

# Irregularities

Minutes of the Meeting of the Executive Committee of the University of Kentucky, February 19, 1954.

The Executive Committee of the University of Kentucky met in the President's Office at 10:35 a. m. , Friday, February 19, 1954, with the following members present: Guy A. Huguelet, Chairman; R. P. Hobson, J. C. Everett, Harper Gatton and Smith D. Broadbent. Absent: None. President H. L. Donovan and Secretary Frank D. Peterson met with the Committee.

A. Approval of Minutes.

On motion duly made, seconded and carried, the minutes of the Executive Committee of January 15, 1954, were approved as published.

B. Report of the Comptroller.

The Comptroller submitted financial report for the period July 1, 1953, through January 31, 1954. The report consisted of balance sheet and related summaries covering the University fund transactions for the period of seven months.

The Comptroller also supplied information concerning the insurance coverage and costs for University property for the fiscal year 1953-1954, as follows:

<u>Property Assignment</u>	<u>Cert. No.</u>	<u>Insured Value</u>	<u>Insurance Cost</u>
Division of Colleges	70	\$15,086,020.00	\$38,139.34
Experiment Station Farm	71	2,133,570.00	8,870.98
College Amortized Buildings	72	9,135,600.00	10,437.88
Motor Vehicles	73	84,200.00	655.68
Robinson Sub-Station	74	86,990.00	1,188.99
West Ky. Experiment Station	75	96,780.00	1,068.73
Camp Robinson	76	16,340.00	243.68
Residences & Temporary Bldgs.	77	147,382.00	8,086.50
Bingham Camp & Dawson Springs	78	38,370.00	783.61
		<u>\$26,825,252.00</u>	<u>\$69,475.39</u>



Members of the Committee examined the financial report, expressed interest in the information concerning insurance coverage, and upon motion duly made, seconded and carried, the report was authorized received and filed.

C. Budget Changes.

President Donovan submitted a list of changes in the University budget which had been requested, and recommended by him. He read the list, which showed a net decrease in budget appropriations of \$1,332.84.

Members of the Committee being advised, upon motion duly made, seconded and carried, the budget changes were approved, and the necessary budget adjustments were authorized made.

D. Delayed Delivery of Bonds for Construction of New Men's Residence Hall.

President Donovan reported that the University had, about a year ago, made a loan agreement with the Federal Government for the purchase of \$1,400,000 bonds for the construction of the new men's residence hall, and the bonds were sold, dated July 1, 1953. He further reported that the Comptroller had not delivered all the bonds, and read the following letter:

February 18, 1954

Dr. H. L. Donovan, President  
University of Kentucky

My dear President Donovan:

The University made a loan agreement with the Federal Government for the purchase of \$1,400,000 bonds for the construction of the new Men's Residence Dormitory. These bonds were to run for a period of 40 years and bear an interest rate of 3.01 per cent per annum. The bonds were advertised and sold in 1953. The usual procedure was to deliver \$1,400,000 in bonds and receive government check. The proceeds would be deposited with the State Treasurer.

I saw no need to secure all of the money at one time and so stated. Great pressure was brought to bear to close the transaction at one time and receive all of the money, place it to the credit of the State Property and Buildings Commission against which they would let a contract for the construction of the dormitory, and encumber the money available. I made two trips to

Frankfort to explain to the State Controller and to other members of the Department of Finance how it would save the University and State a large sum of money if we would not deliver the bonds at once but encumber construction contracts against state allocation and anticipated federal funds. I secured the approval of the federal government and at length secured the approval of the State Controller.

The contracts were executed and encumbered against the state funds of \$500,000 which the State Property and Buildings Commission allocated for this project and anticipated proceeds from the sale of the bond issue. We spent the first \$500,000 before we delivered any of the revenue bonds to the purchaser. In January I delivered \$400,000 of these bonds to the government. We still hold \$1,000,000 of the bonds which have been authorized and executed. In this manner we permit the interest to accrue to the University and not to the federal government. I propose to continue to delay delivery of bonds to the federal government until such a time as we need another sum of money to pay monthly estimates for work completed by the contractors.

Through delayed delivery of bonds, which is being done with the approval of the President and the Executive Committee, the University will save, during construction of the dormitory, in excess of \$43,000.00.

There is another way we could further save on interest if you and the Board approved. We will need another \$400,000 or \$500,000 in about May and perhaps the balance of the bond issue in about December. In this manner we would be paying interest on \$500,000 for May and June when we would only need perhaps \$100,000 for May and June commitments. The same process would apply from month to month. We can borrow short-term money from the bank against the federal commitment in blocks of \$100,000 and save another \$5,000 to \$7,000 in interest during the remaining period of construction of the boys' dormitory.

I thought you might desire to report to the Executive Committee our method of financing the dormitory, the savings thus effected, and let them approve or disapprove the short-term financing herein suggested.

Very truly yours,

(Signed) Frank D. Peterson  
Comptroller.

The Comptroller further explained how interim borrowing for financing payment of construction might save an additional amount in interest during the construction period of the new Men's Residence Hall. It was brought out that short-term money could probably be borrowed for  $1\frac{1}{2}\%$  to  $2\%$ , whereas the long-term coupon bonds purchased by the Federal Government bear an interest rate of  $3.01\%$  per annum. It was further explained that the

Comptroller had not sought legal advice as to whether or not the University could issue promissory notes for short periods of time, to be liquidated with the proceeds from the revenue bonds when delivered to the Federal Government. The Comptroller stated that he desired to secure the approval of the President and Executive Committee before pursuing the question further.

Members of the Committee discussed delayed delivery of bonds, and possible further savings through interim financing, and upon motion duly made, seconded and carried, the Comptroller was authorized to proceed, subject to approval of the Attorney General's Office, and concurrence of the attorney for the Department of Finance.

#### E. State Auditor's Report on University Finances.

President Donovan submitted copy of the annual audit report of the Auditor of Public Accounts of the financial records of the University for the fiscal year ended June 30, 1953. He stated that this report had been made under the supervision of T. Herbert Tinsley, Auditor of Public Accounts, by Warren Van Hoose, certified public accountant. He advised that the report was available for examination by members of the Board of Trustees, and he would appreciate it if members would read and examine the report. The Auditor of Public Accounts reported that ". . . all accounts have been consistently maintained according to standard principles of accounting for such institutions of higher education, and, in our opinion, fairly represent the results of the operation."

Upon motion duly made, seconded and carried, the report was authorized received and filed.

#### F. Extension of Virginia Avenue through University Property.

President Donovan reported that there was some agitation for the extension of Virginia Avenue across University property to connect with Tremont Avenue. Plot plans were examined and considerable discussion followed. No action was taken.

#### G. Report on University Fund Balances as of July 1, 1953.

President Donovan recalled an article appearing in the Courier-Journal under date of January 31, 1954, written by Mr. Hugh Morris, Frankfort correspondent for the Courier-Journal. He stated that monthly reports had been made to the Executive Committee and Board of Trustees throughout his administration, revealing the fund balances. However, in view of recent publicity concerning fund balances belonging to the University, he desired to report more fully on the University's finances, and read the following statement prepared by him and Mr. Peterson.

## A REPORT ON THE UNIVERSITY'S FINANCES

H. L. Donovan, President

More than a quarter of a century ago the president of a Kentucky state college overspent the appropriation made for his institution and created a deficit of some thousands of dollars. He requested the General Assembly to bail his institution out of this financial dilemma. Very reluctantly the state administration and the legislature made an appropriation covering the deficit and at the same time enacted a law which stated in substance that in the future if any college president permitted his institution to incur a deficit, he would be subject to a fine and a prison sentence.

Since I prefer to reside in Lexington rather than at La Grange, I have during my twenty-six years as a college president scrupulously obeyed this law.

During my thirteen years as President of Eastern Kentucky State Teachers College and during the thirteen years I have been President of the University of Kentucky, these institutions have been operated in such a manner as to have always a surplus at the end of every year. In order to administer these institutions and come out at the end of the year with a small surplus it is often necessary to delay needed repairs to buildings, eliminate the purchase of books, scientific equipment and other supplies vital to instruction. Increases in salaries so sorely needed by faculty personnel have been withheld to a later date. Good business practices have always been followed in the institutions for which I have been responsible regardless of what sacrifices were necessary to keep them from falling into debt.

On Sunday, January 31, my good friend, Mr. Hugh Morris, Frankfort correspondent for the Courier-Journal, published an article in which he stated that "During the last decade, the University of Kentucky has wound up each fiscal year with substantial surpluses and unencumbered balances in its three principal funds." He then proceeded to analyze these funds in his article in which he leaves the reader to infer that "the University hasn't been spending the money it does have" and, therefore, doesn't need any increase in its appropriation at least until all of its unrestricted, restricted and plant funds are spent.

On Thursday before this article was published the following Sunday, Mr. Morris called me on the telephone and discussed with me briefly the substance of the article he was preparing and asked me a few questions about these funds. I begged him to come to Lexington and sit down with Comptroller Frank D. Peterson and me and permit us to explain each item about which he had some question. He indicated that he would attempt to get permission from the Courier-Journal to come to Lexington, and that he would call me later and make a definite appointment if his "boss" would give him permission to do so. Mr. Morris did not call me again.

I desire to report to the Board the things I would have told Mr. Morris if he had come to discuss this subject with me.

The total assets of the University of Kentucky as of June 30, 1953, were \$38,844,737.81. Its total budget will range from approximately \$7,000,000 to \$10,000,000 annually depending somewhat on the amount of construction it

may do in any one year. This means that your University is big business. It also means that if it is operated on a sound financial basis it must employ sound financial practices as does any other solvent business, and this is the theory on which we have operated throughout the years I have been President of the University of Kentucky. To maintain that a university should end its fiscal year on June 30 with no balance whatsoever is to endanger the orderly financial operations of the institution and sooner or later to face a financial crisis that might wreck the institution for several years. The older members of the faculty of the University will never forget that in the depression in 1932 the University was operated on a "hand to mouth" financial basis, and that state revenues fell off materially until the appropriations from the state did not equal the estimated budget and there was no money for operation of the University from about the first of January until the next July. For two months members of the faculty, staff and other employees received no salaries and thereafter only \$100.00 per month until the opening of the new fiscal year, July 1. The hardship and privation endured by the faculty during this time in the great panic that swept across this country constitute a tale of woe that has never been written. It is to avoid just such a disaster again that we here at the University have felt that a surplus at the end of the year less than four or five hundred thousand dollars might some day prove disastrous. As a matter of fact, after our budget was made last April (1953) and approved by the Board of Trustees, Governor Wetherby found that the state's income from taxes was lower than had previously been estimated and it became necessary for him to cut the budgets of all state agencies, including the University. The cut for the University was \$279,800. If the University had not operated on the policy of having a surplus for just such emergencies, all salaries of employees would have had to have been cut back so as to absorb this loss in revenue. As it was this institution was able to meet the reduction in income without reducing salaries at a time when the cost of living was still rising.

