

Minutes of the Called Meeting of the Board of Trustees of the University of Kentucky, November 15, 1963.

The Board of Trustees of the University of Kentucky met in the President's Office on the campus of the University of Kentucky at 10:00 a.m., Eastern Standard Time, on Tuesday, November 15, 1963, pursuant to recess and adjournment from the statutory meeting held pursuant to KRS 164.170 on September 17, 1963. The following members were present: Dr. Ralph Angelucci, vice chairman, Judge J.A. Sutherland, secretary, Dr. Harry Denham, Mr. Smith Broadbent, Dr. R.W. Bushart, Dr. H.B. Murray, Mr. Clifford E. Smith, Mr. Floyd Wright, Mr. Gilbert Kingsbury, Mr. Robert Hillenmeyer, and the two non-voting faculty members, Dr. Lewis Cochran and Professor Paul Oberst. Members absent were: Governor Bert T. Combs, Mr. Emerson Beauchamp, Mr. Wendell P. Butler, Mr. Sam Ezelle, and Mr. W.F. Foster. President John W. Oswald, Vice Presidents A.D. Albright and W.R. Willard, Dr. Robert D. Haun, Mr. Clay Maupin were present representing the administration of the University.

A. Meeting Opened

In the absence of the chairman, Dr. Ralph Angelucci, vice chairman, presided and called the meeting to order. Mr. Gilbert Kingsbury pronounced the invocation.

B. Approval of Minutes

On motion duly made, seconded and carried the minutes of the Executive Committee of the Board of Trustees for October 18, 1963, were approved as published.

C. Appreciation Expressed for Governor Combs' Services as Chairman of the Board of Trustees

Dr. Oswald indicated that Governor Combs had informed him that it would be impossible for him to be present at the meeting and expressed his personal regret that the Governor was unable to be present to hear an expression of appreciation for his service as chairman of the Board of Trustees. Dr. Angelucci joined Dr. Oswald in his expression of regret and indicated that it was his feeling that a resolution of appreciation should be drafted relative to the leadership which Governor Combs has given during his term of service as chairman of the Board. On motion by Mr. Smith, duly seconded by Mr. Hillenmeyer, and passed, Dr. Angelucci was authorized to appoint a committee to draft a letter expressing the appreciation of the Board of Trustees to Governor Combs. Dr. Angelucci appointed Mr. Gilbert Kingsbury and Professor Paul Oberst as co-chairmen with instructions to prepare an appropriate letter to be sent to Governor Combs on behalf of the Board of Trustees.

D. President's Report to the Trustees

Dr. Angelucci turned the meeting over to Dr. Oswald who called the attention of the members to the copy of his report on the activities of the University since the meeting of the Executive Committee on October 18. Copies of the report were made available to all members of the Board and the press. He commented briefly on the items and indicated that copies of the report would be sent to key alumni throughout the state and to members of the faculty and staff of the University.

The Board accepted the report and the distribution indicated, with an expression of appreciation to Dr. Oswald.

E. Presentation of "Blue Report"

Copies of the "Blue Report", Recommendations of the President, were mailed to members of the Board of Trustees a week prior to the meeting and additional copies were also available at the meeting. Dr. Oswald indicated that inasmuch as the Board had had opportunity to examine these items in advance he would be pleased if the Board would accept the report as a whole rather than taking up each item individually. Should any member of the Board have questions concerning any item, he indicated his willingness to explain the matter in more detail.

On motion by Mr. Hillenmeyer, seconded by Dr. Murray, and carried, the report was approved as a whole and ordered made a part of the official record of the meeting.

RECOMMENDATIONS OF THE PRESIDENT

A. FINANCIAL REPORT

Recommendation: that the financial report covering the four month period ended October 31, 1963, be accepted and made a part of the record of the November 15, 1963, meeting of the Board of Trustees.

Background: The balance sheet of the University's five balanced fund groups sets forth their respective assets, liabilities, and reserves at October 31, 1963. Their statements of operations reveals that the amount of income received and reported in this financial report is in proportion to the total estimated income. The expenditures and encumbrances for each fund group are in balance with the funds allotted and received for the fiscal period of this report.



November 7, 1963

Dr. John W. Oswald, President
University of Kentucky
Lexington,
Kentucky

Dear Dr. Oswald:

The interim financial report of the University of Kentucky is submitted herewith. This financial report includes the balance sheet of the five balanced fund groups at October 31, 1963, and the statements of operations from July 1, 1963, through October 31, 1963.

The statement of General Fund Income for the four month period reflects that 58.8% of the anticipated income was realized. For the same period the General Fund Expenditure and Encumbrance amounted to 35.9% of the estimated expenditures for the fiscal year 1963-64.

Respectfully submitted,



Clay Maupin,
Director of Accounting and
Budgetary Control

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University of Kentucky
Balance Sheet
October 31, 1963

ASSETS

I.	Current Funds:		
	A. General		
	Cash in Bank	\$ 1,037,366.95	
	Available Balance, State		
	Appropriation	6,735,645.06	
	Cash on Deposit, State Treasurer	2,627,737.69	
	Inventories	1,127,788.19	
	Deferred Charges	7,666.20	
	Accounts Receivable - Hospital -		
	Net	800,943.63	
	Due from Capital Construction Fund	285,000.00	
	Unrealized Income	11,803,590.60	
	Accounts Receivable	<u>112.38</u>	
	Total General		\$ 24,425,850.70
	B. Restricted		
	Cash in Bank	\$ 2,508,774.54	
	Petty Cash Advances	42,371.91	
	Investments	3,501,838.40	
	Accounts Receivable (Net) Profes-		
	sional Service Plans	<u>264,895.44</u>	
	Total Restricted		<u>6,317,880.29</u>
	Total Current Funds		<u>\$ 30,743,730.99</u>
II.	Loan Funds:		
	Cash in Bank	\$ 28,346.38	
	Due from United Aid Fund	1,000.00	
	Notes Receivable	903,750.49	
	Investments	26,500.00	
	Due from Federal Government	593.14	
	Total Loan Funds		<u>\$ 960,190.01</u>

University of Kentucky
Balance Sheet
October 31, 1963

LIABILITIES

I. Current Funds:

A. General

Reserve for Departmental Requisitions		\$ 3,170,883.15	
Reserve for Inventories		1,127,788.19	
Other Liabilities		7,666.20	
Appropriation Balances		19,145,276.84	
Unappropriated Surplus:			
Division of Colleges	\$ 495,434.38		
Medical Center	422,461.54		
Agricultural Experiment Station	56,305.40		
Agricultural Extension Service	35.00	<u>974,236.32</u>	
Total General			\$ 24,425,850.70

B. Restricted

Outstanding Check Liability		\$ 19,156.19	
Reserve for Accounts Receivable		264,895.44	
Restricted Fund Balance		6,033,828.66	

Total Restricted 6,317,880.29

Total Current Funds \$ 30,743,730.99

II. Loan Funds:

Principal Balances-

National Defense Education Act, 1958

Federal Government	\$ 787,637.05		
University of Kentucky	87,515.21		
Accum. Interest Income NDEA	<u>5,095.30</u>		
Total National Defense Education Act Principal	\$ 880,247.56		
University Student Loans	22,484.79		
University Special Student Loan Fund	40,807.30		
United Student Aid Fund	<u>1,000.00</u>	\$ 944,539.65	
Expendable Balance		<u>15,650.36</u>	

Total Loan Funds \$ 960,190.01

University of Kentucky
Balance Sheet
October 31, 1963

ASSETS

III.	Endowment Funds:		
	Cash in Bank	\$ 21,719.51	
	Cash on Deposit - Trustee	32.97	
	Investments	<u>329,846.13</u>	
	Total Endowment Funds		<u>\$ 351,598.61</u>
IV.	Plant Funds:		
	A. Unexpended Plant Funds		
	Cash on Deposit, Due State Treasurer	\$ 13,000.00	
	Cash on Deposit, State Treasurer	3,618,609.24	
	Available Balance, State Appropriations	3,895,911.55	
	Investments	<u>6,550,000.00</u>	
	Total Unexpended Plant		\$ 14,077,520.79
	B. Retirement of Indebtedness Funds		
	Cash in Bank, Due State Treasurer	20,984.50	
	Cash on Deposit, State Treasurer	548,053.68	
	Cash on Deposit, Trustee	490,439.91	
	Investments	1,631,618.14	
	Unrealized Income	<u>113,769.59</u>	
	Total Retirement of Indebtedness Funds		2,804,865.82
	C. Invested in Plant		
	Land	\$ 3,989,744.96	
	Buildings	73,350,532.00	
	Equipment	18,297,326.00	
	Construction in Progress	<u>19,145,279.86</u>	
	Total Invested in Plant		<u>114,782,882.82</u>
	Total Plant Funds		<u>\$ 31,665,269.43</u>
V.	Agency Funds:		
	Cash in Bank	167,866.86	
	Investments	<u>12,116.40</u>	
	Total Agency Funds		<u>\$ 179,983.26</u>

University of Kentucky
Balance Sheet
October 31, 1963

LIABILITIES

III.	Endowment Funds:		
	Principal Balances		\$ 337,459.46
	Expendable Balances		<u>14,139.15</u>
	Total Endowment Funds		<u>\$ 351,598.61</u>
IV.	Plant Funds:		
	A. Unexpended Plant Funds		
	Reserve for Plant Requisitions	\$ 7,261,618.89	
	Plant Appropriation Balances	6,815,901.90	
	Total Unexpended Plant Funds		14,077,520.79
	B. Retirement of Indebtedness Funds		
	Fund Balance	\$ 2,804,865.82	
	Total Retirement of Indebtedness Funds		2,804,865.82
	C. Invested in Plant		
	Bonds Payable	\$29,244,500.00	
	Due to Other Governmental Units	2,980,118.00	
	Net Investment in Plant	<u>82,558,264.82</u>	
	Total Invested In Plant		114,782,882.82
	Total Plant Funds		<u>\$131,665,269.43</u>
V.	Agency Funds:		
	Agency Fund Balance		<u>179,983.26</u>
	Total Agency Funds		<u>\$ 179,983.26</u>

University of Kentucky
Statement of General Fund Income
For the Current Fiscal Period Which Began
July 1, 1963 and Ended October 31, 1963

