

University of Kentucky by the Eleanor and John Y. Brown, Jr. Foundation, President Singletary asked that the Board formally accept it for the institution. On motion by Mr. Bell, seconded by Mrs. Clark, and passed, the recommendation in PR 6 was approved.

Noting that the University rarely received gifts of such a size, Mr. Clay asked Judge Sutherland and Mr. Black to draft a resolution for presentation at the May meeting expressing appreciation to the Browns for their generosity. (See PR 6 at the end of the Minutes.)

L. Budget Revisions for 1972-73 (PR 7)

The recommendations for budget revisions for 1972-73 being of a routine nature and there being no questions, on motion duly made, seconded, and carried, the recommended budget revisions in PR 7 were authorized and approved. (See PR 7 at the end of the Minutes.)

M. Internal Budget for 1973-74 Approved (PR 8)

President Singletary in presenting the internal budget noted that copies had been made available to members of the Board in advance of the meeting in order that they might have an opportunity to examine it prior to its presentation. He said that it was the largest budget in the University's history and represented an increase from \$130,260,100 in 1972-73 to \$136,290,700 for 1973-74. He pointed out that, in spite of this nearly \$6 million increase, it was a difficult budget to prepare because there are two currents at play--the prospect of reduced federal funds for program support and increased costs resulting from recent federal legislation. Among the latter are the additional costs to cover employees under the provision of the Federal Employment Security Act (Unemployment Compensation), increases in the rate and base for calculating social security taxes, and proposed changes in the minimum wage. The social security increase alone will amount to nearly \$1 million annually. If President Nixon's budget is enacted as it is now, the University would be affected in at least three areas: agricultural research and agricultural extension; the Medical Center; and student aid.

The largest portion of the increased funds available in this budget are allocated for salary increases which will average approximately 4.5%, including salary adjustments for certain women and minority employees. This budget includes approximately \$180,000 for such adjustments.

The budget reflects the increased student fee set by the Council on Public Higher Education last year. The percentage of the total budget support from student fees continues to increase as the portion supported by state appropriation decreases. We must accompany these fee increases with dramatic increases in