

ADJOURNED SESSION OF MAY 3, 1937

The Board of Trustees of the University of Illinois met in adjourned session, at the call of President Karraker, at the University, in Urbana, at 11:45 a.m. on Monday, May 3, 1937. The following members were present: President Karraker, Mr. Adams, Mr. Cleary, Mr. Mayer, Mr. Moschel, Mrs. Plumb, Mr. Pogue.

President Willard was present; also Mr. A. J. Janata, Assistant to the President, Professor Lloyd Morey, Comptroller, Judge Sveinbjorn Johnson, University Counsel, and, during part of the day, Director C. S. Havens, of the Physical Plant Department.

REPORT OF COMMITTEE TO REDUCE BUDGET

President Karraker reported that he had appointed Mr. Moschel, Mrs. Plumb, and Mr. Pogue to serve as the special committee authorized

on April 26, 1937, to meet at the University with representatives of the State Department of Finance to scrutinize the budget. President Karraker called on the members of the committee for a report.

Mrs. Plumb reported that the committee had met at the University on April 29 and 30 with representatives from the State Department of Finance, including Director S. L. Nudelman, Mr. William McClain, Mr. M. P. Akers, and Mr. J. J. Donoghue, and that after consideration of the budget during the two days, Director Nudelman had stated that he could not find any items in the budget which were unnecessary or in excess of the needs and requirements of the University, but that the budgetary situation in the State was such that he believed that an arbitrary reduction of two million dollars in the amount asked for the University from State funds was necessary.

Mr. Moschel and Mr. Pogue concurred in this report.

The board discussed the matter fully. President Karraker stated that it was his belief that the Governor and the State Department of Finance would not be satisfied with a reduction of less than two million dollars in the amount asked by the University.

On motion of Mr. Cleary, the following was adopted:

Whereas, the Board of Trustees has received a request from Mr. S. L. Nudelman, Director of the State Department of Finance, that the Board reduce the University budget by a minimum of two million dollars, be it *Resolved*, that the Board deems it impossible to make such a reduction without materially injuring the University.

This resolution was adopted on roll-call by the following vote: Aye, Mr. Cleary, Mr. Mayer, Mr. Moschel, Mrs. Plumb; no, Mr. Adams; not voting, Mr. Karraker, Mr. Pogue; absent, Mrs. Freeman, Mr. Horner, Dr. Meyer, Mr. Wieland.

Mr. Adams said that he voted against the resolution because he thought it undiplomatic and out of order.

Mr. Mayer presented the following:

Reiterating its previous position that the budget of the University of Illinois for the biennium of 1937-1939, as submitted to the State Department of Finance, is necessary to maintain the standards and prestige of the University, and that the elimination of construction items merely postpones necessary physical improvements—nevertheless, in an effort to meet the request of the Governor that this budget be reduced in view of the condition of State revenues,

Be it resolved by the Board of Trustees of the University of Illinois, That the President of the University is requested to recommend to the Board reductions in the budget of the University, in the total amount of \$1,250,000, not less than half of which is to be taken from the permanent improvements budget.

On motion of Mr. Mayer, this resolution was adopted by the following vote: Aye, Mr. Adams, Mr. Karraker, Mr. Mayer, Mr. Moschel, Mrs. Plumb; no, Mr. Cleary, Mr. Pogue; absent, Mrs. Freeman, Mr. Horner, Dr. Meyer, Mr. Wieland.

REPORT OF COMMITTEE ON GENERAL POLICY

Mr. Cleary, for the Committee on General Policy, made the following report:

RECOMMENDATIONS FROM COMMITTEE ON GENERAL POLICY ON FEES AND SCHOLARSHIPS

The General Policy Committee, at a meeting held on May 1, unanimously recommends that:

1. The Board of Trustees give consideration to the advisability of discontinuing the issuance of new scholarships in Ceramic Engineering.
2. If the University's budget is reduced materially, the Board consider the advisability of suspending for the biennium of 1937-1939 the issuance of new scholarships in Agriculture and Home Economics.
3. If the University's budget is reduced materially, the Board consider increasing the fees charged students who are not residents of Illinois.

On motion of Mr. Cleary, these matters were referred to the President of the University for study and report at the next meeting of the Board.

TIME OF MAY MEETING

The Board voted to hold the May meeting in Chicago, on Thursday, May 13, 1937.

MATTERS PRESENTED BY PRESIDENT WILLARD

The Board considered the following matters presented by the President of the University.

UNIVERSITY AUDITORIUM

(1) At the meeting of the Board on April 14, a report was made of certain structural defects recently discovered in the University Auditorium. I present a further report on the structural condition of the building and an estimate of the cost of the necessary repairs to make the building safe and usable. It will cost at least \$17,000 to make the building safe and presentable for public use; and to do other very necessary remodeling, repairing, and redecorating which have been contemplated will require a total of approximately \$100,000 more. This latter figure does not include the \$17,000 estimated above, nor much-needed changes or improvements in the heating and ventilating system and the organ.

This matter was referred to the Committee on Buildings and Grounds for study and report at the earliest possible moment.

NEW POLICY OF FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS RELATING TO GRANTS FOR PUBLIC WORKS PROJECTS

(2) The Federal Emergency Administration of Public Works has recently adopted a new policy in relation to grants in aid of construction of non-Federal public works projects. Under this policy the amount of the grant for a particular project depends on the amount of wages paid to workers who are actually taken from certified relief rolls. The maximum grant possible is still 45 per cent, but in no event may the grant exceed 115 per cent of the amount paid for wages to workers from the relief rolls as determined by an audit to have been so paid.

This would apply to the grant for a Student Center Building if made. In Illinois an average of the Public Works Projects shows that approximately 7 per cent of the labor has been taken from certified relief rolls.

This report was received for record.

JOURNALISM BUILDING

(3) Following the Board meeting on April 14, the President, Secretary, and past and present Chairmen of the Building Committee of the Illinois Press Association were notified of the action of the Board to postpone for two years its request for an appropriation for a building for Journalism and other subjects.

This report was received for record.

PURCHASES RECOMMENDED

(4) A recommendation that the following purchases be authorized:

1. One 16" x 30" — 6' LeBlond Regal 8 speed geared head quick change engine lathe, with motor, and with attachments, from R. K. LeBlond Machine Tool Company, Chicago, the lowest bidder, at a price of \$1,228.50 f.o.b. Cincinnati.

2. 450 barrels Portland Cement in paper sacks, from Morris L. Hecker Company, Champaign, the lowest bidder, at a price of \$2.38 per barrel, f.o.b. Urbana, or a total of \$1,071.00.

On motion of Mr. Pogue, these purchases were authorized as recommended.

INVESTMENT OF ENDOWMENT FUNDS

Mr. Mayer reported for the Finance Committee that the Chicago Union Station $3\frac{3}{4}$ per cent bonds of 1963, the purchase of which at 102 was authorized, could not be secured for less than 104, and recommended that the purchase of \$5,000 of this issue at 104 be authorized; also that the purchase of \$5,000 National Steel Company, 4 per cent bonds of 1965 at a price of 104½ be authorized as investments for endowment funds.

On motion of Mr. Mayer, the purchase of these securities was authorized.

The Board adjourned.

H. E. CUNNINGHAM
Secretary

O. M. KARRAKER
President