		GENERAL FUND INCOME		
		Estimated	Realized	Unrealized
I.	Educational and General:			
	A. Student Fees			
	Incidental Fees and Tuition	\$ 2,184,499.00	\$ 963,543.36	\$ 1,220,955.64
	Training School Fees	17,100.00	6,345.00	10,755.00
	Adult and Extension Education Fees	155,400.00	69,520.65	85,879.35
	Total Student Fees	\$ 2,356,999.00	\$ 1,039,409.01	\$ 1,317,589.99
	B. State Appropriations			
	Division of Colleges	\$10,258,000.00	\$ 6,550,040.00	\$ 3,707,960.00
	Medical Center	7,050,000.00	3,730,000.00	3,320,000.00
	Geological Projects	640,000.00	594,350.00	45,650.00
	Agricultural Experiment Station	1,480,000.00	910,267.00	569,733.00
	Agricultural Extension Service	1,615,000.00	1,031,693.00	583,307.00
	Total State Appropriations	\$21,043,000.00	\$12,816,350.00	\$ 8,226,650.00
	C. Federal Grants			
	Division of Colleges	303,071.00	232,742.62	70,328.38
	Agricultural Experiment Station	1,028,054.00	591,171.00	436,883.00
	Agricultural Extension Service	2,277,998.96	1,140,427.96	1,137,571.00
	Total Federal Grants	\$ 3,609,123.96	\$ 1,964,341.58	\$ 1,644,782.38
	D. Endowment Income	\$ 40,000.00	22,182.96	17,817.04
	E. Sales and Services of Educational Departments			
	Division of Colleges	\$ 31,500.00	\$ 29,708.45	\$ 1,791.55
	Agricultural Experiment Station	700,000.00	277,627.64	422,372.36
	Total Sales and Services of Educational Departments	\$ 731,500.00	\$ 307,336.09	\$ 424,163.91
II.	Service Enterprises:			
	Post Office	\$ 5,500.00	\$ 3,282.03	\$ 2,217.97
III.	University Hospital :	\$ 838,270.00	\$ 667,900.69	\$ 170,369.31
	Total General Fund Income	\$28,624,392.96	\$ 16,820,802.36	\$ 11,803,590.60

University of Kentucky
Statement of General Fund Expenditures
For the Current Fiscal Period Which Began
July 1, 1963 and Ended October 31, 1963

Educational and General:	Appropriation	Expenditures	Encumbrances Outstanding	Unencumbered Balance
A. General Administrative				
Offices	\$ 544,763.48	\$ 220,106.75	\$ 12,840.86	\$ 311,815.87
B. General Expense				
Student Services	\$ 620,291.07	\$ 180,698.39	\$ 12,314.55	\$ 427,278.13
Staff Welfare	360,000.00	79,289.72		280,710.28
General Institutional Services	693,212.07	379,921.48	36,182.96	277,107.63
Total General Expense	\$2,218,266.62	\$860,016.34	\$61,338.37	\$1,296,911.91
C. Instructional (Including Departmental Research)				
College of-				
Agr. & Home Ec.	\$ 575,091.09	\$ 165,742.39	\$ 11,667.94	\$ 397,630.76
Arts and Sc.	3,592,432.89	956,286.35	89,379.59	2,546,766.95
Commerce	396,880.76	122,203.61	4,243.83	270,433.32
Dentistry	549,300.37	142,097.13	16,681.09	390,522.15
Education	817,573.38	226,402.72	17,911.83	573,258.83
Engineering	909,391.23	260,496.20	31,224.29	617,670.74
Law	200,266.64	58,620.29	6,289.85	135,356.50
Medicine	2,730,921.32	691,298.27	27,120.81	2,012,502.24
Nursing	253,394.14	72,501.02	409.46	180,483.66
Pharmacy	177,300.00	41,862.89	9,382.13	126,054.98
Graduate School	39,220.00	12,211.08	112.94	26,895.98
Univ. Ext. Programs	732,384.31	207,078.96	18,106.22	507,199.13
House Staff	276,387.84	66,727.62		209,660.22
Total Instructional (Including Departmental Research)	\$11,250,543.97	\$3,023,528.53	\$232,529.98	\$7,994,485.46
D. Activities Relating to Educational Depts.				
	\$ 75,880.00	\$ 23,700.07	\$ 3,848.00	\$ 48,331.93
E. Organized Research				
Univ. Research	\$ 365,092.34	\$ 94,393.11	\$ 85,362.43	\$ 185,336.80
Agr. Exp. Sta.	3,283,054.00	841,823.69	184,751.76	2,256,478.55
Total Organized Research	\$3,724,026.34	\$959,916.87	\$273,962.19	\$2,490,147.28

University of Kentucky
Statement of General Fund Expenditures
For the Current Fiscal Period Which Began
July 1, 1963 and Ended October 31, 1963

F. Extension and Public Services	<u>Appropriation</u>	<u>Expenditures</u>	<u>Encumbrances Outstanding</u>	<u>Unencumbered Balance</u>
University Extension and Public Services	\$ 1,151,750.34	\$ 125,969.38	\$ 664,867.93	\$ 360,913.03
Agr. Extension Service	3,892,998.96	1,240,181.48	14,788.88	2,638,028.60
 Total Extension and Public Services	 \$ 5,044,749.30	 \$ 1,366,150.86	 \$ 679,656.81	 \$ 2,998,941.63
 G. Libraries	 \$ 818,300.57	 \$ 261,418.69	 \$ 40,875.06	 \$ 516,006.82
 H. Operation and Maintenance of Physical Plant	 \$ 2,637,439.00	 \$ 668,935.31	 \$ 355,200.80	 \$ 1,613,302.89
 Total Educational and General	 \$ 3,455,739.57	 \$ 930,354.00	 \$ 396,075.86	 \$ 2,129,309.71
 Service Enterprises:				
Post Office	\$ 50,626.00	\$ 15,810.14	\$ 805.65	\$ 34,010.21
Medical Center	101,895.95	45,122.21	14,224.98	42,548.76
 Total Service Enterprises	 \$ 152,521.95	 \$ 60,932.35	 \$ 15,030.63	 \$ 76,558.97
 University Hospital	 \$ 3,488,100.00	 \$ 869,294.32	 \$ 408,755.17	 2,210,050.51
 Student Aid	 \$ 13,800.00	 \$ 2,500.00	 \$	 \$ 11,300.00
 Working Capital	 \$ 90,000.00	 \$ (93,894.29) ¹	 \$ 272,667.89	 \$ 88,773.60) ²
 Clearing Accounts	 \$ 69,505.04	 \$ 40,824.38	 \$ 2,335.69	 \$ 26,344.97
 Debt. Service - Bonds Retired	 \$ 229,000.00	 \$ 229,000.00		
 Debt. Service - Reserve	 \$ 130,440.62	 \$ 130,440.62		
 Total Departmental Appropriations	 \$ 29,866,693.41	 \$ 8,379,063.98	 \$ 2,342,352.59	 \$ 19,145,276.84

1. Negative Figure
2. Deficit

University of Kentucky
Statement of Plant Fund Expenditures
For the Current Fiscal Period Which Began
July 1, 1963 and Ended October 31, 1963

I. UNEXPENDED PLANT FUND	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances</u> <u>Outstanding</u>	<u>Unencumbered</u> <u>Balance</u>
<u>Construction of Buildings</u>				
Consol. Educ. Bldg. Bond Proceeds-Chemistry and Physics Building	\$ 47,807.91		\$ 49,252.08	\$ (1,444.17) ¹
Haggin Hall	-0-	-0-	-0-	-0-
Northern Extension Center	4,807.90			4,807.90
Northwest Extension Center	3,002.36			3,002.36
Southeast Extension Center	4,903.73			4,903.73
Women's Dorm Architectural Services	2,911.94	2,911.94		
Consol. Educ. Bldg. Bond Proceeds - M. King Library	162,170.19	4,874.59	2,683.79	154,611.81
Addition to Student Union Bldg.	175,933.75	60,240.63	33,042.09	82,651.03
Alpha Gamma Rho Fraternity Hse.	-0-	-0-	-0-	-0-
Sigma Chi Fraternity Hse.	-0-	-0-	-0-	-0-
Commerce Building	2,359,667.76	69,167.87	11,275.93	2,279,223.96
Elizabethtown Ext. Center	31,792.94	18,599.74	15,920.45	(2,727.25) ¹
Addition to College of Law	9,653.00		1,500.00	8,153.00
Med. Sch. Plans and Spec.	15,174.69	14,857.14	307.04	10.51
Medical Science Building	19,527.33			19,527.33
Medical Center Hospital Out- patient Clinic	11,808.02	12,604.18	260.02	(1,056.18) ¹
Medical Center Landscaping	4,728.01		4,160.15	567.86
Medical School Dental Wing	712.78			712.78
Agricultural Research Center	85,503.31	10,668.91	71,467.72	3,366.68
Feltner 4-H Camp	32,309.00	93.43		32,215.57
Weed Research Greenhouse	25,109.00			25,109.00
Cereal Plastic Greenhouse	-0-	-0-	-0-	-0-
Swine Farrowing and Testing Station	17,800.00			17,800.00
Horticultural Shed	941.57		50.74	890.83
Beef Service Facilities	2,253.00		2,253.00	
Office and Service Bldg.- Quicksand	7,660.57	3,147.11	4,482.83	30.63
Swine Farrowing Barn-Coldstream	611.36	600.00		11.36
Swine Testing Station	590.68			590.68
Ram Testing Barn - Coldstream	-0-	-0-	-0-	-0-
Sheep - Barn Coldstream	103.06			103.06
Two Plastic Greenhouses - Poultry Farm	-0-	-0-	-0-	-0-
Agr. Research Center-4 Greenhouses and Headhouse	188,733.47	14,185.95	1,820.54	172,726.98

1. Deficit

University of Kentucky
Statement of Plant Fund Expenditures
For the Current Fiscal Period Which Began
July 1, 1963 and Ended October 31, 1963

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances Outstanding</u>	<u>Unencumbered Balance</u>
Lath House Horticulture	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Delta Gamma Sorority	621,900.00	42,530.60	138,911.86	440,457.54
Prestonburg Community College	1,183,733.34	62,153.12	895,621.18	225,959.04
Somerset Community College	26,200.00		1,000.00	25,200.00
Hazard-Blackey Community College	1,000.00			1,000.00
Hopkinsville Community College	1,000.00			1,000.00
Sigma Alpha Epsilon	455.00	453.60	181,966.00	(181,964.60) ¹
Sigma Nu Frat Hse	5,196.00	6,195.60	179,985.00	(180,984.60) ¹
Add College of Education	3,056,815.00	7,621.75	1,203,740.75	1,845,452.50
Parking Area Clifton Ave	8,411.25			8,411.25
New Dormatory Complex	84,014.00	11.50		84,002.50
UK Med Center Maint. Bldg.	6,066.25	6,065.25	1.00	
Grain & Fed Storage	93,800.00			93,800.00
Tobacco Barns Ag. Engineering	10,000.00	140.09	6,499.73	3,360.18
Horse Nutrition Barn	36,000.00			36,000.00
Bull Test Shed Quicksand	10,000.00			10,000.00
Dean of Agriculture Residence	122.06	1,090.00		(967.94) ¹
Small Beef Shed	6,000.00			6,000.00
Pathology Barn 14 Stalls	22,000.00			22,000.00
Horticulture Bldg. South Farm	20,000.00			20,000.00
Swine Building	30,000.00			30,000.00
Decorating Consulting- S. U. B.	1,672.56			1,672.56
University Entrance Main Campus	37.00			37.00
Zeta Beta Tau	245.09	203.09		42.00
Poultry House-Poultry Farm	-0-	-0-	-0-	-0-
Bull Shed - Coldstream Farm	358.00			358.00
Steer Feed Shed - Coldstream	339.25			339.25
Animal Pathology Barn- Coldstream	-0-	-0-	-0-	-0-
Machinery Shed - Robinson Sub Station	-0-	-0-	-0-	-0-
Dairy Center	228,995.05	1,527.43	5,528.37	221,939.25
Total Construction of Buildings	\$ 8,670,577.18	\$ 339,943.52	\$ 2,811,730.27	\$ 5,518,903.39