I refer anyone who has the slightest doubt about the wisdom of maintaining a surplus at the end of a fiscal year to the financial statements of business corporations that have similar capital investments and income and expenditures of the magnitude of those of the University. What would any business do at the end of the fiscal year, especially if it did not have authority to borrow money as the University does not have, without a working balance on which to operate?

From what I know about sound business practices I believe that the University of Kentucky should at all times have a working capital of five to six per cent of its budget that it may meet its financial obligations on time and never be embarrassed in its ability to pay its bills promptly. What is a good financial practice for business is likewise good for colleges and universities. A state institution should not be penalized in its appropriation when it practices frugality and sound business methods. If it is required to spend all of its surplus before getting any additional appropriation at the end of any budget period, the public can expect frequently some reckless spending just before the date for the lapsing of funds that have been appropriated for a state agency. I believe anyone who has been connected with state government in any capacity will recognize the truth of this assertion.

From what source did our current unrestricted fund come? The Congress of the United States in 1945 enacted Public Law 346, known as the G. I. Bill of Rights. This law provided that institutions could charge the cost of

the education of a veteran to the Federal Government and that the institution would be reimbursed on the basis of the established cost of educating a veteran. The average cost over the period of the eight years this law has been in operation has amounted to approximately \$300.00 per annum for each veteran in attendance at our institution. In other words, the University has been reimbursed at the above rate for all of the veterans it has educated under Public Law 346. The following table will indicate the amount of money the University of Kentucky has received from the Federal Government for this service.

<u>Year</u>	<u>Amount</u>
1945-46	\$ 8,053
1946-47	693,130
1947-48	1,445,392
1948-49	735,536
1949-50	524,115
1950-51	474,889
1951-52	460,179
1952-53	99,211
1953-54	50,000 (estimate)

It will be noted that the amount has varied from \$8,053 to \$1,445,392. Instead of spending all the money we received in any one year it was early decided to spread this money out over as many years as possible, spending \$400,000 to \$500,000 per annum instead of being rich one year and poor another. I can assure you that the orderly policy we have followed in the expenditure of these funds has been beneficial to the state and the taxpayers, and has not resulted in reckless spending in a year when there were large sums accruing to the University and finding ourselves in financial difficulties when the amounts were tapering off as they have been in the last two or three years. If this has not been sound financing, then I am open to criticism. It is from this source that we were able to build up a working capital for the University which has resulted in a surplus year after year. I do not hesitate to predict that if the University is not permitted to have a reasonable balance that it may carry over from one year to the next it is in for hard sledding in the future. All of the current unrestricted balance as of July 1, 1953, has been budgeted for current operation of the University during the year 1953-54.

The unrestricted balance as of June 30 is now appropriated and allocated for the current year, and as of this date we have an unallocated surplus in the unrestricted fund of \$151,000, which is too small for a safe operating balance of an institution of the size of the University. So much for the current unrestricted fund.

The current restricted (trust) funds are those funds restricted for the purpose for which they may be designated. This fund on June 30, 1953, amounted to \$2,094,376.03. The Comptroller has a complete breakdown of this fund under seven categories appearing on pages 24, 25, 26 and 27 of his annual report. A study of this report will reveal that much of this money represents gifts that have accrued to the benefit of the University over a period of many years. None of it has come from state appropriations which have been



paid by taxpayers. The money from all state appropriations has been completely spent annually. Various sums of money have been given for the purpose of carrying on many different types of activities by individuals who have a high regard for the work the University is doing. These sums vary from a few dollars to more than a quarter of a million dollars. The amount of our current restricted (trust) fund at the University of Kentucky is very small as compared with that of many other state universities of our size and quality.

Permit me to analyze briefly just a few of the items making up the current restricted (trust) funds. First there is the Haggin Fund, a gift from Mrs. Margaret Voorhies Haggin, in memory of her distinguished husband, James Ben Ali Haggin. This trust was established and is administered by a board of trustees (not trustees of the University). The University of Kentucky receives annually a part of the income from this Trust. This income is a gift to the University to be administered under the control of the Board of Trustees of the University. My distinguished predecessor, Dr. Frank L. McVey, always regarded the income from this trust as a fund to be spent for the enrichment of the program of the University - not money to relieve the state of some of its financial obligations. It is to be used for the advancement of cultural values which the state has always been niggardly in providing. Through the years the money has been spent for scholarships, fellowships, the publication of books, the purchasing of rare books for the library and for filling the gaps in our library when sufficient state funds have not been made available, for music and art, and for supplementing the salaries of personnel that could not be maintained under the maximum salaries allotted under state laws, and occasionally for the purchase of a piece of property adjoining the University for which no state funds were available at the time it was on the market. The fund is reimbursed from rentals on the property until these obligations are discharged.

Dr. McVey frequently discussed with me what he regarded as the way in which this fund should be expended. One of his great desires was that the fund should be permitted to accumulate until it reached \$300,000, which he thought at the time would be sufficient to erect on the campus a museum which he greatly desired for the University but believed that the state would never erect out of state funds.

Should this fund ever be grabbed by the state and taken over and mingled with other University funds from tax sources, and the word of this practice reached private foundations and donors of gifts, this source of income for the University would dry up immediately since few, if any, foundations or wealthy donors will permit their donations to be turned over and controlled by any other body than the Trustees of the University. The Director of the Sloan Foundation when he was on our campus a few years ago made a public statement to the newspapers of Kentucky that the Foundation would cancel its gift from the Sloan Foundation to Kentucky if this institution were required to cover it into the state treasury.

Another restricted (trust) fund is that turned over to the Board of Trustees by the Board of Control of the College of Pharmacy when that institution became one of the colleges of the University. This sum amounts to approximately \$100,000 and is to be used only when the state appropriates funds to erect a building for the College of Pharmacy on the campus of the University. It was a gentlemen's agreement at that time that this fund should be spent

for furnishing and equipping the College of Pharmacy. To spend it for any other purpose would be to dishonor a contract made some years ago between the Board of Trustees of the University and the Board of Control of the College of Pharmacy. Also among these restricted funds are gifts from the Keeneland Foundation, the Sloan Foundation, the Grayson Foundation and the General Education Board, and from many corporations and businesses that have made gifts for scholarships and specific research which must be spent in accordance with the terms of the gifts.

There is in the fund also approximately \$200,000 which has accrued from rentals of property given to the University for the housing of married students, and low-income faculty members, and for the use of dormitories by the A. S. T. P. during the war. The University has regarded this money as money that should be spent to replace the temporary housing which is rapidly disintegrating. This fund should not be used for recurring expenses, especially when it comes from property placed on our campus by the Federal Government for the housing of married students and low-income faculty members.

The University is not unlike any other state agency in that it expends all of its state appropriated funds during the period for which such funds were appropriated. The flexibility that is so necessary for the operation of the University is made possible by utilization of funds that come to the University from sources other than the legislature.

We cannot believe that the Governor or the legislature, or any responsible citizen of the state would want laws enacted that would hinder the University from receiving funds from foundations and donors.

These restricted funds are sacred to the purpose for which they were given and if the time ever comes when we should ignore the pledge we have made to the donors, then the University would be unworthy to receive future gifts.

In the current restricted trust fund is another category of funds belonging to students and others and held as deposits by the University. Many years ago the Board of Trustees adopted the policy that all students reserving rooms in the dormitories must make a deposit on the rooms with the Comptroller of the University. Students enrolled in laboratory courses make breakage deposits. University staff members make deposits for keys to insure the return of the key when the holder leaves the University. The University had on June 30, 1953, \$85,687.54 of this type of money. This money does not belong to the University; it is held by the University to be withdrawn upon proper clearance.

The amount of money in the University's plant fund will vary greatly from time to time, depending primarily upon whether the University has a building program in process of completion. The majority of the buildings on the campus of the University have been erected out of bond issues authorized by the Board of Trustees and by funds received from the Federal Government in the first and second PWA bond issues. Later Bowman Hall, the Coliseum, the Library and Serving Building, the Journalism Building, the six fraternity houses and the Stadium were authorized constructed out of bond issues. At present the men's dormitory and the women's dormitory are being erected



out of a loan from the Federal Housing Agency and allotments from the State Property and Building Commission for the boys' dormitory; and a government loan, and a gift from Keeneland Foundation for the girls' dormitory. Plant funds must provide for the principal and interest on these bond issues. Money received from the bond issues and unexpended is in the fund as are also funds accredited to the Experiment Station plant fund and appropriated for repairs and new equipment, for properties, for land or roadways and for other plant developments. There are sometimes unappropriated moneys in the fund waiting to be allocated but most of it has already been designated for some particular project under construction but not yet paid out.

May I summarize then my answer to Mr. Morris' article in which he says, "the University hasn't been spending the money it does have" and in which he leaves the impression with the reader that we do not need what we have requested for the support of the University. I would like for Mr. Morris to find out if Harvard, or the University of Michigan, or Ohio State, or Indiana, or Princeton, or Duke, or Tulane, or Vanderbilt, or any other great university of this country does spend all the money it has in any one year of its operation. Or do they reserve a working capital, the sanctity of gifts made for specific purposes, endowment funds on which income only is spent, student deposits, or a dozen or more other kinds of funds which all institutions of any importance have under the control and direction of their boards of trustees? Would the people of Kentucky like to see their University spend every dollar of its money by the end of each fiscal year, June 30, and appear on July 1 naked as a new born baby with no money with which to buy anything until it could draw a requisition against the new appropriation, which might or might not be sufficient to operate it during the following year?

Do the people of Kentucky want us to disregard the sanctity of a contract to spend funds given for specific purposes for the current operations of the University? Would our citizens tolerate our spending student funds for current expenses of the University? We believe the people of the state respect the sanctity of a contract whether written or whether made as a gentlemen's agreement, and from this practice we shall not depart.

At the close of his article Mr. Morris cites the salaries of certain administrative officers at the University of Kentucky, and the top salaries of department heads and professors, apparently with the idea of showing that they compare favorably with the salaries paid administrators in the state government. There is no objection to having such a comparison made, except that it means nothing in terms of the University's problem in providing an administrative and instructional staff of the high quality that the state should want. The University is not in competition with the state government. It competes, rather, with the other publicly supported and private institutions of higher learning in America and it is this competition that it must meet.

The University of Florida examined the salaries of administrative officers in 1952-53 in forty state universities. In these institutions the median salary of the president was \$14,940. A second study made at the University of North Carolina indicates that for institutions comparable in size with the University of Kentucky, and which are members of the American Association of Universities, the average salary of the presidents is \$21,000. For the Land-Grant Colleges which are not members of the American Association of Universities, the median salary is \$15,172. It can be said, in other words,

that any university that pays its president less than \$15,000 is, in this regard, in the lower 50 per cent of all publicly supported institutions.

