

Ventural School for Girls—Continued

The cost estimate for inventory build-up includes a \$10,000 estimated cost of moving furniture, fixtures, and related items. This cost is predicated on prevailing Public Utility Commission rates.

The additional cost for inventory build-up is requested to provide for increased population, and to provide a basic complement of spare parts for machinery and equipment, because the new facility will be equipped with newer models, styles and types of machinery.

Equipment

The budget, as originally submitted by this facility, requested \$5,252 for equipment.

In conjunction with the agency and Department of Finance staff members, a careful review of equipment requests was made. As a result, requests were modified to the extent that the total was reduced from \$5,252 to \$1,825, a reduction of \$3,427 or 65 percent.

On the basis of the foregoing review and reductions, we believe that equipment requests are generally in line as now budgeted.

Department of Education
GENERAL ACTIVITIES

ITEM 68 of the Budget Bill

Budget page 163

FOR SUPPORT OF GENERAL ACTIVITIES
FROM THE GENERAL FUND

Amount requested	\$3,055,342
Contribution to State Employees' Retirement System	215,000
Total	\$3,270,342
Estimated to be expended in 1960-61 fiscal year	3,753,018
Decrease (12.9 percent)	\$482,676
TOTAL RECOMMENDED REDUCTION	\$9,384

Summary of Recommended Reductions

	<i>Budget</i>		
	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Consultant in Audiovisual Education	\$9,384	166	81

GENERAL SUMMARY

The general activities budget of the Department of Education provides funds for administrative, supervisorial and advisory functions for the California public school system under the direction of the State Board of Education. The department is also responsible for the administration of the five special schools for physically handicapped children, three workshops for the blind, an orientation center and three opportunity work centers for the blind, the vocational rehabilitation program and the state-federal program of vocational education. The former responsibility for the administrative functions related to the state colleges will cease at the end of the 1960-61 fiscal year, at which time they will be transferred to the Trustees of the State College System. The State Superintendent of Public Instruction will remain a member of the Board of Governors of the California Maritime Academy.

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General Activities—Continued

The activities of the department are performed through the following divisions:

- Division of Departmental Administration
- Division of Instruction
- Division of Public School Administration
- Division of Special Schools and Services
- Division of State Colleges and Teacher Education (most of the functions of which are due for transferral by July, 1961)

There are three principal units in the Division of Departmental Administration. The administrative unit reflects the activities and expenditures of the State Board of Education, the office of the Superintendent of Public Instruction and his general executive, fiscal, personnel and legal staffs. The credentials unit is responsible for the evaluation and issuance of credentials for public school teachers. The Bureau of Education and Research performs research in the areas of finance, curricula, testing and other related fields for the department and public schools.

The Division of Instruction provides consultative and advisory services to the State's public schools in matters of instruction. The division is comprised of the Bureaus of Elementary and Secondary Education as well as subject matter fields such as audiovisual education, guidance, physical and health education, and adult education.

The Division of Public School Administration supervises the apportionment of school funds; school accounts and records; schoolhouse planning; school district organization and readjustment education for veterans. It also administers the free elementary textbook program, edits departmental publications, advises local school districts, is the state educational agency for surplus property, administers the federally financed school lunch program, supervises the child care centers program and Indian education.

The Division of Special Schools and Services provides administrative and education supervision for the state residential schools for deaf, blind and cerebral palsied children, co-ordinates operations of the California Industries for the Blind; directs programs for the opportunity work centers and the Oakland Orientation Center for the blind, and administers the vocational rehabilitation program.

It has been indicated above that the activities of the Division of State Colleges and Teacher Education are being transferred essentially in total to the Trustees of the State College System; those functions related to teacher education remain under the supervision of the Department of Education and for the budget year 1961-62 appear by themselves in the remanants of the former division.

A study by the department of the need for reorganization of activities recommends the establishment of a new division. The Department of Education proposes the establishment of this new division by removing the postsecondary and teacher education functions from their present locations in other divisions and grouping them into one unit.

General Activities—Continued

The organizational changes, some of which have already been implemented, have accomplished thus far within the existing budget, including two new positions discussed later in this analysis. The plan has been approved by the State Board of Education, and it appears that the department will proceed to implement it if legislative approval is given to the two positions currently requested. We also believe it is desirable for the Legislature to be aware of these anticipated organizational changes *before* they are placed into effect. In summary, the nine elements of the plan are outlined below, together with our comments in each case.

1. The establishment is intended of a new division tentatively called the "Division of Junior Colleges, Teacher Education, and Accreditation". This division would contain the Bureau of Junior College Education; The Bureau of Adult Education; the department's responsibility for Teacher Education, Teacher Recruitment, and Accreditation of Teacher Training Institutions; the Bureau of Readjustment Education; the Credentials office; and the Commission on Discrimination in Teacher Employment.

This regrouping of postsecondary functions appears desirable. The department anticipates an increased emphasis in the junior college function and an increasing interest of the State Board of Education in junior colleges, with regard to curricula content. The department has also been aware of the lack of co-ordination of these various elements which have been located in several divisions. We point out that although no additional money is requested in the current budget, future expansion will be inevitable and that a plan of the role of this division should be more fully developed and justified.

2. The Credentials Office, to be included in the new division, would become a bureau, the chief of which would serve as secretary to the Commission on Credentials. The department also plans to have the Personnel Board review the job classifications for this function.

We see no reason to elevate the status of this technical function; however, we believe it is appropriate for the Personnel Board to review the situation.

3. The present Bureau of Guidance would be designated the "Bureau of Pupil Personnel Services," and activities in the area of school service as represented by the Pupil Personnel Services credential would be centralized within this bureau.

The change in name appears appropriate as does the centralization of the function within this bureau.

4. The Curriculum Laboratory would be amended to permit modification of the services of the Consultant in Curriculum Development to supervise the laboratory and serve the assistant division chief on assignments of projects and curriculum development for the Curriculum Commission.

This appears to be an improvement in the co-ordination of the functions of curriculum development within the Division of Instruction.

General Activities—Continued

5. Transfer of the Personnel Office is proposed into the Division of Departmental Administration together with the establishment within this division of an office of business affairs to perform more efficiently the business administrative functions assigned to this division.

It is most desirable to bring the Personnel Office within the Division of Departmental Administration instead of reporting directly to the Superintendent of Public Instruction. However, we see no justification for establishing another administrative level through an Office of Business Affairs since the span of control of the chief of the division is relatively short.

6. The areas of responsibility of the Division of Instruction would be adjusted along these lines:

- a. Transferral of the Bureau of National Defense Education to the Division of Public School Administration. This bureau, whose duties are regarded as primarily administrative, may logically be included within the division which represents correlative services.
- b. Transfer into the proposed new division of the present Bureaus of Junior College Education and Adult Education, in line with the effort to separate postsecondary school matters from the Division of Instruction. It is also proposed that the function of leadership in continuation education be located within the Bureau of Secondary Education of the Division of Instruction.
- c. Organize the Division of Instruction to include:
 - (1) Bureau of Elementary Education
 - (2) Bureau of Secondary Education
 - (3) Assistant Chief—Supplemental Education
 - Bureau of Audiovisual and School Library Education
 - Bureau of Pupil Personnel Services
 - Bureau of Health Education, Physical Education and Recreation
 - Consultant in Curriculum Development
 - (4) Assistant Chief—Vocational Education
 - Bureau of Agricultural Education
 - Bureau of Business Education
 - Bureau of Homemaking Education
 - Bureau of Industrial Education

One of the primary reasons of the reorganization was the redistribution of the functions of the Division of Instruction, and transfer of the Bureau of National Defense Education to the Division of Public School Administration seems appropriate. However, the regrouping of the remaining bureaus and the classification of positions appears to need further clarification.

7. Although the reorganization places the California Maritime Academy in the Division of Departmental Administration because of the

General Activities—Continued

accounting services rendered, some consideration should be given to placing the academy with the other postsecondary functions.

8. The Bureau of Special Education is proposed to be transferred to the Division of Special Schools and Services. The programs of the Bureau of Special Education and the Division of Special Schools and Services are comparable in that the children served have the same educational needs. This transfer would also provide better co-ordination and administration because of the special training and experience in the area of special education of the Chief of the Division of Special Schools and Services. It is further recommended by the department that the level of this bureau be raised to section status as recommended in previous surveys and plans.

Transfer of the Bureau of Special Education into the Division of Special Schools and Services has already been effected in the autumn months of 1960, and we have already seen a marked improvement in the co-ordination between the programs of the handicapped as they appear in the State's special schools and the public school system. However, regarding the further recommendation that this bureau be raised to a section, we can see no justification for this change.

9. It was also recommended that the department appoint a salary committee representing various classes of employees to review employee salary questions and serve as liaison between the department's administration and employees. This internal liaison committee appears appropriate.

ANALYSIS

Proposed expenditures for 1961-62 for the general activities of the Department of Education amount to \$3,270,342 from the General Fund. This represents a decrease of 12.9 percent (\$482,676) from the 1960-61 level of expenditures. Over \$340,000 of this decrease may be attributed to the transfer of state college functions to the Trustees of the State College System. In the same manner, the overall reduction of personnel man-years by 45.8 for 1961-62 may be attributed largely to the above-mentioned relocation. During 1960-61 reimbursements from credential fees fell short of estimates by \$72,000, to a figure of \$310,000. The difference is expected to be made up by estimated savings in other areas of the department. The 1960-61 figure of estimated reimbursements from credential fees (\$382,000) anticipated approximately 95,000 applications at \$4 each; however, actual numbers of applications are expected to be approximately 77,500.

Division of Departmental Administration

The projected 1961-62 net expenditures in this division are down by \$130,363 (14.2 percent) due both to a reduction in requests for equipment but more significantly to an anticipated increase in reimbursements from credential fees. The latter is an anticipated increase of

General Activities—Continued

\$155,000 over 1960-61's estimated reimbursements of \$310,000. This increased reimbursement is dependent upon approval of proposed legislation to raise the credential fee from its present level of \$4 to \$6. This proposal has been made in previous years; we have recommended and the Department of Education has endorsed it. Support has appeared to be widespread, but it is noted that the measure has yet to be enacted. Each year since 1954-55 the deficit between anticipated reimbursements and actual receipts has grown, until in 1960-61 it is over twice the 1954-55 level. The 1961-62 Budget, assuming as it does the approval of the requested fee raise, anticipates the same workload level in the processing of applications for credentials; but disapproval of the proposal could necessitate an Emergency Fund support request during the course of the year. Although there was in 1960-61 a reduction in the number of applications to be processed from the number expected, it has been noted that the workload of the unit responsible for credentials application processing remains high due to the large volume of inquiries for credential evaluation from out-of-state for which no fee is collected but for which clerical activity is necessary. We recommend favorable consideration of proposals to raise the credential fee to a more realistic figure.

Also within the structure of the Division of Departmental Administration for the 1961-62 Budget is the request for two of the three positions sought for this year by the department. These positions are a division chief for the proposed new division (see discussion in General Summary) and a senior stenographer-clerk to accompany this position. *We recommend approval of these requests.* The department has determined not to formally establish the proposed division until the Legislature has reviewed the position requests. Therefore, it was decided that the budget would reflect the request within the structure of this division. The position is shown in the budget at the bottom of the salary range for a division chief, i.e., \$15,288 to \$18,588.

Division of Instruction

Expenditures for this division are expected to rise by \$6,205 in 1961-62, an increase of 0.6 percent. One new position is requested for this division, that of a consultant in audiovisual education. *We recommend deletion of this position.*

This position was requested in 1960-61, at which time we recommended deletion on the basis of insufficient justification. We have reviewed the material submitted for the proposed fiscal year and continue to recommend disapproval. What must be resolved, in our opinion, is the need for additional consultative help in the Bureau of Audiovisual Education of the Department of Instruction above the level of service already available. Within the personnel structure of the bureau there are authorized at present three consultants. A fourth position, reported within the framework of the Bureau of National Defense Education, is a specialist assigned within the Bureau of Audiovisual Education to operate in conjunction with this bureau on projects coming

General Activities—Continued

under the National Defense Education Act; that is, projects involving improvements and developments in the instruction of science, mathematics and foreign languages. To date no clear appraisal has been made available either by the Bureau of National Defense Education or the requesting agency indicating what has been accomplished to date in the field of educational television and what remains to be done. Lacking this, we do not feel that justification exists for the addition of another consultant position to the Bureau of Audiovisual Education.

No other new positions are requested for the budget year under consideration, and the same level of service is programmed. Although the budget as prepared reflects the presence of the Bureau of Special Education within the framework of the Division of Instruction, this unit has been in fact transferred to the Division of Special Schools and Services. There is no change in the proposed expenditures for 1961-62 because of the transfer.

Division of Public School Administration

It is proposed that \$1,056,914 be spent in this category in 1961-62, an increase of \$5,283 (0.5 percent) over the estimated current year. No new positions are requested and the same services as were available in 1960-61 will be provided.