Renovation and Improvement of Buildings :

Repairs to Coldstream	\$ 29,586.07	\$	\$ 4,494.48	\$ 25,091.59
Horticultural Greenhouse	-0-	-0-	-0-	-0-
Remodel and Paint Dairy Heifer Barn	-0-	-0-	-0-	-0-
Coldstream Beef Barn	1,208.54			1,208.54
Paint Coldstream Buildings	-0-	-0-	-0-	-0-
Repair and Paint Dairy Houses	-0-	-0-	-0-	-0-
Convert Sheep Building Pesticide Bldg.	53.39			53.39
Install Commode Dairy Barn-Eden Shale	-0-	-0-	-0-	-0-
Renovation of Animal Pathology Bldg	-0-	-0-	-0-	-0-
Repair and Remodel Bldgs. Coldstream	153.16	573.72		(420.56) ¹
Repairs Agr. Engr. Building	-0-	-0-	-0-	-0-
Hood Replacement - Home Economics	105.78			105.78

1 Deficit

University of Kentucky
Statement of Plant Fund Expenditures
For the Current Fiscal Period Which Began
July 1, 1963 and Ended October 31, 1963

<u>Renovation and Improvement of Buildings (Continued)</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances Outstanding</u>	<u>Unencumbered Balance</u>
Agr. Engr. Building	\$ 2,140.86	\$	\$	\$ 2,140.86
Renovation of House-Quicksand	2,280.54			2,280.54
Tile Roof Deck Funkhouser Bldg	28.00			28.00
Isolation Barn	7,135.85			7,135.85
Repair Animal Pathology Barn	3,184.59			3,184.59
Repair Roof and Barn-Dairy	2,169.20			2,169.20
Reynolds Whse Roof Repairs	15,322.84			15,322.84
Repairs to Memorial Coliseum	1,750.00			1,750.00
Storage Bldg Ag. Engineering	8,000.00			8,000.00
Remodel Experiment Station	1,000.00			1,000.00
Storage Shed Poultry	7,500.00			7,500.00
Metal Storage Shed	8,000.00			8,000.00
Replacement Shed Pathology	7,500.00		4,541.40	2,958.60
Plastic Greenhouses	7,800.00			7,800.00
Repairs and Barns Nutrition	1,000.00			1,000.00
Total Renovation & Improvement of Buildings	\$105,918.82	\$ 573.72	\$ 9,035.88	\$ 96,309.22

Acquisition of Equipment

Medical Science Activation of Inventories	\$ 3,936.64	\$	\$ 1,317.94	\$ 2,618.70
Northern Extension Center - Equip.		514.69	2,043.79	(2,558.48) ¹
Northwest Extension Center - Equip.		524.39	1,723.17	(2,247.56) ¹
Southeast Ext. Center - Equipment		1,602.73	2,084.25	(3,686.98) ¹
Med. Sch. Lib. Acq. and Supplies	8,255.73	3,109.72		5,146.01
Med. Center Hospital-Out-patient Clinic Movable Equipment	379,349.68	5,676.37	32,277.19	341,396.12
Medical Science Building Equip.	217,292.17	26,170.33	34,259.84	156,862.00
Medical Science Building- Act of Inv.	75,000.00	532.50	3,523.04	70,944.46
Chemistry Physics Bldg-Chemistry Dept. Equip.	2,418.43	114.90	110.00	2,193.53
Chemistry-Physics Bldg- Physics Dept. Equip.	1,338.67		416.13	922.54
Margaret King Lib. Equip.	24,875.82	170.10	750.00	23,955.72
Hospital Equip. Accts.	60,422.89	939.20	9,183.79	50,299.90
Univ. Hosp. Patient Care-Activation Inventory	65,230.62	1,985.60	4,128.65	59,116.37
Dental Science Building	360,986.49	23,070.88	66,556.33	271,359.28
Rare Book Room Equip	35.27			35.27
Physics Nuclear Equip.	1,606.93	10.55	4,459.30	(2,862.92) ¹
Total Acquisition of Equip.	\$ 1,200,749.34	\$ 64,421.96	\$ 162,833.42	\$ 973,493.96

1. Deficit

University of Kentucky
Statement of Plant Fund Expenditures
For the Current Fiscal Period Which Began
July 1, 1963 and Ended October 31, 1963

<u>Other Improvements</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances</u>	
			<u>Outstanding</u>	<u>Unencumbered</u>
U. of Ky. Electrical Dist. System	\$ 16,382.36	\$ 3,614.83	\$ 6,472.00	\$ 6,295.53
U. of K. Razing of Water Tank	891.51			891.51
Boilder Renovation	3,132.92		120.00	3,012.92
Robinson Sub Station Renovation of Heating System in Auditorium	346.08			346.08
Feltner 41H Camp Sewage & Water System	898.33			898.33
Replace Water Line - W. Ky.	2,375.90			2,375.90
Road-South Farm	4,785.00			4,785.00
Pumphouse & Distribution System- - South Farm	2,618.84			2,618.84
Fencing-Agronomy Area	939.25			939.25
Repair Roads - Mercer Farm	55.50			55.50
Activation of Chemistry Physics Bldg	13,603.18			13,603.18
Roads Poultry Farm	112.39			112.39
Consultant Retainer-Proctor Engles	5,000.00		5,000.00	
Conversion of Bldgs - Gas Heat			251.89	(251.89) ¹
U. of K. Campus Lighting	73,586.00		73,096.00	490.00
Water System-South Farm	49.60			49.60
Coldstream Farm Water System	55,000.00			55,000.00
- Total Other Improvements	\$ 179,776.86	\$ 3,614.83	\$84,939.89	\$91,222.14
<u>Contingency Reserves</u>				
Medical School Clearing	\$ 52,433.58			\$ 52,433.58
U. K. Clearing Account	83,539.61			83,539.61
Total Contingency Reserves	\$ 135,973.19			\$135,973.19
Total Unexpended Plant Funds	\$ 10,292,995.39	\$ 408,554.03	\$ 3,068,539.46	\$ 6,815,901.90

II. Retirement of Indebtedness Funds

Debt Services

2nd PWA Issue	\$ 18,207.94	\$ 9,110.00	\$	\$ 9,097.94
Dorm Rev. Bond Issue	24,823.25			24,823.25
Auditorium Field House Issue	61,040.78	48,748.50		12,292.28
Library Building Issue	131,399.97	2,420.00		128,979.97
Stadium Addition Issue	17,947.52	1,443.75		16,503.77
Dorm. Rev. Issue (456 Rose)	8,633.20	3,153.30		5,479.90
Journalism Building Bond Issue	31,470.25			31,470.25
Dorm. Rev. Issue (476 Rose)	4,938.93			4,938.93
Student Dorms (1953)	23,220.17	9,661.25		13,558.92
Student Dorm (Kappa Sigma)	12,028.26			12,028.26
Student Dorm (Lambda Chi)	13,723.60			13,723.60
Student Dorm (Phi Sigma Kappa)	11,418.43			11,418.43
Student Dorm (Pi Kappa Alpha)	12,588.74			12,588.74
Dormitory Revenue Bonds of 1952	79,729.50	22,795.00		56,934.50

1. Deficit

University of Kentucky
Statement of Plant Fund Expenditures
For the Current Fiscal Period Which Began
July 1, 1963 and Ended October 31, 1963

	Appropriations	Expenditures	Encumbrances	
			Outstanding	Unencumbered
<u>Debt Service (cont.)</u>				
Dormitory Revenue bonds of 1954	\$ 39,875.61	\$ 17,264.87		\$ 22,610.74
Dorm Rev. Bonds of 1956				
Cooperstown Apts.	254,739.20	173.60		254,565.60
Dorm Rev. Bonds of 1956				
Six Sorority Dorms	58,782.50			58,782.50
Dorm Rev. Bonds of 1956				
Student Dorms Reserve	37,500.00			37,500.00
Dorm Revenue Bonds of 1956				
336 Clifton Avenue	8,073.00			8,073.00
Dorm Revenue Bond of 1956-				
Holmes Hall	47,479.00			47,479.00
Dorm Revenue Bonds of 1956-				
Shawneetown	89,354.00	62,840.00		26,514.00
Dorm. Revenue Bond of 1957-				
468 Rose	7,501.00	5,750.00		1,751.00
Dorm Revenue Bond of 1957-				
342 Clifton Avenue	8,246.55			8,246.55
Housing Bond of 1958 - Haggin Hall	76,426.75	23,597.58		52,829.17
Consol. Educ. Bldgs. Project	498,220.48	143,909.35		354,311.13
Univ. of Ky. Housing Bonds	20,700.00	4,626.48		16,073.52
UK Housing Bond	63,083.22	20,654.34		42,428.88
Comm College Educational	37,815.00			37,815.00
Cons. Edu. Bldg.	268,431.25			268,431.25
Total Debt Service	\$ 1,967,398.10	\$ 376,148.02		\$ 1,591,250.08
<u>Sinking Fund Reserves with Trustee</u>				
Dorm Rev. Bonds of 1955				
Reserve Holmes Hall	\$ 102,676.59			\$ 102,676.59
Dorm Rev. Bonds of 1956-				
Shawneetown	247,550.84			247,550.84
Dorm Rev. Bonds of 1952 - Res	132,396.90			132,396.90
Dorm Rev. Bonds of 1954- Res	73,825.62			73,825.62
Consol. Educ. Bldg. Rev. Bond-				
Reserve	390,047.05			390,047.05
Housing Bond of 1958 - Haggin Hall Res	75,410.28			75,410.28
U. of K. Housing Bond 1960-Res.	19,025.46			19,025.46
U. K. Housing Bonds	19,556.75			19,556.75
Comm College Educ. Buildings Res.	18,907.50			18,907.50
Cons. Edu Bldg- Series B. Res.	134,218.75			134,218.75
Total Sinking Fund Reserve	\$ 1,213,615.74			\$ 1,213,615.74
Total Retirement of Indebtedness				
Funds	\$ 3,181,013.84	\$ 376,148.02		\$ 2,804,865.82
Total Plant Fund Approp.	\$ 13,474,009.23	\$ 784,702.05	\$ 3,068,539.46	\$ 9,620,737.72