The median salary of vice presidents in twenty-three state universities in 1952-53 was \$12,000, which is \$1,000 more than is currently received by the Vice President of the University of Kentucky. In eight of the twenty-three universities the salary of the vice president was \$12,000, or more.

The median salary of comptrollers and other top business officials in thirty-one state universities was \$9,200 in 1952-53. At that time the salary of the Comptroller at the University was \$9,368, slightly above the average. However, there are twelve institutions in the list of thirty-one where the comptroller or top business official was paid \$10,000 or more.

The average salary of department heads at the University of Kentucky during the current year is \$7,703. For professors, other than department heads, the average is \$7,044; for associate professors, \$6,137; for assistant professors, \$5,277; and for instructors, \$4,510. It has been demonstrated over and over again that, at the levels of department head and professor, these salaries are from \$600 to \$800 below the averages in institutions with which the University of Kentucky must necessarily compete. At the level of associate professor the discrepancy is in the area of \$500 to \$700, and at the levels of assistant professor and instructor, approximately \$200. A salary report from the University of Tennessee, issued as recently as this month, shows that there the current salaries for professors, on a twelve months' basis, are on the average approximately \$400 above those at the University of Kentucky, and for associate professors, approximately \$200 higher.

Regardless of how the salaries at the University of Kentucky may compare with those at Frankfort, the fact remains that the University has, for years, been in an extremely difficult situation in competing with comparable institutions for qualified personnel and if the situation is changing, it is changing for the worse, and not for the better. In spite of the several salary increases made since 1940, the administrative and instructional staff at the University of Kentucky finds itself today with less purchasing power than it had fourteen years ago. If anyone doubts this, let him call at the University, get the facts, and judge for himself.

At my request the Comptroller, Frank D. Peterson, has submitted a more complete analysis of the unrestricted, restricted and plant funds of the University that you may have a complete financial statement before you for your information.

The statement follows:

The Courier-Journal, under date of January 31, 1954, ran a feature article on University fund balances from 1943-1953. These fund balances were divided as follows:

- a. Current Unrestricted Funds
- b. Current Restricted Funds
- c. Plant Funds.

The author of the article makes no attempt to explain sources of funds, the purposes for which these funds are held, nor any commitments which may have been made against the funds. A large university may receive various sums of money from various sources under definite conditions and agreements as to the purposes for which funds may be expended. The sacredness of compliance with the conditions and the purpose of funds or agreements with donors is paramount to the University.

When you became President of the University of Kentucky, July 1, 1941, the budget for the fiscal year 1941-42 had been prepared and adopted. The authorized expenditure of funds amounted to \$70,000 in excess of available balance and estimated income. We asked the various administrative officials to effect savings in the operations of the budget adequate to balance the outgo with the income for that year; and, as a result we carried forward a balance for the Division of Colleges of \$70,573.25; Agricultural Experiment Station of \$70,660.97, and Agricultural Extension \$0. I should add that in 1941 we were forced to delay the purchase of equipment, materials, and supplies needed in the operations of the various departments because there was no fund balance in excess of the amount required for salaries and essential obligations during the first four months of the year. Purchase of equipment, materials, and supplies were delayed until after receipt of student fees in September which were not available for expenditure until October. The point is that we must have a working capital balance to operate the University else we delay acquisition of needed equipment, materials, and supplies.

The article correctly reported fund balances as follows:

Year	Current Unrestricted	Current Restricted	Plant Funds
1953	\$ 992, 179.03	\$2, 094, 376.03	\$ 643, 727.25

I desire to analyze these fund balances:

Current Unrestricted Surplus July 1, 1953 - \$992, 179.03

This unappropriated surplus is recorded on page 11 of the Annual Report of the Comptroller for the year ended June 30, 1953 and was available to the following divisions:

Division of Colleges	- \$760, 536.62
Agricultural Experiment Station	- \$195, 405.45
Agricultural Extension Division	- \$ 36, 236.96

The surplus available to the Division of Colleges (\$760,536.62) was all allocated for current operating purposes for the fiscal year 1953-54. The estimated income for 1953-54, including state appropriation and federal grants, was that much less than the appropriations made for operations of the University. The Agricultural Experiment Station budgeted expenditures of \$122,010.50 in excess of estimated income. This amount was taken from the unappropriated surplus of \$195,405.45, July 1, 1953.

The Agricultural Extension Division shows a balance of \$36,236.96. This money belonged to the federal government and was brought forward and credited to the Agricultural Extension Division as a part of the grant for 1953-54.

Current Restricted Funds July 1, 1953 - \$2,094,376.03.

These fund balances are restricted for the purposes for which they may be used. An itemized list of the funds and the balance of each are found in the Comptroller's Report for the year ended June 30, 1953 on pages 24, 25, 26, and 27. The aggregate balance is composed of the balances of 178 different accounts restricted in use by the type of activity, the term of the gift or grant, the service contract, etc., more fully explained below:

1. Funds Restricted for the Operations of Activities.

These are Money Allocated for Alumni Membership, Bureau of School Service, Purchase of Caps and Gowns for Commencement Exercises, Purchase of Diplomas, Graphic Arts, School Film Service, Athletics, Guignol Theatre, Hamilton Cooperative House, etc.

The fund balances credited to these accounts aggregate \$579,672.29.

2. Funds Restricted by the Terms of the Donor Making a Gift or the Grantor of the Monies.

Such accounts represent the Keeneland Funds, A. P. Sloan Foundation, gift from the old Board of Control of the College of Pharmacy, J. R. Watkins Lecture Fund, Kentucky Reprints, Patterson Fund from the will of James K. Patterson, the United Cerebral Palsy Association, U. S. P. H. S. Grants, and many other like funds.

These fund balances aggregate \$590,128.61.

3. Funds Restricted by the Type of Service Contract.

These accounts are such as the Army Map Service Contract with the Federal Government for locating and placing names on Army maps, done by students; Foreign Student Orientation Program; Student Union Building which was constructed by a bond issue and we are obligated to keep funds separate; the Community Concert Fund (We have a contract with the Community Concert Committee to hold funds to pay artists for presenting programs); and other similar type service contracts.

These funds aggregate \$83,784.44.

4. Funds Restricted by University Agreement.

These are Supervision of Service Units funds, Campus Book Store, Interest from Investment of Fund Balances, Army Programs, etc. These funds are partially allocated for payment of the bond issue for Journalism Building, construction of food storage building, construction of housing facilities for married students and low-salaried instructors.

These funds aggregate \$529,530.45.

5. Funds in Clearance Account Undistributed.

These funds represent fees from students and dormitory room and board payments held in a clearance account awaiting distribution. They

will be distributed as directed by the board for various activities, such as Student Government Association, Y. M. C. A., Y. W. C. A., Student Union, and general current funds. Payments for room and board will be distributed to the Residence Hall account for operation of the housing units and the kitchen and dining room.

These funds aggregate \$225,572.70.

6. Funds Belonging to Students and Held as Deposits.

Students living in dormitories make a \$10.00 room deposit to reserve dormitory room. Students taking some laboratory courses make breakage deposits. Staff members make key deposits. These funds are held in trust as a deposit to compensate the University only for failure to accept room or notify University officials of withdrawal, carelessness in handling laboratory equipment and supplies, and refusing to return keys when the need for the key no longer exists. These are funds that must be made available for withdrawal upon requests properly cleared.

These funds aggregate \$85,687.54.

Your Comptroller is the first financial officer of the University of Kentucky during its existence to prepare and publish for public distribution a financial report. This procedure was begun in 1942 for the fiscal year 1941-42 and similar reports have been issued and given wide distribution every year through 1953. Restricted fund accounts have been listed in every annual report, and the information I have cited above has been available for each of the past 12 years for anyone desiring to know the facts. They can be ascertained not only from the University but from any university in the United States. The annual report of the Comptroller is given wide distribution.

Plant Fund Balances aggregate \$643,727.25. This figure is found in the Comptroller's Report on Page 11, Plant Funds section of balance sheet, under the caption "Unexpended Plant Funds." The Unexpended Plant Funds, aggregating \$643,727.25, represent funds in five different categories as follows:

1. Monies held for the payment of bonded indebtedness.

They are restricted to pay principal and interest to the holders of University of Kentucky issued bonds. These funds aggregate \$100,612.27. They relate to the so-called First and Second P. W. A. Bond Issues, Jewell Hall and Bowman Hall Bond Issues, Coliseum, Library and Service Building, Journalism Building, Fraternity Houses, and the Stadium Addition bond issues.

2. Monies received from the sale of bonds issued by the University of Kentucky.

These unexpended funds aggregate \$76,399.90.

3. Monies appropriated for Men's and Women's Residence Halls.

The Men's Residence Hall contract has been let and it is now in process of being constructed. The construction of the Women's Residence Hall has been approved by the Board of Trustees and the State Property and Building Commission. A loan agreement has been made with the Housing and Home Finance Agency of the Federal Government, a gift from the Keeneland Foundation has been made, and the balance of the construction

cost is to be borne by the University. These funds have been allocated by the Board of Trustees, bids have been requested, and they will be opened on March 18, 1954. These funds aggregate \$343,901.13. I should add that a majority of these monies represent reserves from the operation of the Residence Halls over a number of years.

4. Monies appropriated for Plant Fund purposes and no longer needed for the original project.

The unexpended balances are available for re-allocation by the Board of Trustees. These balances result from residue of a few appropriations made for Plant Fund purposes. Each project has been finished, and small balances remain in the accounts save for a balance in the fire loss account, which money was collected from insurance carried on Norwood Hall. Unused balances may be re-allocated. These fund balances aggregate \$22,741.72.

5. Funds credited to the Agricultural Experiment Station Plant Fund and appropriated for repairs and new equipment for the Agricultural Experiment Station properties, land, and roadways - \$100,072.23.

The article in the Courier-Journal also undertakes to draw some implication on balance sheet item designated, "Reserve for Inventories", \$583,911.86. This is not a balance. It represents an investment in operating equipment, materials, and supplies, which is held by the various departments, divisions, laboratories, and farms, necessary to assure a continuing operating institution. Reserve inventories represent the value of items on hand which we inventory annually for record and control purposes.

The combined resources of the University, including funds held in trust and student organizations, known as Agency Funds, aggregate during the year approximately \$10,000,000. The balance sheet as of June 30, 1953 shows a total Plant investment in excess of \$34,000,000, exclusive of bonded indebtedness. No private industry would under normal circumstances operate with less than \$300,000 to \$400,000 working capital fund. However, good business procedure can be followed in private enterprise, but it seems to be condemned when used by governmental agencies. It would seem that frugality is praised in free enterprise establishments and punished when practiced in governmental agencies. I have witnessed state agencies requisitioning expenditures of large sums of money during the closing months of a fiscal year to use up available balances.

I attach hereto graphs showing the receipts from student fees, and other data, for each of the last ten years.