Division of Special Schools and Services

Expenses for the budget year under consideration are expected to go up \$3,055 (0.1 percent) from the 1960-61 level. The areas of responsibility for this division, namely, the special schools, programs for the blind, and vocational rehabilitation, have been discussed under their respective budget items. The expenses reported here relate to the division itself, for which no new positions are requested and no service changes are contemplated. As noted above, the Bureau of Special Education has been transferred to this division from the Division of Instruction. The expenses for the bureau are estimated to remain at the same level at which they appear in the current fiscal year.

Division of State Colleges

As has already been discussed, this division's functions are transferred almost entirely to the Trustees of the State College System. As a budget category, it appears in the 1961-62 proposed budget to represent the teacher education functions which remain under the purview of the Department of Education. The sum of \$55,404 is requested for the item, a reduction of \$340,266 (86 percent), from the 1960-61 level. The sum proposed for the 1961-62 year reflects salaries for six persons; from an authorized position total of 43 positions for the current fiscal year, the transfer of the state college function has accounted for 37.

Therefore, we recommend approval of this item as budgeted with the exception of the deletion of the position of consultant in audiovisual education, which represents a proposed salary expenditure of \$9,384.

Department of Education
SCHOOL BUILDING AID FUND

ITEM 69 of the Budget Bill

Budget page 173

FOR ADDITIONAL SUPPORT OF DEPARTMENT OF EDUCATION
FROM THE SCHOOL BUILDING AID FUND

Amount requested -----	\$93,000
Contribution to State Employees' Retirement System -----	4,300
Total -----	\$97,300
Estimated to be expended in 1960-61 fiscal year -----	\$97,300
Increase -----	None
TOTAL RECOMMENDED REDUCTION -----	None

ANALYSIS

The proposed appropriation of \$97,300 from the School Building Aid Fund for additional support of the Department of Education is intended to cover the costs of the Bureau of School Planning that are attributable to processing projects under the school construction aid program. A deficiency authorization of \$7,700 in fiscal year 1960-61 was made for salaries and wages due to an unanticipated increase in the number of school construction aid projects. Review of the time reporting figures for the first quarter of 1960-61 indicated that an additional \$7,700 would be required to meet the overall expenses for that year. The appropriation requested for 1961-62 is calculated at this same workload level.

We recommend approval of the item as budgeted.

DEPARTMENT OF EDUCATION
National Defense Education Act of 1958
(Public Law 565)

The National Defense Education Act was enacted by Congress in order to provide financial assistance to states and educational institutions to promote the training of manpower in quantity and of quality to meet the defense needs of the United States. The act is composed of 10 titles, as follows:

Title I. This is a declaration of policy affirming that the act does not authorize federal control of education; further, certain terms are defined.

Title II. Loans to students in institutions of higher learning are established; General Fund participation has been set at one-ninth of the total expenditure for this program, discussion of which accompanies the analysis of the Trustees of the State College System.

Title III. This title, viewed in detail in connection with the budget item, below, consists of two parts. The first makes federal funds available to states to be matched by local sources for the purchase of laboratory or other special equipment to be used in the teaching of science, mathematics or modern languages. Private schools may participate in this program to the extent that this equipment is available to them on a loan basis. The second part of the title provides grants to states for the expansion of supervisory and related functions in public schools

National Defense Education Act—Continued

in the fields of science, mathematics and modern languages, as well as for support of state-level expenses in connection with the administration of the program. Federal reimbursements to local districts (under Title IIIa) appear in the local assistance section of the budget. Federal appropriations for this title are due to expire in June 1962, at which time it is most likely that some further program will be developed.

Title IV. Graduate study fellowships during 1958-59 were established under this title.

Title V. Federal funds are made available for the establishment or maintenance of testing, guidance and counseling programs. Existing state and local expenditures in this category already satisfy matching fund requirements; therefore only federal support is noted in this item under local assistance. As with other programs under the act, a state plan required for approval by the U.S. Commissioner of Education has been prepared, providing for testing to identify able students and for guidance and counseling in secondary schools to advise students with regard to further education best suited to them. The second part of the title, with which the State Department of Education is not involved, provides the establishment of guidance and training institutes arranged by the U.S. Commissioner of Education with institutions of higher learning. Federal appropriations for Title V are due to expire in 1962; here, as with Title III, it is likely further plans will have been proposed by then.

Federal funds in Title V are administered at the state level; that is, local districts submit their applications to the Bureau of National Defense Education for program support; the bureau reviews the applications in relation to the Act's provisions; if approval is granted, the local districts are then free to proceed with the project, presenting claims for federal reimbursement subsequent to their expenditures. It is expected that \$1,097,094 will be available from federal sources for Title V in 1961-62; this represents a 0.5 percent reduction (\$5,474) from the current budget year.

Expenditures of federal funds at the state level in connection with Title V represent consultation and evaluation with local educational agencies; encouragement and facilitation of research in guidance techniques supervised by the Department of Education; encouragement of and participation in conferences, in-service staff training sessions and institutes for local-level administrators and project directors; the establishment and supervision of a pilot processing center for pupil personnel information; and dissemination and publication to educational agencies of information developed through the program.

Title VI. The U.S. Commissioner of Education is authorized to arrange with institutions of higher learning for modern language teaching centers as well as centers for the teaching of related subjects (economics, geography, etc.). Stipends are also provided for teachers studying language training, for research and the organization of teacher training programs.

National Defense Education Act—Continued

Title VII. The aim of the program under Title VII is further research in the use of radio, television, motion pictures and other information media in instruction. Contracts are authorized to be concluded between the U.S. Commissioner of Education and public or private organizations.

Title VIII. Area Vocational Education, administered in California within the structure of the Vocational Education program in the Department of Education, makes available less-than-college-level training in scientific and technical occupations considered necessary to defense purposes. This title is also incorporated as Title III of the Vocational Education Act of 1946. As with Titles III and V, original federal appropriations are due to expire in June, 1962.

Title IX. This title authorizes the establishment of the Science Information Service by the National Science Foundation.

Title X. Miscellaneous. As far as California is concerned, Title X represents federal participation in a program to improve the statistical services of the Department of Education. This title is discussed more fully under the budget item below.

The California State Plan, required before certification of the State as eligible for federal assistance under the Act, included provision for a Bureau of National Defense Education within the Division of Instruction of the Department of Education. Primary responsibility is assigned here for the administration of the Title III and V programs and co-ordination responsibility for Title VIII administered by the Vocational Education Section, and Title X administered by the Bureau of Education Research. The budget for the bureau appears within the state-level operations figures for Title IIIb; two units are present representing administration and program supervision. The latter unit contains consultants whose competence includes functions allocated to the Bureaus of Guidance, Elementary Education, Secondary Education and Audio-Visual Education.

Before entering upon analysis of the National Defense Education Act and its effect on California, the breakdown of federal, state and local financial participation is presented.

In order to evaluate the effect of the National Defense Education Act and its programs upon California, we sought information relating to:

1. What has been accomplished in terms of numbers involved (e.g., teachers and students participating in the various programs) and in terms of measurable results?
2. What utilization of available federal funds has been made?
3. What state money has been released; or, what has been accomplished under the program that regular state activities would not have accomplished?
4. What duplication is present in the use of consultants among the different programs and the Division of Instruction?
5. What is the distribution of the reports and materials produced; how are they evaluated; and what overlap is there with those produced by the existing program of the Department of Education?

**National Defense Education Act Expenditures
(including contributions to retirement)**

	1959-60			1960-61 (Estimated)			1961-62 (Proposed)		
	Federal	State	Local	Federal	State	Local	Federal	State	Local
Title II:									
Student Loans -----	\$900,000	\$100,000	-	\$1,498,392	\$166,488	-	\$1,800,000	\$200,000	-
Title III:									
A. Local Projects ----	3,478,787	-	3,478,787*	3,036,547	-	3,036,547*	2,547,649	-	2,547,649*
B. State-level Administration ---	186,315	186,315	-	312,000	256,978	-	312,000	257,978	-
Title V:									
Guidance -----	1,089,424	†	†	1,187,744	†	†	1,184,744	†	†
Title VIII:									
Area Vocational Education -----	505,028	†	†	514,390	†	†	514,390	†	†
Title X:									
Statistics -----	28,947	28,947	-	50,000	50,000	-	50,000	50,000	-
Total -----	\$6,191,019	\$315,262	\$3,478,787	\$6,599,073	\$473,466	\$3,036,547	\$6,408,783	\$507,978	\$2,547,649
Grand Total, All Funds--		\$9,985,068			\$10,109,086			\$9,464,110	

* Local district general funds.

† No additional funds required; current expenditures satisfy matching.

National Defense Education Act—Continued

6. What are individual local districts doing on their own as a result of the NDEA stimulus?

The material supplied, although extensive, related to general purposes and trends and contained data on specific projects rather than evaluations by which expenditures could be judged. Statistical information was made available regarding such aspects of operations as applications received and allocations made, but we do not feel this meets the problem of what impact the program is making. We appreciate the difficulties involved with analyzing results in educational endeavors, but we are concerned that after two full years of operation there is no concise evaluation of the accomplishments of the program. The original federal appropriations for many of the projects encompassed in the Act are due to expire at the end of the budget year currently under consideration. At that time it is likely that renewed or expanded programs will have been prepared and presented at the federal level, and it will be essential for California to have available a comprehensive analysis of what the almost \$1.3 million in State General Fund support since 1958 has obtained. Also it is inevitable that the State will at some time be asked to absorb the cost of the level of service stimulated by the federal money, and we must be prepared to accept or reject this added burden.

Therefore, we recommend that as part of the budget justification for the 1962-63 Budget, the Department of Education submit material which encompasses at least the information specified in the six questions enumerated above.

Department of Education

TITLE IIIb, NATIONAL DEFENSE EDUCATION ACT

ITEM 70 of the Budget Bill

Budget page 174

FOR SUPPORT OF TITLE IIIb, NATIONAL DEFENSE EDUCATION ACT FROM THE GENERAL FUND

Amount requested	\$250,978
Contribution to State Employees' Retirement System	7,000
Total	\$257,978
Estimated to be expended in 1960-61 fiscal year	256,978
Increase (0.4 percent)	\$1,000
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

Title IIIb is the area of General Fund participation in the program of improvement of instruction in the fields of science, mathematics and modern languages. For 1961-62, federal support is proposed to remain at the same level as the present fiscal year, \$312,000. General Fund support is projected to increase by \$1,000 over the 1960-61 level to \$257,978, an increase of 0.4 percent, for a federal-state ratio of 54.7 to 45.3 percent. As noted in the general discussion of the Act, federal

Title IIIb, National Defense Education Act—Continued

and local district expenditures are expected to be \$2,547,649 each. It has already been stated that Title IIIb reflects the state-level operations related to this program, which includes the administration of the Title IIIa operations and the expansion and improvement of supervisory services to public schools in the fields of science, mathematics and modern languages.

One clerical position is requested, an intermediate stenographer-clerk at a proposed salary of \$4,194, to furnish clerical support to a previously approved consultant position charged with development of evaluative techniques for NDEA projects. Correspondence, typing and clerical functions are described as warranting this full-time position. *In view of the need for program evaluations, we recommend approval of this request.*

State and federal funds in Title IIIb are expended for the following purposes:

1. Evaluation, processing and approval of local applications for Title IIIa federal funds.
2. Dissemination of information derived from projects developed by NDEA programs.
3. Financing of statewide or regional studies, workshops in in-service programs for administrators, supervisors and teachers (in 1959-60 2,921 people participated in these institutes; in 1960-61 the estimated number is 4,000).
4. Provision of consultants both in the Department of Education to meet work increases resulting from NDEA-sponsored programs, and to local districts to assist in special problems in the teaching of science, mathematics or foreign languages. These problems include staff training, program evaluation, local research and development of new materials. Man-days of labor in this category are expected to be nearly a third more than 1959-60.

As it has been mentioned in the general discussion of the Act, so also does it apply with regard to Title III that no formal evaluation has been established of performance to date. It is mentioned in this context that up to now the principal activity of local districts has been the establishment of their projects, and that the programs have not been under way long enough for realistic evaluation. We do not subscribe to this and are concerned over the lack of significant appraisal of the results of fully two years' work. It is recognized that statistics have been compiled reflecting increased enrollment as the result of NDEA activities but no analysis appears present with regard to how much of this sort of increase is directly the result of NDEA and how much might have taken place because of normal growth and development.

We recommend approval of this item as budgeted subject to the inclusion, as part of the Department of Education's 1962-63 budget justification, of material which encompasses at least the information specified in the six questions noted in the general discussion above.