University of Kentucky
Statement of Other Fund Transactions
For the Current Fiscal Period Which Began
July 1, 1963 and Ended October 31, 1963

<u>Restricted Funds:</u>	Balances July 1, 1963	Receipts	Disburse- ments	Balances October 31, 1963
Fund Balances	\$ 5,466,288.77	\$ 5,724,674.50	\$ 5,157,134.61	\$ 6,033,828.66
<u>Loan Funds:</u>				
<u>Principal-</u>				
National Defense Education Act- 1958				
Federal Government	\$ 720,540.41	\$ 67,096.64	\$	\$ 787,637.05
University	80,060.04	7,455.17		87,515.21
Accum. Interest Income-				
NDEA	3,920.65	1,174.65		5,095.30
University Student Loan	29,939.96	(7,455.17) ¹		22,484.79
University Special				
Student Loan Funds	23,648.53	17,158.77		40,807.30
United Aid Student Loan				
Fund	1,000.00			1,000.00
Expendable	15,324.48	343.38	17.50	15,650.36
Subtotal	\$ 874,434.07	\$ 85,773.44	\$ 17.50	\$ 960,190.01
<u>Endowment Funds:</u>				
Principal	\$ 335,534.96	\$ 1,924.50	\$	\$ 337,459.46
Expendable	13,308.27	1,285.88	455.00	14,139.15
Subtotal	\$ 348,843.23	\$ 3,210.38	\$ 455.00	\$ 351,598.61
<u>Agency Fund:</u>				
Balances	\$ 227,787.01	\$662,168.82	\$709,972.57	\$ 179,983.26
Combined Totals	\$ 6,917,353.08	\$6,475,827.14	\$5,867,572.68	\$ 7,525,600.54

1. Transfer of Funds

B. AUTHORIZATION FOR CREMATION OF UNISSUED BONDS AND COUPONS

Recommendation: that the Board authorize Mr. Clay Maupin, Director of the Division of Accounting and Budgetary Control, and Mr. George R. Kavanaugh, Associate Business Manager, to check the following list of unissued University of Kentucky revenue bonds and attached coupons and destroy these bonds and coupons by incineration; then certify as to the correctness of the list and as to its incineration.

Background: Bonds 491-500 and attached coupons 1-40 of the University of Kentucky Library and Service Building Revenue Bonds, dated April 1, 1949, and maturing April 1, 1969, were not issued. The same is true of bonds numbered 81-95, inclusive, with attached coupons of the University of Kentucky Dormitory Revenue Bonds (456 Rose Street) dated May 1, 1949, and maturing May 1, 1976 to May 1, 1979. These items have been in "safekeeping" at the Security Trust Company, Lexington, Kentucky, receipt dated August 1, 1961. Since issuance of these bonds is not contemplated, they should be destroyed and the certificate of cremation placed on file.

SCHEDULE OF BONDS AND COUPONS FOR CREMATION

PRINCIPAL BONDS not issued, unsigned, with COUPONS attached having facsimile signatures relating to University of Kentucky Revenue Bond Issues as follows:

1. University of Kentucky Library and Service Building Revenue Bond - dated April 1, 1949 and maturing April 1, 1969

<u>Principal Bonds</u> <u>Numbered - inclusive</u>	<u>Coupons Attached</u> <u>each valued at \$16.25</u>
491-500	1 - 40

2. University of Kentucky Dormitory Revenue Bond (456 Rose Street) - dated May 1, 1949 and maturing as indicated below:

<u>Principal Bonds</u> <u>Numbered - inclusive</u>	<u>MATURING</u>	<u>Coupons Attached</u> <u>Value - Odd numbers \$8.12</u> <u>Even numbers \$ 8.13</u>
81 - 83	May 1, 1976	1 - 54
84 - 87	May 1, 1977	1 - 56
88 - 91	May 1, 1978	1 - 58
92 - 95	May 1, 1979	1 - 60

NOTE: The above have been in "Safe Keeping" at the Security Trust Company, Lexington, Kentucky - Receipt dated August 1, 1961

C. AUTHORIZATION FOR CREMATION OF PAID BONDS AND PAID COUPONS

Recommendation: that the Board of Trustees authorize Mr. Clay Maupin, Director of the Division of Accounting and Budgetary Control, and Mr. George R. Kavanaugh, Associate Business Manager, to check the following list of paid and cancelled principal bonds and coupons returned from paying agents from July 1, 1962 through June 30, 1963; to destroy these documents by burning them in the boiler of the Central Heating Plant, and then certify as to the correctness of the list and as to its incineration.

Background: The attached schedule lists University of Kentucky Revenue Bonds and Coupons returned from paying agents from July 1, 1962 through June 30, 1963. Since these have been paid and cancelled, they should be destroyed and the certification of incineration placed on file.

UNIVERSITY OF KENTUCKY
Revenue Bond Issues
Paid and Cancelled Principal Bonds and Interest Coupons
Returned from Paying Agents
July 1, 1962 through June 30, 1963

<u>MATURITY DATE</u>	<u>PRINCIPAL BONDS</u>	<u>INTEREST COUPONS</u>	
		<u>Numbered</u>	<u>On Bonds (Inclusive)</u>
<u>University Building Revenue Bond</u>			
<u>September 1, 1938</u>			
<u>(Second P. W. A.)</u>			
March 1, 1962		47	310
September 1, 1962	227-234	48	227-265, 267-316
March 1, 1963	235-242	49	235-242, 244-265, 267-309, 311-316
<u>First P. W. A. Refunding Bond - July 1, 1945</u>			
July 1, 1961	436-471	32	436-507
January 1, 1962		33	472-507
July 1, 1962	472-507	34	472-507
All Bonds and Coupons are paid			
<u>Dormitory Revenue Bond - June 1, 1946</u>			
<u>(Bowman Hall)</u>			
December 1, 1960		29	280, 281
June 1, 1961		30	263-265, 280, 281, 287
December 1, 1961		31	175-430
June 1, 1962	175-189	32	175-430

Auditorium Field House Revenue Bond

August 1, 1948

No cancelled bonds or coupons received.

Library and Service Building Revenue Bond

April 1, 1949

April 1, 1960		22	264-266, 362-365
October 1, 1960		23	264-266, 362-365, 490
April 1, 1961		24	264-266, 335-339 362-365, 490
October 1, 1961		25	286-288
April 1, 1962	286-312	26	286-329, 340-361 367-486

Stadium Addition Revenue Bond

April 1, 1949

October 1, 1960		23	174, 186
April 1, 1961		24	166-300
October 1, 1961		25	181-300
April 1, 1962	181-195	26	181-300
April 1, 1963		27	196-200, 278-300

Journ. Revenue Bond - January 1, 1950

January 1, 1961

July 1, 1961

January 1, 1962

July 1, 1962

122-132

22	214-219
23	132, 143, 153, 154, 173 214-219
24	122-142, 144-152, 155-225
25	133-142, 144-152, 155-172 175-213, 220-225

Dormitory Revenue Bond - October 1, 1950

(456 Rose Street)

October 1, 1960

April 1, 1961

October 1, 1961

April 1, 1962

20	105-109, 114-119
21	105-109, 114-118
22	58, 59, 105-119
23	55-104, 110-113, 120-149

Dormitory Revenue Bond - December 1, 1950

(476 Rose Street)

December 1, 1961

June 1, 1962

21, 22

22	21-42, 44-46, 48-76
23	23-42, 44, 48-68, 70

Dormitory Revenue Bond of 1952

(Donovan Hall)

January 1, 1963

21	181-1255
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Dormitory Revenue Bond of 1953
(Dormitories A, B, C, D, E & F)

November 1, 1958		11	563-565
November 1, 1960		15	386
May 1, 1961		16	115-128, 221-225 331, 332, 356, 370, 386 388-391, 465-469, 507-510, 522, 523, 557 563-565, 585, 586, 710
November 1, 1961		17	115-357, 360-369, 374-469 472-521, 524-557, 559-710
May 1, 1962	115-133	18	115-357, 360-369, 374-385 388-419, 425-469, 472-557 559-562, 566-569, 572-599 601-710

Dormitory Revenue Bond - May 1, 1954
(Keeneland Hall)

November 1, 1960		13	120-133, 257, 261
May 1, 1961		14	120-133, 227, 234-236 257, 259-261, 293-297 299-301, 318-322
November 1, 1962		17	448-722
May 1, 1963		18	448-722

Dormitory Revenue Bond of 1953
(Cooperstown Apartments)

December 1, 1959		9	768
June 1, 1960		10	768, 1032
December 1, 1960		11	910, 2341, 2342
June 1, 1961		12	480, 482-484, 910 1043-1047, 2341, 2342
December 1, 1961		13	480, 482-484, 702 764-768, 800-803 910, 1246, 1356, 1410 1613-1622, 2208 2341, 2342
June 1, 1962		14	330-349, 416, 427, 427 428, 452-466, 480-486 490-494, 515-534 540-545, 548, 553-561 574-578, 589, 591 620-629, 678-682, 693-697 700, 702, 733-735, 738-741 743, 744, 764-773, 800-803 805-808, 820, 874-888 910-912, 925-927, 975-994 1008-1027, 1038-1042 1048-1052, 1102-1105

			1175-1176, 1181-1186, 1188 1189, 1194, 1244-1247 1249-1251, 1301-1310 1330-1339, 1355, 1356 1398, 1411-1415 1418-1420, 1425-1429 1434-1441, 1445-1447 1464-1475, 1487-1511 1539-1543, 1556, 1596- 1600, 1613-1622, 1626- 1632, 1658-1662, 1673- 1692, 1698 1748-1757, 1763-1772, 1775 1776, 1793-1797, 1841, 1843- 1845, 1851-1859, 1861-1863 1882-1886, 1891, 1906, 1907 1937, 1946, 1947, 1980 1991-1995, 2037-2039 2041, 2042, 2047-2049 2058-2070, 2094-2097 2108-2118, 2146-2155 2171-2177, 2180, 2181, 2201- 2204, 2219-2268, 2328- 2342, 2345, 2391-2415 2436-2456, 2557-2576 2582-2586, 2647-2671, 2677-2727, 2731, 2732 2735-2737, 2754-2774 2779-2783, 2789-2792 2796-2800
December 1, 1962		15	229-428, 432-677, 683- 763, 769-883, 889-909 902-974, 985-1245, 1247- 1300, 1311-1359, 1365-1409 1411-1417, 1419-1445 1448-1481, 1487-1538 1544-1698, 1701-1747, 1773 1774, 1777-1792, 1798-1845 1851-1948, 1951-2041 2043-2092, 2094-2204 2207-2218, 2269-2335 2338-2340, 2345-2586 2589-2755, 2775-2800
June 1, 1963	229-273	16	229-318, 320-329, 350-377 383-395, 401-415, 417-421 427, 428, 432-451, 467-479 490-499, 510-514, 520-529 535-544, 549-552, 562-566 572-588, 590, 592-677