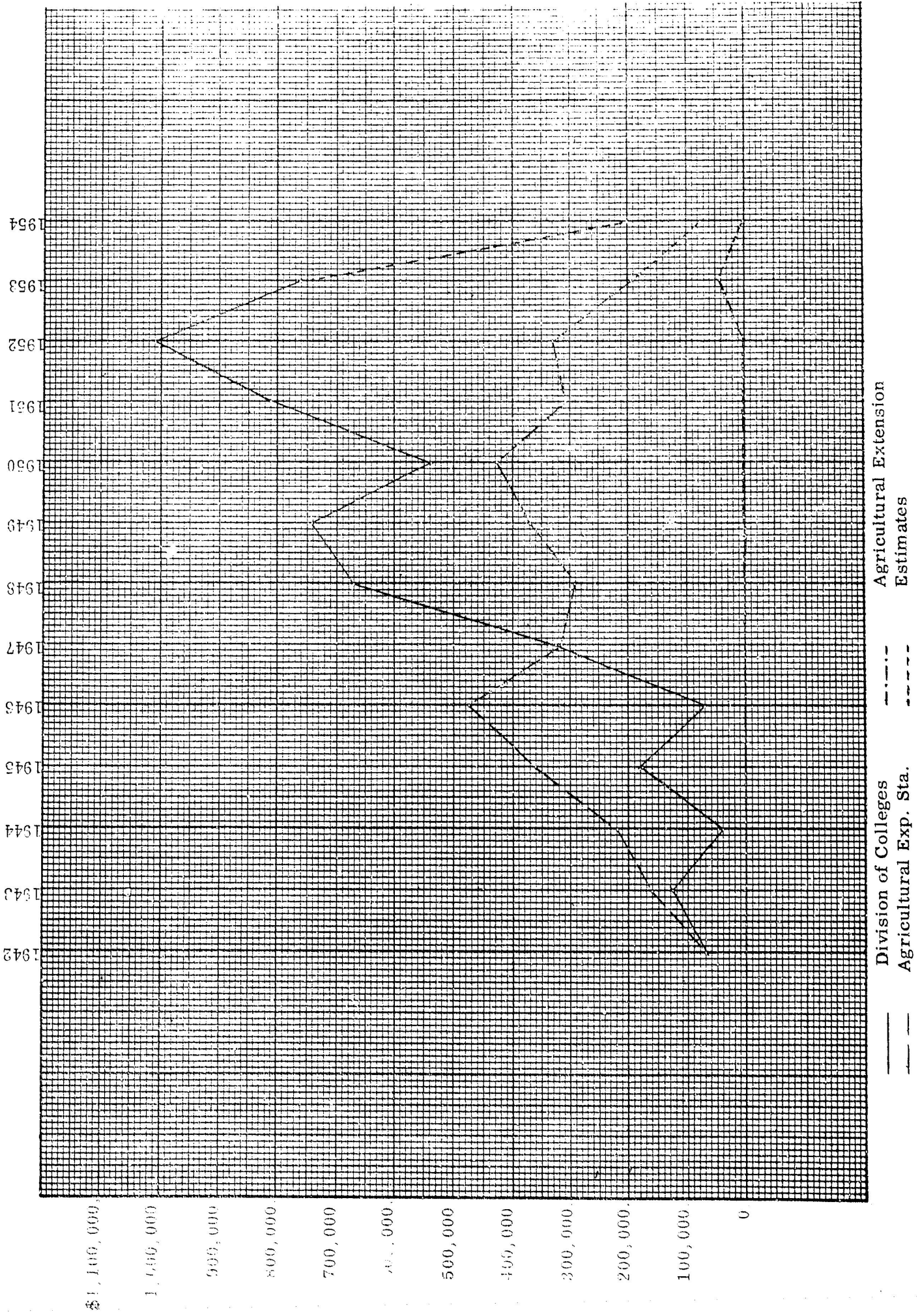
During the war years, the fund balances ranged from small to large. Following World War II, the so-called "G. I. Program of the Federal Government" made it possible for thousands of young men and women to go to college. The education of these people had been delayed because of their military service. The enrollment of the University of Kentucky increased from 1594 in 1943 to 7929 in 1948. This sudden rise in enrollment created a depressing problem for the administration at the University. Our plant facilities were adequate for an enrollment of 4,000 students but



not for 8,000 students, which we had in 1948. The problem was acute. We sought aid from the state and federal governments. The federal government made temporary housing and classroom facilities available to some degree. Total income from student fees went up, sharply. The cost of operations of the University also increased. However, a wise and prudent administration foresaw the great chasm being created through this rapid increase in the student body which was destined to drop to an enrollment of near 5,000 students. Expenditures were moderately accelerated but controlled. Fund balances were permitted to build up during the years 1947-1952. These balances have been and are being gradually depleted during the years 1953, 1954 and 1955 to absorb the budgetary shock caused by decreased income. This has permitted the University to operate on a fairly even keel and at the same time make some desperately needed economic adjustments for our personnel. Good administration dictated the policy that non-recurring income should not all be appropriated and used for recurring expenses of the University. A look at the graphs will further emphasize this fact. To have done otherwise would have been foolhardy and would have drastically affected the smooth, even, and normal operations of the University.

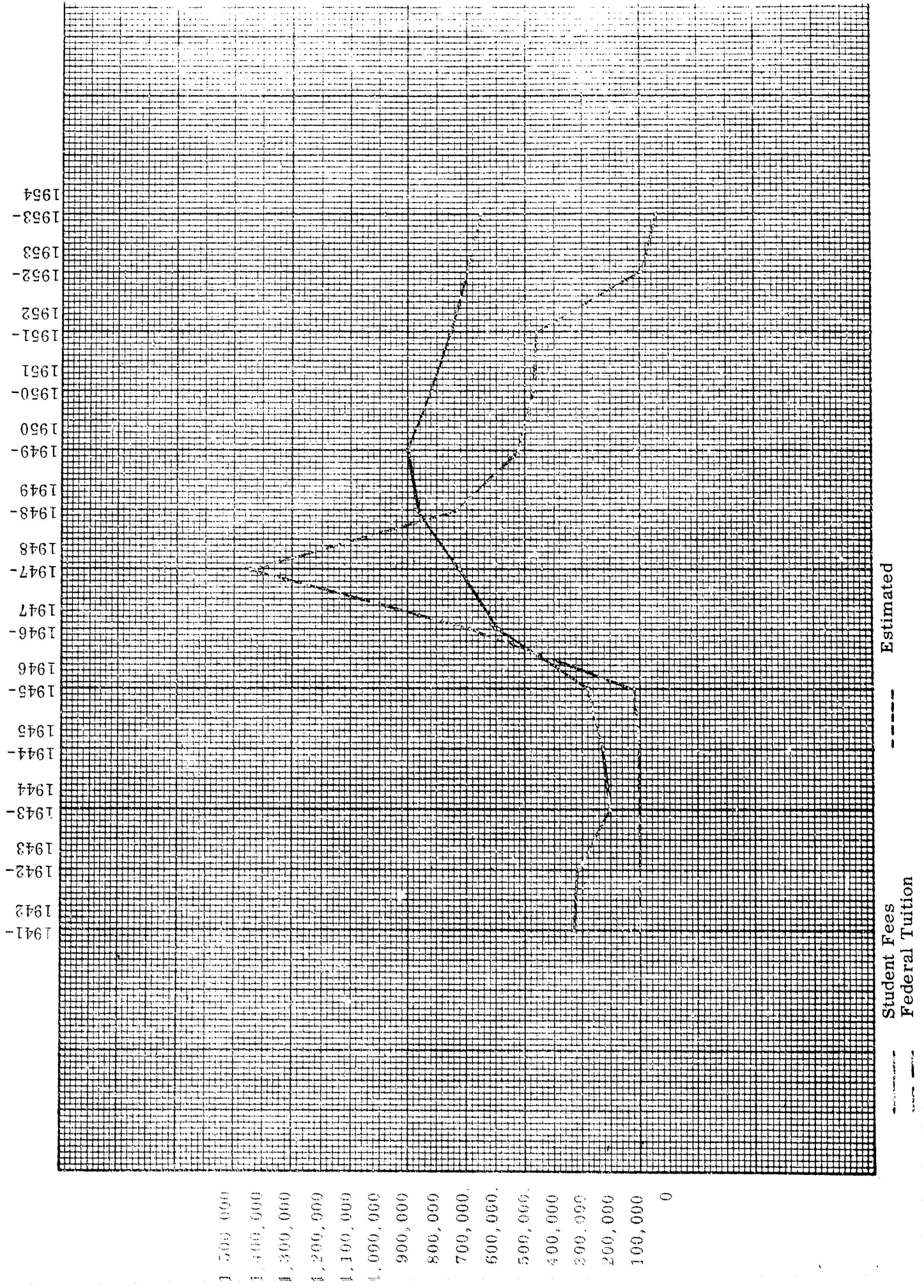
The University is a large involved organization. Few professional people on the campus and scarcely any citizens have a complete grasp of the extent of operations of the University in its program of instruction, research, and service to the State. Its resources cannot be considered applicable to its overall operations but must be viewed from its multiple services rendered to the students and to the people of the State. Any attempt to simplify the complex operations of the University is a wrong and will lead to misunderstanding of its budgetary operations. It is composed of seven colleges, a graduate school, many departments, auxiliary enterprises, and services; as well as more than 300 different organizations and activities co-ordinated and integrated to make an institution of higher learning, an Agricultural Experiment Station, an Agricultural Extension Division, and an Engineering Experiment Station assisting and servicing the needs of agriculture and industry as well as training the mental resources of the Commonwealth.

