

Ventura School for Girls—Continued

We have not had the opportunity to complete a field inspection to determine the necessity for the immediate replacement of items of the above nature.

We would recommend that the agency give very careful consideration to the possibility of deferring as long as practicably possible the acquisition of such replacement items to the end that such items may be made a part of the ultimate capital outlay expenditure for the construction of the new Ventura School for Girls.

On budget page 239, line 60, there is provided the sum of \$500 for 10 carpets in employee rented living quarters. These are *additional* items of equipment. Such quarters are not now and have not been carpeted.

We recommend deletion of the amount of \$500.

We believe that requests of this nature should be deferred until the acquisition of the new school, wherein any such quarters will be furnished out of the capital outlay expenditures for the new school.

We do not believe that any funds should be recommended to improve the level of service for this type of accommodations at this time, particularly in view of the very nominal and, in fact, inadequate rentals that generally prevail for living quarters at state institutions.

On budget page 240, line 66, there is provided the sum of \$1,005. Included in this sum is \$525 to acquire a 16 mm. movie projector and a screen at \$45, or a total of \$570.

We recommend deletion of these items.

These items represent an improvement in the level of service from an equipment standpoint and are of such a nature that we believe they should be deferred and included in the capital outlay expenditures for the new Ventura School for Girls.

DEPARTMENT OF EDUCATION

ITEM 79 of the Budget Bill

Budget page 243
Budget line No. 6

For Support of General Activities From the General Fund

Amount requested	\$2,473,194
Estimated to be expended in 1953-54 Fiscal Year	2,370,834
Increase (4.3 percent)	\$102,360

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$52,272	\$52,272	---	---	---
Operating expense	61,791	61,791	---	---	---
Equipment	—14,637	—14,637	---	---	---
Plus:					
Decrease reimbursements	2,934	2,934	---	260	53
Total increase	\$102,360	\$102,360	---	---	---

Department of Education—Continued

RECOMMENDATIONS

Amount budgeted	\$2,473,194
Legislative Auditor's recommendation	2,454,216
Reduction	\$18,978

ANALYSIS

General Activities Summary

A summary of the Department of Education budget request by its five divisions is as follows:

<i>Division</i>	<i>1953-54</i>	<i>1954-55</i>	<i>Increase</i>	<i>Per- cent</i>
1. Departmental Administration ---	\$565,618	\$584,563	\$18,945	3.3
2. School Administration (includes child care center supervision budgeted separately in 1953-54) --	667,014	680,453	13,439	2.0
3. Instruction	562,418	615,435	53,017	9.4
4. State Colleges and Teacher Edu- cation (includes fingerprinting of credential applicants budgeted sep- arately in 1953-54)	389,836	400,765	10,929	2.8
5. Special Schools	185,948	191,978	6,030	3.2
Totals	\$2,370,834	\$2,473,194	\$102,360	4.3

The total request for support of the Department of Education is \$2,473,194, which is \$102,360 or 4.3 percent greater than the estimated expenditures of \$2,370,834 for the 1953-54 Fiscal Year. The budget does not propose the addition of any new programs.

Division of Departmental Administration

Administrative Unit

The amount requested for support of the administrative unit is \$478,353. This is \$14,767 or 3.1 percent more than the estimated expenditures of \$463,586 for the 1953-54 Fiscal Year.

The unit is requesting one and one-half additional clerical positions on a work load basis. One position is for the personnel office and the one-half time stenographer-clerk is to assist the assistant field representative.

In addition, this unit is requesting the equivalent of 0.3 of a position of temporary executive assistance to assist in the investigations of credential applicants. We do not feel that the work load figures justify this additional assistance.

We therefore recommend that 0.3 temporary help—executive as shown on Budget page 244 line 76 costing \$978 be deleted from the budget.

Education Research

This unit's budget request of \$106,210 is \$4,178 or 4.1 percent greater than for the current year. There is no change in program.

We recommend approval as submitted.

Department of Education—Continued**Division of School Administration****General Summary of Changes in Organization and Personnel**

During the current year a number of changes were made in the organization of the division and in the personnel complement. The organizational changes are summarized as follows:

- (1) The administrative services section has been abolished and reformed as the Administrative Services Bureau.
- (2) The administrative unit of the administrative services section has been transferred to the divisional administrative unit.
- (3) The Administrative Services Bureau now includes the field records unit, the child welfare and attendance unit, the federally supported Indian education unit, and the unit for supervision of child care centers. The latter unit was formerly budgeted outside of departmental administration as a separate budget item.

We believe the new organization to be an improvement in the structure of the Division of School Administration.

The personnel changes may be summarized as follows:

- (1) An associate budget analyst has been added to the administrative unit and a semi-senior accountant, an accounting technician II, and an intermediate typist-clerk have been established in the Bureau of School Apportionments and Reports to give adequate supervision to the formulation of the budget of the County School Service Fund. These positions were added as an outgrowth of legislative studies of the County School Service Fund.
- (2) Two auditors in the field records unit were dropped because of passage of the mandatory school audit law.
- (3) One school lunch nutritionist position in the school lunch program was unfilled in 1953-54 and was not requested in the 1954-55 budget.
- (4) A child care consultant was dropped as a result of the organizational changes.

Administrative Unit

The budget request of \$66,746 is \$2,569 or 4.0 percent higher than the estimated expenditures for the current year.

We recommend approval as submitted.

Administrative Services Bureau

The budget request of \$101,538 is \$16,107 greater than the estimated expenditure for the current year. This increase is due to the inclusion of the child care personnel under this bureau and the failure to include a federal reimbursement for Indian education. We recommend that reimbursement for administrative services to Indian education as shown on Budget page 247 line 78 be increased resulting in a \$6,000 reduction in the appropriation for this bureau.

School Apportionments and Reports

The budget request of \$111,364 is \$2,465 or 2.2 percent higher than the estimated expenditures for the current year.

We recommend approval as submitted.

Department of Education—Continued

School Lunch Program

The budget request of \$113,796 is \$1,735 or 1.5 percent less than the budget estimate for the 1953-54 Fiscal Year.

We recommend approval as submitted.

Textbooks and Publications

The budget request of \$97,869 is \$14,724 or 17.7 percent greater than the estimated expenditures for the current year. Included in the budget for the next year is an item of \$15,000 for purchase of textbooks for review. Books are purchased and reviewed as a part of the textbook adoption program. The following figures show the amount budgeted for this item and the actual expenditures in recent years.

<i>Year</i>	<i>Budget amount</i>	<i>Actual expenditure</i>
1950-51-----	\$15,000	\$5,872
1951-52-----	15,000	3,674
1952-53-----	15,000	620
1953-54-----	15,000	2,000 (est.)

In view of this expenditure record the amount budgeted for the next fiscal year appears to be considerably in excess of need. We recommend that the amount budgeted as textbooks for review as shown on budget page 249, line 61, be reduced by \$12,000.

In our analysis last year we suggested that the Department of Finance and the Department of Education study the possibility of reducing the cost of shipping free textbooks by utilizing the services of the State Educational Agency for Surplus Property. The study concluded that it is not advisable to institute a formalized program of joint use of facilities. However, the two agencies, free textbooks and surplus property, have agreed to coordinate their shipments whenever it is possible to realize a savings.

Readjustment Education

The budget request of \$28,489 is \$2,072 or 7.8 percent greater than estimated expenditures for the present year. Total expenditures amount to \$104,668 of which the Veterans Administration reimburses the bureau for \$76,179. We recognize the value of this activity and recommend the budget as submitted. We do think, though, that the function is related almost entirely to the federal Veterans Administration educational program and that the department should increase its efforts to negotiate a contract for complete reimbursement.

School Planning

The budget request of \$116,650 is \$1,507 or 1.3 percent higher than estimated expenditures for the current year.

We recommend approval as submitted.

School District Organization

The budget request of \$44,001 is \$950 or 2.2 percent greater than the estimated expenditure for the 1953-54 Fiscal Year.

We recommend approval as submitted.

Department of Education—Continued**Division of Instruction****General Summary**

Four years ago, in our analysis of the 1951-52 Budget requests, this office raised certain questions concerning the organizational structure of the Division of Instruction. The Legislature then requested the Department of Finance to study the organization and to effect any necessary improvements. After coming to grips with the problem, and each other, the Departments of Finance and Education have reached a temporary solution to the problem.

Administrative Unit

The budget request of \$144,799 is \$46,878 or 47.8 percent greater than estimated expenditures for the current year. Included in this year's request is \$50,000 for the "Teacher's Guide to Education in Early Adolescence." This request was a part of last year's budget and was eliminated by action of the Legislature. The Department of Education feels that the publication is necessary for its advisory service to public school teachers.

Audio Visual Education

The budget request of \$60,038 is \$1,241 or 2 percent less than the estimated expenditures for the current year. The decrease is due to the conclusion of the activities of the Governor's Television Committee and a reduction in expenditures for equipment.

We recommend approval as submitted.

Special Education

The budget request of \$100,097 is \$1,372 or 1.3 percent greater than the estimated expenditures for the current year.

We recommend approval as submitted.

Physical and Health Education and Recreation

The requested budget of \$50,756 is \$1,812 or 3.7 percent higher than the estimated expenditures for the current year.

We recommend approval as submitted.

Guidance

The budget request of \$37,033 is \$220 or 0.6 percent higher than the estimated expenditures for the 1953-54 Fiscal Year.

We recommend approval as submitted.

Adult Education

The budget request of \$48,381 is \$1,059 or 2.2 percent higher than the estimated expenditures for the current year.

We recommend approval as submitted.

Elementary Education

The requested budget of \$73,340 is \$164 or 0.2 percent greater than the estimated expenditures for the current year.

We recommend approval as submitted.

Secondary Education

The budget request of \$75,046 is \$2,837 or 3.9 percent higher than estimated expenditures for the current year.

We recommend approval as submitted.

Department of Education—Continued

Vocational Education

The budget request of \$25,945 is \$84 or 0.3 percent less than the estimated expenditures for the current year.

We recommend approval as submitted.

Division of State Colleges and Teacher Education

Administrative Unit

The budget request of \$115,576 is \$3,181 or 2.8 percent greater than the estimated expenditures for the 1953-54 Fiscal Year.

We recommend approval as submitted.

Credentials

The budget request of \$285,187 is \$53,976 greater than the estimated expenditures for the current year. However, the cost of fingerprinting credential applicants at \$46,133 is included in this section rather than budgeted separately as in prior years. The actual increase, then, is \$7,843 or 2.8 percent. One intermediate typist-clerk at \$2,772 is added on a work load basis.

In our analysis of last year we pointed out that the credentials program is not completely self-supporting as are other licensing programs in the State.

The program for issuing credentials to teachers is essentially the same type of activity as is carried on by licensing agencies in the Department of Professional and Vocational Standards and in the Department of Investment. A teaching credential and a professional or occupational license both serve the purpose of restricting entry into the particular field to those qualified by education and/or experience. This is usually done as a means of guaranteeing minimum standards of performance and of protecting the public. The State has maintained the policy that programs in the agencies which issue and administer these licenses, such as the Departments of Professional and Vocational Standards and Investment, should be self-supporting. Costs related to the licensing and regulating of professions and occupations are paid from fees collected from applicants who wish to enter the profession or occupation.

Under the present system of issuing teacher credentials, applicants pay a four dollar fee as stipulated by Section 12500 of the Education Code. The amount of the fee was established in 1949. Since that time costs and additional services have risen to the point where the credentials program is not completely self-supporting.

The costs, including the services of the two field representatives in the Division of Departmental Administration who investigate credential applicants, plus their stenographic help, and revenues for the last three years and the 1954-55 Fiscal Year are as follows:

Year	Total cost	Revenue	General fund deficit
1951-52 -----	\$229,475	\$188,652	\$40,823
1952-53 -----	265,013	197,309	67,704
1953-54 (est.) -----	300,211	225,000	75,211
1954-55 (est.) -----	305,663	225,000	80,663

We recommend that the credentials program, including the credentials section in the Division of State Colleges, the two field representa-

Department of Education—Continued

tives and clerical help in the Division of Departmental Administration, be placed on a completely self-supporting basis. The General Fund would realize a saving of \$80,663 in the 1954-55 Fiscal Year.

Division of Special Schools and Services

Administrative Unit

The budget request of \$60,742 is \$1,877 or 3.1 percent greater than the estimated expenditures for the current year. Three positions, general manager, sales manager, and district sales representative, attached to this unit were shifted to the Workshop for the Blind Manufacturing Fund during the current year and are not included in the budget totals for 1953-54 or 1954-55.

