

Chancellor Wethington also indicated his pleasure in recommending that the Board accept the gift. On motion made by Mr. Ramsey, seconded by Professor Driscoll and carried, the Board accepted the gift of \$500,000 from the Community Improvement Foundation, Incorporated of Madisonville, Kentucky. (See PR 3A-2a at the end of the Minutes.)

G. Acceptance of Gift from Mrs. Harry Duffey (PR 3A-2b)

President Singletary next recommended that the Board accept the gift of \$150,000 from Mrs. Harry Duffey and establish an Endowed Scholarship Fund named the WALTER J. SALMON, SR. AND WALTER J. SALMON, JR. SCHOLARSHIP. He added that he had today received a letter from Mrs. Duffey stating there was money left over in the Salmon Charitable Foundation which was closed and said she sent a check in the amount of \$5,206.94 to be added to the Salmon Scholarship Fund. He indicated his pleasure in recommending that the Board accept the gift honoring Mr. Walter J. Salmon, Sr. and Mr. Walter J. Salmon, Jr. Professor Wilson so moved. The motion was seconded by Mr. Clay and unanimously carried. (See PR 3A-2b at the end of the Minutes.)

H. Acceptance of Gift from Gerald F. Healy (PR 3A-2c)

President Singletary then indicated that he was particularly pleased to recommend that the Board accept the gift of \$100,000 from Gerald F. Healy and establish an endowment entitled the OTIS A. AND GLORIA W. SINGLETARY PRESIDENT'S DISCRETIONARY FUND. He explained that Mr. Healy requested that the Fund be named in honor of him and Mrs. Singletary and that the income be used at the discretion of the President of the University of Kentucky beginning with his successor.

Mr. Healy designated the gift to show appreciation for the role the University plays in enhancing the quality of life in the Lexington area and to honor President and Mrs. Singletary for their contributions to the University and the community over the past years. On motion made by Mr. Clay, seconded by Professor Driscoll and unanimously carried, it was so ordered.

President Singletary introduced Mr. Healy who was accompanied by his wife, Sarah, and asked them to stand and be recognized, following which they were given a round of applause. (See PR 3A-2c at the end of the Minutes.)

I. Implementation of Fiscal Year 1987 State Appropriation Cutback (PR 3A-3)

President Singletary reported that the Governor's Office for Policy and Management has informed all State universities that they will be required to operate in 1986-87 with less revenue from the State than currently budgeted. He explained that the overall reduction in State support requires the University to implement a short-term plan to deal with a reduction of \$5.5 million (\$4.5 million of program support and \$1.0 million in debt service). He stated that the proposal submitted to the Board should produce the least disruption possible to the operation of the institution. He then outlined the sources of support for the reduction: the University's Operating Contingency Fund, a reserve fund used for emergencies such as unanticipated costs and revenue shortfalls,