Department of Education

TITLE X, NATIONAL DEFENSE EDUCATION ACT

ITEM 71 of the Budget Bill

Budget page 177

FOR SUPPORT OF TITLE X, NATIONAL DEFENSE EDUCATION ACT
FROM THE GENERAL FUND

Amount requested	\$47,500
Contribution to State Employees' Retirement System	2,500
Total	\$50,000
Estimated to be expended in 1960-61 fiscal year	50,000
Increase	None
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

Title X provides for the improvement of statistical services of state and local educational agencies in order to make available more valid information concerning the status and progress of educational programs in California.

The proposed expenditure for 1961-62 for the Title X program is at the same level as the current fiscal year, \$100,000. Of this sum, half is provided by State General Fund support and half from federal grants. No new positions are requested and there is a reduction of 1.2 positions overall in temporary help.

In California, activities sponsored by Title X have included research in improving the adequacy and reliability of statistics provided by the state and local school districts in reports and records. Improvement in the method of collecting and processing this information at the State level is another purpose, together with development of methods of effective dissemination of processed material.

As part of the state plan required before eligibility is certified by the U.S. Commissioner of Education for federal assistance, the Bureau of Education Research has been given the responsibility for this program. Liaison is maintained with the Bureau of National Defense Education in the latter's co-ordination of NDEA activities.

The state plan calls for the following points in its program:

1. Evaluation of present statistical services. In this area a detailed study is still in progress of the report forms (approximately 100) which emanate from the Department of Education. Also a survey was made of local districts and county superintendents' offices to ascertain the use of data processing equipment; the results of the survey have been published.

2. Development of accounting and report manuals. So far two chapters of the accounting manual have been revised; six other portions are in progress. This project employs the co-operation of the California Association of Public School Business Officials.

3. Inventory of educational facilities. By the end of fiscal 1959-60 a preprinting version of the survey document compiled to represent enumeration of the state's school facilities had been distributed to selected school districts on a tryout basis prior to final publication. Another study was completed of school district bond issues in the period 1954-1959 with note taken of the details and fate of each issue.

Title X, National Defense Education Act—Continued

4. A study of noncertificated school employees was commenced but shelved for the present as warranting less-intensive study than other projects in terms of time and funds available at present.

5. Survey of pupil-age-in-grade information. The function of this project is to compile accurate information on retardation, acceleration and school learning of pupils.

Here as in the instance of Titles III and V, no formal analysis of the effect of these projects appears to have been made or at least made available in response to this office's inquiry. It is appreciated that with regard to statistical services the effect to be measured is somewhat more difficult to define than would be the case with regard to improvements in instruction.

We recommend approval of this item as budgeted subject to the submission with the justification of the 1962-63 budget of an evaluation of the accomplishments related to the total funds expended for Title X.

Department of Education
DIVISION OF LIBRARIES

ITEM 72 of the Budget Bill

Budget page 179

FOR SUPPORT OF DIVISION OF LIBRARIES
FROM THE GENERAL FUND

Amount requested	\$971,901
Contribution to State Employees' Retirement System	53,500
Total	\$1,025,401
Estimated to be expended in 1960-61 fiscal year	965,773
Increase (6.2 percent)	\$59,628
TOTAL RECOMMENDED REDUCTION	\$20,506

Summary of Recommended Reductions

	Amount	Page	Line
1 Temporary help	\$6,060	180	32
1 Librarian II	5,237	180	26
1.5 Intermediate clerk	5,850	180	29
Equipment:			
2 Book trucks	295	181	5
Operating expenses:			
Book purchases	3,064	180	57

GENERAL SUMMARY

The State Library, in addition to maintaining a collection of books, documents and other library materials, has several service responsibilities, including (1) furnishing basic reference services to the Legislature and executive branch of the State Government; (2) providing supplementary library service through local private libraries throughout the State; (3) assisting and stimulating the State's public library development, and (4) acquiring and preserving historical material relating to California.

Under the State Librarian, appointed by the Governor, there are four bureaus in addition to the administrative unit; these are Field Services, Law Library, Readers Services and Technical Services.

Division of Libraries—Continued

The Field Services Bureau is concerned with stimulation and development of public library facilities and services in California, for the studying and surveying of library needs and deficiencies, as well as performance of delegated functions in relation to the supervision of county libraries. In the course of the recently completed fiscal year, the Field Services Bureau devoted particular attention to city-county relationships; to areas either without service or requiring increased library facilities; to cooperative efforts by neighboring libraries, to library buildings, as well as participation in conference preparations. Related to field services but financed entirely by federal funds is the Rural Library Services program administered by the State Library and intended to stimulate by demonstration the development of facilities in rural areas. Towards this end projects in various parts of the State have been undertaken, including bookmobiles, cooperative services demonstration, and demonstration of cataloging and classifying techniques.

The Law Section operates a law library service for the Legislature, as well as for state agencies and law offices, bench, bar, and law students and the general public. In addition to circulation services, this section is engaged in a classification and recataloging project in the field of American public and private law.

The Technical Services Bureau devotes its attention to maintaining and improving collections (ordering, cataloging, book repairing, etc.) as well as the books for the blind.

The Reader Services Bureau, composed of seven sections, provides direct services to patrons and interlibrary loans. One of the sections, the Administrative Legislative Reference Section, handled approximately 3,700 reference questions during 1959-60 at its Capitol Branch. Another section, the Books for the Blind Section, noted an increase of 300 borrowers during the same period over the previous year. Circulation throughout the entire library with the exception of the Law Section increased by 20.1 percent during 1959-60.

ANALYSIS

Total proposed General Fund expenditures for 1961-62 are 6.2 percent (\$59,628) higher than for the current fiscal year. Federal participation, in the form of support of the Rural Library Services Program from the Public Library Services Act, is estimated to be \$248,773, an increase of \$110 over 1960-61, for a combined state-federal total cost of \$1,274,174. The composition of the Rural Library Services estimated costs is as follows:

	1959-60	1960-61 (Estimated)	1961-62 (Proposed)
Administration -----	\$31,929	\$62,693	\$66,280
Processing Center -----	47,702	60,000	58,111
San Joaquin Valley Project -----	19,650	41,500	35,000
North Bay Cooperative Area Project -----	52,505	74,250	81,500
San Diego County Project -----	32,400	4,000	—
Retirement contributions -----	4,623	6,220	7,882
Total federal expenditure -----	\$188,809	\$248,663	\$248,773

Division of Libraries—Continued

From this, it may be seen the San Diego Bookmobile project has been completed. The north bay co-operative area project, demonstrating co-operative service in parts of six north bay counties, represents the largest item increase for the 1961-62 year.

For the fiscal year under consideration, a total of nine new positions are requested. They are as follows:

	<i>Salary</i>	<i>Program</i>
1 Librarian II-----	\$5,237	} Weeding of obsolete books, Reader Services Bureau
2 Subject specialists (temporary help)-----	12,120	
2 Intermediate clerks-----	7,800	} Sutro Library book repair
1 Intermediate typist-clerk-----	3,900	
1 Librarian II (Technical Services Bureau)---	5,237	
2 Book repairers (Sutro Library)-----	7,440	
	<u>\$41,734</u>	

Reader Services

Within this bureau, the State Library proposes the establishment of a program of weeding obsolete titles for withdrawal, at a cost estimated to be \$36,187. A total of seven positions is requested (one to function within the framework of Technical Services). *We recommend deletion of 1 subject specialist (temporary help), 1 librarian II, and 1.5 intermediate clerks.* This represents a reduction of \$17,147 in salaries, not including related operating expenses and equipment. We recognize the need for the projected program to weed out the stacks in order to provide more space. The State Library estimates that within five to seven years existing space would be used up if weeding does not commence, and that without reductions in present numbers, it would be necessary to obtain additional stack space elsewhere at a rental cost to the State. In reviewing the figures prepared with regard to workload projections, it is noted that a total of 4.5 man-years would be required for review by subject specialists of the total number of book titles in the general collection (estimated for 1961-62 to be 486,600). The library has requested two subject specialists positions for the two-year program intending that this temporary help be supplied by different faculty members from nearby state higher education institutions familiar with the fields represented in the general collection, and thus able to judge which titles are worth retention and which are not. It is our opinion that, instead of a special program constituted for the two-year period outlined by the library, this project could be redistributed over four years; at this rate, it is understood the projected space crisis would still be one or more years distant. With regard to the librarians II requested, one intended for the Reader Services Bureau and the other for the Technical Services Bureau, both to work on the weeding project, it would appear that a reduction to the pace outlined above would permit reduction to one new position in this category, the work in the two bureaus to be distributed by staffing arrangements. From this discussion it may be seen that the reduction of 1.5 intermediate clerks is predicated upon the same considerations; that is, doubling of the time element of this project and reduction of new personnel as a result. Related to the

Division of Libraries—Continued

positions of subject specialists and clerks is the equipment request for four book trucks at \$147.50 each; reduction is recommended to two book trucks (a reduction of \$295), permitting the same employment as originally intended for the trucks, but acknowledging the reduction in staff. Other equipment, such as desks, posture chairs, etc., should be deleted as relate to the positions recommended for deletion.

Also under the direction of Reader Services is the book-cleaning and repair program proposed for Sutro Library at an estimated expenditure of \$8,441 for the first of three years. Two positions are requested here to be authorized until June 30, 1964, as book repairers at a combined salary of \$7,440. *We recommend approval, noting the proposed limit of three years on the positions.* The circumstance behind the inception of this project is the condition of the books, manuscripts and the documents contained in the Sutro Library in San Francisco. The books and other materials have not received necessary maintenance in many years and as the result of prior storage in ill-suited quarters are in danger of becoming unserviceable. What is proposed is the addition of two book repairers to the State Library staff to review the collection, comprising approximately 100,000 volumes. It has been noted that because of the fragile condition and great age of many of the volumes the farming out of the review and repair project either to a commercial firm or the State Library at Sacramento is regarded as too great a risk. The book repairers would clean, wash, handwipe and oil (as required) the contents of the books needing attention, many of which are of vellum or bound in leather. Assuming 30 volumes can be treated per hour, it is the State Library's estimate that it would take the book repairers 1.4 years to service the full number needing attention. In view of the age of many of the items in the Sutro collection and the repair needs of many more of the volumes, the project seems in order if larger expenses are not to be incurred in successive years due to continuing deterioration.

Book purchases also fall under Reader Services. An increase of \$15,000 (approximately 13.5 percent) over the 1960-61 figure for a book budget of \$126,429 is noted. Expenditures for book purchases since 1958-59 are as follows:

			1961-62
1958-59	1959-60	1960-61	proposed
\$71,057	\$74,819	\$111,429	\$126,429

We recommend reduction of \$3,064 from the book purchase budget, the effect of which would leave the projected expenditure for prints (art reproductions) and for reference materials for the Sutro Branch both at their 1960-61 levels, and would restrict the increase for General Continuations to increases for items other than selected duplicate subscriptions for the Legislative Reference Library in the Capitol of materials available at the State Library, which was a level of service not provided last year.

Technical Services

It has been noted in the discussion of Reader Services, above, that one of the positions requested was under the direction of this bureau,

Division of Libraries—Continued

and our recommendation concerning this request may be found there. No other changes in the level of service or number of personnel authorized are contemplated for 1961-62.

Law Library

This portion of the State Library is expected to maintain the same level of service as during 1960-61, and no increases in operating or equipment expenditures are noted.

Field Services

Here, as in the cases of the Law Library and Technical Services, the 1960-61 level of operations is the basis for the 1961-62 request, with only salaries and wages incurring an expenditure greater than the previous year.

We recommend approval of this item as budgeted except for the reductions noted above, which total \$20,506.

DEPARTMENT OF EDUCATION**California Industries for the Blind**

The three state-operated and subsidized production centers for the blind and physically handicapped are located in Oakland, Los Angeles, and San Diego, with a central co-ordinating office in the Division of Special Schools and Services of the Department of Education at Sacramento. The centers offer factory employment opportunities to those who are not able to obtain employment in private industry because of their handicaps.

The Los Angeles Center has the most diversified program. Among the items manufactured are mattresses and box springs, pillowcases, dry mops, rugs, floor brushes and commissary specialties. In addition to this production a contract department handles subassembly work done for local private industries.

The Oakland Center specializes in the making of domestic and industrial corn brooms, street brooms, mailing bags and sanitary brushes, in addition to commissary items for the federal government.

The San Diego facility is the smallest of the three, concentrating on the manufacture of various types of mops and related janitorial supplies. In past years federal contracts have accounted for the majority of this center's sales.

In previous years this office has discussed the lack of definition of purpose attending the program. Of the three alternatives which we reported facing the plan (1) abolition of the shops; (2) shift of emphasis towards development of orientation and training programs with the end of placing blind people in industry; and (3) the establishment of a sound competitive production and sales program, the latter course has been followed, with effort made to separate the more able from the less able workers and the placement of the less productive under the supervision of the Opportunity Work Centers. Also, there has been increased attention upon production methods and competitive sales.