We recommend approval as submitted.

Field Rehabilitation Services for the Blind

The budget request of \$131,236 is \$4,153 or 3.2 percent higher than estimated expenditures for the current year. There is no change in program. We recommend approval as submitted.

Department of Education
SURVEY OF HIGHER EDUCATION

ITEM 80 of the Budget Bill

Budget page 262
Budget line No. 19

For Support of Survey of Higher Education, State Department of Education
Cost, From the General Fund

Amount requested	\$12,550
Estimated to be expended in 1953-54 Fiscal Year	11,270
 Increase (11.2 percent)	 \$1,280

RECOMMENDATIONS

Amount budgeted	\$12,550
Legislative Auditor's recommendation	12,550
 Reduction	 None

ANALYSIS

The 1953-54 Budget Act appropriated \$35,000 as a partial cost of a contemplated two-year survey of higher education in California. The study is under the general control of the Liaison Committee of the Regents of the University of California and the State Board of Education and under the immediate direction of the joint staff of the committee. For purposes of the survey only, the existing organization of the Liaison Committee and the joint staff is to be augmented in two ways:

1. The Technical Advisory Committee, which consists of seven representatives of public higher education, is to be increased to 12 members by the addition of five representatives of private institutions of higher education, and is to be known as the Professional Advisory Committee and will meet on call of the joint staff.

2. A survey staff will be hired consisting of one full-time consultant, part-time consultants in the major areas of research, research assistants

Survey of Higher Education—Continued

and clerical help which work under the direction of the joint staff. In addition, existing agencies and personnel will be utilized without cost to the survey in the collection and analysis of data.

The joint staff will devote approximately one-half of its time to the survey. The balance will be devoted to its regular activities which, while related to the study of higher education, are not always directly within the scope of this survey.

The plan of the survey was approved by the regents late in September and by the State Board in late October. It was impossible for the joint staff to officially proceed with its work before approval by the two boards, as the Department of Finance would not release the funds until the project had official approval. Consequently, the survey staff has not been fully assembled. However, with the help of existing personnel in a number of agencies and with the election of a number of doctoral candidates at California universities to write dissertations pertinent to the survey, progress has been made in developing data which are basic for any survey. The Department of Finance and the joint staff are developing enrollment projections. The joint staff is compiling a statement of functions for junior colleges and analyzing their curricula. A complete listing of curricula in institutions of higher learning is in process. Work is being done by doctoral candidates studying the curricular programs and methods of financing higher education in certain areas. A committee consisting of members of several educational agencies is studying housing needs in general and is attempting to develop a building utilization formula.

The following framework for the study was developed by the joint staff and has been approved by the regents of the university and the State Board of Education:

1. Background Information

- A. Brief history of efforts on coordination of public higher education in California.
- B. Previous studies of higher education in California and their impact on the program.

2. Administration

An examination of the administration and control of higher education in California and the relationships between the various segments.

3. Enrollments

- A. Estimated enrollments by years or periods of years up to 1965 in junior colleges, state colleges, the University of California, and private colleges and universities distributed according to college enrollment areas of the State. Where appropriate and possible these estimates should be divided between undergraduate and graduate enrollments.
- B. The distribution of higher education students in California for the last several years according to whether in publicly supported institutions or privately supported institutions, and according to major areas of preparation such as medicine, law, teaching, and the like.

Survey of Higher Education—Continued

- C. In the light of predicted enrollments, a re-examination of the maximum enrollment figures for the state colleges and the university as found in the Strayer Committee Report. In this re-examination consideration should be given to undergraduate, graduate and professional enrollments.
- 4. Education Programs
 - A. The objectives, organization, and programs (curricula) of junior colleges, state colleges, and the University of California. Insofar as possible, similar information on private colleges and universities will be secured.
 - B. Coordination where feasible of certain special studies which have been or may be authorized by the Liaison Committee or other agencies with the over-all survey.
- 5. Finance
 - A. Cost analyses in the junior colleges, state colleges, and the University of California (and private colleges and universities if available), taking into account character of the programs, staff allocations, staff load, and the like.
 - B. An examination of the present method of financing of higher education in the State; this is to include the study of student fees and other sources of income.
 - C. Some comparative costs in California's higher education institutions and in similar institutions in other states.
 - D. Economies which might be effected as follows:
 - (1) Those which in the judgment of the survey staff would not seriously interfere with the ongoing program.
 - (2) Those which would mean a curtailment of educational opportunities, such as raising admission requirements.
 - (3) The reduction of direct services to the State, such as those made by the experiment stations and similar agencies.
- 6. Housing
 - A. A re-examination of the State's present training facilities (both public and private) in the major fields of higher education (law, medicine, pharmacy, teaching, and the like) in relation to the State's future needs in these areas.
 - B. The present plants, their adequacy and utilization, and future plant needs in the light of estimated enrollments with cost estimates.
 - C. The relationship between expanded and additional campuses, and scholarship and dormitories for students in areas not within commuting distance of an established institution of higher learning.

The Department of Education is requesting \$12,550 for 1954-55 as its share of the second year cost of the survey and the university has included \$39,650 in its 1954-55 budget. These two amounts, totalling \$52,200, will be sufficient to complete the two-year survey.

We recommend approval of the requests.

Department of Education
VOCATIONAL EDUCATION—SUPERVISION AND TEACHER TRAINING

ITEM 81 of the Budget Bill

Budget page 263
Budget line No. 40

*For Support of Vocational Education, Supervision and Teacher Training,
From the General Fund*

Amount requested	\$653,958
Estimated to be expended in 1953-54 Fiscal Year	653,167
 Increase	 \$791

RECOMMENDATIONS

Amount budgeted	\$653,958
Legislative Auditor's recommendation	583,982
 Reduction	 \$69,976

ANALYSIS

The General Fund budget request of \$653,958 is \$791 greater than the estimated expenditures for the current year. Expenditures for state level supervision and teacher training from the Vocational Education Fund are budgeted at \$713,633. Of this total, \$297,367 is from the General Fund and \$416,266 is from federal funds.

The total expenditures requested for the Division of Instruction are \$1,328,536 for the 1954-55 Fiscal Year. Of this amount \$713,633 or 54 percent is for vocational education and \$614,903 or 46 percent is for all other needs. This tail-wagging-the-dog illustration can only be explained by our propensity to match federal funds, in this case for vocational education, and to neglect the question as to whether or not this will create an imbalance in our state program of services to local school districts.

In other words, 54 percent of the program of the Division of Instruction is devoted to services in the four subject matter fields of agriculture, industrial arts, business and homemaking which in turn are confined to the secondary schools of the State.

On the other hand, 46 percent of the program of the Division of Instruction is responsible for services to all of the elementary, high schools and junior colleges in the State covering the subject matter fields of reading, writing, arithmetic, spelling, music, physical education, health, etc. (apparently exclusive of agriculture, industrial arts, business and homemaking courses at the secondary level). In addition, specialized professional services are rendered for the deaf, visually handicapped, and mentally retarded children in the public schools.

It is our recommendation that the Department of Education develop a program for the Division of Instruction that is not based in large part upon securing federal matching funds, but rather a program that will reduce the amounts devoted to these four vocational subject matter fields to their proper relationship in terms of a balanced program for the Division of Instruction.

The present federal administration has announced plans for the gradual withdrawal of federal funds from the vocational education field and we feel that the State should likewise adopt such a policy.

We have recommended some modest reductions in this budget which

Vocational Education Supervision and Teacher Training—Continued

represent a small step in the direction of having the State determine its services to local school districts.

Administrative Unit

The position of special supervisor I which was designed to provide special financial services is continued in the administrative unit for 1954-55. This position is not filled and the need for this service no longer exists. We recommend its deletion at \$7,356 along with the deletion of one intermediate stenographer-clerk costing \$3,190.

Bureau of Agriculture

This bureau has requested \$153,606 for salaries in the 1954-55 Fiscal Year. This compares with \$58,635 for salaries in the entire Bureau of Elementary Education and \$58,801 for salaries in the entire Bureau of Secondary Education.

We recommend that this bureau be asked to revise its budget so as to effect a 10 percent reduction below the amount requested for state level expenditures for this function in the 1954-55 Fiscal Year.

Bureau of Industrial Education

This bureau is requesting \$192,298 in salaries for state level industrial arts supervisors and related personnel at the secondary level when only \$58,635 is requested for salaries of consultant personnel for the Bureau of Elementary Education and \$58,801 for salaries of consultant personnel for the Bureau of Secondary Education.

We recommend that this bureau be asked to revise its budget so as to effect a 10 percent reduction below the amount requested for state level supervision expenditures for this function in the 1954-55 Fiscal Year.

Bureau of Homemaking Education

The bureau's function is to directly supervise home economics courses that receive federal and state reimbursements and to provide consultative services to nonreimbursed courses. Homemaking consultants work directly with local teachers rather than with local supervisors as is the procedure in the bureaus outside of vocational education in the Division of Instruction.

The professional staff consists of the bureau chief and nine supervisors. This may be contrasted with the entire staffs of the Bureau of Secondary Education and the Bureau of Elementary Education each of which has a professional staff of one bureau chief and five consultants.

Relatively speaking, there is no lack of a trained teaching force in home economics in the public schools. It is estimated that 80 percent of the teachers have college degrees in home economics and that a great number of the balance have had specialized college training in home economics. The staffs of local school districts and county superintendents have large supervising staffs who are trained in general and special curricula. We doubt the need for the amount of consultative service given to local districts by the State. There is an unnecessary duplication, in our judgment, of in-service teacher training. In its

Vocational Education Supervision and Teacher Training—Continued
annual descriptive report the Bureau of Vocational Education corroborates this opinion by stating:

“In-service—The Teacher. Regional supervisors of the Bureau of Homemaking Education work *constantly* in the class-room with homemaking teachers to improve the learning opportunities of the pupils. *Similar assistance to the class-room teacher is given by city supervisors*, and special services through workshop and publications may be given by college instructors, specialists, and consultants in related fields. They may also conduct short, intensive refresher courses to meet current professional needs.”

We recommend that six supervisors at \$48,000 and three and one-half clerical positions at \$11,550 be deleted from this budget. Additional savings can be made in operating expenses.

Business Education

This bureau consists of three professional and three clerical personnel. We recommend approval of the budget as requested.

Department of Education VOCATIONAL EDUCATION—RELATED INSTRUCTION

ITEM 82 of the Budget Bill

Budget page 263
Budget line No. 41

For Support of Vocational Education, Related Instruction, From the General Fund

Amount requested	\$646
Estimated to be expended in 1953-54 Fiscal Year.....	3,343
Decrease (81.0 percent)	\$2,697

RECOMMENDATIONS

Amount budgeted	\$646
Legislative Auditor's recommendation.....	None
Reduction	\$646

ANALYSIS

There are two programs, agricultural on-farm training and instructional materials for apprentices, classified as related instruction in vocational education.

The agricultural on-farm training program is expected to close at the end of the current year. Final negotiations for closing the program will continue into 1954-55 but the costs will be reimbursed in full by the Veterans Administration.

The instructional materials for apprentices program will continue at the same level next year. It is estimated that the sale of the materials will reimburse all but \$646 of the cost. In view of the fact that this program has not been on a fully self-supporting basis as was originally contemplated, we feel that every effort should be made to operate this program at a cost that is less than the revenues from the sale of publications. On this basis, we cannot recommend even the small amount requested.

Department of Education
VOCATIONAL EDUCATION—FIRE TRAINING

ITEM 83 of the Budget Bill

Budget page 263

Budget line No. 42

For Support of Vocational Education, Fire Training, From the General Fund

Amount requested	\$79,983
Estimated to be expended in 1953-54 Fiscal Year	77,623
 Increase (3.0 percent)	 \$2,360

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$2,513	\$2,513	---	267	19
Operating expense	38	38	---	267	36
Equipment	—191	—191	---	267	45
 Total increase	 \$2,360	 \$2,360	 ---	 267	 46

RECOMMENDATIONS

Amount budgeted	\$79,983
Legislative Auditor's recommendation	75,025
 Reduction	 \$4,958

ANALYSIS

The budget request of \$79,983 is \$2,360 or 3.0 percent higher than the current year.

We recommend that the request be reduced by \$4,958 due to an agency revision in program. This reduction includes 0.5 intermediate stenographer-clerk at \$1,458; temporary help at \$800; and service of other agencies in the amount of \$2,700.

With the exception of the above reductions we recommend approval of the budget request.