Graph I - Surplus balances for each of the three divisions of general fund operations for each year from 1942 to 1954



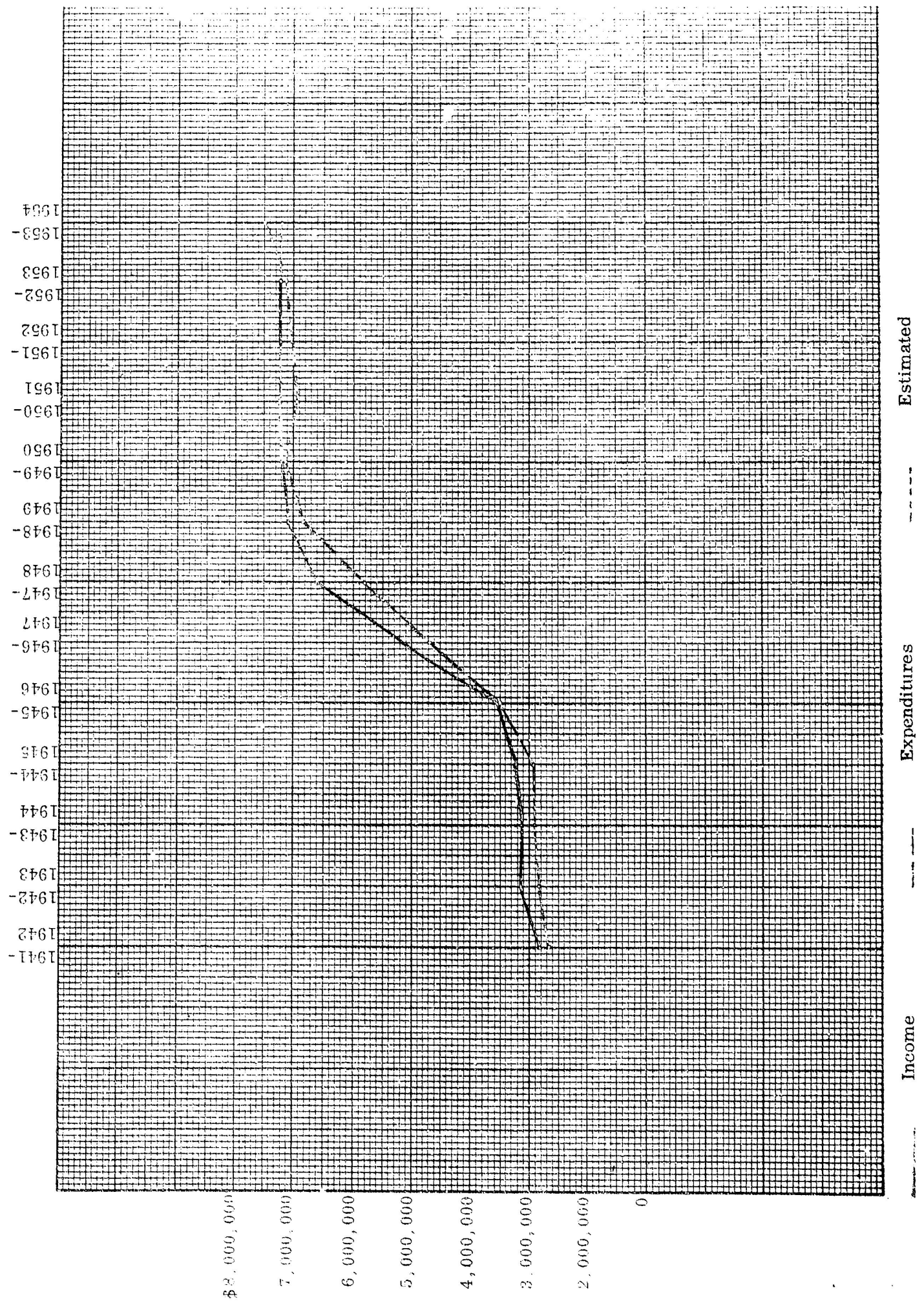


Graph II - Receipts from Non-Veteran Students and Veteran Students Separately for each year from 1941-42 to 1953-54



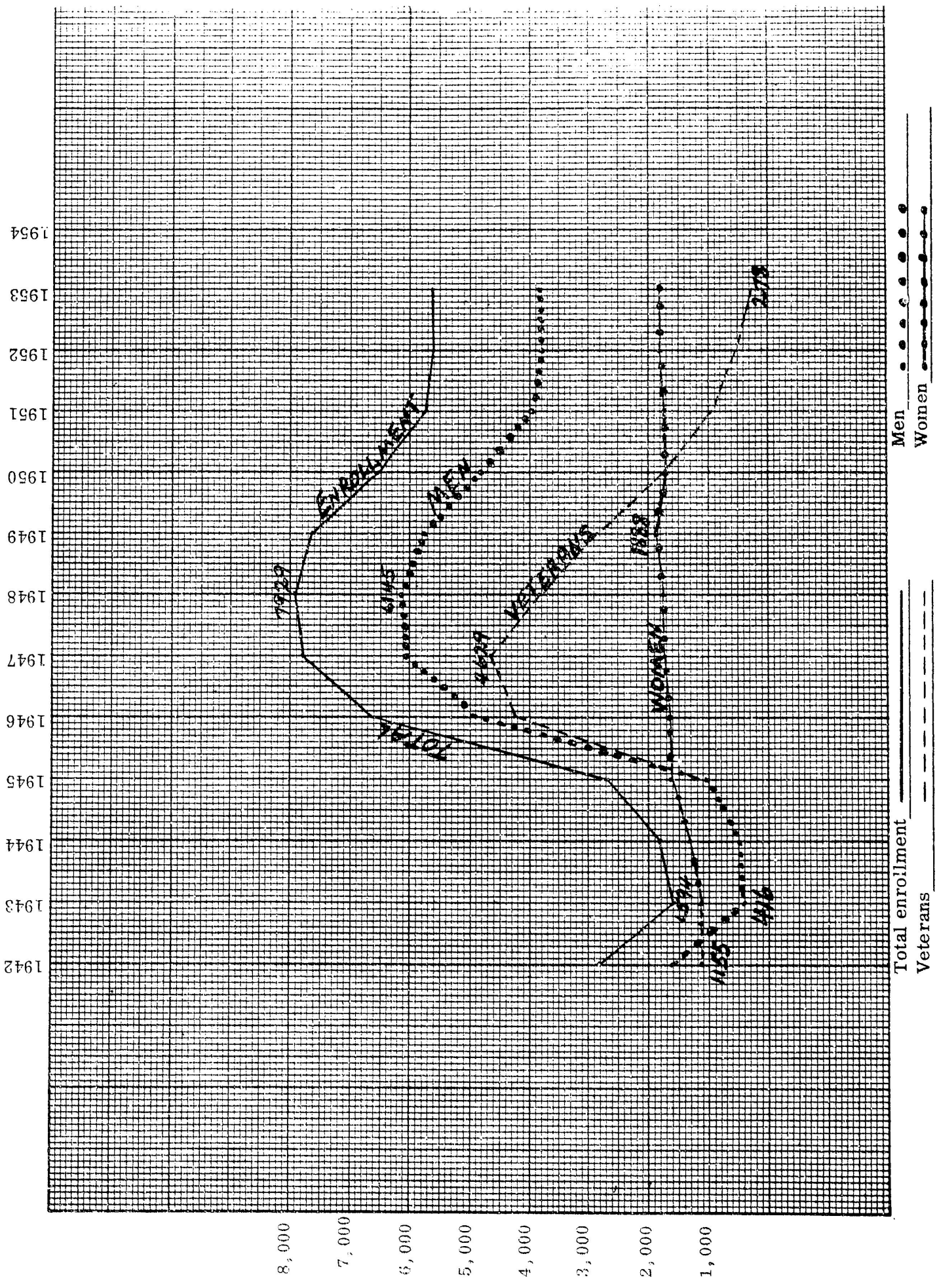
Student Fees  
Federal Tuition  
Estimated

Graph III - Total combined receipts of the three divisions of general current fund operations for each year from 1941-42 to 1953-54





Graph IV - Figures showing the number of men, women, veterans and the total enrollment in the University for each year 1942 - 1953



Members of the Executive Committee heard the report read, discussed it at length, and, upon motion duly made, seconded and carried, authorized it received and made of record. They thanked President Donovan and Mr. Peterson for the detailed and understandable analysis of the University's finances.

H. Recess for Luncheon.

At 12:30 p. m. , the Executive Committee recessed for luncheon, which was served in the President's Office, and at 1:15 p. m. again took up the agenda.

I. Report of Progress on Foreign Operations Administration.

President Donovan reported that a committee representing the University had made a trip to Washington and talked with a large number of government officials concerning areas of the foreign operations program in which the University of Kentucky might properly and successfully aid the Office of Foreign Administration. The committee made a definite proposition to do work in Turkey. The Office of Foreign Administration agreed to process the proposal of the University to the government of Turkey and await a reply. The progress report was received.

J. Request of Frankel and Curtis, Architects and Engineers, for Adjustment in Contract.

President Donovan submitted a letter which he had received through the Comptroller's Office from Frankel and Curtis, Architects and Engineers, requesting an increase in their contract for revision of plans and specifications for Women's Residence Hall. The letter was read:

FRANKEL AND CURTIS

Architects and Engineers

19 February 1954

Board of Trustees  
University of Kentucky  
Lexington, Kentucky

Attention: Mr. Frank D. Peterson,  
Comptroller

Re: Revision of Plans for  
Women's Residence Hall  
No. 5, University of  
Kentucky

Gentlemen:

In response to the request of Mr. Frank D. Peterson, Comptroller, we gave him on May 29, 1953, the amount of \$3,200.00 for revising the plans and specifications for the above referenced building.

At the time this quotation was made there was nothing whatever to indicate the extent of revisions which would be required and this office arrived at a figure of \$3,200.00 on the basis of 360 hours of drafting time at \$7.00 per hour. The number of hours was a mere guess, but the \$7.00 per hour was a figure arrived at by reviewing our records for the five years from 1948 to 1952 inclusive and taking the average. The \$7.00 per hour broke down as follows:

Drafting, \$2.83 per hour or 40.5% of the gross.  
 Overhead, \$1.29 per hour or 18.3% of the gross.  
 Profit, \$2.88 per hour or 41.2% of the gross.

Our actual drafting outlay on revision of these drawings was \$4,793.00 and applying the percentage figures makes the overhead \$2,159.00 additional and the profit \$4,871.00 additional, for a total of \$11,823.00.

Shortly after we quoted Mr. Peterson \$3,200.00 for the revisions, he told the writer that the Trustees had approved our revising the plans @ \$7.00 per hour for an amount not to exceed \$3,000.00.

Thereupon we started the revisions and change after change was requested so that the cost had risen to more than \$3,000.00 before we had gone very far, and the writer called this to Mr. Peterson's attention. In addition to revising the drawings, the specifications stencils had to be made over in their entirety because in addition to the changes the stencils were too old to print.

In accordance with the above figures we should be paid \$11,823.00 for this work, but since the amount of work has exceeded the expectations of all of us, we are willing to cut our profit in half, which will reduce the amount of our bill to \$9,387.00.

Therefore, we respectfully request that you approve this amount for our services.

Yours very truly,

FRANKEL AND CURTIS

By (Signed) J. J. Curtis

Mr. Peterson stated that the offer of Mr. J. J. Curtis was reported to the Board of Trustees at its meeting on June 2, 1953. It was agreed to pay to the firm of Frankel and Curtis \$7.00 per man hour for time spent in revision of plans and specifications, not to exceed a maximum of \$3,200.00 for the complete job of revising the plans and specifications.

Mr. Peterson stated he reported to Mr. Curtis that the Board had accepted his offer, at a maximum of \$3,200.00, and was unable to account for Mr. Curtis understanding that it was \$3,000.00 for the complete job. Nevertheless, Mr. Curtis says he accepted the offer.

Members of the Committee made inquiry concerning the work done by the firm, and they were advised that Mr. Curtis, Mr. Peterson and Mr. E. B. Farris made a trip to the Federal Housing and Home Finance Office in Chicago, at which time and place certain revisions were agreed to.