California Industries for the Blind—Continued

Toward this goal of making the industries sounder and more competitive in their sales programs, a more effective and centralized administration is developed to co-ordinate the component activities. This centralized administration, within the Division of Special Schools and Services, reduces the autonomy of policy that had prevailed previously working against effective employment of the centers' resources.

Of more noticeable long-run significance is the effort being made to shift the products and sales activities into more commercial markets, thus reducing the reliance upon federal contracts and federal buying policies that had exerted such an influence over previous years' sales. This comes as the result of a marketing study completed during 1959-60 by a private consulting firm engaged to analyze the industries' sales programs. In implementation of this study, sales personnel have been employed to increase the emphasis on commercial outlets and sub-contract work (for which the centers are considered especially well-situated), and quality control personnel have been engaged in improving product quality and more closely controlling product pricing to compete favorably in the commercial market.

Sales of the three centers amounted to \$2,129,846 and the cost of goods sold, including salaries and wages, totaled \$2,186,029. This reflects a loss in the manufacturing operations after adjustments of \$72,808 in the 1959-60 fiscal year, largely as a result of reductions in federal orders.

Estimated expenditures for the three centers and the program administration for the 1961-62 budget year are down 0.4 percent from the present budget year's level, a decrease of \$1,236 for a combined figure of \$291,815. The present level of service is to be maintained and the same number of equivalent full-time workers (238) will be retained.

Fiscal Management

The financing of the California Industries for the Blind program and accounting practices of the centers require particular attention at this time. Support from the General Fund is applied to the administrative and physical plant operating expenses, while manufacturing activities are financed through a revolving fund, the California Industries for the Blind Manufacturing Fund. Profits from previous years' sales are placed in the fund's surplus on a cumulative basis, while costs of General Fund support have not in the past been reimbursed to the General Fund out of profits made by the fund. While it remains the desire to see the Manufacturing Fund self-sufficient, the relation of General Fund support costs to Manufacturing Fund profit has led this office to inquire with regard to some method of reimbursement of the General Fund, predicated upon the principle that General Fund resources were intended to enable the industries to operate through the year until revenues from sales could be made available. As will be seen below, with the exception of 1959-60, there has been an increase in the total of the Manufacturing Fund surplus attributed to successive years' profits.

California Industries for the Blind—Continued

Year	Manufacturing Fund surplus	Manufacturing Fund profit	General Fund support costs	Percentage of Manufacturing Fund profit to General Fund support
1950-51	\$359,980	\$111,627	\$468,502	23.8
1951-52	577,159	252,962	335,382	75.4
1952-53	751,893	183,240	201,610	90.9
1953-54	760,833	27,356	247,646	11.0
1954-55	831,976	64,729	254,302	25.5
1955-56	949,419	116,085	269,199	43.1
1956-57	1,061,934	132,988	285,807	46.5
1957-58	1,128,082	68,289	302,334	22.6
1958-59	1,265,608	136,728	261,763	52.2
1959-60	1,196,640	—72,808	276,071	—26.4
		\$1,021,196	\$2,902,616	35.2

Upon review of these figures by this office in preparation for the 1959 General Session, it was recommended that profits from the Manufacturing Fund up to the amount of General Fund support costs be made a retroactive reimbursement to the General Fund. The Senate Finance Committee in February, 1959, recommended that the Division of Organization and Cost Control of the Department of Finance study this; the conclusion was presented in Management Survey 992.1, prepared in June, 1960. The recommendation of the Division of Organization and Cost Control was that "the annual General Fund appropriation for partial support of . . . (the California Industries for the Blind) program be made to and deposited in the California Industries for the Blind Manufacturing Fund and that all expenses of this program be paid therefrom." This recommendation has merit. It proposes not only to reduce the amount of General Fund expenditure for the industries to the amount necessary to promote a greater degree of self-sufficiency of the program without indirect contributions to the fund's profits, but to eliminate the maintenance of separate accounts by each of the three centers for Manufacturing Fund and General Fund expenditures, as is now the necessity, and to consolidate all costs of the program in one set of accounts and financial statements.

In discussing the recommended action, the management survey noted:

"The estimated cash needed for each year's operations in excess of the amount estimated to be available from the California Industries for the Blind Manufacturing Fund, must be provided by General Fund appropriation. Any existing manufacturing fund surplus that is available as cash will reduce the General Fund subsidy for the initial year. In effect this will achieve the transfer of existing manufacturing fund surplus cash to the General Fund as recommended by the Legislative Analyst. When the program becomes capable of recovering the total program's costs, no further General Fund subsidies will be necessary. Thereafter, profits resulting in surplus cash can be used to repay former General Fund subsidies and working capital advances if such is the desire of the Legislature."

California Industries for the Blind—Continued

The Division of Organization and Cost Control also points out the following changes in budgeting procedure:

“To operate the California Industries for the Blind program effectively under the recommended method of funding, the administrators of the program must annually prepare an estimate of the total cash receipts and cash disbursements for the program by estimating cash receipts and cash disbursements for the budget period. Accurate estimates for this program will be difficult to achieve because at present about 60 percent of the sales of the production centers are to the Federal Government and apparently there is no assurance the program can expect this level of federal government business from year to year.” . . .

“Funding estimates will have to be prepared six to nine months before the beginning of the fiscal year being budgeted. However, the budgeting process does provide for re-evaluation of current year operations at the same time the budget estimate for the succeeding year is submitted. This calculation must recognize funds invested in equipment and inventories and must provide for adequate cash to operate the California Industries for the Blind program. If the cash position of the California Industries for the Blind Manufacturing Fund becomes poor because of cash income estimated, but not realized, the agency will have to request the Director of Finance to provide additional funds with which to operate the program.” . . .

In summary, the proposal is for General Fund augmentation to the Manufacturing Fund of only as much capital as is necessary to enable the cash surplus derived from previous years' profits of the fund to meet the program expenses for the year; profits from that year's operations will be augmented by as much General Fund support as is estimated as necessary to operate the program for the following year. The higher the profit in one year, the more likely the following year's General Fund appropriation for support will be reduced (assuming no program level changes). From this it may be seen that instead of the General Fund not receiving back any reimbursements after the year's profits have been accounted, only as much General Fund support as is considered necessary to implement cash available from previous profits will be needed to keep the program going. If, through effective marketing and administration, the program becomes capable of recovering an increasing proportion of its costs, it is possible that some time in the future General Fund support may not be needed.

We recommend approval of this item as budgeted, and also recommend the implementation of the recommendations made by the Division of Organization and Cost Control concerning appropriation of General Fund support directly into the Manufacturing Fund, with the intent of limiting General Fund participation only to that amount necessary to make up the difference between estimated expenses and surplus cash available. It is recognized at the same time that the General Fund, under the OCC recommendation, is underwriting unprofitable operation of the shops, and therefore management efficiency and revenues must be given continuous review.

Department of Education

LOS ANGELES CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 73 of the Budget Bill

Budget page 183

FOR SUPPORT OF LOS ANGELES CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND, FROM THE GENERAL FUND

Amount requested	\$124,589
Contribution to State Employees' Retirement System	7,808
Total	\$132,397
Estimated to be expended in 1960-61 fiscal year	131,697
Increase (0.5 percent)	\$700
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

This item represents an increase of \$700 over the level of expenditures for the current budget year, an increase of 0.5 percent. No new positions are requested and the existing level of service is projected.

We recommend approval.

Department of Education

OAKLAND CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 74 of the Budget Bill

Budget page 184

FOR SUPPORT OF OAKLAND CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND, FROM THE GENERAL FUND

Amount requested	\$95,989
Contribution to State Employees' Retirement System	5,235
Total	\$101,224
Estimated to be expended in 1960-61 fiscal year	102,147
Decrease (0.9 percent)	\$923
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

The budget request of \$101,224 represents a decrease of 0.9 percent (\$923) over the 1960-61 budget year's expenditures. There are no new positions requested, and the existing level of service is to be maintained.

We recommend approval.

Department of Education

SAN DIEGO CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 75 of the Budget Bill

Budget page 185

FOR SUPPORT OF SAN DIEGO CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND, FROM THE GENERAL FUND

Amount requested	\$54,834
Contribution to State Employees' Retirement System	3,360
Total	\$58,194
Estimated to be expended in 1960-61 fiscal year	59,207
Decrease (1.7 percent)	\$1,013
TOTAL RECOMMENDED REDUCTION	None

**San Diego Center, California Industries for the Blind—Continued
ANALYSIS**

Total expenditures for the budget year under consideration for this category are 1.7 percent lower (\$1,013) than the level for the current budget year. No new positions are requested, and the existing level of service is to be maintained.

We recommend approval.

**Department of Education
OAKLAND ORIENTATION CENTER**

ITEM 76 of the Budget Bill

Budget page 186

**FOR SUPPORT OF OAKLAND ORIENTATION CENTER
FROM THE GENERAL FUND**

Amount requested -----	\$336,163
Contribution to State Employees' Retirement System -----	22,098
Total -----	\$358,261
Estimated to be expended in 1960-61 fiscal year -----	358,261
Increase -----	None
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL SUMMARY

The Oakland Orientation Center provides a program of training and, where feasible, partial vocational preparation for the newly blinded. The center also provides a residential custodial program for blind persons admitted prior to the separation of the orientation functions and the workshop manufacturing activities in 1951. The policy has been to not admit any new residents and the number of persons cared for under this program has been declining gradually.

In 1958-59 there were 44 residents of the center; in the following year this number was reduced to 33 and has remained at this level to date.

We recommend approval as budgeted.

**Department of Education
OPPORTUNITY WORK CENTERS**

ITEM 77 of the Budget Bill

Budget page 188

**FOR SUPPORT OF OPPORTUNITY WORK CENTERS
FROM THE GENERAL FUND**

Amount requested -----	\$56,996
Contribution to State Employees' Retirement System -----	3,100
Total -----	\$60,096
Estimated to be expended in 1960-61 fiscal year -----	55,860
Increase (7.6 percent) -----	\$4,236
TOTAL RECOMMENDED REDUCTION -----	None

Opportunity Work Centers—Continued

GENERAL SUMMARY

In 1957 the Coordinating Council on State Programs for the Blind recommended that a division within the California Industries for the Blind be made between those workers less productive or less able to be productive, and those able to earn at least partial income support either in private industry or under supervision of CIB production centers. The former group of persons came under the program of the Opportunity Work Centers; the latter remained under the administration of the California Industries for the Blind.

While production of the Opportunity Work Centers still retains some of the items manufactured when the program was first organized, such as novelty items, rugs, baskets, reed and cane work, emphasis has shifted to subcontract work for private industry or for the California Industries for the Blind. This subcontract work consists of such things as the assembly of scientific apparatus, toy kits, cartons and component parts, and the packaging of screws, nuts, bolts, cosmetics, etc. Centers are maintained currently at Berkeley, Los Angeles and San Jose.

ANALYSIS

Over-all expenditures for 1961-62 are estimated to be 7.6 percent (\$4,236) higher than the current budget year estimate of \$55,860. Although the same level of service is projected for the budget year under consideration, there are position requests for 0.5 position of laborer for the Berkeley and Los Angeles facilities, respectively. These requests, if approved, would increase from the currently authorized level of 0.5 laborer at these centers to a full-time position. *We recommend approval of this request based upon workload considerations.*

It is noted that there is an offset to the increase in total number of positions by the reduction of 0.1 man-year in temporary help in the Berkeley and Los Angeles Centers.

Department of Education

SPECIAL SCHOOLS FOR PHYSICALLY HANDICAPPED CHILDREN

The Joint Legislative Budget Committee has asked the Legislative Analyst to make a comprehensive study of special education programs for physically handicapped children in state residential and local schools. This study will be presented to the Legislature; however, it is appropriate that this analysis of the Budget Bill contain some general comparisons of enrollment and costs of the state residential and local school programs for physically handicapped children as an introduction to the individual analyses of each of the residential school budgets.

Table I shows proposed total expenditures, estimated average student enrollment, and estimated cost per average student enrollment, at the five state residential schools for physically handicapped children, for 1961-62.

Table II shows, for physically handicapped children in local schools: estimated average daily attendance for 1960-61, estimated average excess expense per unit of ADA for 1960-61, the estimated average re-

Special Schools for Physically Handicapped Children—Continued

imbursement per unit of ADA by the State for 1961-62, and estimated total reimbursements by the State for 1961-62. Data on statewide average excess costs in local schools per unit of ADA are not available separately for the blind, the deaf, and the cerebral palsied for comparison with the costs per average student enrollment of state residential schools.