Department of Education
VOCATIONAL REHABILITATION

ITEM 84 of the Budget Bill

Budget page 269

Budget line No. 7

For Support of Vocational Rehabilitation From the General Fund

Amount requested	\$1,250,000
Estimated to be expended in 1953-54 Fiscal Year	1,231,413
 Increase (1.5 percent)	 \$18,587

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$52,632	\$44,520	\$8,112	273	21
Operating expense	—235	—235	---	273	22
Equipment	—6,046	—6,046	---	273	23
Less:					
Increased reimbursements	—1,628	—1,628	---	273	26
Less:					
Increased federal funds	—26,136	—26,136	---	269	18
 Total increase	 \$18,587	 \$10,475	 \$8,112	 269	 13

Vocational Rehabilitation—Continued

RECOMMENDATIONS

Amount budgeted.....	\$1,250,000
Legislative Auditor's recommendation.....	1,250,000
Reduction	None

ANALYSIS

The proposed budget for vocational rehabilitation is \$2,916,000. Of this amount \$1,250,000 is from the General Fund and \$1,666,000 is from federal funds.

Present language in the Federal Appropriation Act requires that during the 1955 Fiscal Year the amount appropriated to a state shall not exceed \$1 for each 75 cents contributed by the state. The proposed budget for the Bureau of Vocational Rehabilitation appropriates General Fund money at the rate of 75 cents for each dollar of federal money. Consequently, any reduction in state appropriations will bring a reduction of federal money at the rate of one and one-third to one.

Legislation passed during the 1953 Session established this program as an integral part of the state service. It is no longer a federal program with state matching funds but is a state program operating with federal aid. Over the period of the last few years, the vocational rehabilitation program has shifted its areas of operation. It no longer takes cases "as they come." Instead it has set a system of priorities for acceptance, giving greatest weight to public assistance recipients, and has established standards for eligibility which limit acceptance of cases to those applicants whose need for rehabilitation is unquestioned and for whom the bureau represents the only resource. In our judgment the recent policy changes in vocational rehabilitation are meritorious and should enhance the value of this activity.

In addition to the social value coincident with vocational rehabilitation, there are indications that there is and will be considerable economic value to the State. For example, in 1952-53, there were 639 public welfare cases fully rehabilitated into employment at an annual savings of \$687,000 of public welfare payments in three categorical aids and general relief. These figures, of course, give only a partial picture and cannot be considered as definitive data representing the economic value of vocational rehabilitation. They are, however, definitely promising. Plans for 1954-55 call for a greater percentage of staff time being devoted to public relief recipients.

Provision for a statistician was made in the current year's budget and the position has been recently filled. It should be possible for the bureau to present a full statistical summary at the next session of the Legislature. We recommend that at that time the Legislature review the economic aspects of the rehabilitation service.

Provision for part-time medical consultants equivalent to a full-time position at \$8,112 and a half-time position of vocational rehabilitation officer are added in this budget. The medical consultants should aid the bureau in rehabilitating more difficult cases. The half-time position of rehabilitation officer is necessary to complete the shift of coordinators in vocational guidance and placement to the state-wide staff from district offices.

Vocational Rehabilitation—Continued

At the last session, the Legislature requested the Department of Finance to study the organization, coordination, and extent of rehabilitation services provided by the State. This report is to be presented at this session of the Legislature.

We recommend approval as submitted.

Department of Education
DIVISION OF LIBRARIES

ITEM 85 of the Budget Bill

Budget page 274

Budget line No. 21

For Support of Division of Libraries From the General Fund

Amount requested	\$525,368
Estimated to be expended in 1953-54 Fiscal Year	500,567
Increase (4.9 percent)	\$24,801

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$13,702	\$13,702	---	276	38
Operating expense	4,100	4,100	---	276	39
Equipment	6,999	6,999	---	276	40
Total increase	\$24,801	\$24,801	---	276	46

RECOMMENDATIONS

Amount budgeted	\$525,368
Legislative Auditor's recommendation	525,368
Reduction	None

ANALYSIS

The budget request for the Division of Libraries of \$525,368 is \$24,801 or 4.9 percent greater than the estimated expenditures for 1953-54. Increases are due to normal salary adjustments, one additional clerical position, the inclusion of \$3,000 for a reclassification plan to be effective July 1, 1954, and an increase in the money provided for book accessions.

The additional clerk is requested on a work load basis to keep up with the increased circulation in the Books for the Blind Section. We have examined the work load data and agree that the additional position is justified.

The sum of \$3,000 for reclassifications is included as a result of study by the Personnel Board which recommends certain classification changes.

Between 1950 and 1953 the State Library budget for accessions and binding has increased by 10.6 percent. A study by the library of price increases indicates that the average book price increased 32 percent between 1950 and 1953. The same study shows that the price of continuations has gone up by 23 percent. The Department of Finance estimates that there will be another 2 percent price increase in 1954. The library has also fallen behind on its normal schedule for binding due to the increase in binding costs. To compensate for the book price increase and the binding cost increase, the library

Division of Libraries—Continued

has requested an increase of \$9,812 for the 1954-55 budget. Each line item has been adjusted on a price increase basis. In our judgment the request for additional funds is justified.

Interlibrary Loans

A recent study of state college libraries by a committee of state college librarians and business managers contains the following statements concerning the State Library and interlibrary loans:

"Interlibrary loan is a courtesy and a privilege, not a right, and is dependent upon the cooperation of many libraries. Because of the cost of the service and the conflict in demands for certain classes of material, the interlibrary loan service should be restricted (especially when borrowing from large research libraries) to requests that cannot be filled by any other means.

"In its relations with other California libraries, the State Library follows an interlibrary loan policy much more liberal than that described by the American Library Association Code. Whenever possible it lends needed books to schools, colleges, and universities.

"That interlibrary loans are expensive must not be overlooked. C. C. Williamson, formerly Director of Libraries at Columbia University, reported in 1940 that the average cost to Columbia of lending a volume to another library was two dollars. This figure does not include transportation charges or labor costs in the borrowing institution. As many have pointed out, when all costs to both the lending and the borrowing institution are totaled it is often cheaper to buy the common run of books in print than to obtain them by interlibrary loan."

At present the State Library has no data indicating the cost of loans from the State Library nor has it any formalized standards as to which libraries should receive loans and under what conditions the loans should be made. It is entirely possible that in some cases the cost of handling a loan may approximate or exceed the value of the book itself. There are, undoubtedly, points beyond which the loan of a book becomes uneconomical. The State Library also, on occasion, has purchased books to fulfill the request of another library for a loan. We question whether such purchases, even though they are infrequent, are necessary.

We recommend that prior to the next session of the Legislature the Department of Finance study and make recommendations on the loan policy between the State Library and local libraries giving due consideration to the average cost of each loan.

We recommend approval of the Budget as submitted.

Department of Education
STATE COLLEGES

GENERAL ANALYSIS

The budget request for the nine state colleges is \$18,398,153. This is \$1,078,648 or 5.9 percent greater than the estimated expenditures for the 1953-54 Fiscal Year. In addition, the California Polytechnic College is requesting \$2,813,855 from the Fair and Exposition Fund which is an increase of \$245,548 or 9.6 percent. The Fresno State College of Agriculture is requesting \$396,200 which is an increase of \$39,633 or 11 percent.

It is estimated that full time equivalent enrollment at the nine state colleges will increase from 26,025 to 27,175. This is an increase of 1,150 or 4.4 percent. The full time equivalent students are budgeted to increase at California Polytechnic from 2,753 to 3,485.

Major Items of Increase

Seventy-nine new faculty positions are added in accordance with the faculty staffing formula introduced two years ago. The state colleges are to present a report on the formula during this session of the Legislature. The completion of new buildings will require 50.5 additional maintenance positions plus increased operating expenses for utilities and related costs.

Because of the greater enrollment and the larger teaching staff, 45 clerical and technical positions are added by the imposition of ratios which the Department of Finance uses as a basis for determining the number of clerical and technical people needed to staff the instructional, student personnel and business activities. The ratios do not, in our judgment, provide an adequate measure of staffing needs at any one college, and must result in inequities between colleges. For example, clerks in the student personnel and business offices are based on ratios of approximately one clerk to 190 individual students and approximately one clerk to 300 individual students, respectively. Since an individual student taking three to six units creates less of a burden to the administrative staff than a full time student taking 12 to 15 units, and since the percentages of full and part time students vary appreciably from college to college the ratios must produce unequal staffing allowances.

Clerical staffing for instructional positions until this year has been on the basis of one clerk to 15 instructors. This year all clerical and technical positions are lumped together and placed on a ratio of approximately 1 to 4.7 teachers. Equipment technicians, stock clerks and laboratory assistants, in our opinion, should not be staffed on a personnel ratio but on the basis of the amount of equipment to be serviced or the nature of the curriculum which requires stock clerks or laboratory assistants. The inclusion of these positions appears to limit the validity of this ratio. It should also be pointed out that a number of the colleges are either not using or not making maximum utilization of the more efficient and economical clerical pool type operation. In summary, we feel that the basis for clerical staffing has little validity and that a number of the colleges are not using their personnel to the best advantage.

State Colleges—Continued

Health Services

During the 1953 Session the Legislature requested a study of the financing of state college health services with respect to placing certain medical services on a self-supporting basis. A report written by this office, and concurred in by the Department of Finance and the Department of Education recommended an interim definition of state responsibility for health services and a \$2 a year health fee to be charged to the students on a one-year basis. The Legislature directed the three participants in the original study to make a more thorough survey during the present year.

As a result of the study this office has reached the following conclusions:

1. There has been no uniform direction of college health services, and policies have varied considerably from campus to campus.
2. Services are not uniformly financed. Appropriations in 1953-54 ranged from a low of \$7.05 to a high of \$13.29 per regular student.
3. Physical facilities at some of the colleges are inadequate in size.
4. Some health services are in temporary or unsuitable quarters.
5. In comparison with the University of California the state colleges have been giving minimal services.

The state colleges have prepared a recommended health service program which is subdivided into three major classes as follows:

- I. State-supported health services to be uniformly available at each college.
 - A. Health examinations.
 1. Admission examination, complete for new regular students.
 2. Annual examination for regular students when indicated.
 3. Credential candidates who are applying for a state credential through the college, screened by the college.
 4. Food handlers on at least an annual basis.
 5. Special referrals on a public health basis (protection against outbreaks such as impetigo).
 6. Available to staff if required by the local administrative head (document from Presidents' Administrative Handbook).
 - B. Health counseling (not treatment).
 1. Following health examination, when indicated.
 2. Contemporary individual student problems (not treatment for illness or injury).
 3. Coordination with other college counseling agencies.
 4. Acute emotional problems.
 - C. Emergency care and first aid for sick or injured persons (students, employees, visitors) until they may be safely transferred to private physician or the physician service in the case of students at colleges where that service is provided through support from a student health fee. (See Legal Opinion, 19 California Jurisprudence, Section 4, page 547.)

State Colleges—Continued

- D. Campus public health services.
 - 1. Food services.
 - 2. Housing inspections on campus.
 - 3. Industrial hygiene and safety.
 - 4. Insect and rodent control.
 - 5. Environmental sanitation.
 - E. Supplies and drugs for emergency care, first aid and state-supported health examinations.
 - F. Administration of the health program (to be confined to the persons assigned to the college health service including physicians, nurses, clerical, and technical assistants).
 - G. Provision for public health nursing and medical advisory services in laboratory schools operated by the college.
 - H. Students engaged in intercollegiate athletics are not excluded from care as outlined under Part I where it is applicable on the same basis as provided for all other students.
- II. Services beyond the minimum furnished by the State at each college, the cost of which to be borne by the students through a state fee.
- A. Prevention and care on an outpatient basis (of conditions such as the following):
 - 1. Acute upper respiratory infections (colds, sinus, ears).
 - 2. Acute bronchitis.
 - 3. Athlete's foot.
 - 4. Skin problems.
 - 5. Sunburn.
 - 6. Poison oak.
 - 7. Burns.
 - 8. Bruises, cuts, and sprains.
 - 9. Gastro-intestinal complaints.
 - B. Immunization and vaccination, available when indicated, such as:
 - 1. Tetanus.
 - 2. Influenza.
 - 3. Smallpox.
 - 4. Schick test.
 - 5. Typhoid-paratyphoid.
 - C. X-ray film and development costs in addition to health examination X-rays, but excluding costs attributable to intercollegiate athletic participation.
 - D. Physiotherapy with emphasis on teaching and corrective procedures.
 - E. Laboratory work, when indicated, to facilitate the diagnostic and consultative services listed in Section II.
 - F. Students engaged in intercollegiate athletics are not excluded from care as outlined under Part II where it is applicable on the same basis as provided for all other students.