Mr. Curtis detailed these revisions and gave them to Mr. Peterson to be confirmed to the Federal Government. Mr. J. J. Curtis knew the necessary revisions of plans and specifications and made an offer to do the work at \$7.00 per man hour, not to exceed a maximum of \$3,200.00.

President Donovan and the Comptroller advised the Committee that they were unable to recommend alteration of the contract, but would be governed by the action of the Committee.

Mr. Curtis' request was discussed at length, and upon motion duly made, seconded and carried, the request was denied, and the Comptroller was authorized to take the necessary steps to pay the firm of Frankel and Curtis the maximum amount of \$3,200.00 in accordance with authorization.

K. Request of John F. Wilson for Increase in Contract for Re-design of Plans and Specifications for Men's Residence Hall.

President Donovan submitted a request of John F. Wilson, architect, for payment of over-run of hours on re-designing plans and specifications for Men's Residence Hall. He requested Mr. Peterson to advise the Executive Committee further.

The Executive Committee of the Board of Trustees, under date of February 16, 1952, had before it the question of re-design of the Men's Residence Hall. At that time the Committee was advised that the Regional Office at Chicago had declined to approve the plans and specifications for several reasons: (1) the high cost of the entire building, (2) the kitchen and dining facilities planned were to provide for all students in other men's dormitories, as well as those living in the dormitory under consideration, (3) the large amount of steel required for construction under the plans originally submitted, and (4) it would be difficult to construct as designed because of government control of materials.

The Executive Committee was advised on February 16, 1952, that John F. Wilson had made an offer to revise the plans and specifications at a cost of \$7.50 per man hour, with the guarantee that the cost for the revised plans and specifications would not exceed \$11,500.00, and that the re-designed building would house the same number of students as provided by the original plans.

On April 25, 1952, the Board of Trustees of the University had before it the question of accepting an agreement with Mr. John F. Wilson to do the re-design on the building and write the specifications for a maximum of \$11,250.00. The Board approved this figure and authorized Mr. Wilson to proceed to re-design the building in accordance with agreement of the Federal Government.

On July 18, 1952, the Executive Committee was advised that the University's application for a loan for the construction of the Residence Hall for Men had been approved. Mr. Wilson submitted an offer to re-design plans and specifications as follows:

(a) For the first 2,000 hours of technical work, \$7.50 per hour;

(b) For the second 2,000 hours of technical work, or any part thereof, \$3.75 per hour, with the understanding that the maximum would not exceed 4,000 hours for the complete job.

(c) The Committee authorized approval of the contract under these terms, subject to the approval of the State Property and Building Commission.

Subsequently, the State Property and Building Commission did approve, and contract was issued to John F. Wilson, under the above terms, for a maximum of \$22,500.00.

On September 15, 1953, Mr. Wilson requested a revision in the contract by allowing an additional 1595 hours at \$3.75 per hour, or a total of \$5981.25. This was submitted to the Executive Committee. No action was taken.

Under date of January 29, 1954, Mr. Wilson wrote the Comptroller that he had made a mistake in his letter of September 15, 1953 and desired to change his request for payment for over-run of hours in the amount of 1595 hours to 1512 hours, explaining that he had originally charged 83 hours for research work time put in by Mr. Porter White on a new type of design used in the re-design of the building.

Mr. Wilson's last request is to allow him an over-run of 1512 hours at \$3.75 per hour, or an additional amount of \$5,670.00.

Mr. Wilson advises that the re-design of the building has a flat slab system without floor or roof beams and without capitals on the columns. This is a new type of design and he figures that, because of the architect's very careful attention given to the re-design, a service to the University has been made. ". . . It has been estimated by competent engineers that the saving on the structural work alone, conservatively, lowered the cost by at least \$80,000."

The question was considered by the Executive Committee. The President and the Comptroller advised the Committee that they desired to be fair with Mr. Wilson, but in view of the fact that he originally agreed to do the job for a maximum of \$11,500.00 and later agreed to do the complete job for \$22,500.00, which was approved by the State Property and Building Commission and the State Finance Department, we have no more authority to recommend the setting aside of a valid, binding contract and pay additional compensation for an over-run on an architect's fee than we have to set aside a firm commitment of a contractor to construct the building.

Members of the Committee discussed Mr. Wilson's request at length. Upon motion duly made, seconded and carried, the request again was denied.



L. Founders Day Program.

President Donovan distributed to members of the Executive Committee copies of a program for the Founders Day celebration of the 89th anniversary of the University. The program honored Dr. Robert Peter and Dr. Thomas Hunt Morgan. The President issued special invitations to members of the Committee to be present on Sunday, February 21, in Memorial Coliseum, if they found it possible to do so.

M. Enrollment at the University for the Second Semester.

President Donovan reported to the Committee, for its information, that the enrollment for the second semester of the current school year was 5,247. It was stated that the enrollment for the second semester for the comparable period a year ago was 5,169.

N. Regulations for Non-Resident Students.

President Donovan read a letter which he had received from Miss Maple Moores, Assistant Registrar, recommending revision applicable to classification of non-resident students and alien students.

January 23, 1954

President H. L. Donovan  
University of Kentucky

Dear President Donovan:

Since the close of the war many problems have arisen in connection with our regulations governing non-resident students. Our experience with these problems leads us to believe that some modification in at least two of the provisions is desirable; namely, No. 3 and No. 4.

Number 3 reads as follows: "No student shall be deemed to have gained Kentucky residence privileges at the University by his mere presence at the institution. A student once classified as a non-resident of Kentucky will continue to be thus classified unless he can establish a change of domicile by evidence other than his residence as a student."

The first sentence of the above regulation has given some of our students the idea that it is restricted to non-resident students at the University of Kentucky. Persons who have attended the College of the Bible, Transylvania, Asbury, and other colleges in the state have argued that they have gained residence because they have resided in the state a year or more before entering



the University of Kentucky. Should the sentence be amended to read, "No student shall be deemed to have gained Kentucky residence privilege at the University by his mere presence at that institution or any other college or university in the State. "?

Number 4 reads as follows: "Aliens who have received their first citizenship papers may be classified under the foregoing provisions." It seems that the naturalization laws do not now provide for "first citizenship papers" and so this regulation is confusing to the student as well as to this office. The law now states that an alien who has been regularly admitted to the United States may file a "declaration of intention" at any time after his admission, by paying a fee of \$3.00 to the clerk of any court in charge of naturalization. Then when he applies for citizenship he must show that he has lived in the United States for five consecutive years, and that he has resided in the state for at least six months. Should our present regulation be changed to read, "Aliens who have filed a declaration of intention to become citizens may be classified under the foregoing provisions. "?

I have discussed these points with Dr. Chamberlain and Mr. Peterson and they approve the suggestions. If the Board of Trustees will authorize the above changes, it will simplify to some extent our handling of residence cases.

Sincerely yours,

(Signed)

Maple Moores  
Assistant Registrar

The President explained that the change seemed necessary to help the committee rule on the question of students gaining Kentucky residence privileges at the University and recommended its adoption.

Upon motion duly made, seconded and carried, the recommendation was concurred in, and the Registrar was directed so to adjust the University records.

#### O. Claim of Jack N. Krueger Denied.

President Donovan reported a communication from Dean Welch submitting a request of Jack N. Krueger for payment for personal equipment which he was using to conduct research for the University of Kentucky, and which he lost in a fire at the instrument house of the experimental tobacco barn on November 26, 1953. Dean Welch submitted the request without recommendation. President Donovan advised that this was not a new question, that it had been presented to the Board at the time of the Service Building fire, when personal property was destroyed, and on one or two other occasions.

Members of the Executive Committee discussed the request and pointed out that the University was without authority to pay persons for personal equipment stored in University buildings, and to do so would establish a questionable practice.

Upon motion duly made, seconded and carried, the request was denied.

P. Claim for Damage to Lady' s Top Coat Denied.

The Comptroller reported that one of the attendants of the Farm and Home Convention had received damage to her top coat while waiting to be served at the Wildcat Grill. The owner of the coat had stood close to a gas stove. The top coat was scorched. Request was made of the University for replacement.

The members of the Executive Committee expressed doubt as to their authority to pay for damages, and upon motion duly made, seconded and carried, the request was denied.

Q. "Kentucky Annotations to the Restatement of the Law of Judgments" Published.

President Donovan reported that the American Law Institute had published a book of the late Dean Alvin E. Evans, Dean Emeritus of the University of Kentucky College of Law. The book, "Kentucky Annotations to the Restatement of the Law of Judgments", was published under the auspices of the University of Kentucky.

This is the last book of Dean Evans, and it represents the last of the old projects of Kentucky annotations which the Board of Trustees requested the law professors to undertake some years ago.

R. Scholarship for Foreign Student.

President Donovan submitted a recommendation from the Committee on Foreign Students for Mr. Luis E. Pacheco from Colombia to receive free-fee scholarship for the second semester of the current year.

The President explained that Mr. Pacheco is doing creditable work and is highly recommended by his professors in the College of Engineering. President Donovan concurred in the recommendation.

Upon motion duly made, seconded and carried, Mr. Luis E. Pacheco was authorized awarded a free-fee scholarship for the second semester of the current year.

S. Robinson Substation NYA Camp to Be Completed.

President Donovan submitted a letter from the Vice President, Leo M. Chamberlain, containing recommendation of a committee appointed to study the NYA camp in the Robinson Forest Reserve as a possible site for a University camp for recreational and instructional purposes.

February  
Twelfth  
1954

President H. L. Donovan  
University of Kentucky

Dear President Donovan:

Some time ago you asked me to serve as chairman of a committee to study the NYA camp in the Robinson Forest Reserve as a possible site for a University camp for recreation and instructional purposes. The committee has been composed of Dean Frank Welch, Dean M. M. White, Professors Don C. Seaton, Earl Kauffman, Robert E. Shaver, and Mr. E. B. Farris.

At the first meeting it was readily agreed by all members of the committee that the camp should not be allowed to deteriorate and that there were many good reasons for putting it into use if the cost would not be too great. The College of Agriculture is interested, apparently, in developing a forestry project in the area and Dean Welch saw no conflict between the two ideas. He felt, in fact, that each might lend some support to the other. A subcommittee made a trip to the camp and studied, in some detail, the condition of the existing buildings and the probable requirements for completing the camp.

After a second meeting the committee has asked me to report to you as follows:

The Present Condition of the Camp

The five buildings making up the camp are structurally sound and with minor repairs they can be preserved indefinitely. The project was abandoned by the National Youth Administration before the buildings were entirely completed. The windows had not been placed, the flooring had not been laid, and the hardware had not been installed. However, the window sash and glass are stored in the building, although the glass has not been cut. The flooring too is available, but it would have to be dressed. Inspection indicates finally that all the hardware is on hand. The buildings are all equipped with fire places so there would be no heating problem. They were originally planned to be roofed with split shingles, but those have never been put on. However, the buildings do have tar-paper roofs and it is Mr. Farris' opinion that these are in good shape and will last for some

time.