688-697, 701, 703-732
 736, 737, 748, 754-763
 769-773, 790-792, 800-803
 805-819, 821-823, 847-863
 874-883, 889-909, 920-925
 928-974, 995-1007, 1028-1037
 1063-1101, 1106-1169, 1177-
 1180, 1185-1187, 1190-1193
 1195-1243, 1248, 1254-1263
 1269-1300, 1311-1324, 1357-
 1359, 1365-1409, 1416
 1419-1424, 1430-1433
 1442-1444, 1448-1457
 1460, 1512-1538, 1544-1555
 1557-1600, 1602-1612, 1623-
 1625, 1628-1657, 1661-1682,
 1693-1698, 1701,
 1703-1747, 1787-1792,
 1798-1840, 1842, 1859
 1860, 1864-1881
 1885-1936, 1938-1945
 1951-1962, 1980, 1986-1990
 1996-2005, 2011-2040
 2052-2057, 2078-2082
 2098-2107, 2119-2138
 2144, 2145, 2156-2175
 2178, 2179, 2182-2199
 2209-2218, 2269-2327,
 2346-2390, 2416-2446
 2457-2556, 2577-2586
 2589-2656, 2728-2730
 2733, 2734, 2738-2753
 2775-2788, 2793-2795

Dormitory Revenue Bond of 1956
(Dormitories G, H, I, J, K & L)

December 1, 1960 8 623-627, 826-829

Dormitory Revenue Bond of 1956
(338 Clifton Avenue)

December 1, 1960 8 47-50

Dormitory Revenue Bond of 1956
(Holmes Hall)

December 1, 1962 13 73-1087

June 1, 1963 73-91 14 73-1087

Housing Bond of 1956(Shawneetown)

October 1, 1962 103-138 12 103-2090

April 1, 1963 13 139-2090

Dormitory Revenue Bond - November 1, 1957(468 Rose Street)

May 1, 1959 3 53

November 1, 1959 4 53

May 1, 1960 5 53

November 1, 1960 6 53

May 1, 1961 7 29, 30, 37, 38, 50, 53, 54

November 1, 1961 8 33, 53, 57, 58

Dormitory Revenue Bond - June 1, 1958(342 Clifton Avenue)

June 1, 1961 6 48

December 1, 1961 7 48, 144

June 1, 1962 5, 6 8 5-150

Housing Revenue Bond of 1958(Haggin Hall)

September 1, 1962 9 56, 1800

March 1, 1963 56-83 10 56-1724

Called for Payment

November 1, 1962

March 1, 1967 1725, 1726 Coupon 10 and subsequent attached

March 1, 1968 1727-1800 Coupon 10 and subsequent attached

Housing Bond of 1960(460 Clifton and 710 Woodland Avenues)Alpha Gamma Rho and Sigma Chi)

April 1, 1962 4 1-300

October 1, 1962 5 1-300

April 1, 1963 1-4 6 1-300

Consolidated Educational BuildingsRevenue Bonds of 1960-Series ANo cancelled Bonds or Coupons ReceivedHousing and Dining Hall Bonds of 1961(Blazer Hall)

April 1, 1963

Coupons 1, 2 & 3 not printed

4 1-1325

D. BUDGET ADJUSTMENTS

1. Increase in budget of Division of Accounting and Budgetary Control

Recommendation: that a budget adjustment be authorized appropriating \$8,196 from unappropriated surplus to the Division of Accounting and Budgetary Control in the Department of Business Management and Control.

Background: Our Division of Accounting and Budgetary Control is over-worked and in need of two additional positions in order to clear up the backlog of work and care for the greater volume, which the increased size of the University has involved.

2. Increase in budgets for Elizabethtown and Prestonsburg Community Colleges

Recommendation: that \$13,084 be transferred from unappropriated surplus to the Elizabethtown Community College account, and that \$25,000 be transferred from unappropriated surplus to the Prestonsburg Community College account.

Background: The transfer of the above amounts is necessary to enable the further activation of the Community Colleges at Elizabethtown and Prestonsburg.

3. Increase in budget of Campus Planning Service

Recommendation: that \$1,288 be appropriated from unappropriated surplus to the Campus Planning Division.

Background: A new position is being established in the Campus Planning Service office to provide a secretary for the Campus Planner. The sum being appropriated is to care for a part of the salary for this secretary from December 1, 1963 through the remainder of the current fiscal year to June 30, 1964.

E. CONTRACTS AND/OR AGREEMENTS

Agreement for Driver Training Automobile

Recommendation: that the Board of Trustees approve the execution by Robert D. Haun for the University of Kentucky of an agreement with Lagrew Motors, Inc., for the supplying of an automobile by the latter for use by the University School in its driver training courses to August 15, 1964.

Background: During the past several years the University School has offered a Driver Training course in which it uses an automobile supplied without charge by a local automobile dealer. By agreement the dealer

furnishes the automobile for a stated period and the University pays for its operation and provides insurance to cover all property damage, collision and upset, and liability. The agreement herein recommended is to expire August 15, 1964, with the car returned in good condition acceptable to the owners.

F. PAYMENT FOR INJURIES

Recommendation: that the Board of Trustees authorize payment of expenses of treatment of injuries sustained by University employees in their line of duty as indicated in the following list. These payments are made on the condition that the University assumes no responsibility for negligence in connection with the injuries, and that approval for payment establishes no precedent.

November 1, 1963

Dr. Robert D. Haun
Chief Business and Financial Officer
University of Kentucky

Dear Dr. Haun:

The following accident cases have been referred to this office by the departments concerned with the recommendation that they be considered by the Executive Committee of the Board of Trustees and that the expenses involved be approved for payment. The cases are as follows:

GROUP I - General

1. Greene, Gerald S. - an employee of Campus Post Office
Date of accident July 12, 1963.
Injury to back caused by carrying excessively large carton of books.

Central Baptist Hospital, Lexington, Ky.	\$112.80	
Paid by Blue Cross & Blue Shield Insurance	<u>81.80</u>	
Balance due Hospital		\$ 31.00
Dr. Samuel O. Hodges, Lexington, Ky. (Myelogram)		100.00
Dr. Harvey Chenault, Lexington, Ky. (Consultation)	\$25.00	
Central Brace Shop, Lexington, Ky. (Brace & Belt)	64.38	
Vogler Drug Co., Lexington, Ky. (Drugs)	<u>6.28</u>	
	\$95.66	
Paid by TIAA Major Medical Insurance	<u>86.77</u>	
Balance due - paid by patient (Reimbursement requested)		\$ 8.89

2. Dunn, Anderson E. - an employee of M & O, Grounds Dept.
Date of accident September 26, 1963.
Sickle used in mowing struck wire fence, causing cut to
left index finger.

Dr. John S. Sprague, Lexington, Ky. \$ 10.00

Central Baptist Hospital, Lexington, Ky. \$ 9.50

GROUP II - Accident cases which have received treatment
in the Outpatient Clinic, University Hospital - charges
as indicated below being made:

1. Lambeth, J.I. - an employee of Animal Care, Medical Center,
Supervisor
Date of accident May 20, 1963.
Injury to left knee. Struck by door swung open by person
entering room.

University Hospital \$ 10.00

2. Thorpe, Charles E. - an employee of M & O, Medical
Center, Plumber
Date of accident September 18, 1963.
Injury to left thumb while unstopping a tube system with rod.

University Hospital \$ 8.30

3. Lugo, Anna P. - an employee of M & O, Medical Center, Maid
Date of accident September 25, 1963.
Bruised ankle. Door closed on foot.

University Hospital \$ 25.00

Unless there should be further questions, please present these accident cases for consideration of the Executive Committee. My recommendation is that approval be given to pay the respective charges for services rendered in these cases. Actions relative to accidents have included the condition that the University assumes no responsibility for such accidents and that the approval for payment of the charges involved will not establish a precedent.

Sincerely yours,

(Signed) Geo. R. Kavanaugh
George R. Kavanaugh

Background: Five injury cases are submitted herewith--three involving employees in the Medical Center, all of whom were treated at the University Hospital; one employed in the Campus Post Office, who was given private treatment, and one employed in the Maintenance and Operations Division, who was treated privately. Total charges for the five, to be paid by the University, are \$202.69.

G. DISPOSAL OF SURPLUS PROPERTY

Recommendation: that the Board of Trustees authorize the disposal of surplus property as listed on the following request for disposal.

Background: The items herein declared surplus have been recommended for disposal by Mr. William Nulton, III, Supervisor of Inventory and Insurance, in accordance with the attached memorandum to Mr. George R. Kavanaugh, Associate Business Manager, and has in every instance been recommended to Mr. Nulton for disposal by the department chairman involved. These items are considered surplus for University purposes, but may have realizable value on sale.

REQUEST FOR DISPOSAL OF SURPLUS EQUIPMENT AND MATERIALS

Group I Experiment Station Farm - Sale # 684-690

A. Surplus Listing

SALE #	QUANTITY	DESCRIPTION OF ITEM	UK PROPERTY NO.
684	4	Heaters, elec.	None
685	2	Heaters, gas	"
686	2	Wash basins	"
687	3	Commodes	"
688	1 lot	Approx. 50 windows	"
689	1 lot	Approx. 25 doors	"
690	1 lot	Approx. 15 green shutters	"

B. Recommendations for Disposal

It is recommended that all items in this group be advertised and sold by means of sealed bids through the University of Kentucky Inventory & Insurance Section, Purchases Division.