State Colleges—Continued

III. Services that individual colleges would require to meet their particular needs which will be borne by the students through a local organization.

It will be the privilege of each college to provide services under this heading through a local organization such as student body or foundation.

The proposed staffing as modified by the Department of Finance contemplates one doctor and one nurse per 1,000 regular students (seven units or more) plus clerical help and laboratory technicians to be determined by experience. Necessary equipment for services determined as state responsibility are to be purchased by the State. Equipment for the services supported by the students is to be charged to student fees and amortized over a 10-year period.

A number of factors have precluded the inclusion of this program in the budget. One factor is the scarcity of funds this year. A second is the fact that San Diego State College is the only college that has sufficient facilities to adopt the entire program. The third factor is the impossibility of determining on the basis of past experience the proper allocation of costs between state appropriations and student fees.

Consequently the Department of Finance is recommending that the full program be placed in operation at San Diego State College as a pilot study with the understanding that the college is to make a cost study to determine the proportion of costs that should be borne by the State and by the students. In addition, it will be possible to test the staffing standards on an experimental basis. The additional cost to the State for the 1954-55 Fiscal Year is \$5,659. It should be noted that expenditures per student at San Diego have been lower than at any of the four-year colleges; hence, the increase in General Fund expenditures for the program is larger here than if placed at any other college. The student health fee has been raised from \$2 a year to \$5 a year. It is also recommended that the \$2-a-year health fee begun during the 1953-54 Fiscal Year be continued at the other colleges.

In our judgment, the proposed health service program is reasonable in scope and promises to provide a fair method of financing. We therefore recommend that the Legislature accept the program in principle and approve the pilot study at San Diego State College.

In view of the limitations in physical facilities, we recommend that college health service buildings be considered as part of the building program, providing, of course, that their priority is determined by the colleges in the normal manner.

In addition, we recommend that the further implementation of the augmented program be contingent upon the colleges correcting certain phases of their health service activities. Specifically, unauthorized faculty positions should be removed from the health services; the faculty, except in emergencies, should not use the health services; and staff supported from state funds should not devote state time to competitive athletic teams.

State Colleges—Continued

Enrollment Projections and Admission Requirements

In view of the forecasted enrollment growth in higher education in California, a look at the state college admission requirements is timely. The full-time enrollment at all the state colleges for 1954-55 is 30,835. A recent report issued by the Department of Finance estimates that the full-time enrollment in 1960 will reach 46,300, or an increase of approximately 50 percent. The report also estimates that enrollment in 1965 will grow to 62,300, or an increase of approximately 100 percent. The Department of Education estimates that the colleges will need \$128,000,000 in capital outlay funds by 1965. The admission policies adopted by the colleges will directly affect the number of students to be enrolled, the support budgets, and the capital outlay requirements.

A. Admission of High School Students

According to the regulations of the Department of Education, high school students are admitted to the state colleges if they have either five Carnegie units (50 semester periods) of course work with grades of "A" or "B" during the last three years of high school or if they attain the 20th percentile or above on the national norm of a standard college aptitude test. An applicant who fails to meet these standards may be admitted if the college feels he gives promise of being able to succeed. The acceptable units for admission may or may not be in academic courses. The state college must count them even if they should all be in shop courses, such as wood shop, electric shop, auto shop and other similar classes. It is possible, then, to admit a student with five recommended units in shop courses and with a college aptitude score of zero. We should point out that based on discussions of our staff with admission officers at a number of colleges it appears to us that there is some confusion as to the proper interpretation of the admission requirements.

This year a few of the colleges, because of their physical limitations, restricted enrollment by raising the entrance requirements.

We believe that the state colleges should re-study their admission requirements in view of the large enrollment estimates. They should determine the following points:

1. Are the admission requirements selective enough or are students who show little or no aptitude being admitted? This question could be answered by correlating the aptitude scores and/or Carnegie units of students with their college records. It would be particularly significant to see how many students with low aptitude test scores are dropped.
2. Does a single factor analysis, such as now used, provide enough information to form an evaluation of student potential or should the colleges use a multiple factor analysis? If a number of factors should be used, what are they?

B. Admission of Junior College Students and Transfer Students

An applicant with advanced standing must meet the following standards:

1. He must have a grade point average of 1.0 (grade of "C") or better on his total college work; or

State Colleges—Continued

2. He may receive special consideration if he attains the 20th percentile or above on the national norm of a standard college aptitude test, provided that he was in good standing at the last collegiate institution attended, and his previous record was such that it did not disqualify him in the college to which he seeks admission.

According to the provisions of an agreement between the state college presidents and the presidents of the junior colleges, the admission officers at state colleges are required to consider, in evaluating grade point averages, and to accept for transfer purposes all junior college courses including physical education or terminal courses such as cosmetology and plumbing, unless the individual junior college states that it does not consider the course to be acceptable for transfer. In addition, the colleges accept work experience courses. It is very common for junior colleges to give three to six units per semester credit to a student for work experience in a trade.

With these standards it is possible for a junior college student with a college aptitude test score of zero to be admitted on the basis of a "C" average in junior college courses in terminal education, physical education and work experience. It is also possible for a student to be admitted to a state college with a college aptitude test score of zero and "D" or "F" grades in every academic or college type course attempted if the student has enough grades of "B" or "A" in terminal, physical education, or work experience courses.

We believe that the colleges should answer the following questions:

1. Should terminal courses be accepted as college credit?
2. Should work experience courses be accepted as college credit?
3. Should there be a limit to the number of physical education courses that are accepted as college credit?
4. Is it proper to count the above mentioned courses on an equal basis with academic courses in determining a student's grade average for admission purposes?
5. Are admission requirements sufficiently selective or are students with little or no aptitude being admitted?

Student Fees

The Department of Finance has made five changes in fees charged to students at the state colleges:

1. The tuition fee has been raised in the budget from \$13 a year to the authorized legal maximum of \$25 a year. This change has been made on the basis that other states with comparable teacher training institutions charge fees that average \$74 per year.
2. The materials and services fee has been raised from \$15 a year to \$22 a year. The materials and services fee is designed to cover the cost of instructional expense which appears as a line item in the budget of each college. The increase is to bring the revenues in line with the actual cost of the item for instructional expense.

State Colleges—Continued

3. The placement fee is to defray a portion of the expenditures incurred by the placement offices and is to be charged any student or alumnus who desires to utilize the services. It will bring approximately \$15,000 per year in revenue.
4. The evaluation of transcript fee is to finance the special service given to students who transfer or apply for transfer from junior colleges or other four-year colleges. It will raise approximately \$15,000 per year in revenue.
5. Increase health service fee from \$2 to \$5 for San Diego State College for pilot study. Other colleges remain at \$2 fee.

It is proper at this point to review the nature of the fees at the University and the state colleges. The mandatory incidental fee at the University, as defined by the University, is to meet the cost of student health services, counseling services, job placement services, certain recreational facilities and materials actually used by students in the laboratories. The Regents have a set fee of \$84 per year for the 1954-55 Fiscal Year. The Governor has recommended that the Regents set the total student fee at \$140 per year on the basis of bringing the University more in line with the fees charged at other leading state universities. Because of their constitutional authority, the Regents do not have to accept this recommendation.

The mandatory state college fees as proposed in the Governor's budget are for tuition, instructional materials and services, and for health services. Actually the Director of Education has the legal power to authorize fees and may choose not to follow the schedule in the budget. If he so decides, the college budgets will be reduced by approximately \$800,000.

The fees for the University and the state colleges may be compared in the following manner.

1953-54 Annual Fees and 1954-55 Annual Fees Proposed in Governor's Budget

Fee	University *		State colleges	
	1953-54	1954-55	1953-54	1954-55
1. Tuition -----	None	\$56	\$13	\$25
2. Health -----	\$45	47	2	2
3. Counseling -----	4	4	None	None
4. Job placement -----	3	4	None	3 †
5. Recreation -----	4	4	None	None
6. Laboratory expense -----	24	25	None	None
7. Instructional expense -----	None	None	15	22
Total fees -----	\$74 ‡	\$140	\$30	\$49

* Items 2 through 6, inclusive, are part of the incidental fee. Figures are approximations of average expenditures per student on a university-wide basis.

† Service is optional. Student pays if he elects to use the service.

‡ Total expenditures exceeded total income in 1953-54.

At the University the fee is the same to all students although the degree of services rendered varies considerably at the different campuses. Revenues have exceeded expenditures for the particular services rendered at Los Angeles while the converse has been true at Berkeley.

We have maintained the position that there should be a relationship between the amount of fees charged at the University and the amount of fees charged at the state colleges, exclusive of fees for special services such as health.

State Colleges—Continued

The 1953-54 Budget contemplates a \$140 fee at the University and a \$49 fee at the state colleges, which after deducting health fees amounts to a \$93 fee at the University and a \$47 fee at the state colleges as illustrated in the following table:

<i>University</i>		<i>State colleges</i>
\$140	Total fees	\$49
—47	Health fee	—2
<hr/> \$93		<hr/> \$47

Inasmuch as the per student General Fund cost at the state colleges is approximately two-thirds of the per student General Fund cost at the University, we believe that it would be consistent that the tuition fee of the state colleges be increased from \$25 to \$40, and so recommend. This results in an increase in fees at the state colleges, exclusive of health fees from \$47 to \$62, or two-thirds of the \$93 fee, exclusive of health fees, charged at the university. This will increase revenues for the state colleges in excess of \$700,000.

In our analysis last year we recommended that the Education Code be amended to require the Department of Education to charge a non-resident fee at the state colleges. We renew our recommendation this year.

We believe that it is proper for the State to require a higher fee from nonresident students whose parents do not pay taxes for support of the state colleges than it does from residents. A report prepared for the Association of Teacher Education Institutions indicates that it is standard practice for state colleges to charge a higher tuition fee, or a fee in lieu of tuition, for nonresident students than is normally charged for residents. The report shows that such is the case in all but six of the states maintaining state colleges. Nonresident fees range from a low of \$60 per year at one state college in Alabama to a high of \$450 per year at the New Hampshire State College. Yearly nonresident tuition charges in the major industrial states are as follows: Michigan, \$150; Illinois, \$180; New Jersey, \$200; Pennsylvania, \$240; and New York, \$300. Since California state colleges do not have a separate fee for out-of-state students, they occupy a singular position among the Nation's state colleges.

The University of California has followed the practice of distinguishing between residents and nonresidents when tuition charges are concerned. The University charges \$384 per year for nonresident undergraduates while resident students pay an incidental fee of \$84 per year. Students from outside the State of Michigan must pay \$480 a year to that state's university, while resident students pay \$180 per year. Other state universities follow similar fee schedules. The majority of states accept the policy of requiring nonresident students to pay a larger amount of tuition than is required of resident students.

We recommend that:

1. The Education Code be amended to increase the tuition fees and to permit a nonresident tuition at the state colleges.
2. The resident fee be set at \$20 per semester or \$40 per year.
3. The nonresident fee be set at \$90 per semester. The present tuition, health fee, and materials' and services' charge should be included

Fresno State College—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$90,527	\$90,527	---	294	11
Operating expense -----	34,108	34,108	---	294	12
Equipment -----	22,052	22,052	---	294	13
Less:					
Increased student fees-----	89,790	89,790	---	294	17
Increased reimbursements -----	96	96	---	294	20
Plus:					
Decreased Veterans Ad- ministration payments	25,763	25,763	---	294	19
Total increase -----	\$38,460	\$38,460	---	294	23

RECOMMENDATIONS

Amount budgeted -----	\$1,943,835
Legislative Auditor's recommendation-----	1,822,672
Reduction -----	\$121,163

ANALYSIS

The budget request of \$1,943,835 is \$38,460 or 2.0 percent greater than the estimated expenditures for the current year. Full time enrollment will increase from 2,875 to 3,075 students. General Fund cost per student will decrease from \$711 to \$679. Total expenditures per student will decrease from \$778 to \$761.

With the exception of the change in fees we recommend approval as submitted.