Table I
State Schools for Physically Handicapped Children, 1961-62

	<i>Proposed expenditures</i>	<i>Estimated average student enrollment</i>	<i>Estimated cost per average student enrollment</i>
School for the Deaf, Berkeley-----	\$1,567,028	478	\$3,278
School for the Deaf, Riverside-----	1,732,507	500	3,465
School for the Blind-----	640,321	166	3,857
School for Cerebral Palsied Children, Northern California-----	473,991	32	14,812
School for Cerebral Palsied Children, Southern California-----	391,493	29	13,500
Total-----	\$4,805,340	1,205	\$3,988

Table II
Local Schools for Physically Handicapped Children

1. Estimated average daily attendance, 1960-61-----	17,748
2. Maximum allowed <i>excess</i> expense per unit of ADA, 1960-61-----	\$910
3. Maximum reimbursements by State, 1961-62 (Item 1 × Item 2)----	\$16,150,680

Under existing legislation, the *average* excess expense per unit of ADA will be less than the allowed maximum of \$910, with the result that the estimate in Item 3 would be reduced accordingly. The Department of Education will make a proposal to the Legislature to increase the maximum allowance per unit of ADA from \$910 to \$1,050. The principal purpose of the figures in Items 2 and 3 above is to permit rough comparisons with figures in Table I.

It can be seen from the tables above that the \$3,988 cost per average student enrollment for all residential schools combined is 4.4 times the \$910 maximum reimbursement by the State to local school agencies for their excess costs of educating physically handicapped children.

Obviously, then, it costs the State far more to enroll a physically handicapped child in one of its residential schools than for the State to reimburse a local school agency for its excess cost of educating the same child in a local school or class. The principal factors producing the higher costs per child at the residential school are, of course, food, housing, and counselors for continuous lodging.

Another important cost factor is the more personalized education and vocational training which should be, and presumably is, available at the residential schools, as compared with local school programs. With the larger enrollments at the residential schools, it is possible to group children more homogeneously by age, aptitude, achievement level, and degree of handicap so that better educational results can be achieved.

Special Schools for Physically Handicapped Children—Continued

With large instructional staffs, the residential schools are also able to provide a greater degree of specialization of instructional skills and more highly qualified supervisors over the instructors. An important advantage of the residential schools for the blind and deaf over local schools on the average is the furnishing of prevocational training, which requires not only school plant but teachers who are trained both in the vocation and in teaching children of these handicaps—conditions which none but a large local day school can achieve. Thus, one important justification offered for the residential schools, despite their much higher unit costs, is the higher standard of education provided.

Another important justification of the residential schools for the deaf and blind is the provision of education for children living in areas not served by local schools. This factor is discussed further in sections following. Another factor is use of the residential schools for training of teachers of handicapped children.

Education of Deaf Children

The education of deaf children presents greater problems instructionally than does any other field of special education, due to the fact that children who have never heard must first be given a means of communication before learning can begin, and the rate at which communication can be taught by artificial means is much slower than when learned by hearing. The teaching of the deaf is complicated further by the fact that lack of normal communication skills causes deaf children to be retarded in social, psychological, and emotional development.

As with other physically handicapped children, the Department of Education operates under the philosophy that deaf children should be educated in their home communities when local conditions are such as to make possible the development of programs that will insure satisfactory school progress for deaf pupils. However, it is probably more difficult for local communities to establish appropriate education programs for deaf pupils than for any other group of handicapped children for the following reasons:

- (a) The relatively low incidence of deafness among children (less than one per thousand of the school population).
- (b) The lack of administrative and teaching personnel who understand how deaf children should be educated.
- (c) The inability to provide prevocational and vocational training and experience for the deaf.
- (d) The employment of the oral method only for instructing the deaf.

In 1959-60, there were 2,303 deaf pupils enrolled in the two state residential schools and in local schools. Of these, 963 or 41.8 percent were enrolled in the two state residential schools, while 1,340 or 58.2 percent were enrolled in 84 local schools. (In contrast, as noted below, 79.5 percent of all blind students were enrolled in local schools.)

Special Schools for Physically Handicapped Children—Continued

Of the total current enrollment in the two residential schools, 77.6 percent consists of children whose parents reside in areas which do not have programs for deaf pupils, while 22.4 percent consists of children whose parents reside in areas having programs for deaf pupils but who have been enrolled in the residential schools for a number of reasons.

Education of Blind Children

Because it is easier for local school agencies to establish effective teaching programs for the blind than for the deaf, a higher percentage of the total number of blind children is enrolled in local programs. In 1959-60, of the total of 784 blind children in California schools, 161 or 20.5 percent were enrolled in the California School for the Blind at Berkeley, while 623 or 79.5 percent were enrolled in 72 local programs.

Of the current total enrollment at the California School for the Blind, 63.2 percent consists of children whose parents reside in areas which do not have programs for blind pupils, while 36.8 percent consists of children whose parents reside in areas which do have programs for blind pupils but who have been enrolled in the residential schools for a number of reasons.

Education of Cerebral Palsied Children

State schools for the blind and deaf typically enroll students for extended periods of time, often for the full period from kindergarten through 12th grade. Most of those enrolled come from areas of the State not served by local programs.

In contrast, the two state residential schools for cerebral palsied children play a much different role in relation to the local cerebral palsy schools. The state schools take only children enrolled in local schools who, for some reason, have not been succeeding in the local programs, and who are referred by the local schools because of special problems, often caused by multiple handicaps, on which special medical and educational diagnoses are desired. No child is enrolled in the residential schools for therapy if their staff believe that the school district, by making its maximum effort, can provide the treatment required. Thus, the state schools accept a child for relatively short periods of enrollment, when it is believed such enrollment will significantly accelerate his development, for special medical and educational diagnosis and treatment not available in the local program. The findings of the residential school staffs are made available to the local medical and educational staffs and to parents. Thus, there is no long-term enrollment in these schools nor enrollment from areas not served by local programs, as in the case of the residential schools for the deaf and blind.

Special Report

These and other aspects of the programs of the state residential and local schools for physically handicapped children will be covered in a forthcoming report to the Legislature on state and local aid programs for physically handicapped, mentally retarded, and emotionally handicapped children.

**Department of Education
CALIFORNIA SCHOOL FOR THE BLIND**

ITEM 78 of the Budget Bill

Budget page 190

**FOR SUPPORT OF CALIFORNIA SCHOOL FOR THE BLIND
FROM THE GENERAL FUND**

Amount requested-----	\$605,820
Contribution to State Employees' Retirement System-----	34,501
Total -----	\$640,321
Estimated to be expended in 1960-61 fiscal year-----	628,026
Increase (2.0 percent)-----	\$12,295
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL SUMMARY

The California School for the Blind at Berkeley is a residential school offering elementary and high school educational programs for blind, partially blind and deaf-blind children. To complement the special methods and techniques necessary in the teaching of blind children, special equipment such as Braille writers, Braille books, models and various types of apparatus, such as embossed maps, are extensively employed.

The school also provides, in addition to its residential educational programs, guidance services for preschool age blind children, graduates and expupils.

For fiscal year 1961-62, the program of the School for the Blind is expected to provide general education for 166 resident children, field services for 100 preschool children, guidance services for an estimated 55 former pupils, as well as for the administration of reader service for approximately 70 blind college students.

ANALYSIS

Estimated budget expenditures for the budget year under consideration are 2 percent (\$12,295) higher than the previous year, primarily due to salary increases. In the fiscal year 1960-61 there was an augmentation from the Emergency Fund for the sum of \$5,050 to be spent as salary for a teacher for the deaf-blind in the Helen Keller deaf-blind unit. For 1961-62 this category of expenditure appears as a proposed new position, in addition to which 0.5 position as plant operator (janitor) as temporary help is also requested. *We recommend approval of these position requests.*

With regard to the position of deaf-blind teacher, as indicated above, this function has already been implemented during the 1960-61 fiscal year by means of an Emergency Fund appropriation. The position request for the same position in the budget year under consideration is to continue this position as an authorized one. Prior to the implementation referred to above, there were two teachers for the school's deaf-blind students. In the 1960-61 fiscal year, enrollment in the Helen Keller deaf-blind unit rose to eight students, and in order to maintain the school's teacher-to-pupil ratio of 1:3, it was felt necessary to augment the deaf-blind teaching staff. Considering the fact that two

California School for the Blind—Continued

of the school's present eight deaf-blind children are at the beginning primary level, the addition of one teacher to the staff is not felt to be exorbitant in the face of the heavy demands placed upon the faculty in successfully introducing a deaf-blind student to the school's program; in view of the technical training required in the education of the deaf-blind and the composition of the school's deaf-blind, the addition of the third teacher in 1960-61 appears to have been justified, as is the request to continue this position in 1961-62.

Concerning the request for temporary help of 0.5 position as plant operator, we recognize that the present custodial force of five women and one man is not able to attend to all the custodial needs of the school, particularly such upkeep functions as window and wall washing. The nature of many of the custodial functions is such that the present composition is not well suited to perform the needed duties. Figures obtained as estimates of the cost of contracting with private firms to perform the maintenance duties requiring attention indicated the cheaper course lay in engaging part-time help. Although recommending approval of this position request, we recommend attention be directed toward adjustment of the custodial staffing of the school to permit a higher ratio of men to women for more efficient distribution of many heavy duty maintenance functions now requiring contracted services or being left undone.

With the reservations noted above, we recommend approval of this item as budgeted.

Department of Education**SCHOOLS FOR CEREBRAL PALSIED CHILDREN**

Support for the two state schools for children with cerebral palsy and similar handicaps is from the General Fund. The following reflects the aims of the schools as resources in assisting:

1. Selected cerebral palsied, and other similarly handicapped children, and their parents, in their development.
2. The training of special teachers:
 - a. Initial preparation,
 - b. Inservice training.
3. Local public school classes and crippled children's consultation units in supplying:
 - a. Specialized diagnostic appraisal;
 - b. Specialized intensive training for selected pupils.
4. Professional schools which train psychologists, physicians, therapists, social workers and school nurses.

This office has been critical in past years of differences between the two schools with regard to such basic policies as admissions, length of enrollments, the role of these schools in the state educational program for the physically handicapped, and the type of teacher training pro-

Schools for Cerebral Palsied Children—Continued

grams offered. It has also been noted that several factors accounted for these differences, some of which were interdependent.

The physical facilities of the two schools have exerted, and in the coming year will continue to exert, difficulties in offering comparable programs. The northern school has been located in a modern plant close to the facilities of San Francisco State College, while the southern school, which occupies rented quarters, has been located rather distant from teacher-education institutions and hospitals. However, with the move into new quarters close to Los Angeles State College for the southern school, now projected for the 1962-63 fiscal year, many of these factors for differences will be resolved, and professional personnel training will be available the year-round at both facilities.

Differences in the types, or degree of handicapped children have been in the past reflections of the differences in referral sources between the schools. It has been noted that these differences are somewhat lessened now, with increased utilization of the Crippled Childrens Services as a referral source by the southern school, which is reflected in the diagnostic program for neurologically handicapped children run in cooperation with the Crippled Childrens Services. The emphasis at the Altadena facility on diagnosis and treatment of the severely physically handicapped has tended to result in longer enrollments because of the need for more extensive treatment than is required for public referrals as a group. This situation at the southern school also brings about the budgeting of elements necessary for the treatment of the more severely handicapped such as research, medical-diagnostic study and the extensive counseling of parents of children enrolled. In this context, it is significant to examine the average cost per student served and the cost per average resident student for the two schools. Total cumulative enrollment at the San Francisco facility is expected to be 188 in 1961-62; the average resident enrollment for that period will be 32. The average cost of students serviced (that is, 188) will be \$2,521; the cost per average resident student, \$14,812. For the Altadena center, the total number of students enrolled for 1961-62 is expected to be 75; the number of full-time equivalent students (that is, the equivalent of an average resident enrollment at any one time), 29. Cost figures for these enrollments are \$5,220 as the average cost for all students to be served, and \$13,500 as the cost per full-time equivalent student.

In order that the objectives outlined above may be carried out, the schools must employ highly trained specialists, such as speech therapists, occupational and physical therapists, psychologists, a medical director and medical specialists as well as trained teachers to carry out the programs of diagnosis, treatment and education of those children in residence, as well as short-term diagnosis and treatment for children less severely handicapped and the teaching function for the training of professional personnel. Since these are specialized services, the cost per student is relatively high, as may be seen in the previous paragraph.

Department of Education

SCHOOL FOR CEREBRAL PALSIED CHILDREN, NORTHERN CALIFORNIA

ITEM 79 of the Budget Bill

Budget page 193

FOR SUPPORT OF SCHOOL FOR CEREBRAL PALSIED CHILDREN,
NORTHERN CALIFORNIA, FROM THE GENERAL FUND

Amount requested	\$449,616
Contribution to State Employees' Retirement System	24,375
Total	\$473,991
Estimated to be expended in 1960-61 fiscal year	473,991
Increase	None
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

This is a residential school for diagnosis, treatment, education and program planning for children afflicted with cerebral palsy or other similar physical handicaps. It also serves as a demonstration school for teacher training at San Francisco State College and as a diagnostic center for neurologically handicapped children by the Crippled Children Services of the State Department of Public Health.