Group II Mechanical Engineering Surplus - Sale #691-720

SALE #	DESCRIPTION OF ITEM	MFG SERIAL #	UK PROPERTY NO.
*691	Hob Grinder-Machine H.R.S.	318	2213
*692	Porter-Cable Wet-Dry Belt Grinder Type G8	775	2274
*693	Oliver Adrian Grinder	3532	2214
*694	Le Blond Grinder #2 Cutter Grinder	1067	2325
*695	Sellers Grinder, Type 1G	012039	
*696	Hybco Tap Grinder Capacity 2-5/8" Taps	2051	2332
*697	Gorton Cutter Grinder Tool No. 375-2 Model No. 1106-T	19000	3414
*698	Arter Rotary Surface Grinder Arter Worcester, Mass.	1048	
*699	Heald Internal Grinder, No. 50	23983	2258
*700	Gleason Tool Grinder, Model #P5	17468	2310
*701	Norton Buraway	123	2322
*702	Circular Relief Grinder Cleveland Tool Engr. Co., Cleveland, Ohio	258	2323
*703	Ingersoll Cutter Grinder	16792	2330
*704	Drill Press Welco Motor, 1/2 HP	9975	
*705	American Broach, Md. XA175D	4545	2224
*706	Hanson Whitney Thread Mill 4" x 9"	171	
*707	Fellows Gear Shaper, Type 6A	61A	
*708	Gleason Gear Shaper, 12" straight bevel Accessory Gage	19574	2203
*709	Barber-Colman Co. Type A Gear Hobbing Machine	1675	2202
*710	Fellows Gear Checking Machine Type 20M, 1214	24980	2249
*711	Illinois Tool Works Gear Checking Machine #224	56	2334
*712	Jones & Lampson Bench Comparator Built 1942, 82M 10-x		
*713	Jones & Lampson Bench Comparator Built 1942, 48MM 62.5-x Type BC-1, 4" x 7"	E2024	2218
714	"Supermicrometer" Checking Gage Pratt & Whitney Co.	112	2314
*715	Pratt & Whitney Gaging Apparatus	466	2219
*716	Excello Carbide Grinder Style No. 48C, Type 44	3964	2326
*717	Buffalo Drill Press, 14" 1 HP, #3MT Spindle	44-12453	
*718	Bench Center, size 6 x 24 American Gauge Co., Dayton, Ohio		2276

*719	Pedestal Grinder, Model 109 Cincinnati Elect. Tool Co.	89576	
*720	Warner & Swasey, No. 5 Turret Lathe	527034	2309

B. Recommendation for Disposal

It is recommended that we request approval from the State Division of Surplus Property to dispose of the items obtained through them. If they wish to transfer some or all of the above items to other state agencies, it is recommended that the University of Kentucky Inventory and Insurance Section transfer these items back to the State Division of Surplus for a nominal amount. If the State Division of Surplus grants the University permission to dispose of this equipment, it is recommended that all items in the above group be advertised and sold by means of sealed bids through the University Inventory & Insurance Section, Purchases Division.

*Obtained through State Division of Surplus Property

Group III Carpenter Shop, Maintenance & Operations Division - Sale #721-730

A. Surplus Listing

SALE #	APPROX. QUANTITY	DESCRIPTION OF ITEM
721	1	Sliding Door 7'3" x 8'6"
722	50	Doors, 3 x 7
723	50	Doors, 2'6" x 7'
724	8	Doors, metal, 2'8" x 7'
725	11	Doors, screen
726	17	Doors, wood 2'8" x 6'8"
727	4	Doors, wood 2½" thick
728	2	Doors, 2'4" x 7'
729	22	Window Sashes
730	7	Doors, wood, 2 x 6'8"

B. Recommendation for Disposal

It is recommended that all items in the group be advertised and sold by means of sealed bids by the University of Kentucky Inventory & Insurance Section, Purchases Division.

Group IV Men's Dormitory, Dean of Men - Sale #731

A. Surplus Listing

SALE #	QUANTITY	DESCRIPTION
731	36	Mattresses (not usable)

B. Recommendation for Disposal

Since these mattresses have been reported as not usable, it is recommended that they be disposed of by taking them to the city dump. If this recommendation is approved, it is recommended that they be disposed of through the University of Kentucky Inventory & Insurance Section, Purchases Division.

Group V Inventory & Insurance, Purchasing Division - Sale #732-735

A. Surplus Listing

SALE #	DESCRIPTION OF ITEM	UK PROPERTY NUMBER
732	Range, restaurant	None
733	Gas Oven, restaurant type	"
734	" " " "	"
735	Freezer, ice cream	"

B. Recommendation for Disposal

It is recommended that all items in this group be advertised and sold by means of sealed bids by the University of Kentucky Inventory & Insurance Section, Purchases Division.

Group VI Mining & Metallurgical Engineering - Sale #736

A. Surplus Listing

SALE #	DESCRIPTION OF ITEM
736	Scrap materials, motors, etc., located in Coal Research Laboratory, Quonset Hut

B. Recommendations for Disposal

It is recommended that the above items be advertised and sold in one lot by means of sealed bids through the University of Kentucky Inventory & Insurance Section, Purchases Division.

Group VII Vehicles - Sale #57-63

A. Surplus Listing

SALE #	FLEET #	DESCRIPTION	ID #
57	2-132	1957 International	BD264-474492
58	55	1955 $\frac{1}{2}$ ton International	406759
59	102*	1951 $\frac{1}{2}$ ton Ford	FIRILU17067
60	2-156	1962 4 dr. Dodge sedan	4122-168854
61	2-157	1962 4 dr. Dodge sedan	4122-168961
62	2-158	1962 4 dr. Dodge sedan	4122-169173
63	73	1958 International State Body	BD240-532696

*Vehicle was obtained from the State Division of Surplus

B. Recommendation for Disposal

It is recommended that we request approval from the State Division of Surplus to dispose of the vehicle obtained through their agency. If they wish to transfer this vehicle to another state agency, the transfer is to be made through the Inventory & Insurance Section, Purchasing Division. If they do not want to transfer this vehicle, it is recommended that it be disposed of in a similar manner as the other vehicles. All other vehicles would be handled in the same manner as has been done in the past; i. e., sold through the State Division of Purchases.

H. GRADUATE FACULTY APPOINTMENTS

Recommendation: that approval be given to the appointment of the persons whose names are given in the background statement below for membership in the Graduate Faculty.

Background: The Graduate Council has nominated the following persons for membership in the Graduate Faculty subject to approval by the President and the concurrence of the Board of Trustees:

Jack N. Baldwin - Professor of Microbiology
 William B. Cotter - Assistant Professor of Anatomy
 Raymond E. Hampton - Assistant Professor of Plant Pathology
 Melvin J. Lerner - Associate Professor of Behavioral Science
 Paul C. Nagel - Associate Professor of History
 Marion Pearsall - Associate Professor of Behavioral Science
 Alan Ross - Associate Professor of Behavioral Science
 Isaac Ruchman - Professor of Microbiology
 Kingsley M. Stevens - Assistant Professor of Microbiology
 and Associate Professor of Medicine
 James H. Wells - Associate Professor of Mathematics
 Stanley John Zyzniewski - Associate Professor of History

I. CONSULTATIVE SERVICES

Recommendation: that the Board of Trustees approve consultative services for Mr. Gilbert E. Brown, Acting Head of the Forestry Department, and Dr. Stanley J. Zyzniewski, Associate Professor of History, with the usual understanding that the consultative services performed will in no way interfere with the regularly scheduled University duties.

Background: the following persons have been requested to perform the consultative services outlined:

1. Mr. Gilbert E. Brown to do consulting work with the Kentucky Farm Bureau on the organization and development of the Kentucky Farm Bureau Development Corporation. The maximum time required would be two days per month with some evening and weekend work for a period of six months with the total reimbursement a maximum of \$125 a month.
2. Dr. Stanley J. Zyzniewski to serve as a consultant on the economic patterns and relationships that have developed in the recent history of the Soviet Bloc by the American Enterprise Institute for Public Policy Research. This assignment fits in with Dr. Zyzniewski's field of research. Total compensation for acting as consultant will be \$500.

J. CHANGE-OF-WORK ASSIGNMENT

Recommendation: that Mrs. Elizabeth Alexander, Secretary, Kentucky Geological Survey, be placed on change-of-work assignment, effective January 15, 1964, at 35 per cent of the salary which she was earning on her sixty-fifth birthday.

Background: After fifteen years of service as Secretary for the Kentucky Geological Survey, Mrs. Elizabeth Alexander has requested change-of-work assignment for which she is eligible having passed her sixty-fifth birthday in January 1962. She is eligible to receive 35 per cent of the salary earned at age sixty-five.

K. GIFTS

Recommendation: that the gifts and/or grants listed below be accepted and made a matter of record and that letters of appreciation be sent to each donor on behalf of the Board of Trustees.

Background: The names of donors and the purposes for which the gifts and/or grants were made are given below:

<u>Donor</u>	<u>Amount</u>	<u>Purpose</u>
Samuel Brown Journal Club	\$ 110.00	Jack Webb Memorial Loan Fund
National Plant Food Institute	1,000.00	Grant-in-Aid for Research
Anonymous	250.00	Drama Scholarship Fund
Square D Company	360.00	Scholarship in Engineering
American Society for Metals Foundation for Ed. & Research	500.00	Scholarship in Engineering
Cook's Drug Store	25.00	Scholarship Fund, Southeast Center
Harlan County Farm Bureau	200.00	Scholarship Fund, Southeast Center
Pet Milk Company	220.00	Scholarship Fund, Southeast Center
First Security National Bank & Trust Company	1,000.00	Scholarships, College of Commerce
General Motors Corporation	7,700.00	Eight Scholarships
Westucky Swine Producers Association	1,500.00	Employment of a swine specialist
American Cyanamid Company	2,000.00	Research Grant, Microbiology
	\$14,865.00	

Helen Douthitt Berkshire Estate - Final distribution represented by \$75 in cash and 18 shares of stock in the Farmers Deposit Bank of Eminence, Kentucky, (valued at approximately \$100 a share).

L. APPOINTMENTS

Recommendation: that approval be given to the appointments listed below and that these be made a part of the permanent record of the Board of Trustees.

Background: Under the new policies and procedures approved by the Executive Committee of the Board of Trustees at the October 18, 1963, meeting, only the names of persons being appointed to the rank of Associate Professor or higher will be submitted to the Board for approval. Appointments of instructors and assistant professors are approved by the President without reporting to the Board. All other personnel changes will be reported in summary form; however, since this procedure has just become operative, it has not been possible to prepare the latter information for presentation at this meeting. The information relative to any personnel changes since the October 18, 1963, meeting will be included in the report to be presented to the Board of Trustees in December.

Board approval is requested for the following new appointments:

Dr. Raymond C. Bard, Assistant Dean, College of Dentistry, effective December 1, 1963. Dr. Bard already holds the rank of professor.

Dr. Ernest Hausmann, Associate Professor, Department of Periodontics and Endodontics, College of Dentistry, effective July 1, 1964, for a period of three years.

Dr. Clifford Ochsenein, Associate Professor of Periodontics and Endodontics, College of Dentistry, effective July 1, 1964, for a period of three years.

The following appointments have been approved by the President and are presented for information purposes only:

Dr. Daniel Lareau, Assistant Professor of Clinical Medicine, College of Medicine, effective August 1, 1963 through June 30, 1964.

Dr. Thomas E. Pope, Extension Specialist and Assistant Professor, Department of Horticulture, College of Agriculture, effective November 1, 1963 through June 30, 1964.

