

operating costs of the Engineering Experiment station for the entire biennium, of the Military Science building after its opening in December, 1943, and of the Mineral Resources building after its release by the army on October 31, 1944. *Reserve balances cannot carry the load any longer.*

Increased operating costs are estimated to total \$57,400 on the current market, and are distributed as follows:

(1) Utilities for three new buildings, based on actual costs for 1943-'44 as audited by both Army and Navy	\$15,000
(2) Increased fuel cost for balance of physical plant.....	10,000
(3) Cost of electricity which must be purchased (above the expenditures in 1939-'40),	7,000
(4) Increased cost of maintenance and repair materials.....	12,000
(5) Increased telephone rates charged by Southwestern Bell Telephone Company....	2,400
(6) Cost of maintenance materials for new buildings.....	4,000
(7) Operating costs of new extension centers.....	6,000
(8) Increased cost of operating radio station.....	1,000

Less than one-half of the electricity used by the University can be generated by the University power plant. For years the University has been purchasing an increasing amount of electric power; the cost in 1943-'44 was \$24,896.58 compared to \$13,125 in 1939-'40, an increase of over \$11,000. If deduction is made for the cost of electric power used solely on the war training programs, the expenditures are still \$7,000 above those of 1939-'40. This is the figure listed above under item (3).

A request for \$2,400 is listed above under item (5) to cover the increased telephone rates which will become effective on July 1, 1945. The University is the only state institution which is charged at a reduced rate for telephone service, and the telephone company has served notice of intent to charge the standard tariff with the beginning of the new fiscal year.

Attention is called to the fact that the current appropriation for Maintenance and Repairs is \$52,500 a year less than it was in 1931-'32 (\$275,000 compared to \$327,500.) In the meantime seven buildings have been added to the campus and the cost of maintenance materials has increased nearly one-third. This means that the quality of service has inevitably been diluted. In order to maintain the physical plant and the instructional and administrative departments even on a minimum basis, fee income intended solely for instructional purposes has had to be diverted to the maintenance budget. The request of the University for an increase in the Maintenance and Repairs appropriation is designed to correct this situation.

c. *Wage Increases.* Adjustments in the wages of members of the maintenance staff amounting to \$5,000 are considered necessary to maintain morale and recognize service above the average.

RECAPITULATION

New positions	\$9,600
Increased operating costs	57,400
Wage increases	5,000
Total	<u>\$72,000</u>