

at the University of Kentucky. In my last annual report I pointed out that in the past thirteen years 260 professors, associate professors and assistant professors had left the University to accept better positions in other universities, government and industry. This number did not take account of probably 150 to 200 instructors and technicians who also left the University during this time. One of the big problems, not only of the University of Kentucky but of all colleges and universities, in the years ahead is going to be to find adequate teachers to provide for the larger enrollments that we are certain to have in all institutions of higher education. There are fewer people preparing to teach in college today than any time since I have been a college president. With an anticipated increase of two to two and one-half million more college students by 1965 or 1970, it is hard to predict what is going to happen to higher education in this country during the next decade.

Congress has not yet made its appropriation for Agricultural Extension and the Experiment Station. The budget bill is now pending before that legislative body. It will probably be passed by June. The indications are that the appropriation for Extension service and the Experiment Station will be approximately what it has been during the past year -- probably a slight increase. The budget for these two divisions of the University will have to be submitted at a later meeting of the Board of Trustees. They could not be included in this budget for the reason that we were unable to anticipate what the Federal government would provide for these services.

I am recommending the adoption of this budget as reported to the Board of Trustees.

The President then invited the attention of the members of the Board to page 1 of the proposed budget, which recorded summary of surplus and estimated income for the fiscal year 1955-56, with the comparison of the income for 1954-55. The estimated income from all sources for the General Fund budget for 1955-56 was \$5,438,207.76, compared with \$5,485,323.28 for the year before. He stated that the proposed budget would show an increase in estimated income of \$117,067.50 for 1955-56.

The attention of the members of the Board was then directed to pages 3 and 4 of the proposed budget recording a summary of departmental appropriations aggregating \$5,429,941.83, as compared to \$5,071,581.12 for the year 1954-55. The proposed budget reflected an increase in appropriations of \$358,360.71.

The President explained the compilation of the budget by departments and divisions. He invited attention of the members of the Board to sections dealing with the various colleges and divisions.