Department of Education

FRESNO STATE COLLEGE—DIVISION OF AGRICULTURE

ITEM 88 of the Budget Bill

Budget page 288

Budget line No. 23

For Support of Fresno State College, Division of Agriculture, From the
State College Fund

Amount requested -----	\$378,577
Estimated to be expended in 1953-54 Fiscal Year-----	340,553
Increase (11.2 percent)-----	\$38,024

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$39,271	\$39,271	---	296	33
Operating expense -----	11,594	11,594	---	296	34
Equipment -----	9,347	9,347	---	296	35
Plus:					
Decreased reimbursements	1,000	1,000	---	296	40
Total increase -----	\$38,024	\$38,024	---	296	42

RECOMMENDATIONS

Amount budgeted -----	\$378,577
Legislative Auditor's recommendation-----	378,577
Reduction -----	None

**Fresno State College—Division of Agriculture—Continued
ANALYSIS**

The budget request from the State College Fund of \$378,577 is \$38,024 or 11.2 percent greater than the estimated expenditures for the current year. Full time enrollment will increase from 150 to 175 students. Cost per student will decrease from \$2,377 to \$2,264.

We recommend approval as submitted.

**Department of Education
HUMBOLDT STATE COLLEGE**

ITEM 89 of the Budget Bill

Budget page 297
Budget line No. 5

For Support of Humboldt State College From the General Fund

Amount requested	\$925,849
Estimated to be expended in 1953-54 Fiscal Year	861,270
Increase (7.5 percent)	\$64,579

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$69,660	\$69,660	---	301	63
Operating expense	18,520	18,520	---	301	64
Equipment	—13,077	—13,077	---	301	65
Less:					
Increased student fees	—19,367	—19,367	---	301	69
Plus:					
Decreased Veterans Admin- istration payments	8,843	8,843	---	301	71
Total increase	\$64,579	\$64,579	---	301	74

RECOMMENDATIONS

Amount budgeted	\$925,849
Legislative Auditor's recommendation	905,495
Reduction	\$20,354

ANALYSIS

The budget request of \$925,849 is \$64,579 or 7.5 percent greater than the estimated expenditures for the current year. Full-time enrollment will increase from 600 to 650 students. General Fund cost per student will decrease from \$1,530 to \$1,519. Total expenditures per student will decrease from \$1,621 to \$1,619.

With the exception of the change in fees we recommend approval as submitted.

**Department of Education
LONG BEACH STATE COLLEGE**

ITEM 90 of the Budget Bill

Budget page 302
Budget line No. 6

For Support of Long Beach State College From the General Fund

Amount requested	\$1,333,146
Estimated to be expended in 1953-54 Fiscal Year	1,208,442
Increase (10.3 percent)	\$124,704

Long Beach State College—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$181,351	\$181,351	---	306	43
Operating expense -----	36,292	36,292	---	306	44
Equipment -----	—18,143	—18,143	---	306	45
Less:					
Increased student fees ---	—96,119	—96,119	---	306	49
Increased reimbursements -	—1,000	—1,000	---	306	52
Plus:					
Decreased Veterans Admin- istration payments -	22,323	22,323	---	306	51
Total increase -----	\$124,704	\$124,704	---	306	54

RECOMMENDATIONS

Amount budgeted -----	\$1,333,146
Legislative Auditor's recommendation -----	1,251,814
Reduction -----	\$81,332

ANALYSIS

The budget request of \$1,333,146 is \$124,704 or 10.3 percent greater than the estimated expenditures for the current year. Full-time enrollment will increase from 1,650 to 2,000 students. General Fund cost per student will decrease from \$785 to \$717. Total expenditure per student will decrease from \$845 to \$797.

With the exception of the change in fees we recommend approval as submitted.

Department of Education

LOS ANGELES STATE COLLEGE OF APPLIED ARTS AND SCIENCES

ITEM 91 of the Budget Bill

Budget page 307

Budget line No. 7

*For Support of Los Angeles State College of Applied Arts and Sciences
From the General Fund*

Amount requested -----	\$2,106,984
Estimated to be expended in 1953-54 Fiscal Year -----	1,856,097
Increase (13.5 percent) -----	\$250,887

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$291,803	\$291,803	---	311	30
Operating expense -----	49,929	49,929	---	311	31
Equipment -----	—11,056	—11,056	---	311	32
Less:					
Increased student fees ---	—138,943	—138,943	---	311	36
Increased reimbursements -----	—500	—500	---	311	39
Plus:					
Decreased Veterans Admin- istration payments ---	59,654	59,654	---	311	38
Total increase -----	\$250,887	\$250,887	---	311	41

Los Angeles State College of Applied Arts and Sciences—Continued

RECOMMENDATIONS

Amount budgeted	\$2,106,984
Legislative Auditor's recommendation	1,978,456
Reduction	\$128,528

ANALYSIS

The budget request of \$2,106,984 is \$250,887 or 13.5 percent greater than the estimated expenditures for the current year. Full-time enrollment will increase from 3,000 to 3,500 students. General Fund cost per student will decrease from \$659 to \$643. Total expenditures per student will decrease from \$735 to \$725.

With the exception of the change in fees we recommend approval as submitted.

Department of Education
SACRAMENTO STATE COLLEGE

ITEM 92 of the Budget Bill

Budget page 312
Budget line No. 7

For Support of Sacramento State College From the General Fund

Amount requested	\$1,290,326
Estimated to be expended in 1953-54 Fiscal Year	1,121,915
Increase (15.0 percent)	\$168,411

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$201,337	\$201,337	---	316	51
Operating expense	22,885	22,885	---	316	52
Equipment	—11,499	—11,499	---	316	53
Less:					
Increased student fees	—65,855	—65,855	---	316	57
Increased reimbursements	—660	—660	---	316	60
Plus:					
Decreased Veterans Administration payments	22,203	22,203	---	316	59
Total increase	\$168,411	\$168,411	---	316	62

RECOMMENDATIONS

Amount budgeted	\$1,290,326
Legislative Auditor's recommendation	1,223,864
Reduction	\$66,462

ANALYSIS

The budget request of \$1,290,326 is \$168,411 or 11.5 percent greater than the estimated expenditures for the current year. Full-time enrollment will increase from 1,400 to 1,800 students. General Fund cost per student will decrease from \$858 to \$770. Total expenditures per student will decrease from \$923 to \$836.

With the exception of the change in fees we recommend approval as submitted.

**Department of Education
SAN DIEGO STATE COLLEGE**

ITEM 93 of the Budget Bill

Budget page 317
Budget line No. 7

For Support of San Diego State College From the General Fund

Amount requested	\$2,396,408
Estimated to be expended in 1953-54 Fiscal Year	2,210,533
Increase (8.4 percent)	\$185,875

Summary of Increase

	Total increase	INCREASE DUE TO Work load or salary adjustments	New services	Budget page	Line No.
Salaries and wages	\$243,029	\$243,029	---	322	32
Operating expense	22,561	22,561	---	322	33
Equipment	-25,453	-25,453	---	322	34
Less:					
Increased student fees ..	-140,415	-140,415	---	322	39
Increased reimbursements	-2,100	-2,100	---	322	38
Plus:					
Decreased Veterans Administration payments	88,253	88,253	---	322	41
Total increase	\$185,875	\$185,875	---	322	43

RECOMMENDATIONS

Amount budgeted	\$2,396,408
Legislative Auditor's recommendation	2,256,391
Reduction	\$140,017

ANALYSIS

The budget request of \$2,396,408 is \$185,875 or 8.4 percent greater than the estimated expenditures for the current year. Full-time enrollment will increase from 3,950 to 4,350 students. General Fund cost per student will decrease from \$602 to \$594. Total expenditures per student will decrease from \$663 to \$657.

With the exception of the change in fees we recommend approval as submitted.

**Department of Education
SAN FRANCISCO STATE COLLEGE**

ITEM 94 of the Budget Bill

Budget page 323
Budget line No. 24

For Support of San Francisco State College From the General Fund

Amount requested	\$2,708,881
Estimated to be expended in 1953-54 Fiscal Year	2,592,229
Increase (4.5 percent)	\$116,652

San Francisco State College—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$268,468	\$268,468	---	329	20
Operating expense-----	758	758	---	329	21
Equipment-----	—28,458	—28,458	---	329	22
Less:					
Increased student fees --	—122,461	—122,461	---	329	26
Increased reimbursements -----	—60,354	—60,354	---	329	30
Plus:					
Decreased Veterans Administration payments-----	58,699	58,699	---	329	28
Total increase-----	\$116,652	\$116,652	---	329	32

RECOMMENDATIONS

Amount budgeted-----	\$2,708,881
Legislative Auditor's recommendation-----	2,517,322
Reduction-----	\$191,559

ANALYSIS

The budget request of \$2,708,881 is \$116,652 or 4.5 percent greater than the estimated expenditures for the current year. Full-time enrollment will increase from 4,400 to 4,500 students. General Fund cost per student will increase from \$643 to \$649. Total expenditures per student will increase from \$715 to \$752. More than normal increases are due to the budgeting of the child care center under support and to the increased enrollment at the laboratory school.

With the exception of the change in fees we recommend approval as submitted.

Department of Education
SAN JOSE STATE COLLEGE

ITEM 95 of the Budget Bill

Budget page 330
Budget line No. 7

For Support of San Jose State College From the General Fund

Amount requested-----	\$3,274,470
Estimated to be expended in 1953-54 Fiscal Year-----	3,285,464
Decrease (0.3 percent)-----	—\$10,994

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$16,218	\$16,218	---	335	9
Operating expense-----	—6,748	—6,748	---	335	10
Equipment-----	—12,816	—12,816	---	335	11
Less:					
Increased student fees --	—91,270	—91,270	---	335	15
Plus:					
Decreased Veterans Administration payments-----	83,622	83,622	---	335	17
Total increase-----	—\$10,994	—\$10,994	---	335	20

San Jose State College—Continued

RECOMMENDATIONS

Amount budgeted	\$3,274,470
Legislative Auditor's recommendation	3,093,574
Reduction	\$180,896

ANALYSIS

The budget request of \$3,274,470 is \$10,944 or 0.3 percent less than the estimated expenditures for the current year. The decrease is due to two factors.

1. The Department of Finance has prepared the college budget on the basis of an enrollment of 6,000 full-time equivalent students in accordance with the recommendation of the Strayer Report of the Needs of Higher Education that maximum enrollment be at that figure. Full-time equivalent enrollment is 6,875 for the current year.
2. The other major factor contributing to the decrease in the budget is the abolishment of 12 teachers and six clerks provided in 1953-54 to facilitate the separation of the junior college.

General Fund cost per student has increased from \$514 to \$587. Total expenditures per student have increased from \$562 to \$643.

With the exception of the change in fees we recommend approval as submitted.

Department of Education
CALIFORNIA STATE POLYTECHNIC COLLEGE

ITEM 96 of the Budget Bill

Budget page 336

Budget line No. 19

*For Support of California State Polytechnic College From the Fair and
 Exposition Fund*

Amount requested	\$2,813,885
Estimated to be expended in 1953-54 Fiscal Year	2,568,337
Increase (9.6 percent)	\$245,548

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$155,449	\$155,449	---	344	9
Operating expense	31,034	31,034	---	344	11
Equipment	20,713	20,713	---	344	12
Less:					
Increased student fees	81,126	81,126	---	344	16
Increased reimbursements	5,704	5,704	---	344	20
Plus:					
Decreased Veterans Ad- ministration payments	166,608	166,608	---	344	18
Total increase	\$245,548	\$245,548	---	344	22

RECOMMENDATIONS

Amount budgeted	\$2,813,885
Legislative Auditor's recommendation	2,754,822
Reduction	\$59,063

California State Polytechnic College—Continued
ANALYSIS

The budget request of \$2,813,885 is \$245,548 or 9.6 percent greater than estimated expenditures for the current year. Full-time enrollment will increase from 2,753 to 3,485 students. Fair and Exposition Fund cost per student will decrease from \$994 to \$859. Total expenditures per student will decrease from \$1,075 to \$896.

With the exception of the change in fees we recommend approval as submitted.

Department of Education
MARITIME ACADEMY

ITEM 97 of the Budget Bill

Budget page 345
Budget line No. 17

For Support of Maritime Academy From the General Fund

Amount requested	\$289,005
Estimated to be expended in 1953-54 Fiscal Year	278,783
Increase (3.7 percent)	\$10,222

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$11,714	11,714	---	348	31
Operating expense	3,531	3,531	---	348	32
Equipment	738	738	---	348	33
Less:					
Increased reimbursements	—5,761	—5,761	---	348	38
Total increase	\$10,222	\$10,222	---	348	40

RECOMMENDATIONS

Amount budgeted	\$289,005
Legislative Auditor's recommendation	254,077
Reduction	\$34,928

ANALYSIS

The budget request for the Maritime Academy is \$289,005 which is \$10,222 or 3.7 percent greater than the estimated expenditures for 1953-54. The budget for 1954-55 is at essentially the level of the current Fiscal Year. Normal salary increases and downward adjustments in salary savings account for the increase.