Mr. Eugene Camic, Part-time Instructor, Civil Defense Program, University Extended Programs, effective October 1, 1963 through June 30, 1964.

Dr. Karl William Lange, Part-time Instructor, Department of Prosthodontics, College of Dentistry, effective October 1, 1963 through June 30, 1964.

Dr. Stephen G. Edelstein, Instructor of Clinical Community Medicine, College of Medicine, effective October 15, 1963 through June 30, 1964.

F. Agreement between the University of Kentucky and the State Tuberculosis Hospital Commission

Dr. Oswald indicated that he had received an agreement between the University of Kentucky and the State Tuberculosis Hospital Commission too late to be included in the "Blue Report" and would, therefore, like to present it as a separate item for action by the Board of Trustees. He called on Dr. Willard to give some background to the Board relative to this agreement to perform laboratory services for District III, State Tuberculosis Hospital. Dr. Willard indicated that the agreement was similar to others entered into by the University with various State agencies. He stated that the faculty and staff of the Medical Center had been working with the Tuberculosis Commission in Paris, Kentucky, particularly, and had helped them in the development of laboratories and related

services. The agreement presented for approval would continue such services by the staff of the Medical Center. It was Dr. Willard's feeling that this was a useful service activity and he recommended that approval be given to the agreement.

On motion by Mr. Smith, seconded by Mr. Hillenmeyer, without objection, it was so ordered.

G. Presentation of Biennial Budget Request for 1964-66

Copies of the Biennial Budget Request for 1964-66 were mailed to members of the Board of Trustees in advance and copies were made available at the meeting to both the members of the Board and the press. Copies of this document are also available in the Library and in the permanent files of the Board of Trustees. The budget request was formally presented to the Board of Trustees with the following statement by Dr. Oswald:

In the presentation to you this morning of this 1964-66 Biennial Budget Request, I would like to take the time to go over this document with you in some detail and point out what I think are the essential features of it. I certainly would appreciate any questions any of you would have, especially the members of the press, in connection with this document. As I think I have said somewhat in jest at times, but also seriously, the first document that was on my desk in arriving on September 1 to the new responsibility that you gave me was the request for the 1964-66 budget request and I must say that this has had principal priority as far as I am concerned in the two months I have been here. The preparation of the budget request is certainly one of the most serious, if not the most important, document the University puts together because, if properly done, it really is a review of the total educational program of the University and the attempt to translate this program into financial terms and action.

If I might, Mr. Chairman, I would like to begin this presentation by reading over with the Trustees my transmittal letter.

November 11, 1963

Board of Trustees
University of Kentucky

Gentlemen:

I am pleased to transmit to you this document of the 1964-66 biennial budget request for your careful consideration and approval.

This documentary request comes at a time when critical decisions about the University of Kentucky are demanded, even urgent, with respect to its role and mission, the extent and quality of educational opportunities, the significance of research efforts, and the responsibility for public service. These decisions require thrustful policy making by the Board of Trustees and energetic leadership by the University administration and faculty. Accordingly, this proposed biennial budget is constructed essentially on the basic premise that a budget is an educational program expressed in the financial terms. And so, as decisions are made on financial matters, the future educational course of the University is fundamentally being decided.

Of course, the quantitative growth in numbers of students and people to be served are accommodated in this request for support. More important to be considered is the quality of programs provided. Quality is primarily dependent upon the recruitment and retention of the ablest faculty and staff and upon the most efficient allocation and use of available resources. The competitive position of the University in relation to similar universities determines, to a great extent, the success in attracting and keeping productive, creative, competent personnel. Financial considerations such as adequate compensation and a funded retirement program are obviously important in this competition; so is "climate" and encouragement for sound academic accomplishment. This budget request embodies these emphases.

Moreover, a state university in these times has a unique mission and a role to perform. The growing complexity of our society insists upon more advanced preparation in the professions, more sophisticated research, and more graduate education in many fields. Adequate provision for these responsibilities marks a modern, lively, enterprising university as a vital force in the advancement of a state. In fact, to have a strong and growing State a strong and growing university is essential. This budget proposal embraces reasonable means for meeting such responsibilities.

A distinct aid to the University's performance of a unique mission and role in Kentucky is the system of community colleges. These institutions can provide the first two years of a college program for many youth of the State at a minimum cost. Furthermore, much needed semi-professional programs in selected technologies can be established that will enhance the economic development of the Commonwealth. And adult general education can be carried to greater numbers of people by these community colleges. This budget proposal requests support for the existing community colleges and for four new ones to become operative during the 1964-66 biennium.

Other salient points will be observable as the ensuing pages are read and studied. One of these is the presentation of a single, unified University request for support. By this portrayal anyone can readily see

what is being asked as an investment in the total University, what part the University proposes to carry, and what support is fairly an obligation of the Commonwealth generally. Back of this document are exhaustive analyses of the University's segments, appraisals of its operations, and extensive calculations of various factors of current, historical and possible future significance.

This document is presented in five parts: (1) Highlights of the Biennial Budget Request; (2) Requested Support for Current Programs; (3) Proposed Support for New and Improved Programs; (4) Summary of the Budget Request, and (5) Statistical and Graphic Supplement.

I recommend the approval of this 1964-66 Biennial Budget Request with the confidence that, when adopted and subsequently supported, the University of Kentucky will observe the close of its first 100 years with new dedication and resolve for greater achievement and service to the Commonwealth and to the Nation in the beginning of its second century.

Respectfully submitted,

(Signed) John W. Oswald
President

Of course, the key part of the budget, and I will come to how we develop this in a moment, is related to the increase in enrollment. We all know that there has been a steady increase in enrollment over the last several years. However, 1964 and 1965 are rather special years in that these are the years when the children that were born in 1946 and 1947, immediately after the war, will be coming to college. The estimates for the next biennium are for an increase of 22%, almost 2,000 students over the present 8500 enrolled in the Division of Colleges. There will be a 63% increase, or 350 additional students, in the Medical Center. The first medical class will graduate this year. There is a 50% increase expected in the University's community colleges which comes with the activation of four new colleges. There is a 120 increase, or 11%, in the Graduate School.

In order to care for this increased enrollment, additional faculty will be required. The estimated enrollment calls for 213 additional faculty in the Division of Colleges; 58 in the Medical Center, and 86 in the new community colleges.

Now how do we arrive at the number of faculty positions needed? First of all, we have arrived at what we call an FTE, full-time equivalent student. This was determined by taking the number of credit hours that the total number of students take and dividing it by 15 credit hours, the normal work load, and obtaining what we call FTE students. For the Graduate School we divide the number of graduate credit hours by 6 which gives us the FTE graduate students. At the community colleges, on the other hand,

students do not normally carry the 15 units. The load there is 12 and using the division way we determine the number of FTE community college students. Enrollment projections are made both by the projected actual linear growth over the last seven years, together with the projected acceleration for the peak that is coming in the next biennium. I should point out though that the University enrollment projections were not made by taking overall figures and applying a percentage to them; but rather by analyzing enrollment expectations department by department and college by college to arrive at an over-all estimate. The University's enrollment at Lexington will not go up percentagewise as much as it almost certainly will at the community colleges, because there is going to be a gradual shift on the Lexington campus from lower division students toward upper division students and toward graduate level students. This doesn't mean there will be any fewer total lower division students but the percentage of lower division students in the total student body will decrease as more go into the community colleges and more graduate students come to Lexington.

As for faculty required, once we have estimated the projected number of FTE students, we arrive at the number of faculty needed by certain standards--i.e., it takes less faculty to teach lower division students, somewhat more to teach upper division students as the courses become more complex, and even more faculty to teach graduate students where a much more personal relationship exists. It is also true that it takes more faculty in the professional schools than it does in the lower division. It takes about about one and a third more faculty to teach upper division students than the same number of lower division students; and it takes about three and a third more faculty to teach the same number of graduate students. By using these ratios, we calculate the number of faculty that are needed.

The next step in preparing the budget after we arrive at the number of faculty needed is a determination of appropriate faculty salaries. In connection with providing the academic environment that is necessary to recruit and retain the finest possible faculty, two things are being proposed in this budget - one is a basic shift in the academic year from the so-called twelve-months basis to a ten-months basis which then would put the University of Kentucky in line with practically every other institute to which we are comparable, not only in the rest of the United States but in the immediate area. Please note the quote. "At present, the average salary paid by the University for twelve months' employment is roughly comparable to the average salary paid by the eleven surrounding universities for ten months' employment!" I mention the surrounding eleven universities. It is my judgment that in assessing competition and keeping the University competitive, we must keep in view University of Tennessee, University of West Virginia, Ohio State University, University of Indiana, Purdue, University of Missouri, University of Virginia, Virginia Polytechnical Institute, University of North Carolina, North Carolina State, and Florida State. The budget requests the average of these salaries at each of four levels, e.g., for the professor about a \$600 increment would

bring us to this average.

Some units of the University such as the Agricultural Experiment Station and the Agricultural Extension Service with a continuing service commitment throughout the year must remain on a twelve months' salary and in these areas we can compare more comparably with the national average of experiment stations and with the national average of extension service; the figures that we have developed in connection with Agricultural Experiment Stations in the budget would bring our faculty up to the national average. At the moment we are about \$858 below the professor level; \$211 below the associate professor level. The national average has been increasing about 5% per year, and, anticipating that, we would require per annum increases of \$1350 and \$570 to bring our Agricultural Experiment Station salaries up to the average. This is a very key group within the University and provides a very important and ever-increasing role in the future. As I said recently at the Farm Bureau Convention that, with the amount of land that is actually being used for production growing less, the number of people who are actually involved in production in agriculture are diminishing, while at the same time the total demands for food become greater, it is going to take more highly trained people and it is going to take an even higher level of research activity in order to provide this level of productivity. We must keep this in mind.

Now, on page 43, comparable information about our Agricultural Extension Service shows the salaries that will be required in the various groups and positions there. We are a little closer to the national average in our extension service than we are in the Agricultural Experiment Station.

When we say classified personnel, we mean the so-called non-academic, the support staff, and it is clearly evident that in order to keep the University competitive in obtaining employees from other governmental agencies in the Lexington area approximately a 5% increase in these salaries in each of the next two years is necessary to bring this about.

Part two of the budget which is related to support of current programs, Mr. Chairman, really gets into dollar request. The budget is in two distinct parts, as requested by the State - the support of current programs and the support of new programs. This shows, first of all, that some \$30,000,000 would have to be requested for state support in 1964-65. This represents 73% of the total expenditure. This expenditure percentage would stay the same in 1965-66 with an increase to approximately \$34.9 million in the requested state support.