ANALYSIS

Expenditures for the budget year under consideration are at the same level as those estimated for the current year. The school's request for a new position in personnel care for a food service assistant, at an annual salary of \$3,900, is offset by the elimination administratively of one position in temporary help in feeding. Therefore, no program change is involved and no increase in salary expenditure. *We recommend approval of this request and of the item as budgeted.*

Department of Education

SCHOOL FOR CEREBRAL PALSIED CHILDREN, SOUTHERN CALIFORNIA

ITEM 80 of the Budget Bill

Budget page 195

FOR SUPPORT OF SCHOOL FOR CEREBRAL PALSIED CHILDREN,
SOUTHERN CALIFORNIA, FROM THE GENERAL FUND

Amount requested	\$369,763
Contribution to State Employees' Retirement System	21,730
Total	\$391,493
Estimated to be expended in 1960-61 fiscal year	383,675
Increase (2.0 percent)	\$7,818
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

This is a residential school for diagnosis, treatment, education and program planning for children afflicted with cerebral palsy or other similar handicaps. The school's facilities continue in the 1961-62 budget year in rented quarters at Altadena, although a move to new quarters close to Los Angeles State College is projected. In the budget presented for the current budget year, the sum of \$110,000 was approved for site acquisition. For the construction of the new plant, \$1,150,000 was requested for 1960-61; however, this sum was not granted, and instead \$60,000 was made available for working drawings of the new facility.

School for Cerebral Palsied Children, Southern California—Continued

It is understood that at the present time site acquisition has not been completed. Until such time as the school is moved, it will continue to operate under a handicap because of its location apart from hospitals and teacher training institutions. In relation to program development, the school has predicated its plans upon a move to new quarters during the 1962-63 fiscal year.

ANALYSIS

Expenditures for the 1961-62 budget year are 2 percent higher (\$7,818) than for the present budget year, from \$383,675 to \$391,493. In anticipation of an eventual move to new quarters, the school will expand its services to a year-round demonstration lab program with Los Angeles State College and will also function as a medical-diagnostic center for the neurologically handicapped in co-operation with Crippled Children Services. In connection with these 1961-62 program expansions, two half-time positions are requested representing a combined salary expenditure of \$5,076 per annum (64.9 percent of the projected increase in salary and wage expenditures). These two half-time positions are for a medical-social worker and an intermediate stenographer-clerk, the latter position dependent upon the approval of the former.

We recommend approval of these requests. The 0.5 position request for medical-social worker has been presented as a new program, but it is understood that this function was formerly performed in the same degree as is currently anticipated but has been discontinued in recent years. In view of the fact that: (1) a corresponding position is among those authorized at the San Francisco facility, (2) that the functions were performed previously at Altadena by a trained medical-social worker but are not now, and (3) in the face of the need for trained assistance in the screening of applicants, and liaison with and counseling of parents of children enrolled or presented for enrollment, the request appears justified.

With regard to the 0.5 position request for an intermediate stenographer-clerk, *we recommend approval*, noting that the secretarial and correspondence workload increase resultant upon approval and authorization of the medical-social worker request is cited as the need for this position.

We recommend approval of this item as budgeted.

Department of Education

CALIFORNIA SCHOOL FOR THE DEAF, BERKELEY

ITEM 81 of the Budget Bill

Budget page 197

**FOR SUPPORT OF CALIFORNIA SCHOOL FOR THE DEAF,
BERKELEY FROM THE GENERAL FUND**

Amount requested	\$1,473,660
Contribution to State Employees' Retirement System	93,368
Total	\$1,567,028
Estimated to be expended in 1960-61 fiscal year	1,547,537
 Increase (1.3 percent)	 \$19,491
TOTAL RECOMMENDED REDUCTION	\$1,145

California School for the Deaf, Berkeley—Continued
 Summary of Recommended Reductions

	Budget		
	Amount	Page	Line
.25 Temporary help, teaching-----	\$1,145	---	---

GENERAL SUMMARY

The California School for the Deaf, Berkeley, is one of two state residential schools for deaf children. The school provides elementary and secondary academic and vocational programs for children 5½ to 21 years of age who have hearing losses necessitating special instruction.

The circumstances surrounding effective instruction of the deaf, such as the relatively low incidence of deafness among the school-age population (less than one per thousand) and the necessity for engaging teaching personnel trained in methods of instruction for the deaf, make it extremely difficult for local communities to provide appropriate educational programs and meet the costs thereof. Therefore, the responsibility falls largely upon the State to support educational institutions for deaf children. Whereas only one residential school for the blind has been established, there are two for the deaf representing a combined actual enrollment in autumn 1960 of 980. The December 1960 enrollment at the Berkeley school is 473, of which 162 are enrolled in primary classes, 149 in intermediate and 162 in advanced classes. For the budget year under consideration, the total enrollment is expected to rise to 478, of which 452 are expected to be resident and 26 day pupils, distributed 160 primary classes and 318 to intermediate and advanced levels.

ANALYSIS

Total expenditures for the 1961-62 budget year are scheduled to be 1.3 percent (\$19,491) higher than the present year, or \$1,567,028. New positions requested equal 2.5, consisting of two classroom teachers for the intermediate and advanced levels, and 0.5 temporary help in teaching of athletics.

With regard to the request for two additional classroom teachers, we recommend approval. The workload increase cited in the justification for these positions notes that the school's teacher-to-pupil ratio in the intermediate and upper levels has been 1:10; with 318 pupils projected for 1961-62 the present classroom teaching staff of 30 for these two categories of students is undermanned. It is noted that the growth in the 1961-62 year will be in the intermediate and advanced groups (the primary registration remaining at 160); therefore, if the school's classroom teacher-pupil ratio is to be maintained, the addition of two classroom teachers will be required. Estimated salary expenditures to cover these costs will be \$4,580 per teacher for the 10-month school year.

Concerning the request for 0.5 position of temporary help as a teacher in athletics, *we recommend this request be reduced to one-half the level indicated (i.e., 0.25) in order to provide needed assistance in the instruction of the school's physical education program.* The school has indicated its desire to relieve the burden now placed on the coach of the school's intermural teams. The Berkeley school participates in

California School for the Deaf, Berkeley—Continued

the Bay Counties League in football, basketball and track and field, fielding A and B teams in each sport. For this program one individual has had the entire coaching job; hence the request for 0.5 position. However, it is noted that approximately half of the time to be spent by this position is for the instruction of physical education, the other half going into assistant coaching. Of a total of 760 hours through the school year, 328 hours would be spent upon physical education; 432 upon team coaching. A factor in the recommendation made above concerning this request is the evaluation of relative importance between physical education classes and intermural team competition. Although the need for coaching assistance can be recognized, it would appear that of more direct value to more of the pupils of the Berkeley school is an effective physical education program; hence its evaluation as warranting teaching assistance in preference to emphasis upon team competition which would not appear to be of as direct benefit to as many of the student body. In recommending the reduction in this position, the estimated salary expenditure would be reduced from a figure of \$2,290 to \$1,145 for the school year.

Department of Education
CALIFORNIA SCHOOL FOR THE DEAF, RIVERSIDE

ITEM 82 of the Budget Bill

Budget page 199

FOR SUPPORT OF CALIFORNIA SCHOOL FOR THE DEAF,
RIVERSIDE, FROM THE GENERAL FUND

Amount requested	\$1,631,376
Contribution to State Employees' Retirement System.....	101,131
Total	\$1,732,507
Estimated to be expended in 1960-61 fiscal year.....	1,697,435
Increase (2.1 percent)	\$35,072
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

The California School for the Deaf, Riverside, is the other state-supported residential school for the education of deaf children. Its program closely parallels that of the California School for the Deaf, Berkeley.

ANALYSIS

The amount requested for the budget year represents an increase of \$35,072, or 2.1 percent, over the expenditures estimated for 1960-61. Expenditures for the categories of operating expenses and equipment are below the estimated level of expenditure for the current year, but the expenses of salaries and wages after salary savings are scheduled to increase \$41,640 over 1960-61. For 1961-62 one new position is requested, that of a supervising teacher (psychologist) at a salary of \$8,112; this request is made upon a workload basis. *We recommend approval of the requested position.* This position, currently not among those authorized for the Riverside school, would perform the same

California School for the Deaf, Riverside—Continued

functions as the equivalent position authorized for the Berkeley facility. The principal function of the psychologist would be in the diagnosis and evaluation of the potential and development both of pupils enrolled in the school and of those presented either for ultimate approval for enrollment or for referral to other programs and facilities. At present there is no staff member trained thoroughly in the evaluation of the tests administered to gauge emotional and physical development or retardation among deaf children. In presenting its request, the school has emphasized the need for effective evaluation of measurements applied to children afflicted with deafness in order to prepare the best approach to treatment of the individual problem, and in order to more effectively enable the school to analyze those children presented for enrollment with regard to whether the school can benefit them or whether another course of treatment would be preferable. During the current fiscal year, the Riverside school has authorized six positions in the category of supervising teacher for a present enrollment of 507 pupils (both residential and day). The Berkeley facility has authorized seven positions in the category for a present enrollment of 473, of which one of that number performs the duties of psychologist parallel to the position hereabove requested.

We recommend approval as budgeted.

**Department of Education
VOCATIONAL EDUCATION**

ITEM 83 of the Budget Bill

Budget page 201

**FOR SUPPORT OF VOCATIONAL EDUCATION
FROM THE GENERAL FUND**

Amount requested	\$608,820
Contribution to State Employees' Retirement System	48,309
Total	\$657,129
Estimated to be expended in 1960-61 fiscal year	653,541
Increase (0.5 percent)	\$3,588

TOTAL RECOMMENDED REDUCTION None

GENERAL SUMMARY

The Vocational Education Program in California is a co-operative plan between the United States Office of Education, the State Department of Education, and local school districts. As may be seen in the following analysis, federal funds will provide in 1961-62 nearly half of the costs of state-level operations and the major share of reimbursements to local school districts participating in the program. These funds are derived from several sources: (1) The Smith-Hughes Act, funds from which are available for salary reimbursements only; (2) The George-Barden Act, which provides funds for salary reimbursement, traveling expense and instructional material; (3) The Practical Nurse Training Program, which supports the expenses of the State's practical nurse education program under Vocational Education; and (4) Title

Vocational Education—Continued

VIII of the National Defense Education Act (PL 85-864), which provides \$514,390 for the overall operation of the area vocational education programs. Funds made available by the Smith-Hughes and George-Barden Acts must be matched on an equal basis by state and local funds.

The Vocational Education Section of the Division of Instruction, Department of Education, is divided into four bureaus, in addition to an administrative unit, offering assistance and guidance to local school districts. These services include:

1. Agricultural education, for those entering or about to take up farming. In 1959-60 there were 18,576 persons enrolled in courses.
2. Industrial education, to aid those entering or planning to enter a trade. 1959-60 enrollment activity in these courses was reported at approximately 125,000.
3. Homemaking education, to assist local school districts in training persons engaged in home responsibilities. This course saw the highest enrollment during 1959-60, with 143,881.
4. Business education, treating only with the distribution occupations aspect of business education. This program is limited to part-time, day and evening classes; 1959-60 enrollment totalled 93,114.

There are two entirely state-financed programs which augment the joint federal-state-local program; the Fire Training Program and the Apprentice Instructional Materials Program. The Fire Training Program provides in-service training to local fire departments and holds institutes throughout the year at various locations to train officers in fire-fighting techniques. A total of 4,748 class hours of instruction were given during 1959-60 under this program. The Apprenticeship Instructional Materials Program prepares instructional manuals and materials for those people learning trades in which there are less than 100 apprentices. These training aids include, in addition to textbooks, progress charts, teacher handbooks and examinations. Reimbursements during the budget year, primarily from the sale of the instructional materials to those participating in the program, are expected to provide revenues equal to the costs of this program.

ANALYSIS

The total expenditure by state and federal sources for vocational education in 1961-62 is estimated to be \$3,451,264. The increases in both state and federal state-level expenditures for the budget year under consideration over the current year are 0.5 percent. Total General Fund support for 1961-62 for state-level operations and local district reimbursement equals \$852,891.

It is noted that the increase of \$3,588 in state-level operations expenditures is offset by reductions in local district reimbursement from General Fund sources by the same amount. Federal reimbursements to local school districts are reduced by \$36,651, from the 1960-61 level.

The total budgeted expenditures for this program in 1961-62 consist of \$852,891 (25 percent) of state general funds and \$2,598,373 (75 percent) federal funds. The composition of the total \$3,451,264 is shown in the table below.

