required of him and his helpers made it inadvisable for him to attempt to have drawn the plans for the Student Union Building and suggested that architects be employed for that purpose. On motion and second, President McVey was authorized to employ competent architects to make plans and superintend construction of the Student Union Building.

f. Statement of Proposed Expenditure for Buildings.

The following statement of proposed expenditure for buildings was presented, approved and ordered inserted in the Minutes:

I, James H. Graham, Dean of the College of Engineering of the University of Kentucky at Lexington, do hereby certify that I have prepared or caused to be prepared estimates of the construction costs, the operating costs and the revenue and income by reason of the construction and operation of College of Engineering buildings, a College of Law Building, a Student Union building and a central heating plant for the campus buildings of the said University, same being as follows:

Estimated cost of College of Engineering Buildings -	\$150,000
Estimated cost of College of Law Building -----	50,000
Estimated cost of Student Union Building -----	200,000
Estimated cost of Central Heating Plant -----	250,000
Reserve for contingencies, equipment and miscellaneous costs -----	115,000
Total	<u>\$765,000</u>

Amount of federal grant -----	165,000
Proceeds of Building Revenue Bonds -----	600,000

Construction contracts will be awarded and the construction work carried on so that all of the buildings and improvements will be completed and in operation on or before January 1, 1937.

Scheduled annual charge to be paid by the University for facilities of the College of Engineering Buildings -----	\$10,000
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Scheduled annual charge to be paid by the University for facilities of the College of Law Building -----	1,400
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Scheduled annual charge to be paid by the University for facilities of the Student Union Building -----	7,000
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Scheduled annual charge to be paid by the University for facilities of the Central Heating Plant -----	33,054
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Scheduled annual revenues from student fees for Engineering Buildings on the basis of 400 students at \$6.00 for each of two semesters per year --	4,800
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Scheduled annual revenues from student fees for the College of Law Building (exclusive of the summer school term) on the basis of 122 students at \$2.50 for each of two semesters per year -----	610
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Scheduled annual revenues from student fees for the Student Union Building on the basis of 3,000 students at \$2.00 for each of the regular semesters and 1,200 students at \$1.00 each for the summer school ----- \$13,200

Total scheduled annual revenues ----- \$70,064

Estimated annual operating costs:

Engineering Buildings -----	\$ 3,000
Law Building -----	1,500
Student Union Building -----	4,000
Central heating plant -----	<u>16,000</u>

Total estimated operating costs ----- \$24,500

Estimated annual balance for amortization of Building Revenue Bonds ----- \$45,564

I further certify that each of the estimates of cost as hereinbefore stated is, in my opinion, sufficient to pay for the respective buildings and improvements and that it will be unnecessary to withdraw from the bond proceeds and/or federal grant more than the respective stated amounts for account of any of said items, unless and to the extent it shall be found that any of said buildings and improvements have been completed at a cost less than estimated as aforesaid.

I further certify that all of said buildings and improvements are to be constructed and located upon the presently owned main campus of the University at Lexington.

IN WITNESS WHEREOF, I have hereunto affixed my signature at Lexington, Kentucky, this third day of March, 1936.

(Signed) James H. Graham
Dean of College of Engineering
University of Kentucky

g. Railroad Spur -- Title and Rights.

The rights of the University to the use of the spur of the railroad running from Upper Street to the tracks of the Southern Railroad being in question, on motion of Mr. Holland, seconded by Mr. Andrews, the chairman of the Executive Committee was directed to employ a competent abstractor of titles for the purpose of investigation thereof. Payment of abstractor is to be made from proceeds of sale of bonds.

h. Redemption Fund.

The Business Agent was authorized to set up according to resolutions passed by the Board of Trustees at the meeting of January 14, 1936, a fund known as the "University of Kentucky Building Revenue Bond and Interest Redemption Fund" and to transfer to such fund revenues as set out in said resolution. Reference is made to Section 24, these Minutes.

25. Granting Degrees.

January 31, 1936

To the Board of Trustees
University of Kentucky.

Attached is a list of candidates for degrees who have completed all the requirements and who are recommended to the Board of Trustees by the University Senate for the degrees indicated.