On page 10, the third column breaks down the amount of increase needed for each functional area. The most important, of course, is departmental instruction and research; secondly, the organized research; thirdly, the community colleges; fourth, the extension and public services,

and the libraries, hospital, maintenance and operations, etc. This does not separate the operations by discipline, e. g., by Medical Center, by Agriculture, by Law, etc., but rather by the functions that each of these provides. The major increase, as you can see, is in the Departmental Instruction and Research - \$3,471,561. This consists primarily of the cost of new faculty plus about \$350,000 which is needed to support the summer session. Under the 12-months' system of operation the department chairman could assign any person in the department for summer teaching. What has happened in practice is that more people have been assigned to summer teaching than were really justified and this kept people from summer research activities. When the University shifts to the 10-months' basis we then need a separate appropriation for the summer session. Last summer the faculty-student ratio was one faculty member for every eight students; this next summer period will be on the same basis as the fall and spring semester, i. e., for every fourteen students there will be one faculty member. The organized research category involves the Agricultural Experiment Station and other research activities. Column 3 totals a proposed increased expenditure of \$7,775,000 for the first year of the biennium and \$4,700,000 for the second year. Please note I have separated from the general educational expenses the item Debt Service Cost. This is the payment on the debt of the capital outlay which will increase with new buildings by \$590,000. This brings up the total to \$8,370,000 which is about a 30% increase in expenditures for the first year of the biennium. Now, then, if you will drop your eyes to the first item at the bottom of the page, you'll notice I list supplementary expenditures. I'd like to make a point of this in the presentation in that up to now, actually incorporated in the University budget and not singled out, has been a substantial amount of money involved in care for indigent patients at the hospital. The University Hospital is providing this tremendous service to many areas of the state; many of the counties in this general area and east of here are making great use of the hospital. About 70% of the cases that come to the hospital are actually indigent in nature. This, of course, has to be paid and up to now has been paid as a part of the University budget. For all intents and purposes people looking at the University budget would think of this in terms of an educational expense when it is actually not an educational expense - although it is an important expense. My effort is to single this out and have it identified because next year the hospital will essentially double in size and the cost for indigent patients to the state will also double. Therefore, the figure will be \$1,705,000. Now this, I remind you, is a part of the \$30 million that is requested overall, of which total \$3,519,000 would be for indigent care. I want to point this out and to make it quite clear that as consideration occurs on the budget this \$1,705,000 should not be thrown into direct concern along with the number of faculty needed to teach and faculty salaries. Now, there is one other set of projects which are considered as supplementary - and that is the \$800,000 that is being expended for Geological Projects. This is a program of mapping the state, a joint federal and state program, and this matter has been acted upon rather separately from the University budget in the past years and, for this reason, has been singled out here as well.

In discussing the income side of the budget you will notice that the anticipated income for 1964-65 is almost eleven million and there will be an increase representing approximately one million dollars. Now keeping in mind the \$8,370,000, the real core of the request to the state for educational and general purposes will be an actual net increase of 7.3 million for 1964-65 and 3.5 million for 1965-66. In other words, about 10.8 million would be the net increase in the budget request for educational and general expenses. This does not include indigent care which I think must be treated separately and will have to be a supplemental appropriation of \$7,300,000 over the next biennium. This increase is directly related to the increase in the development of the hospital. At the end of 1965 the hospital will be totally activated. So I would repeat then, particularly for the press, the figure of \$7.3 million for '64-'65 and \$3.5 million or a total of 10.8 would be the increase for continuing our present program for '64-'65 and for '65-'66, with another 3 million approximately for the indigent care problem; in other words, almost half, really, in a given year of the increase is for indigent care.

We need about 60% of the budget from the State for the general operation for educational purposes. Another 26% would be from fees, grants, gifts, etc., and approximately 10.5% is needed for the two peripheral but important matters - indigent care and the geological projects. On the expenditures side about a third of the cost of the University, as is very appropriate, is for instruction, research and community colleges; 11.5% is for organized research which brings in your agricultural program, etc.; 12.7% is for agricultural extension service and the extended programs; 10.5% is for the emphasis programs that are important but should not be considered in the over-all educational budget. In discussing expenditures by the function and location, we can begin to see the different functional activities of the University. The seven colleges come under Departmental Instruction and Research. Of the seven basic colleges the largest is the Arts and Sciences College, Medical Center, Graduate School, and then Summer School. The increase for organized research, primarily the Agricultural Experiment Station and the Community Colleges, is almost doubled, which you would expect with the adding of four more community colleges in the next couple of years.

Part 3 of the Budget Request statement is concerned with the new and improved programs which we have put in narrative form. I will just mention two of them to you. One I have already mentioned at a brief meeting with some of the press the other night--development of a sound retirement program. One of the key things that is needed at this University in connection with providing the right academic climate for the recruitment and retention of the best possible faculty is such a plan. We've had the change-of-work program up to now in which an employee makes no contributions but at the end of his period of service when he reaches 70 he receives on a percentage formula a certain amount of income for the rest of his life based upon a so-called limited work program. One of the

real problems is that he makes no contributions to it; therefore, he is accumulating no credit in it. Thus, should he die either before retirement or immediately after, there is nothing for the estate. This is a very difficult program from the standpoint of bringing faculty in at ages much past forty. We are proposing now a basic shift to a vested retirement program. This will require a major amount to get the program started. I hasten to point out that the University is now obligating itself in its operating budget for an amount of \$260,000 per year for employees who have already retired. Of course, as the staff grows we are making commitments to pay these people off by an operating budget 20, 30 or 40 years hence, so that the obligation the state is actually assuming by the present program is probably no less if put back on a yearly basis than the amount being requested here.

The second point I should like to mention is an item of \$75,000 which will be needed to get under way the semi-professional and technological programs at the community colleges. This was mentioned in the transmittal letter I read earlier. The other new programs involve primarily expanded programs in the graduate area, such as a program in astrophysics, another in nuclear studies, an institute in social sciences - all a part of the growth of the University. In order to expand the geological mapping projects, \$272,000 will be needed.

I would like to emphasize that in 1964-65, 43 million dollars requested would include 2.3 million for new programs, 3.5 million for hospital care--that is, indigent care, and about \$250,000 for geological projects. In other words, there is about 6.6 million in the budget request that is not a part of the regular current budget. In addition, there is 11 million dollars in income, or a total of 17 million. In other words, subtracting that from the 43 million, the actual budget request for educational purposes is 26 million.

Mr. Chairman, the last part of the request is merely graphic material that underlies the first four parts of the budget request. I appreciate your indulgence in this rather lengthy presentation but, as I said in the beginning, it's the most important document that I have yet had the opportunity to present to you and, at the same time, express my feelings about some of the things which need to be done at the University. I consider it a sound request which is based on supporting documents. One thing I didn't mention is that maintenance and operation costs are based not upon a percentage basis but upon a cost basis--a cost analysis of the costs of operations in the last year and an estimated increase in the cost of operation for this year. I am convinced that the material that was given to me was pretty soundly based. So, with that in mind, I present it to you for your questions and consideration. Thank you.

Following Dr. Oswald's presentation, members of the Board expressed their appreciation and indicated their feeling that this was one of the soundest documents which had ever been presented to them. Mr. Smith made the following statement: "I express the feeling of each member of the Board in expressing the feeling that the staff which has prepared this budget have done a very, very thorough job and I think it is by far the best biennium budget presentation that the University has ever presented to the Legislature. I am sure every member of the Board would like to express that appreciation to Dr. Albright, Dr. Oswald, Clay Maupin, and all the folks who have participated in the preparation of this request."

Dr. Angelucci thanked Mr. Smith for his statement and asked the Board what action they wished to take. On motion, duly seconded and carried, without a dissenting vote, the Biennium Budget Request of the University of Kentucky for 1964-66 was approved as presented and authorization was given to the administrative staff of the University to present this request to the State Legislature.

H. Finance Committee Report

Dr. Angelucci called on Mr. Smith, chairman of the Finance Committee, for a report. Mr. Smith indicated that the Committee had no report to make at this meeting.

I. Report of the Real Estate Committee

Mr. Hillenmeyer presented the following recommendation and background statement relative to the acquisition of a tract of land of approximately 38 acres in Wayne County, Kentucky, through condemnation proceedings under the right of eminent domain.

Recommendation: that approval be given for the exercise of the power of condemnation under the right of eminent domain, as provided by Kentucky Revised Statutes, section 164.260, to acquire a tract of land of approximately 38 acres in Wayne County, Kentucky, owned by Claude Coffee, which tract of land is to be used by the Lake Cumberland 4-H Leadership Development Center, and that the appropriate officers of the University of Kentucky be authorized to request the Attorney General of the Commonwealth of Kentucky to take the necessary legal action, under the provisions of KRS 164.260, to acquire this piece of property for the Commonwealth of Kentucky for the use and benefit of the University of Kentucky.

Background: The University has approved the development of a 4-H Center in the Lake Cumberland area in Wayne County, Kentucky, known as the Lake Cumberland 4-H Leadership Development Center, and the appointment of a trustee for the acquisition of the necessary land for the center was authorized by the Executive Committee of the Board of Trustees of the University on March 15, 1963. Pursuant to this action, Herman H. Schoolcraft, Somerset, Kentucky, entered into a trust agreement with the University on March 23, 1963.

The land to be acquired and the improvements to be made are being financed through public subscriptions from the people in 21 counties in the area. Detailed information as to this 4-H Center is contained in a letter from Dean William A. Seay, dated November 5, 1963, and a letter dated November 4, 1963 addressed to Dean Seay, from Herman Schoolcraft, Trustee, and Dr. Ray R. Ranta, which letters are in the official files of the Board of Trustees.

The committee on the development of this project has proposed to purchase 10 tracts of land comprising approximately 320 acres, 176 acres of this land having been purchased by the Trustee at a cost of \$12,250. A 20-acre tract is under a purchase contract and 48 acres are in the process of being purchased from the heirs of the estate. The owner of tract No. 5, containing approximately 38 acres, Claude Coffee, has refused to sell it although he previously had agreed to sell it to the Trustee for \$2,500. As this acreage is in the area where many of the major buildings and improvements have been planned, and as this site is deemed to be the most suitable for the construction of the buildings and improvements, it appears that the only means of acquiring this piece of property is by the exercise of the right of eminent domain.

On motion by Mr. Smith, seconded, and duly carried, the Real Estate Committee was authorized to take such action as, in its judgment, becomes necessary for the acquisition of the tract of land of approximately 38 acres in Wayne County, Kentucky, owned by Claude Coffee.

J. Meeting Adjourned

Dr. Angelucci asked members of the press who were present at the meeting if they had any questions relative to any portion of the meeting or to the presentation of the budget request. No questions were asked and on motion by Mr. Kingsbury, seconded and carried, the meeting adjourned at 11:25 a. m.

Respectfully submitted,

James A. Sutherland
Secretary