Vocational Education—Continued

<i>Income</i>		<i>Expenditures</i>	
I. State-Level Operations			
State General Fund	\$657,129	Administration General Fund	\$42,215
Federal funds	653,129	Federal funds	42,214
			<u>\$84,429</u>
		Area Vocational Education federal funds	79,380
		Practical Nurse Training federal funds	30,350
		Fire Training Program General Fund	95,234
		Supervision and Teacher Training General Fund	\$471,871
		Federal funds	501,185
			<u>972,556</u>
		Agricultural education	\$235,653
		Industrial education	417,763
		Homemaking education	191,029
		Business education	157,337
		Less: Salary savings and reimbursements	-29,226
		Subtotal	<u>\$972,556</u>
			<u>\$1,261,949</u>
		Plus contributions to retirement	48,309
			<u>\$1,310,258</u>
Total	\$1,310,258	Total	\$1,310,258
II. Reimbursements to School Districts			
State General Fund	\$195,762	Agriculture state and fed. funds	\$321,074
Federal funds	1,945,244	Business state and fed. funds	86,808
		Homemaking state and fed. funds	287,912
		Industrial state and fed. funds	758,242
		Practical nursing all federal funds	251,960
		Area vocational education all federal funds	435,010
			<u>\$2,141,006</u>
Total income	\$2,141,006	Total reimbursements	\$2,141,006
GRAND TOTAL INCOME	\$3,451,264	GRAND TOTAL EXPENDITURES	3,451,264

A—Solely Federal-financed Programs

(1) The Area Vocational Education Program. This year this item appears separately from the joint federal and state-financed Supervision and Teacher Training section, in which it previously appeared. Inasmuch as this item is financed entirely by funds made available by Title VIII of the National Defense Education Act, the identification of this segment of National Defense Education Act participation is facilitated. This program is intended to stimulate technical education and the training of technicians needed by industry; it has the responsibility, at the state-level, of reviewing, approving and processing local school districts' applications for federal funds thus allotted for technical education. In terms of relative expenditures for state-level operations and reimbursements to school districts, the total Title VIII outlay of \$514,390 is divided into \$79,380 for the former category and \$435,010

Vocational Education—Continued

for reimbursements to the latter. These breakdowns represent a state-level operations increase of 0.54 percent and a decrease of 0.1 percent in local reimbursements from the 1960-61 estimated expenditures.

Two and one-half positions are requested; an intermediate stenographer-clerk (0.5) and two full-time temporary help positions. It will be noted these positions were approved for 1960-61 by the Department of Finance on the basis of workload justification; this factor is expected to remain the same, and thus the request to authorize the positions this year.

We recommend approval.

(2) Practical Nurse Training Program. This category of expenditure is estimated to remain at the 1960-61 level of \$30,350.

B—Solely State-supported Programs

(1) The Fire Training Program. Expenditures for 1961-62 are at the same level for this part of the Vocational Education budget as they were estimated for the current budget year; namely, \$95,234. No increases in personnel or service are contemplated in 1961-62. It is this office's opinion, however, that the recommendations made by the Department of Finance are still valid as concerns this program; that is, that local fire departments with 50 percent or more full-paid personnel pay for the actual costs of the program as it affects them.

(2) Apprentice Instructional Materials. This part of the budget is estimated to represent an increase of \$600 over the 1960-61 level; however, as has been noted above, reimbursements, particularly from the sale of instructional materials to those participating in the program, are expected to equal the \$59,719 estimated to be spent for the budget year under consideration.

C—Jointly Financed Programs

(1) Administration. Costs for this item are estimated to be at the same level as 1960-61; namely, \$84,429, representing \$42,215 state General Fund support and \$42,214 federal support. No personnel increases or service level changes are contemplated.

(2) Supervision and Teacher Training. This category accounts for all but \$1 of the increase in General Fund support for state-level operations of Vocational Education, and this increase is in the area of salaries and wages. No new positions are requested for the 1961-62 Budget and the same level of service is to be maintained. The total expenditure for this item in the budget year under consideration is \$972,556, of which \$471,371 is from State General Fund support and \$501,185 from federal funds.

We recommend approval of this budget item as presented. The same level of operations as the current budget year is projected, and such overall increase as exists between the current and estimated budget years is composed of salary and wage increases.

It should be noted the recommendation made by this office in the analysis of the 1960-61 Budget that state-level and local assistance expenditures for Vocational Education be separated has been accomplished. This has facilitated the review of projected expenditures for

Vocational Education—Continued

Vocational Education by delineating between items of state-level support and funds intended for reimbursement of local school districts, and at the same time has not precluded transfer into or out of state-level operations funds such amount as might be necessary during the course of the year. Provision exists for transfers from one fund to the other upon presentation of justified need and a formal revision request.

Department of Education
VOCATIONAL REHABILITATION SECTION

ITEM 84 of the Budget Bill

Budget page 206

**FOR SUPPORT OF VOCATIONAL REHABILITATION SECTION
FROM THE GENERAL FUND**

Amount requested	\$2,917,002
Contribution to State Employees' Retirement System	85,756
Total	\$3,002,758
Estimated to be expended in 1960-61 fiscal year	2,781,171
Increase (8.0 percent)	\$221,587
TOTAL RECOMMENDED REDUCTION	\$78,982 *

Summary of Recommended Reductions

	<i>Budget</i>		
	<i>Amount</i>	<i>Page</i>	<i>Line</i>
8 Vocational rehabilitation counselor	\$49,072*	208	48
5 Intermediate stenographer-clerk	20,970*	208	49
1 Supervising vocational rehabilitation counselor	8,940*	207	53

* Includes Federal Funds.

GENERAL SUMMARY

The Vocational Rehabilitation Section, part of the Division of Special Schools and Services of the Department of Education, maintains four programs intended to assist the physically and mentally handicapped to achieve self-support. These are in addition to program administration, (1) Vocational Guidance and Placement, the main element of the program; (2) the Disability Certification Program, entirely financed by the federal Social Security Trust Fund; (3) the Business Enterprise Program for the Blind, principally supported by state funds; and (4) the sheltered workshops consultation service, authorized under Chapter 2030, Statutes of 1959 and jointly financed by federal and state sources.

Under the provisions of Section II of Public Law 565, federal and state support for Vocational Rehabilitation is being gradually equalized. During a span of four years the "Bridge Provision" sees successive steps towards a balancing of support expenditures from the State General Fund and federal government. With regard to the proposed total 1961-62 Vocational Rehabilitation Section budget it may be noted that the total percentages of state support and federal support do not appear to be reconciled with the terms of the "Bridge Provision". This is attributable to application of other sections of PL-565, namely Section IIa, whereby certain programs are permitted variations in approved matching fund provisions.

Vocational Rehabilitation Section—Continued

The Vocational Guidance and Placement unit is the main body of the California program for vocational rehabilitation. Under its administration there have been established 10 districts throughout the State with 14 branch offices located in areas offering access to the population served. To be eligible for rehabilitation services an applicant must establish that a physical or mental disability exists that limits his capacity for self-support. In developing priorities for case acceptance, those individuals already receiving public welfare assistance are placed towards the top. In this respect California's program differs from that of many states in that it is intended here to concentrate on those cases which, if rehabilitated, would represent a reduction in the numbers of people receiving welfare aid at state expense. This differentiation has meant a smaller number of cases considered as successfully rehabilitated than would result if no discrimination were made of need. But in substantiation of California's policy, it has been pointed out that selection of an individual receiving public welfare aid may result in long-run savings for the State. As an example of this, it is understood that in the six-year period ending in June, 1960, 3,631 individuals were rehabilitated who had been on public assistance. The average annual grant in these cases was approximately \$1,500; therefore, the savings for one year in public assistance funds would be in excess of five million dollars. If these people remained self-supporting for five years, the section estimates the saving in public funds would equal over \$27 million. The following figures represent the caseload from 1957-58 through 1959-60:

	1957-58	1958-59	1959-60	Percent increased from 1958-59
Active caseload	5,552	7,124	8,945	
Cases accepted during year	5,151	6,372	6,166	
Total active cases	10,703	13,496	15,111	12.0
Cases closed, rehabilitated	1,528	1,794	2,382	32.8
Cases closed, unemployed after plan developed	615	613	827	34.9
Cases closed, other reasons	1,436	2,144	2,682	25.1
Total cases closed	3,579	4,551	5,891	29.4
Cases on hand at end of year	7,124	8,945	9,220	3.2

From a review of these figures it may be seen that between 1958-59 and the following year a greater proportion of cases were closed than were added; however, the number of cases on hand at year's end still rose a 3.2 percent over 1958-59. With regard to cases classified as closed, those considered rehabilitated accounted for 40.4 percent of the total, approximately the same proportion as the two preceding years. There was a sharp increase in the number of cases listed as closed but unemployed after rehabilitation plans were developed. It is not valid to assume figures for this category reflect only cases that have failed. In addition to instances where individuals were found to be too severely

Vocational Rehabilitation Section—Continued

physically handicapped or emotionally disturbed to hold a job, there were those who dropped out of the labor force because of marriage, other employment secured by outside means, or death.

The Business Enterprise for the Blind program assists qualified blind persons to become self-supporting through providing them with the equipment necessary for the establishment of vending stands, snack bars and cafeterias located in public buildings and in private industry. Of late the trend has been toward the establishment of snack bars and cafeterias in preference to vending stands in order to more effectively fulfill the intention of this program, that of useful employment and support for blind persons. Six Business Enterprise officers throughout the State furnish assistance and supervision to insure that such establishments are properly operated and maintained.

The third element of the program (exclusive of administration) is the Disability Certification program, completely financed by federal funds. Its principal function is the certification of a disability and eligibility to receive benefits under the Old Age and Survivors Insurance program.

Fourthly, within the structure of the administrative unit, is the operation of the consultative services for sheltered workshops, established by Chapter 2030, Statutes of 1959. These services are available to advise non-state sponsored workshop programs for the handicapped as to what operations and programs will best enable them to function practically. These workshops are in transition from the original concept of providing terminal employment for the handicapped to serving as orientation and diagnosis facilities to enable the handicapped to adjust to altered circumstances and seek regular employment of their own.

ANALYSIS

Total costs of vocational rehabilitation are expected to rise 3.4 percent over the present fiscal year to a 1961-62 figure of \$7,511,637. Of this figure, the following are the components:

	Proposed 1961-62 Expenditures	Increase over 1960-61
State General Fund -----	\$2,917,002	
Retirement Contributions -----	85,756	
	<hr/>	
Federal grants, support -----	2,979,255	\$3,002,758
Retirement Contributions -----	87,012	+ \$221,587
	<hr/>	
Federal support, OASI -----	1,383,612	3,066,267
Retirement Contributions -----	59,000	—5,380
	<hr/>	
	1,442,612	+ 28,236
	<hr/>	
Grand Total -----	\$7,511,637	+ \$244,443

With regard to the increase in State General Fund expenditures of \$221,587, the sum of \$70,000 represents the increased state participation in the third year of the "Bridge Provision" which will ultimately equalize state and federal support expenditures for items under Section II of PL-565.

Vocational Rehabilitation Section—Continued

A total of 18 new positions are requested for 1961-62. They are:

- 1 Supervising vocational rehabilitation counselor II
- 10 Vocational rehabilitation counselors
- 7 Intermediate stenographer-clerks

The 10 vocational rehabilitation counselors are intended to be utilized in the following manner: Two (whose positions were given one-year authorizations by the Legislature in 1960) for the regular counseling program under Vocational Guidance and Placement; one to work in rehabilitation of victims of Parkinson's disease in connection with a project at Mt. Zion Hospital which would reimburse the State for the salary of this position and assume directly the costs of transportation, equipment and operating expenses; and seven counselors to work at selected state mental hospitals on the rehabilitation of those patients able to return to private life. The seven clerks would be distributed as follows: two clerks to be placed within the regular counseling program of the Vocational Guidance and Placement unit to absorb the increase in workload occasioned by approval of the two counselors requested; the remaining five clerks to be associated with the mental hospital program in the following manner: 0.5 clerk position to be stationed at the mental facility from which the counselor would work (for a total employment of 3.5 clerks), while the remaining 1.5 clerk position would be distributed to the district offices having supervision over the mental hospitals serviced in this program.

We recommend approval of the two counselors requested for the Vocational Guidance and Placement program, and the two clerk positions which accompany this increase; we recommend deletion of the seven counselors and five clerks intended for the mental hospital project.

Our recommendation on behalf of the two counselors requested for the Vocational Guidance and Placement unit which were approved by the Legislature in 1960 for one year is based upon the growth of the State's population in the 16-64 age group (considered the total public eligible for services in the event of disability) from 9,265,000 to 9,598,000.

The total number of regular counselors authorized if this request is approved (115) represents a level of service which does not exceed the staffing ratio established in 1959-60 (1:82,500). The two intermediate stenographer-clerks requested to accommodate the workload increase occasioned by approval of these counselors appear reasonable. The total clerical staff, in terms of size as compared with the number of counselors, would remain at the present level of 65-70 percent.

Our reasons for recommending against the seven counselors and five clerks requested for the mental hospital rehabilitation project are as follows. It is understood that the proposal to place this request within the structure of Vocational Rehabilitation was influenced by the presence of federal funds available there to defray the expenses. First, we question the policy of program establishment made on the basis that federal funds should be used merely because they are available to the State. Secondly, we consider the fragmentation of counselor services into programs directly connected with single specific types of

Vocational Rehabilitation Section—Continued

disability as opening the door to special consideration for counselors for each successive area of disability.