(Signed) Ezra L. Gillis
Secretary of the Uni-
versity Senate.

The undersigned, having been appointed a committee by President F. L. McVey to represent the Board of Trustees, in the approval of candidates for degrees at the Commencement to be held February 3, 1936, hereby approve the list recommended by the Senate of the University of Kentucky presented by E. L. Gillis, Secretary, and authorize the granting of the degrees indicated on the attached list.

(Signed) Louis E. Hillenmeyer
George Wilson
D. H. Peak

The action of the Committee appointed by the President was, on motion and second, duly approved, and the conferring of the degrees on hereinafter named persons was ratified and approved:

COLLEGE OF ARTS AND SCIENCES
CANDIDATES FOR THE DEGREE OF BACHELOR OF ARTS

Mary Patience Asher	Naomi Dan Isgrig
Elizabeth Cecelia Baute	John Allen Kincheloe
Bettie Boyd	Maybelle Johnson Kremer
Louise O'Neill Campbell	Jennie Martin Lee
John Graham Leroy Combs	William Edgar Miller
William Harold Conley	Ralph Conley Salyer
William Castleman Dawson	Emma Grace Sharp
Nelle Whitfield Duerson	Robert Allen Turnipseed
Elbert Curtis Fields	Joseph Vertuca
Mildred Anderson Hart	Julia Hunter Wied
Waller Bullock Hunt, Jr.	Stanley Bardness Zuckerman

CANDIDATES FOR THE DEGREE OF BACHELOR OF SCIENCE

Thomas Spencer Chalkley	Russell Spina
Walker L. Shearer, Jr.	

CANDIDATE FOR THE DEGREE OF BACHELOR OF SCIENCE IN
INDUSTRIAL CHEMISTRY

Hugh Wendell Stewart

COLLEGE OF AGRICULTURE

CANDIDATES FOR THE DEGREE OF BACHELOR OF SCIENCE IN
AGRICULTURE

Richard Floyd Allison	John William Irvine
Louis Barclay Garriott	Charles Luther McGriff
Elmer Bayse Hart	Noel Lester Watson

CANDIDATES FOR THE DEGREE OF BACHELOR OF SCIENCE IN
HOME ECONOMICS

Anna Frances Chambers	Frances Mae Thornton
Mary Lou Jackson	

COLLEGE OF ENGINEERING
CANDIDATES FOR THE DEGREE OF BACHELOR OF SCIENCE IN
CIVIL ENGINEERING

William Parker Faulconer	Edgar Carlisle Riley, Jr.
Joseph Earle Hocker	

CANDIDATES FOR THE DEGREE OF BACHELOR OF SCIENCE IN
MECHANICAL ENGINEERING

James Russell Allen
John Lucian Drury

Max C. Horn
Curtis Preston Kelley

CANDIDATE FOR THE DEGREE OF BACHELOR OF SCIENCE IN
METALLURGICAL ENGINEERING

Columbus Floyd

COLLEGE OF LAW
CANDIDATES FOR THE DEGREE OF BACHELOR OF LAWS

Carl Johnson Howell
Albert Ross Jones
Randall Truett Miller

Henry Fielding Turner, III
Earl Stevenson Wilson

COLLEGE OF EDUCATION
CANDIDATES FOR THE DEGREE OF BACHELOR OF ARTS IN
EDUCATION

Robert Emerson Dickey
Raymond Frank Ellis
David Bennett Knox
Lenore Wilhelmina Moore
Frank O'Rear Moseley
Charles Newton Orme

Lucy Catherine Sargent
Samuel Henry Tabb
Ruth Elizabeth Utterback
Katherine Williams Waddle
Lela Jane Watson
Neil B. Williams

COLLEGE OF COMMERCE
CANDIDATES FOR THE DEGREE OF BACHELOR OF SCIENCE
IN COMMERCE

Landon Greaud Cox
Paul Francis Cullen
William Lee Dawson, Jr.