#### Minimum Requirements for Putting the Camp in Use

It will be necessary first to dress the flooring that is stored in the camp and have it laid. The window sash will have to be glazed and the windows installed. The hardware will also have to be put in place, primarily on doors and windows.

The major additions required are a well, a bath house and water system, and a septic tank. The kitchen will have to be equipped and all rooms provided with the minimum of furniture. The immediate purpose would be to prepare the camp to serve a maximum of about forty people. It would be hoped that the camp might eventually accommodate as many as sixty.

Presently there is no power in the camp, but there is good reason for believing that the Kentucky-West Virginia Power Company which has its offices in Hazard would run a line to the camp without charge. Thereafter the wiring and lighting of the camp would be a relatively inexpensive matter.

#### Cost of the Above Proposals

It is difficult to estimate the cost of the additions and work outlined above, as the figure will depend, to a great extent, on the proportion of the cost that can be absorbed by the Department of Maintenance and Operations. It is my opinion, however, that we cannot think in terms of an expenditure of less than \$6,000, and it might require as much as \$10,000 if the Department of Maintenance and Operations insists on being paid, at the going rate, for all the work it does. Dr. Seaton and Dr. Kauffman are quite willing to work themselves and to supervise the work of students who are recreation majors, and these contributions are appreciated. However, the entire project will have to be supervised by skilled workmen and I suspect that the amount of contributed labor that we can get will not be too large. Dean Welch has expressed a willingness to supply any needed lumber for the project when he gets the contemplated sawmill in operation in connection with this forestry project.

#### Uses that Could be Made of the Camp

The committee discussed the possible uses of the camp and concluded that its most important function would be to provide a suitable environment for instruction in the fields of physical education and recreation, the biological sciences, and perhaps other areas. While the primary emphasis would be placed on courses in camping, recreation, nature study, conservation, forestry, and ornithology, other courses might be offered in order to make it possible for students to have a complete summer session schedule. It is conceivable, of course, that the University might want to develop a biological station at the camp at some future date.

The camp would not serve solely as a place for offering classes. It might well be used by a variety of clubs and youth organizations on a rental basis and it could serve effectively as a recreation facility for the faculty and staff. It is probable that other uses would occur to us after the camp was in operation.

#### Operational Costs

There would have to be some person responsible for looking after the camp the year round. However, Dean Welch and Professor Shaver report that arrangements could be made for one of the fire wardens now employed by the University to accept this responsibility without much additional cost. Dr. Seaton and Dr. Kauffman estimate that the income from the camp would pay for its cost of operation. This would seem to be the only feasible procedure, although there are some reservations in my mind about it.

#### Other Considerations

There is much enthusiasm on the part of the members of the committee for this project. Dr. Kauffman has been hoping and working for such a camp ever since he has been at the University and I understand he has gradually assembled a considerable amount of material from war surplus and other sources that could be utilized and, in some measure, reduce costs. I am quite sure too that there are other items of equipment and furniture that can be obtained from war surplus or from some of our surpluses here on the campus. In other words, there is a willingness to seek every opportunity to reduce the cash outlay to the minimum. In my mind the greatest handicap to the project is the lack of water for recreation. There is a little stream near the camp, but it does not seem feasible to utilize it in this way. There is a possibility that a dam could be installed at another point some distance from the camp that would provide a rather sizeable lake, and Professor Shaver indicates that the expense would not be prohibitive. However, this is a matter for later development.

I realize that with the present status of the University budget, it will be difficult to appropriate any state money to this project. It may be of sufficient importance, however, that serious consideration should be given to lending it assistance from the Haggin endowment or some other restricted fund.

Sincerely,

(Signed) Leo M. Chamberlain  
Vice President

President Donovan recommended that the report be accepted, the camp be completed, and an appropriation not to exceed \$10,000 be made to pay the cost of the work.

A brief discussion concerning the Robinson Forest Reserve ensued, and upon motion duly made, seconded and carried, the Executive Committee concurred in the recommendation of the President, and ordered \$10,000 appropriated to complete the camp.

T. Gifts.

From: Henry Fischer Packing Company,  
Louisville, Ky. -- \$20,000.00.

President Donovan reported receipt of \$20,000.00 from the Henry Fischer Packing Company, Louisville, Kentucky, given to further the Experiment Station's work with meat animals. He stated that such a sum as this would fill many gaps in the University's program that otherwise would tend to weaken it. He reported Mr. Peterson had made the original contact for the gift, and recommended that it be accepted.

Upon motion duly made, seconded and carried, the sum of \$20,000.00 from the Henry Fischer Packing Company, Louisville, Ky., was ordered accepted, and the President was requested to thank Mr. Carl T. Fischer, president of the company, for the gift.

From: Keeneland Foundation -- Checks  
for \$6,000.00 and \$15,000.00  
Respectively.

President Donovan presented two checks, one for \$6,000.00 and one for \$15,000.00, from the Keeneland Foundation, which the donors wished used to supplement salaries of key personnel in the College of Agriculture, and to support diagnostic work carried on by the College. He recommended that the checks be accepted.

Upon motion duly made, seconded and carried, the gifts of \$6,000.00 and \$15,000.00 were ordered accepted, and President Donovan was requested to thank officials of Keeneland Foundation for their generosity.

From: Mr. Arnold Hanger, Richmond,  
Ky., \$5,000.00.

President Donovan reported receipt of check for \$5,000.00 from Mr. Arnold Hanger, Richmond, Ky., and stated that the gift is for the purpose of promoting the idea of a medical school at the University, and, in particular, for issuing a brochure in this connection. He recommended that the check be accepted.

Upon motion duly made, seconded and carried, the gift of \$5,000.00 was ordered accepted, and the President was requested to thank Mr. Arnold Hanger for his great interest.

From: United Cerebral Palsy of Kentucky,  
Inc. -- \$5,000.00.

President Donovan reported that the University had received from the United Cerebral Palsy of Kentucky, Inc., \$5,000.00, for use in a summer workshop to be conducted by the College of Education during the summer of 1954. He recommended that the gift be accepted, and stated that he had been advised that another \$5,000.00 would be received at a later date from the national organization.

Upon motion duly made, seconded and carried, the check for \$5,000.00 was ordered accepted, and the President was requested to thank the Executive Director of United Cerebral Palsy of Kentucky, Inc., for the gift.

From: Kentucky Artificial Breeding  
Association -- \$3,000.00.

President Donovan presented check for \$3,000.00, given to the University by the Kentucky Artificial Breeding Association, to be used in connection with the construction of a reproduction research laboratory. He stated that the sum would be of considerable assistance in developing the program of research in the dairy field, and recommended that it be accepted.

Upon motion duly made, seconded and carried, the sum of \$3,000.00 presented by the Kentucky Artificial Breeding Association, was ordered accepted, and President Donovan was requested to thank the donors.

From: Opekasit Foundation, Hamilton,  
Ohio -- \$2,100.00.

President Donovan read a letter from the Secretary of Opekasit Foundation, Hamilton, Ohio, which stated that the Foundation was transmitting check for \$2,100.00, to be used as a scholarship in Agricultural Economics for Mr. Alvin Egbert. He recommended that the gift be accepted and used for the purpose indicated.

Upon motion duly made, seconded and carried, the sum of \$2,100.00 presented by the Opekasit Foundation was ordered accepted, and President Donovan was asked to thank the Foundation for the gift.

From: The International Nickel Company,  
Inc., New York, N. Y. -- Fellowship.

President Donovan read a letter from the President of The International Nickel Company, Inc., New York, N. Y., which offered to make available to the University a fellowship for the academic years 1954-55 and 1955-56, which would consist of an annual stipend of \$1,500.00 plus tuition for the student and a fund of \$300.00 per year for the department receiving the fellowship,

for expenses involving supervision, equipment and supplies. The President stated that this fellowship would be given for the purpose of stimulating post-graduate study in the fields of nickel, copper and the platinum metals. He recommended that the fellowship be accepted.

Upon motion duly made, seconded and carried, the Executive Committee concurred in the recommendation of the President.

From: Chas. Pfizer & Co., Inc. --  
\$1,200.00.

President Donovan presented check for \$1,200.00 from Chas. Pfizer & Co., Inc., which the donors wished used in connection with the Experiment Station's work on Project No. 17, "The Influence of Newer Nutritional Factors on the Growth Promoting Effect of Calf Starters Containing Distillers Solubles." He stated that the interest and support of the Pfizer Company in the Experiment Station's feeding experiments had been of great benefit, and recommended acceptance of the check.

Upon motion duly made, seconded and carried, the gift of \$1,200.00 from Chas. Pfizer & Co., Inc., was ordered accepted, and the President was requested to thank the donors.

From: Herman F. Scholtz, Woodbourne  
Farm, Warrenton, Virginia --  
\$1,000.00.

President Donovan reported that a gift of \$1,000.00 had been received from Herman F. Scholtz, Woodbourne Farm, Warrenton, Virginia, which Mr. Scholtz wished to be used in furnishing one of the small dormitories. He recommended that the gift be accepted.

Upon motion duly made, seconded and carried, the gift of \$1,000.00 from Mr. Herman F. Scholtz was ordered accepted, and President Donovan was requested to thank Mr. Scholtz for his kindness.

From: Mr. S. Headley Shouse, Lexington,  
Ky. -- \$81.00.

President Donovan presented check which the Kentucky Research Foundation had received from Mr. S. Headley Shouse, Lexington, Ky., to be added to the Juliet Shouse Memorial Fund. He recommended acceptance.

Upon motion duly made, seconded and carried, the gift of \$81.00 was ordered accepted, and President Donovan was requested to thank Mr. Shouse for this donation.



From: Anonymous Donor -- \$20.00.

President Donovan reported that a friend of the University had presented \$20.00 to the University, which he wished deposited in Account 3044-A, the Library rare book fund. He recommended its acceptance.

Upon motion duly made, seconded and carried, the gift of \$20.00 from an anonymous donor was ordered accepted.

#### U. Report on Fraternity Houses.

President Donovan reported that six fraternity houses had been completed and four of them were occupied by members of four fraternities. He stated that the other two would be occupied by the members of the football squad by March 13. He suggested that members of the Committee go by to see one of the houses, completed and occupied, and the members agreed to adjourn and visit fraternity row. The report was received.

#### V. Appointments and Other Staff Changes.

President Donovan submitted staff appointments, reappointments, salary adjustments, leaves of absence, resignations, promotions and other staff changes requested by deans and heads of departments.

### COLLEGE OF ARTS AND SCIENCES

#### Appointments

Lois Jeannette Campbell, Instructor and Curator, Geology Department, for five months, effective March 1, 1954.

Dr. Allen W. Becker, Instructor, English Department, effective September 1, 1954.