The Maritime Academy is a residential school which is in operation for 11 months of the year. Students are fed and housed for that period at the academy or on the training ship during the annual cruise. The Maritime Academy is the only state institution of higher learning in which the State subsidizes a portion of the student feeding and all of the student housing costs. We recommend that the Legislature adopt the following policies concerning the annual support of the Maritime Academy, which are consistent with the historical support policies for the California state colleges:

1. The costs of feeding officers, students and employees should be not chargeable to the State.
2. A nominal rental should be assessed for living accommodations of officers, students and employees.

Maritime Academy—Continued

3. Considerations should be given to adopting special fees at the Maritime Academy that are consistent with special fees adopted for the state colleges.

Room and Board

The 1954-55 cost of feeding students amounts to \$119,128, which combined with a nominal room charge amounts to an estimated room and board cost of \$135,128 as follows:

Annual ration	\$64,970
Salaries and wages of culinary personnel (84.8 percent)	51,468
Housekeeping	2,290
Equipment	400
Total, board	\$119,128*
Room	16,000
Total, room and board	\$135,128

* \$10 per month x 8 months x 200 students.

At present, it is estimated that the academy will receive the following revenue:

No. students	Revenue per student	Total revenue
150	\$531	\$79,650
48	400	19,200
2	675	1,350
Revenue, room and board		\$100,200

If our recommendation concerning room and board charges are put into effect the net saving to the State will be \$34,928 for the 1954-55 Fiscal Year.

In addition, we recommend that the Department of Finance and the Department of Education study the costs in the feeding program to ascertain if savings can be made so that they may be passed on to the students in the form of lower fees. We suggest the following possibilities:

1. It has come to our attention that some of the personnel serve the academy staff in the wardroom rather than have the staff go through a cafeteria line as is the practice in the state colleges. This special service is not necessary and not in keeping with prevailing practices at the state colleges.

We recommend that the Department of Finance determine the manpower devoted to this special service to the staff and eliminate it from the budget.

2. It is our understanding that the reimbursements from employees for meals are at a lower rate than at other institutions. While we recognize that there was some initial justification for the low meal rates, the subject should be examined again.

3. The new cafeteria should be open sometime in the middle of the 1954-55 Fiscal Year. The new building should permit more economical use of kitchen staff time thereby reducing feeding costs.

It should be pointed out that in order to treat the students at the Maritime Academy the same as at the state colleges, there should be, in

Maritime Academy—Continued

addition to the increases we have recommended, a tuition fee of \$25 a year and a materials and services fee of \$5. We are not recommending such an increase this year, but it should be given consideration in future sessions of the Legislature.

**Department of Education
SCHOOL FOR THE BLIND**

ITEM 98 of the Budget Bill

Budget page 349
Budget line No. 7

For Support of School for the Blind From the General Fund

Amount requested	\$451,857
Estimated to be expended in 1953-54 Fiscal Year	439,750
Increase (2.8 percent)	\$12,107

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$10,367	\$10,367	---	352	61
Operating expense	7,477	7,477	---	352	62
Equipment	-6,128	-6,128	---	352	63
Plus:					
Decreased reimbursements	391	391	---	352	66
Total increase	\$12,107	\$12,107	---	352	72

RECOMMENDATIONS

Amount budgeted	\$451,857
Legislative Auditor's recommendation	412,377
Reduction	\$39,480

ANALYSIS

The budget request of \$451,857 is \$12,107 or 2.8 percent above the estimated expenditures for the 1953-54 Fiscal Year. The increase is due to normal salary increments, the addition of 0.4 teachers due to a higher proportion of younger students, and to an item of \$7,500 for special repairs.

The State maintains five residential schools for physically handicapped children. There are two schools for the deaf, two schools for cerebral palsied, and one for the blind. All of the schools are part of the public school system except that they receive their support from the General Fund rather than the Public School Fund. The schools for the deaf and blind are regular schools in the sense that they offer typical courses of instruction and that students may attend them year after year and receive a diploma. The schools for the cerebral palsied are not regular schools since their students, as a rule, attend for only 3 to 12 months for highly specialized treatment and instruction, and then return, if possible, to district schools. The cerebral palsied schools, in our judgment, are not in the same classification as the other special schools. They are more aptly designated as primarily diagnostic, treatment and research centers and secondarily as education centers.

School for the Blind—Continued

Historically, and by law, there have been no fees or charges except that schools for the deaf and the blind have charged parents for cost of transportation to and from the schools, clothing, and some medical care. In instances when parents have been unable to pay for these items, the Department of Education has billed the county in which the child resides.

There is no question in our mind that no charge should be made for the instruction at a state school, when it is part of the public school system. At the deaf and blind schools, however, we question the propriety of the State paying the full cost of a student's board and room, a cost that parents of handicapped and non-handicapped children in district schools normally meet. State payments of room and board costs relieve parents of their filial responsibilities and provide, in many cases, an unnecessary subsidy. We therefore, recommend that the schools for the deaf and the blind make a charge for room and board equal to the cost at each institution. Recognizing the fact that institutional feeding costs and the room charges could work a hardship on some parents, we recommend that a means test be established providing a sliding scale of payments which would require full payment from parents who financially are able, and partial payment from those with lesser ability to pay. This, we believe, is consistent with state policy generally, and provides equity to tax payers who are required to pay support costs of students in state colleges and the university, and patients in mental hospitals on a means-test basis.

In our analysis of each budget we have set forth the computed feeding cost, a nominal room rental, a tentative estimate of income, and a corresponding budget reduction.

We recommend that the Department of Education and the Department of Finance develop a means test and a firmer estimate of income before the Assembly Ways and Means and Senate Finance Committees have concluded their deliberations and that such an amount be deducted from the budget requests of the school for the blind and the schools for the deaf.

In accordance with the above policy recommendation concerning the schools for the deaf and blind, we recommend a reduction in the amount of the appropriation for this school. The cost of student feeding is \$63,896 a year, or \$380 per student. We believe it is reasonable to charge a rental of \$90 a year for dormitory facilities. The total charge per year should be \$470 per student. Tentatively, as a working figure, we estimate that the average payment according to the means test will be one-half of cost, or \$235 per student, permitting a reduction in the Budget Act appropriation of \$39,480.

**Department of Education
SCHOOL FOR THE DEAF, BERKELEY**

ITEM 99 of the Budget Bill

Budget page 353
Budget line No. 7

For Support of School for the Deaf, Berkeley, From the General Fund

Amount requested	\$1,031,399
Estimated to be expended in 1953-54 Fiscal Year	988,264
Increase (4.4 percent)	\$43,135

School for the Deaf, Berkeley—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$36,346	\$36,346	---	356	38
Operating expense-----	9,915	9,915	---	356	39
Equipment-----	—1,786	—1,786	---	356	40
Less:					
Increased reimbursements-----	—1,340	—1,340	---	356	43
Total increase-----	\$43,135	\$43,135	---	356	50

RECOMMENDATIONS

Amount budgeted-----	\$1,031,399
Legislative Auditor's recommendation-----	931,519
Reduction-----	\$99,880

ANALYSIS

The budget request of \$1,031,399 is \$43,135 or 4.4 percent greater than estimated expenditures for the current year. Increases are due primarily to normal salary adjustments and to increased medical and feeding costs. There are no new positions.

In accordance with our policy recommendation concerning the schools for the deaf and blind as outlined in our analysis of the School for the Blind, we are recommending a reduction in the appropriation for this school. The cost of student feeding is \$160,339 a year, or \$364 per student. We believe it is reasonable to charge a rental of \$90 a year for dormitory facilities. This figure is below the charge for rooms at the state colleges. The total charge per year then should be \$454 per student. Tentatively, as a working figure, we estimate that the average payment according to the conditions of the means test will be one-half of cost, or \$227 per student, or a reduction in the Budget Act appropriation of \$99,880.

Department of Education
SCHOOL FOR THE DEAF, RIVERSIDE

ITEM 100 of the Budget Bill

Budget page 357
Budget line No. 7

For Support of School for the Deaf, Riverside, From the General Fund

Amount requested-----	\$664,300
Estimated to be expended in 1953-54 Fiscal Year-----	538,904
Increase (23.2 percent)-----	\$125,396

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$110,517	\$91,209	\$19,308	360	25
Operating expense-----	15,660	15,660	---	360	26
Equipment-----	5,685	5,685	---	360	27
Less:					
Increased reimbursements-----	—6,466	—6,466	---	360	30
Total increase-----	\$125,396	\$106,088	\$19,308	360	34

School for the Deaf, Riverside—Continued

RECOMMENDATIONS

Amount budgeted	\$664,300
Legislative Auditor's recommendation	610,411
Reduction	\$53,889

ANALYSIS

The budget request of \$664,300 is \$125,396 or 23.2 percent greater than the estimated expenditures for the 1953-54 Fiscal Year. Increases are due to normal salary adjustments, extension of existing positions to a full year basis, addition of vocational teachers for one-half year with the completion of the new vocational building, and additional maintenance costs and personnel.

In accordance with our policy recommendation concerning the schools for the deaf and blind as outlined in our analysis of the School for the Blind, we recommend a reduction in the amount of the appropriation for this school. The cost of student feeding is \$93,660 a year, or \$416 per student. We believe it is reasonable to charge a rental of \$90 a year for dormitory facilities. The total charge per year should be \$506 per student. Tentatively, as a working figure, we estimate that the average payment according to the means test will be one-half of cost or \$253 per student, permitting a reduction in the budget act appropriation of \$53,889.

Department of Education

SCHOOL FOR CEREBRAL PALSID CHILDREN, NORTHERN CALIFORNIA

ITEM 101 of the Budget Bill

Budget page 361
Budget line No. 7*For Support of School for Cerebral Palsied Children, Northern California,
From the General Fund*

Amount requested	\$311,901
Estimated to be expended in 1953-54 Fiscal Year	304,399
Increase (2.5 percent)	\$7,502

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$9,557	\$9,557	---	364	9
Operating expense	—420	—420	---	364	10
Equipment	—1,635	—1,635	---	364	11
Total increase	\$7,502	\$7,502	---	364	13

RECOMMENDATIONS

Amount budgeted	\$311,901
Legislative Auditor's recommendation	311,901
Reduction	None

ANALYSIS

The budget request of \$311,901 is \$7,502 or 2.5 percent greater than the expenditures for the current year. There is no change in the level of service. One intermediate typist-clerk is added on a work load basis.

We recommend approval as submitted.

Department of Education
SCHOOL FOR CEREBRAL PALSID CHILDREN, SOUTHERN CALIFORNIA

ITEM 102 of the Budget Bill

Budget page 365
Budget line No. 7

*For Support of School for Cerebral Palsied Children, Southern California,
From the General Fund*

Amount requested	\$328,625
Estimated to be expended in 1953-54 Fiscal Year	352,561
<hr/>	
Decrease (6.9 percent)	\$23,936

Summary of Increase

	Total increase	INCREASE DUE TO	Budget page	Line No.
		Work load or salary adjustments	New services	
Salaries and wages	\$8,298	\$8,298	368	8
Operating expense	32,655	32,655	368	9
Equipment	439	439	368	10
Less:				
Increased reimbursements	18	18	368	13
Total increase	-\$23,936	-\$23,936	368	17

RECOMMENDATIONS

Amount budgeted	\$328,625
Legislative Auditor's recommendation	328,625
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Reduction	None

ANALYSIS

The requested budget of \$328,625 is \$23,936 or 6.9 percent less than the estimated expenditures for the 1953-54 Fiscal Year. The principal change is the reduction of \$33,225 in the diagnostic and treatment item for clinic visits from children enrolled in local school districts. This reduction brings the southern school more nearly in line with the practices of the northern school.

We recommend approval as submitted.

Department of Education
OAKLAND ORIENTATION CENTER

ITEM 103 of the Budget Bill

Budget page 369
Budget line No. 6

For Support of Oakland Orientation Center From the General Fund

Amount requested	\$266,588
Estimated to be expended in 1953-54 Fiscal Year	253,607
<hr/>	
Increase (5.1 percent)	\$12,981

Summary of Increase

	Total increase	INCREASE DUE TO	Budget page	Line No.
		Work load or salary adjustments	New services	
Salaries and wages	\$5,619	\$5,619	372	8
Operating expense	3,923	3,923	372	9
Equipment	3,479	3,479	372	10
Less:				
Increased reimbursements	40	40	372	13
Total increase	\$12,981	\$12,981	372	17

Oakland Orientation Center—Continued

RECOMMENDATIONS

Amount budgeted	\$266,588
Legislative Auditor's recommendation	266,588
Reduction	None

ANALYSIS

The Oakland Orientation Center has requested a budget of \$266,588 which is \$12,981 or 5.1 percent more than the estimated expenditures for 1953-54. The total increase in expenditures is due primarily to normal salary increments and increases in operating expense and equipment for instructional purposes. This budget proposes a further shift in programs. The expenditures for the resident population are decreased from \$188,770 to \$178,096, and the expenditures for blind students are increased from \$64,837 to \$88,492. The number of residents remains unchanged while the average number of students will rise from 15 to 25. The cost per resident decreases from \$2,517 to \$2,375 and the cost per student is reduced from \$4,322 to \$3,540.