Luther Egbert Fish
Jake Green

GRADUATE SCHOOL
CANDIDATES FOR THE DEGREE OF MASTER OF
ARTS

Stella Congleton Atkinson
William Arch Bennett
Henry Clay Chambers
Ernest Heathman Darnaby
John Lynn Hoover
Era Wilder Peniston

Clarice Payne Ramey
Kenneth Winn Rawlings
Edith Belle Rose
Mildred Lucile Stanhope
Roy Nathan Walters

CANDIDATE FOR THE DEGREE OF MASTER OF
SCIENCE

James Edward Seebold

CANDIDATE FOR THE DEGREE OF MECHANICAL
ENGINEER

Theodore Cecil Brown

26. Appointments and Other Staff Changes.

Appointments

Dr. Cecil C. Carpenter, Assistant Professor of Economics, College of Commerce, for the second semester, 1935-36, at rate of \$2,700 a year. He comes to the University from Marshall College.

Dr. W. T. Forsee, Assistant Chemist in the Experiment Station, at a salary of \$1,500 a year, effective February 1, 1936, to fill vacancy caused by resignation of Mr. David W. Young.

Authority granted to Dean Cooper to employ an agricultural engineer for seven months of the year, his services to be used jointly in tobacco research problems in the Experiment Station and in extension or teaching work for the remainder of the time.

William Lowenthal, reappointed as laboratory assistant in Zoology for the second semester, 1935-36, at \$100 for the semester.

Wendell E. Beals, Assistant Professor of Accounting, College of Commerce for the year 1936-37, at salary of \$2,600 for the year. He is to take over the work of Professor Haun, who has been granted leave of absence.

Charles C. Limburg, graduate assistant in Psychology, on an hourly basis. Additional amount of \$200 is appropriated to the student assistant fund in the Department budget, for the second semester of 1935-36.

J. E. Hernandez, part-time instructor in Spanish, for the year 1936-37, salary \$1,150 a year, appointment on account of leave of absence granted Mrs. Alberta W. Server. He is now part-time professor at Kentucky Wesleyan College.

Howard Fitch, Graduate Assistant in Physics, for the second semester, 1935-36, at \$50 a month, effective February 1, to fill the vacancy caused by the resignation of W. C. Wineland.

Miss Roemel Henry, assistant in Department of History for remainder of year, 1935-36, compensation not to exceed \$375.00 (addition to budget of department), at rate of 40¢ per hour. Appointment made necessary on account of accumulation of work during leave of Professor Lunde.

Resignations

James C. Downing, field agent in cream grading, effective January 15, 1936.

J. Hughes Evans, County Agent, Grant County, effective February 29, 1936.

W. C. Wineland, graduate assistant in Physics, effective February 1, 1936.

David W. Young, Assistant Chemist, Experiment Station, effective January 31, 1936.

Hazel Graves, home demonstration agent, Madison County, effective February 1, 1936.

Leaves of Absence

James W. Martin, Director, Bureau of Business Research, on recommendation of Dean Wiest, leave of absence without pay for the remainder of the academic year, in order to serve as chairman of the Kentucky State Tax Commission.

E. L. Rees, Professor of Mathematics, continuation of leave of absence without pay through year 1936-37, on recommendation of Dean Boyd.

C. C. Ross, Professor of Education, sabbatical leave for the year 1936-37 on half pay. He expects to do graduate work in Columbia; on recommendation of Dean Taylor.

Roy Moreland, Professor of Law, sabbatical leave of absence for year 1936-37 on half pay. He will do special study during the time of leave; on recommendation of Dean Murray.

Katherine Rogers, critic teacher in Home Economics, leave without pay, for the period between March 1, 1936, and July 1, 1937, to take a position as teacher trainer in the University of Puerto Rico.

Changes.

E. Z. Palmer, of the College of Commerce, Acting Director of the Bureau of Business Research, on a temporary basis for the remainder of the academic ^{year}. Recommended by Dean Wiest on account of leave granted J. W. Martin.

Miss Mary Lois Williamson will be called in from field work to do the work formerly done by Miss Katherine Rogers. No change in salary.

On motion, properly seconded, the Committee adjourned.

D. H. Peak
Secretary, Board of Trustees.