Constance Annette Popeo, Instructor, Social Work Department, for five months, effective February 1, 1954.

Menno Fast, Storekeeper and Lecture Assistant, Physics Department, for five months, effective February 1, 1954.

Ralph A. Hovermale, part-time Instructor, Chemistry Department, for five months, effective February 1, 1954.

Shirley Farmer Hancock, Secretary, Foreign Language Department, for five months, effective February 1, 1954.

Myra Katherine Angel, Secretary, Geology Department and also Kentucky Geological Survey, for five months, effective March 1, 1954.

Kathryn T. Redding, Secretary, Chemistry Department, for five months, effective January 25, 1954.

Dr. Herbert N. Drennon, Assistant Professor, Political Science, to be acting head of the Department for one semester during leave of Doctor Vandebosch, effective February 1, 1954.

#### Change of Work

Dr. O. J. Stewart, Professor of Chemistry, to be placed on special assignment, having reached the age of seventy, effective February 1, 1954.

#### Resignations

Mary E. Billington, Secretary, History Department, effective January 31, 1954.

Jane T. Anderson, Secretary, Chemistry Department, effective January 31, 1954.

Mary Lou Gover, Secretary, Foreign Language Department, effective January 31, 1954.

Jean Judy Chung, Secretary, Geology Department and Kentucky Geological Survey, effective February 28, 1954.

### COLLEGE OF AGRICULTURE AND HOME ECONOMICS

#### Appointments

Kob Ryen, Instructor, Animal Husbandry Department, for four months, effective February 1, 1954 through May 31, 1954.

Mrs. Eudell Curtis, Stenographer, Horticulture, effective January 19, 1954.

Mrs. Virginia Eudelle Ross, Clerk-Stenographer, Experiment Station, effective February 1, 1954.

Joy Strunk, Clerk, Agronomy - Agricultural Engineering division, effective February 1, 1954.

Faye Evelyn Whited, Clerk-typist, Home Economics School, effective February 15, 1954.

Billy McLean, Tractor Operator, Experiment Station Farm, effective February 8, 1954.

Mrs. Annette W. Carlisle, Field Agent in Marketing and Consumer Information, Louisville, effective January 1, 1954.

J. B. Hockensmith, Assistant County Agent, Harrison County, effective January 2, 1954.

Herbert A. Aurbach, Assistant in Rural Sociology, for five months, effective February 1, 1954. Transferring from College of Education.

#### Salary Adjustments

Novella Deneice Griffin, Stenographer, Agronomy Department, change from hourly to monthly basis, effective February 1, 1954.

Hughes H. Spurlock, Technical Assistant, made Assistant Economist, Agricultural Marketing Department, with adjustment in salary, effective February 1, 1954.

Marguerite Berry, Multigrapher-Clerk, Agricultural Extension, adjustment in salary, effective January 1, 1954.

Arch Humphries, Janitor, Experiment Station, adjustment in salary, effective February 1, 1954.

Sue Ann Harris, Clerk, Madison County, adjustment in salary, effective January 1, 1954.

Robert H. Fike, County Agent, Letcher County, transferred to Pulaski County as Associate County Agent, with adjustment in salary, effective January 6, 1954.

#### Leave of Absence

Robert C. Buckner, Assistant Agronomist, Agronomy Department, granted sabbatical leave from October 20, 1954 until August 19, 1955, in order to work toward doctorate at University of Minnesota.

#### Resignations

Ronald E. Anderson, Assistant Professor and Agronomist, effective February 20, 1954.

Bernice Vansickle Beers, Emergency and Temporary Instructor in Home Economics, effective February 10, 1954.

Nell Hammond, Assistant Instructor, Home Economics, effective December 31, 1953.

Jane Lee Forrest, Stenographer, Horticulture, effective January 31, 1954.

Mary Lou Allen, Clerk, Agronomy - Agricultural Engineering, effective January 31, 1954.

## COLLEGE OF ENGINEERING

Appointment

Clifford Byron Drake, Laboratory Technician, Mechanical Department, effective February 1, 1954.

## COLLEGE OF PHARMACY

Leave of Absence

Charles A. Walton, Assistant Professor, granted leave for academic year 1954-55 beginning September 1, 1954, in order to work toward doctorate at Purdue University.

## COLLEGE OF EDUCATION

The following persons employed as supervising teachers in off-campus student teaching program during the first semester of the academic year 1953-54: Gene Burberry, Evelyn Cundiff, H. L. Davis, Grace Dean, Henry Grehan, George Guess, Anna Mae Hood, Sue Monson, Mattie Ott, Eugene Sutherland, Lewis M. Thompson.

Change in Rank

Edgar L. Vance, Graduate Assistant, Bureau of School Service, made part-time Instructor, for four months, effective February 1, 1954.

Resignations

Leonard Griswold, part-time Instructor, Bureau of School Service, effective December 31, 1953.

Jerome Laulicht, part-time Instructor, Bureau of School Service, effective December 31, 1953.

## UNIVERSITY EXTENSION

Appointments

Sarah Frances Goodman, Secretary, for five months, effective January 27, 1954.

Phyllis Weaver Wigington, Secretary, for five months, effective February 1, 1954.

Mary Kathleen Robinson, Secretary, effective February 4, 1954, through June 30, 1954.

Salary Adjustment

Elizabeth Bicknell Jones, Secretary, adjustment in salary, effective February 1, 1954.

Viola Cook, Secretary and Instructor, adjustment in salary, effective February 1, 1954.

Annette Andrews, Secretary, adjustment in salary, effective February 1, 1954.

Persons Employed for Extension Instruction from July 1, 1953 to December 31, 1953: Leila Gott Harris, Ellis F. Hartford, Vernon A. Musselman, R. M. Van-Horne.

Persons Employed for Extension Instruction in Covington during First Semester: Frank J. Essene, Fred E. Harris, Laura K. Martin, Leslie L. Martin and James T. Moore.

Person Employed for Extension Instruction on Campus from September 1, 1953, February 1, 1954. Ruby Evans Hart.

Persons Employed for Extension Instruction, September 1, 1953 to February 1, 1954. Robert Bills, Ben Black, Howard Eckel, James W. Gladden, Ruth Haines, Earl Kauffman.

Persons Employed for Correspondence Instruction from July 1, 1953 to January 1, 1954: C. Hal Albro, Jr., Grace Anderson, Herbert Aurbach, Wendell E. Beals, Adolph E. Bigge, Robert E. Bills, Marion C. Brown, Wilbert Carr, Lucian Carter, Willis Carter, Carl B. Cone, Jesse DeBoer, May K. Duncan, Clement Eaton, Ernest N. Fergus, Chloe Gifford, James W. Gladden, Emmett Hardy, Maurice A. Hatch, Robert D. Haun, Wilbur A. Heinz, Sarah B. Holmes, James F. Hopkins, James W. Hughes, Daniel Jacobson, Walter W. Jennings, R. D. Johnson, Durbin C. Kemper, John Kuiper, Gordon Lewis, Robert G. Lunde, Joseph L. Massie, John T. Masten, Berthus B. McInteer, David McMurry, Ernest Meyers, Robert N. Mooney, William M. Moore, Vernon Musselman, Frank A. Pattie, Anna B. Peck, Estel B. Penrod, Ralph R. Pickett, Herbert Riley, Donald Rose, Hobart Ryland, Joseph R. Schwendeman, Blaine Schick, Alberta W. Server, Jasper Shannon, Jonah W. D. Skiles, Edwin E. Stein, Willis Sutton, Rhea A. Taylor, Ruth E. Thomas, Kenneth Vanlandingham, Bennett Wall, Charles V. Youmans.

Resignations

Martha Keeton, Secretary, transferring to History department, effective February 13, 1954.

Jennie Murphy, Secretary, effective February 17, 1954.



Thelma Rogers, Clerk-typist, effective February 28, 1954.

Northern Center-Covington

Resignation

Betty Schmitz, Instructor, effective January 31, 1954.

OFFICE OF THE REGISTRAR

Appointment

Phyllis A. Hampton, Stenographer, effective January 25, 1954.

UNIVERSITY LIBRARIES

Appointments

Mrs. Kathryn Reese Lay, B. S. Librarian, for five months, effective February 10, 1954.

Mary Conrad Voorhes, Assistant, Acquisitions Department, for three months, effective February 1, 1954.

Meta Bennett, Assistant, Serial Department, for five months, effective February 1, 1954. (Formerly on hourly basis).

Salary Adjustment

Mary Clayton Scudder, Cataloger, adjustment in salary, effective February 1, 1954.

Leave of Absence

Carolyn Reading, Acquisitions Librarian, granted sabbatical leave for three months, effective February 1, 1954.

Resignations

Mrs. Barbara Fagan, Cataloger, effective January 31, 1954.

Ruby Herald, Assistant, Serials Department, effective January 31, 1954.

Nettie Zachary, B. S. Librarian, effective January 31, 1954.

## OFFICE OF THE DEAN OF STUDENTS

Appointment

Mabel Temple Hopkins, Housemother, Pi Kappa Alpha, effective January 20, 1954.

Resignation

Florence Mazyck, Housemother, Phi Kappa Tau, effective January 31, 1954.

## HEALTH SERVICE

Appointment

Ann L. Brown, Supervisor of Nurses, effective January 18, 1954.

## STUDENT GOVERNMENT ASSOCIATION

Appointment

Rosemary Harris, Secretary, effective February 5, 1954.

Resignation

Doris M. Foster, Secretary, effective February 17, 1954.

## OFFICE OF THE COMPTROLLER

Appointment

Ruth B. Henritze, Secretary, Business Management and Control, effective February 8, 1954.

Salary Adjustment

George J. Ruschell, Internal Auditor, adjustment in salary, effective February 1, 1954.

Resignation

Jo Dannel Cadle, Account Clerk, Business Management, effective January 31, 1954.

## STENOGRAPHIC BUREAU

Appointment

Marjorie R. Irby, Senior Typist, effective February 10, 1954.

## MAINTENANCE AND OPERATIONS

Salary Adjustment

Wilmore D. Simpson, Fireman's Helper, made Fireman, with adjustment in salary, effective January 1, 1954.

## STUDENT UNION COMMONS

Appointment

William Eugene Guynn, Manager of Wildcat Grill, effective January 19, 1954.

Resignations

Julia Ann Baird, Assistant Manager of Wildcat Grill, effective January 20, 1954.

Della Adams, Manager of Wildcat Grill, effective February 10, 1954.

On motion duly made, seconded and carried, on President Donovan's recommendation, the above appointments, reappointments, salary adjustments, leaves of absence, resignations, promotions and other staff changes were concurred in and record ordered made in the minutes.

W. Adjournment.

Upon motion duly made, seconded and carried, the Executive Committee adjourned at 4:00 p. m.

Frank D. Peterson, Secretary  
Board of Trustees and Executive  
Committee.