We recommend approval as submitted.

Department of Education

LOS ANGELES CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 104 of the Budget Bill

Budget page 373

Budget line No. 8

*For Support of Los Angeles Center, California Industries for the Blind
From the General Fund*

Amount requested	\$125,777
Estimated to be expended in 1953-54 Fiscal Year	111,117
Increase (13.2 percent)	\$14,660

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$11,024	\$11,024	---	374	59
Operating expense	4,211	4,211	---	374	60
Equipment	—575	—575	---	374	61
Total increase	\$14,660	\$14,660	---	374	63

RECOMMENDATIONS

Amount budgeted	\$125,777
Legislative Auditor's recommendation	116,885
Reduction	\$8,892

ANALYSIS

The budget request of \$125,777 is \$14,660 or 13.2 percent higher than estimated expenditures for the current year. Three clerical positions have been shifted from the manufacturing fund to the General Fund and represent an increase of \$8,892 in this budget. We do not recommend approval of this transfer and suggest that the responsibility of the General Fund to subsidize the Industries for the Blind be a part of the general study that we are recommending for the California Industries for the Blind.

With the above reduction we recommend approval as submitted.

Los Angeles Center, California Industries for the Blind—Continued
California Industries for the Blind

The operations of the Industries for the Blind do not appear to be satisfactory in many respects. Recent developments and indications of possible future developments in general business activity suggest that it is advisable to not only analyze the present position but to plan and organize for the future. The following facts indicate to us that there should be a study of the operations of the California Industries for the Blind:

1. Large government orders are diminishing and it is necessary to switch to smaller commercial operations.
2. The centers have in the past and are now having difficulty in obtaining commercial orders.
3. Gross sales in 1952-53 were \$547,793 less than in the previous year. It is estimated that sales will decline by another \$500,000 in 1953-54 and by another \$250,000 in 1954-55.
4. Gross profits declined from \$335,367 in 1952 to \$249,207 in 1953.
5. Inventory of finished goods increased from \$204,275 to \$363,472 between June 30, 1952, and June 30, 1953.
6. The manufacturing operation appears to be overcapitalized.
7. During the current year the Oakland Center is operating at a loss.
8. Audit reports for the Los Angeles Center indicate conditions which are highly unsatisfactory.

Consequently, we recommend that a lay advisory committee of prominent businessmen be appointed by the appropriate Legislative committee to study the present and future problems of the California Industries for the Blind, and to make recommendations to improve the operations.

We suggest that the following topics might be included in such a study:

1. The general administrative organization and staffing.
2. The over-all financial structure.
3. The necessary amount of capitalization.
4. Can the industries be self-supporting? If not, what is the best method of state subsidization?
5. An analysis of production and sales methods.
6. What can the California Industries for the Blind do to develop new products?
7. Are there possibilities for developing sub-contracts for simple assembling operations?

Department of Education
OAKLAND CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 105 of the Budget Bill

Budget page 375
 Budget line No. 7

For Support of Oakland Center, California Industries for the Blind, From the General Fund

Amount requested	\$89,593
Estimated to be expended in 1953-54 Fiscal Year	85,080
Increase (5.3 percent)	\$4,513

Oakland Center, California Industries for the Blind—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$7,527	\$7,527	---	377	45
Operating expense -----	384	384	---	377	46
Equipment -----	—4,340	—4,340	---	377	47
Plus:					
Decreased reimbursements -----	942	942	---	377	50
Total increase -----	\$4,513	\$4,513	---	377	52

RECOMMENDATIONS

Amount budgeted -----	\$89,593
Legislative Auditor's recommendation-----	89,593
Reduction -----	None

ANALYSIS

The budget request of \$89,593 is \$4,513 or 5.3 percent higher than the estimated expenditures for the current year. One account clerk is added on a work load basis and one janitor is proposed to cover the new factory trades building.

We recommend approval as submitted.

Department of Education

SAN DIEGO CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 106 of the Budget Bill

Budget page 378

Budget line No. 8

*For Support of San Diego Center, California Industries for the Blind
From the General Fund*

Amount requested -----	\$48,314
Estimated to be expended in 1953-54 Fiscal Year-----	46,153
Increase (4.7 percent) -----	\$2,161

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$960	\$960	---	379	50
Operating expense -----	—88	—88	---	379	51
Equipment -----	1,239	1,239	---	379	52
Total increase -----	\$2,161	\$2,161	---	379	54

RECOMMENDATIONS

Amount budgeted -----	\$48,314
Legislative Auditor's recommendation-----	48,314
Reduction -----	None

ANALYSIS

The budget request of \$48,314 is \$2,161 or 4.7 percent greater than the estimated expenditures for the current fiscal year. The increase is due to normal salary adjustments which increases the cost per factory

San Diego Center, California Industries for the Blind—Continued
worker from \$731 to \$767 and the cost per opportunity work center
worker from \$524 to \$531. Otherwise the same level of program is main-
tained.

We recommend approval as submitted.

Department of Education
TEACHERS' RETIREMENT SYSTEM

ITEM 107 of the Budget Bill

Budget page 380
Budget line No. 8

For Support of the State Teachers' Retirement System From the General Fund

Amount requested	\$181,616
Estimated to be expended in 1953-54 Fiscal Year	159,904
Increase (13.6 percent)	\$21,712

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$6,441	\$6,441	---	380	65
Operating expense	15,280	15,280	---	381	20
Equipment	—9	—9	---	381	26
Total increase	\$21,712	\$21,712	---	381	28

RECOMMENDATIONS

Amount budgeted	\$181,616
Legislative Auditor's recommendation	181,616
Reduction	None

ANALYSIS

The increase of \$6,441 in salaries and wages is due to (1) one proposed new position, (2) an increase in the actuary's salary approved by the Personnel Board to bring it in conformity with similar work in other employment and (3) other salary adjustments. A new position of tabulating machine operator is requested on the basis of increased work load. In the past few years, the Teachers' Retirement System has had insignificant increases in personnel in spite of continued increases in work load. The work load increases have been partially absorbed by the mechanized system and refined procedures. However, we feel that the addition of this position is justified on the basis of the accumulated work load plus the work load for the coming year. It is anticipated that there will be 13,500 new accounts in the 1954-55 Fiscal Year and 1,500 retirements. The case load will increase 7,500 cases to a total of 155,000 accounts.

Operating expenses show an increase of \$15,280 over the current year. An amount of \$13,500 is budgeted for the actuarial valuation which is required by statute to be made every four years.

Approval is recommended of the items budgeted.

UNIVERSITY OF CALIFORNIA

ITEM 108 of the Budget Bill

Budget page 382
Budget line No. 22*For Support of the University of California From the General Fund*

Amount requested	\$51,702,714
Estimated to be expended in 1953-54 Fiscal Year	52,805,899
Decrease (2.1 percent)	<u>\$1,103,185</u>

RECOMMENDATIONS

Amount budgeted	\$51,702,714
Legislative Auditor's recommendation	49,702,714
Reduction	<u>\$2,000,000</u>

ANALYSIS

The budget request of the University of California is \$51,702,714. This request is \$1,103,185 or 2.1 percent less than the estimated expenditure of \$52,805,899 in the 1953-54 Fiscal Year.

The total expenditure program for the University of California is \$78,970,098 in the 1954-55 Fiscal Year. This is \$6,802,362 or 9.4 percent greater than the total estimated expenditure of \$72,167,736 for the 1953-54 Fiscal Year.

As the amount requested by the Regents in their budget request to the Governor differs from the amount included in the Governor's Budget, it is important to review the changes effected by the Governor and the basis upon which the changes were made:

1. Financial changes effected by the Governor in the regents' budget request to the Governor:

<i>Budget Request</i>	<i>General Fund</i>	<i>Total Expenditure</i>
(a) Regents to Governor	\$60,382,714	\$78,970,098
(b) Governor to Legislature	51,702,714	78,970,098
Difference	<u>\$8,680,000</u>	<u>None</u>

The Governor's reduction of the General Fund request for the University includes the following recommended changes:

(a) Use of university reserves	\$6,600,000
(b) Increased student fees	2,000,000
(c) Nematode research transferred to the Fair and Exposition Funds	80,000
Net reduction	<u>\$8,680,000</u>

2. The general basis upon which the Governor recommended the changes in the regents' request for funds is as follows:

- (a) The University had two large reserve funds totaling \$13,580,000 on December 31, 1953. Inasmuch as the State is faced with using its reserves over the next two-year period in order to avoid imposing additional taxes, this policy should also apply to the University.
- (b) Student fees should be increased from \$42 to \$70 per semester to bring the University more in line with fees charged at other major state universities.
- (c) Nematode research should continue to be supported from Fair and Exposition Funds rather than from the General Fund.

University of California—Continued

It is important to recognize that the basis upon which the Governor reduced the General Fund request of the university is not binding upon the Regents of the University. The Regents do not have to liquidate their reserves nor are they required to raise student fees. The one requirement imposed on the regents is that they operate with \$8,680,000 less than they requested from the State's General Fund for the 1954-55 Fiscal Year.

The Regents could postpone the raising of student fees by dipping into other reserves of the University. In fact, there are numerous ways in which the Regents can adjust its budget and reduce total expenditures without liquidating its reserve or increasing student fees in the amounts recommended by the Governor. For example:

1. There is considerable doubt as to whether the University is securing the optimum from its faculty when the average teaching load is eight class hours per week. Most large universities cannot afford this low average and have a range from a low of eight hours for certain full professors up to 15 hours for the instructor level.
2. The Regents applied the \$3,300,000 which they receive last year from the Fair and Exposition Fund to agricultural construction projects. Inasmuch as agricultural construction has proceeded more rapidly than other construction needs at the university, there is no reason why these funds cannot be used for agricultural support purposes.
3. The state colleges are enthusiastically awaiting approval of an augmented student health service program costing \$14 per student for the 1954-55 Fiscal Year. At Berkeley the per student cost is \$70; San Francisco \$85; Santa Barbara \$39; Riverside \$36; and Los Angeles student health costs are increasing from \$174,934 in 1953-54 to \$412,007 in 1954-55, or from a per capita cost figure of \$13 in 1953-54 to a \$30 per capita cost in 1954-55.
4. It is questioned whether the large industrial arts program at Santa Barbara should be included as part of the University function.
5. Approximately \$800,000 to \$900,000 is included in the University budget for contingencies. This could be reduced considerably.
6. Many applied research projects are being included in the University budget instead of being a charge against the industry. For example, the research conducted on forest products, deciduous fruit packing, to mention two.
7. During the last four years of declining enrollments the University has contended that it could not drop its academic personnel because of two basic reasons:
 - (a) To maintain a high calibre faculty it is necessary to have job stability which in turn cannot be maintained if faculty is to fluctuate with student enrollment.
 - (b) The decline in student enrollment is a temporary condition that would soon be reversed by an upsurge in students.

During the past four year period the University enrollment dropped in excess of 9,000 students yet the academic staff actually increased. The 1954-55 budget contemplates a modest increase of 1,820 students and the University feels that it can-

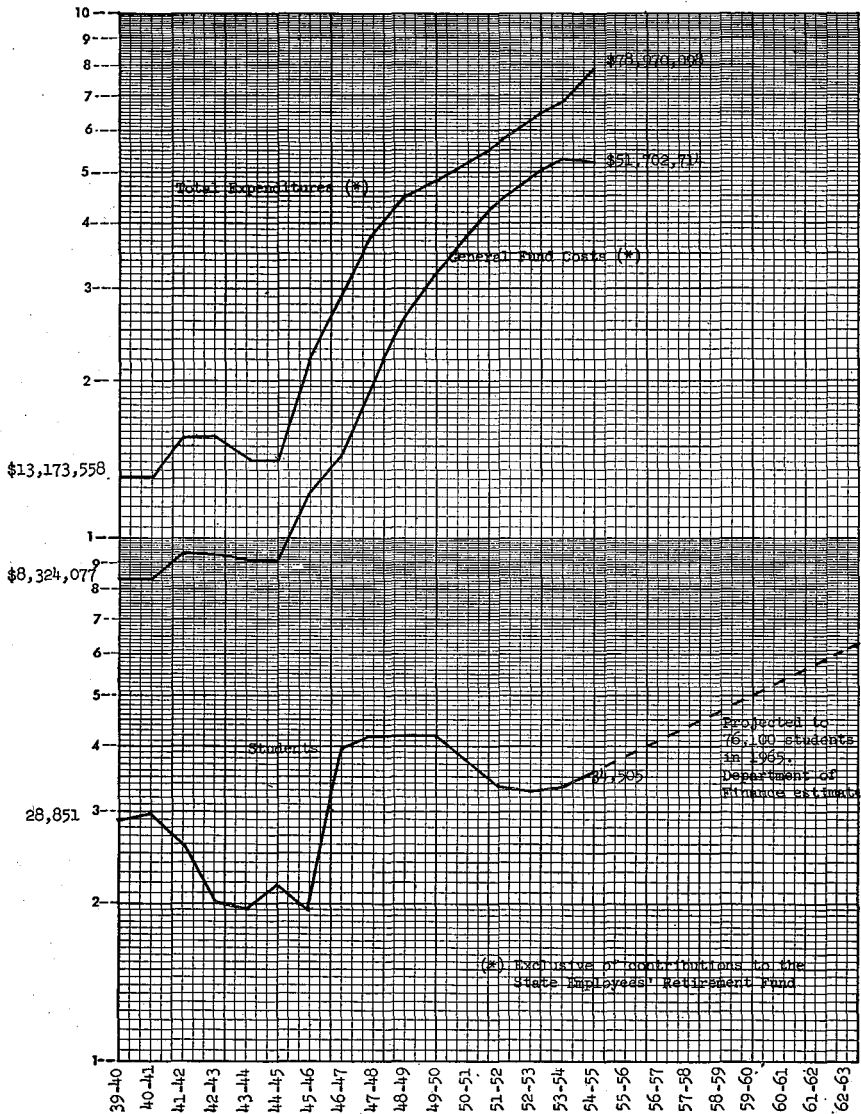
University of California—Continued

not absorb this small increase but includes additional academic positions in the budget.

It must be recognized that the liquidating of university reserves in two years is a temporary expedient and does not meet the basic problem, which is the high expenditure level of the University and its probable growth to meet the large anticipated enrollments in the next few years.

Table I and Chart I illustrate how the General Fund costs and the total expenditure budget have expanded with little visible support from student body figures.

Student Enrollment, General Fund Costs and Total Expenditures
of the University of California, 1939-1965



University of California—Continued

Table I

<i>Year</i>	<i>Enrollment</i>	<i>General Fund support *</i>	<i>Total expenditures *</i>
1939-40 -----	23,851	\$8,324,077	\$13,173,558
1940-41 -----	29,235	8,324,077	13,173,558
1941-42 -----	25,652	9,196,909	15,099,165
1942-43 -----	20,000	9,196,909	15,099,165
1943-44 -----	18,724	9,083,201	14,080,063
1944-45 -----	21,500	9,083,201	14,080,063
1945-46 -----	18,390	12,027,206	21,664,913
1946-47 -----	39,227	14,435,650	28,687,163
1947-48 -----	41,299	19,316,204	37,847,319
1948-49 -----	41,974	26,202,052	44,665,346
1949-50 -----	41,794	31,835,342	47,982,321
1950-51 -----	37,251	37,125,325	51,817,269
1951-52 -----	33,581	43,514,785	55,823,577
1952-53 -----	32,494	49,502,924	63,682,761
1953-54 -----	32,685	52,805,899	72,167,736
1954-55 -----	34,505	51,702,714	78,970,098

* Excluding contribution to State Employees' Retirement Fund.

Inflated prices admittedly have added considerably to the costs of operating the University, as have the new professional schools. It is just as obvious, however, that there have been substantial augmentations to the University in terms of more research and an improved level of service.

In reviewing the budget request of the University, it is necessary to first consider the request in terms of the broader concept of total state needs, which includes full consideration of the taxpayer and yet gives a full measure of equity to other state agencies and institutions as well as to the University.

First, what general considerations apply to the fiscal requirements of publicly supported institutions of higher learning in relation to State Government revenues? These budgets should not be considered in a vacuum but must be related to the value of other governmental services. They must be related to the expenditures of other institutions engaged in higher education, both public and private, and they must be considered in relation to the economic strength and well-being of the state taxpayer. In these respects, university budgets are no different from that of any other function of the State. The fact that the State University is by Constitution under management which is separate from that of the general state administration does not in any way affect the general premise that there are many necessary or desirable state functions all of which must compete for a limited amount of state revenues.

The measurement of the output of a university or college program is fundamentally no different from the measurement of the output of many programs which produce services to the public. At some point the value of the services of the university or college becomes less than that of the application of an equivalent amount of funds to some other state enterprise or the application of those funds to the taxpayers' own expenditure choices. There may be some tendency to think that because all academic output can generally be considered to be fruitful, the expenditures for such purposes are not affected by the law of diminishing returns.

University of California—Continued

Secondly, what *special* considerations should be applied to the fiscal requirements of publicly supported institutions of higher learning? Expenditures for higher education are admittedly one of the most effective long-range investments which the State can make. The provision for higher education is essentially a state responsibility and therefore should have high priority in state budgets.

On the other hand, the University is also a state agency in which, by precedent, there is the least budgetary control from the standpoint of the general administration. Because of this it is necessary, for the purpose of fiscal planning, to rely largely upon a comparison of expenditures between institutions of similar purpose. In a university program of the magnitude of the University of California, there are no direct methods of determining fiscal requirements in the same way that measurements can be applied to state services which are relatively homogeneous in nature and which are subject to fairly precise work load standards. The Executive and the Legislature must rely largely upon accepted academic standards for teaching loads and instructional costs. They must have segregated for them the extent to which the University engages in direct instructional costs on the one hand and research activities on the other.

Despite this high dependency upon reasonable comparisons between institutions, the legislatures in all states are afforded probably less positive, organized information for determining the fiscal requirements of a university program than almost any other program which is a primary state responsibility. There are several reasons for this. In the first place, it must be recognized that the separate administration afforded to the University prevents the budgeting agency from gaining familiarity with the university program through the usual process of exercising budgetary control. This shows up in the budget presentation to the Legislature. This does not imply that the University does not report all expenditures nor that it has not shown a continuing effort to improve its reporting methods, but it is not done with the same emphasis on performance budgeting as is the case in other state agencies. New services proposed in the budget are carefully examined, but on the other hand little consideration is given to the question as to what services might be discontinued by changes in emphasis frequently contemplated in such proposed new services.

The relative merits of expanding teaching programs as against research programs within the university is an academic matter, and is not presented in the budget as a definable policy issue. In the example of the University of California, we know that the hours of instruction required of each member of the faculty have been substantially reduced. The extent to which this has been accomplished by the allowance of more time to each faculty member for independent research is a complete unknown. Yet this is a very significant budget factor. We know that this is a standard device for not only enriching one portion of the university program—the research part—but it also has a tendency of increasing the quality of personnel which the university is able to attract.

The emphasis or direction which is given to the University program is appropriately a matter of budgetary concern. For example: to what

University of California—Continued

extent is the state program devoted to providing educational opportunities to the undergraduate student as contrasted with research opportunities to graduate students and faculty members? We have received studies which apply the standard of academic recognition, honors, professional affiliations, etc., achieved by faculty members as a measurement of academic stature, which in turn has been used to gauge roughly the quality of a faculty. These indicate that the faculty of the University ranks with the foremost private universities in the Nation and first among publicly supported institutions. However, we believe the Legislature should know the extent to which this quality is being spread through the educational program to undergraduates on the one hand and graduates on the other. This is a major fiscal consideration.

Another factor which restricts comparisons between universities and colleges is the difficulty of obtaining information from private institutions and other public institutions which is applicable for the purpose. The differences in size between private colleges and the state university tend to limit the use of such comparative statistics as are available. Differences in programs tend to complicate their use. Our office has from time to time made an effort to develop comparisons, especially between branches of the University where the smaller size and undergraduate program is more nearly akin to the private liberal arts college or the state college. A comparison of this kind was included in our *Analysis* for 1953-54 at page 154. The University is presently working on some more adequate comparisons with major publicly supported universities and the study of higher education currently being organized under the jurisdiction of the Board of Regents of the University and the State Board of Education should provide additional information.

We recommend that in view of the tremendous growth that is anticipated at the University, and the necessity for providing adequately for the very large increase in students anticipated in the next few years, it would appear to be in the best interest of the State if the Regents could effect a significant reduction in total expenditures as well as providing for an increase in student fees and the use of existing reserves. We have previously suggested what we believe are reasonable areas in which additional economies can be secured.

Specifically, we suggest that the Legislature take the following action concerning the university budget request:

1. Support the Governor's recommendation to the regents that student fees be increased to \$140 per year.
2. Support the Governor's recommendation to the regents that university reserves to the extent of \$6,600,000 be used in balancing the 1954-55 budget of the university.
3. Reduce the budget request by \$2,000,000 with a request that the regents make every effort to reduce total expenditures by a similar amount.

University of California
SURVEY OF HIGHER EDUCATION

ITEM 109 of the Budget Bill

Budget page 382

Budget line No. 66

*For Support of Survey of Higher Education, University of California Cost,
From the General Fund*

Amount requested	\$39,650
Estimated to be expended in 1953-54 Fiscal Year	23,720
<hr/>	
Increase (67.2 percent)	\$15,930

RECOMMENDATIONS

Amount budgeted	\$39,650
Legislative Auditor's recommendation	39,650
<hr/>	
Reduction	None

ANALYSIS

The university is requesting \$39,650 for 1954-55 as its share of the second-year cost of the survey of higher education and the Department of Education has included \$12,550 in its budget. A full discussion of the study is included under the budget item for the Department of Education.

We recommend approval as submitted.

University of California
NEMATODE RESEARCH

ITEM 110 of the Budget Bill

Budget page 383

Budget line No. 19

*For Support of University of California, Nematode Research, From the
Fair and Exposition Fund*

Amount requested	\$80,000
Estimated to be expended in 1953-54 Fiscal Year	80,000
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Increase	None

RECOMMENDATIONS

Amount budgeted	\$80,000
Legislative Auditor's recommendation	80,000
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Reduction	None

ANALYSIS

The university is requesting \$80,000 from the Fair and Exposition Fund to continue nematode research into the second year.

We recommend approval as submitted.

Department of Education
HASTINGS COLLEGE OF LAW

ITEM 111 of the Budget Bill

Budget page 396
Budget line No. 6

For Support of Hastings College of Law From the General Fund

Amount requested	\$7,000
Estimated to be expended in 1953-54 Fiscal Year	7,000
Increase	None

RECOMMENDATIONS

Amount budgeted	\$7,000
Legislative Auditor's recommendation	7,000
Reduction	None

ANALYSIS

The budgeted amount of \$7,000 represents the annual interest payment which the State must make to the college under the original agreement with S. C. Hastings.

The total budget for 1954-55 is \$229,645. Revenues, including the \$7,000 from the State, student fees, receipts from the Federal Government for veterans, and investment income fall \$144,000 short of providing enough funds to meet expenditures. The college is utilizing the surplus funds it built up during the immediate postwar period when receipts per student from the Federal Government for G. I. students were in excess of the cost per student. The unbudgeted surplus at the end of the 1954-55 Fiscal Year will be approximately \$367,000. If deficits continue at the present rate the surplus will be exhausted in a few years and other sources of funds will have to be found.

Prior to the present fiscal year the tuition at Hastings was \$75 a semester. However, the Board of Directors reduced tuition fees from \$75 to \$37 a semester effective in 1953-54 to bring the college in line with the fees at Boalt Hall in Berkeley, which charges \$37 a semester. Both fees will be raised to \$70 a semester in 1954-55 according to the schedule proposed by the Governor.

We recommend approval of the \$7,000 as submitted.

BOARD OF CONTROL

ITEM 112 of the Budget Bill

Budget page 398
Budget line No. 7

For Support of the Board of Control From the General Fund

Amount requested	\$23,370
Estimated to be expended in 1953-54 Fiscal Year	23,007
Increase (1.5 percent)	\$363

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$180	\$180	---	398	46
Operating expense	41	41	---	398	60
Equipment	142	142	---	398	66
Total increase	\$363	\$363	---	398	86