The latter of these above considerations also is present in our recommendation for the deletion of the proposed position of Vocational Rehabilitation Counselor to work in connection with a project in Parkinson's disease at the Mt. Zion Hospital. Here it is noted that reimbursements to the State General Fund would be made by the Mt. Zion Hospital for the salary expenses of this position, and that other expenses would be borne directly by the hospital. However, as expressed above we believe the creation of a position of counselor outside the Vocational Guidance and Placement unit context of regular program counselors is not advisable.

The remaining position request is for a supervising vocational rehabilitation counselor II to serve in the capacity of an administrative assistant to the chief of the section. *We recommend deletion of this position.* In 1960 this function was presented in terms of a request for an administrative assistant. This office recommended against approval, and the Legislature gave its authorization for a period of one year only to see what the position might accomplish. This year the same position, but with a different title (at no change in the salary level), is requested for authorization. The reasons presented in justification are essentially those of last year. To date the position authorized by the 1960 Legislature has not been filled. This course of action reflects a policy determination based upon salary savings considerations, whereby for the first half of fiscal 1960-61 it was decided not to implement the position. We have seen no evidence of harmful consequences because of this position not being filled for administrative reasons, and renew our recommendation for deletion. However, since the Legislature granted the position on a one-year authorization, consideration should be given to the merits of again authorizing the position on a temporary basis.

Aside from the request for the supervising vocational rehabilitation counselor II, discussed above, there are no plans for new programs within the administrative unit of the section. The sheltered workshop consultative service expects to conclude contracts with four specialists (two will function in the northern end of the State and two in the southern portion) for advising sheltered workshops on operations and possible changes in production or administration in order to enable them to more effectively perform their role with respect to the disabled and handicapped.

The business enterprise program for the blind does not present any position requests or proposed changes in the level of service. This unit has been successful in locating snack bars and cafeteria facilities in both public buildings and private industry, particularly among private industry sites in Southern California.

With the 1960 congressional changes in the Social Security Act regarding age limits for eligibility to receive benefits due to disability, there has been a sharp increase in the volume of applications to be processed by the disability certification unit in the performance of its function of determining eligibility. However, for the present, it is

Vocational Rehabilitation Section—Continued

understood the staff is being used on an overtime basis rather than request additional help, until the initial growth in workload can be assimilated and consequent workload increase ascertained.

We recommend approval of this item as budgeted, except for the deletion of eight vocational rehabilitation counselors, five intermediate stenographer-clerks and the supervising vocational rehabilitation counselor II and related expenses. The sums affected by this recommendation as noted in the summary represent both estimated State General Fund and federal expenses for these positions.

**Department of Education
STATE TEACHERS' RETIREMENT SYSTEM**

ITEM 85 of the Budget Bill

Budget page 211

FOR SUPPORT OF THE STATE TEACHERS' RETIREMENT SYSTEM FROM THE GENERAL FUND

Amount requested	\$447,009
Contribution to State Employees' Retirement System	26,801
Total	\$473,810
Estimated to be expended in 1960-61 fiscal year	499,646
Decrease (5.2 percent)	\$25,836
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

The legal basis for the present retirement system can be found in Section 13801 through Section 14415 of the Education Code.

The principal function of the agency is the collection and recording of member contributions by payroll deductions and the payment of retirement allowances for service or disability.

Apart from the members' contributions, employers pay \$12 per year per member and an amount equal to 3 percent of the certified payroll of each district or an amount determined by applying five cents per \$100 to the assessed valuation of the district's property whichever is the lesser. The benefits are comparable to those of the State Employees' Retirement System. The amount contributed by the State appears in Item No. 388.

The system is managed by the Teachers' Retirement Board. The president and secretary of the board are president and secretary of the State Board of Education. The investment of moneys of the Retirement Fund is vested in another board, the Retirement Investment Board.

ANALYSIS

The 1961-62 budget request is \$473,810, for the administration of the system, as compared with the amount of \$499,646 estimated to be spent in the current year. The decrease of \$25,836 shown for the 1961-62 budget request is due principally to an amount of \$30,000 estimated to be expended in the current year for valuation. Valuation is required by law at intervals not to exceed six years to determine the

State Teachers Retirement System—Continued

liabilities of the system. An increase in membership of approximately 7,300 is anticipated in 1961-62.

Two positions, one a disability claims examiner and the other an intermediate clerk established in the current year out of temporary help funds are now requested as permanent positions. We recommend approval of these positions. Two employees who have been verifying out-of-state service prior to 1944 and California service prior to 1935 were abolished in the current year for reasons of economy.

During 1960-61 the investment service was transferred from the Department of Finance to the Employees' Retirement System. An investment officer and an assistant handle the advisory service for the investments of both the Employees' Retirement System and the State Teachers' Retirement System. They will act in an advisory capacity to the State Teachers' Retirement Investment Board. The Teachers' Retirement System will reimburse the Employees' Retirement System for this service. The amount of \$8,897 is estimated to be expended for this service in the current year and \$11,697 for 1961-62.

We recommend approval of this item as budgeted.

HIGHER EDUCATION IN CALIFORNIA**DEFINITION AND SCOPE**

California's system of public higher education now includes 63 public junior colleges, 15 state colleges, the California Maritime Academy, and the University of California with its seven campuses. Since 1951, six junior colleges and five state colleges have been added and two additional state colleges, authorized in 1960, are scheduled to admit their first students in the fall of 1962. In the next 10 years, it is planned that two new University campuses and as many as 20 or more junior colleges will be added to this vast system.

The necessity for developing and enforcing an effective differentiation of functions for the three types of institutions has become increasingly evident with their rapid expansion. In recognition of this, the Donahoe Higher Education Act of 1960, implementing the recommendations of the Master Plan for Higher Education, established the primary functions of each of the three segments in the following general terms:

“Public junior colleges shall offer instruction through but not beyond the 14th grade level, which instruction may include, but shall not be limited to, programs in one or more of the following categories: (1) standard collegiate courses for transfer to higher institutions; (2) vocational and technical fields leading to employment; and (3) general or liberal arts courses. Studies in these fields may lead to the associate in arts or associate in science degree.

“The primary function of the state colleges is the provision of instruction for undergraduate students and graduate students, through the master's degree, in the liberal arts and sciences, in applied fields and in the professions, including the teaching profession. Presently established two-year programs in agriculture

Higher Education in California—Continued

are authorized, but other two-year programs shall be authorized only when mutually agreed upon by the Trustees of the State College System and the State Board of Education. The doctoral degree may be awarded jointly with the University of California, as provided in Section 22552. Faculty research is authorized to the extent that it is consistent with the primary function of the state colleges and the facilities provided for that function.

“ . . . the University of California is the primary state supported academic agency for research.

“The University may provide instruction in the liberal arts and sciences and in the professions, including the teaching profession. The University has exclusive jurisdiction in public higher education over instruction in the profession of law, and over graduate instruction in the professions of medicine, dentistry, veterinary medicine, and architecture.

“The University has the sole authority in public higher education to award the doctoral degree in all fields of learning, except that it may agree with the state colleges to award joint doctoral degrees in selected fields.”

Notwithstanding the value of having such a statement incorporated in basic legislation, it must be acknowledged that the difficulties of interpreting and enforcing this differentiation have not been dismissed. Hence the Legislature must continue to demand evidence of progress in this regard and must, in particular, assure itself that the newly established Co-ordinating Council for Higher Education gives close attention to its advisory responsibility.

ENROLLMENT

Enrollment statistics provide the basic data necessary to the planning and financing of our higher education system. Such statistics provide the clearest evidence of the growth which the system has undergone in the past and the further expansion to be expected in the near future. Tables I, II and III below, summarizing data for each of the three segments, are presented for the purpose of illustrating both past and projected growth.

TABLE I—ENROLLMENT SUMMARY
Fall Graded Full-Time Enrollment of Public Junior Colleges

	<i>Actual</i>		<i>Projected</i>	
1955-56	90,527	1960-61	142,000	
1957-58	119,619	1965-66	246,000	
1959-60	129,330	1970-71	313,000	

Higher Education in California—Continued

TABLE II—ENROLLMENT SUMMARY
Total Regular Session Annual Full-Time Equivalent Enrollments
of California State Colleges

	Actual 1950-51	Actual 1955-56	Estimated 1960-61	Projected 1964-65	Projected 1967-68
Alameda -----	---	---	480	1,600	5,100
Cal Poly (K-V) -----	378	403	2,150	12,346	16,981
Cal Poly (SLO) -----	2,545	3,260	4,410		
Chico -----	1,289	1,944	2,900	3,800	3,959
Fresno ¹ -----	2,708	4,087	4,730	5,750	5,830
Humboldt -----	542	1,063	1,670	2,070	2,793
Long Beach -----	695	3,217	6,790	10,340	14,000
Los Angeles -----	2,307	4,351	8,800	14,820	18,000
Orange -----	---	---	600	2,600	5,280
Sacramento -----	1,105	2,588	4,050	6,212	7,308
San Bernardino-Riverside -----	---	---	---	1,000	1,488
San Diego ¹ -----	2,536	5,429	7,960	9,720	13,854
San Fernando -----	---	---	3,840	6,880	16,300
San Francisco -----	4,081	5,543	8,520	9,290	11,363
San Jose -----	5,424	8,249	11,550	14,200	14,545
Sonoma -----	---	---	---	550	1,188
South Bay -----	---	---	---	1,300	2,376
Stanislaus -----	---	---	320	600	1,212
Total -----	24,610	40,134	68,770	103,078	141,577

¹ Includes off-campus centers.

SOURCE: Departments of Education and Finance.

TABLE III—ENROLLMENT SUMMARY
Fall Term Enrollments of University of California, By Campus

	Actual 1950-51 ¹	Actual 1955-56	Estimated 1960-61	Projected 1964-65	Projected 1969-70
Berkeley -----	19,047	16,964	21,739	27,500	27,500
Davis -----	1,501	1,907	2,802	4,500	9,700
Los Angeles ² -----	13,828	14,827	17,168	22,350	27,050
Riverside -----	2	692	1,588	2,900	6,600
San Francisco -----	969	1,281	1,842	2,100	2,450
Santa Barbara -----	1,853	2,017	3,450	5,700	10,800
Orange County -----	---	---	---	---	2,500
La Jolla ³ -----	51	29	107	400	3,250
South Central Coast -----	---	---	---	---	1,950
Total -----	37,251	37,717	48,696	65,450	91,800

¹ Annual average rather than fall term.

² Includes medical center.

³ Includes Scripps Institute of Oceanography and School of Science and Engineering.

SOURCE: University of California.

THE MASTER PLAN FOR HIGHER EDUCATION
Legislation Enacted by the 1960 Session

Pursuant to Assembly Concurrent Resolution No. 88 of the 1959 Session, the Liaison Committee of the State Board of Education and the Regents of the University of California, through its Master Plan Survey Team, prepared and submitted to the 1960 Session a *Master Plan for Higher Education in California* dealing with the growth and co-ordination of the facilities, programs and administration of the State's tripartite system for higher education. The master plan as submitted advanced 63 recommendations for legislative or administrative action with regard to: (1) the structure, function and co-ordination of

Higher Education in California—Continued

the overall system and its three public segments; (2) the admission, retention and support of students; (3) the utilization of educational facilities and projected plant needs; (4) faculty supply and demand; (5) adult education; and (6) the financial policies to be followed in supporting the system.

Legislation enacted during the 1960 Session in response to the recommendations dealt primarily, as did the report itself, with the first of these six areas of concern. The 11 measures passed to implement the master plan recommendations may be briefly summarized as follows:

1. The Donahoe Higher Education Act, which provides broad statutory definitions of the functions of each of the three segments of higher education, established the Board of Trustees of the State College System for the administration of the state colleges, and created the Coordinating Council for Higher Education as an advisory co-ordinating body for the entire system;

2. Chapter 67, Statutes of 1960, First Extraordinary Session, which permits the governing board of the state colleges to accept gifts and donations for the state colleges;

3. State Constitutional Amendment No. 1 to permit members of the governing board of the state colleges to be appointed for eight-year terms (approved by the electorate on November 8, 1960);

4. Senate Concurrent Resolution No. 16 which expressed general principles of budget procedure to be followed in regard to the state college system;

5. Chapter 74, Statutes of 1960, which liberalized the existing state scholarship law in regard to the number, amount and availability of scholarship awards;

6. Chapter 64, Statutes of 1960, which authorized establishment of two new state colleges in the Los Angeles area;

7. Chapter 66, Statutes of 1960, which provided additional statutory basis for establishment of a new state college in the North Bay area;

8. Item 319.5 of the 1960 Budget Act which appropriated \$3 million for expansion of the University of California;

9. Salary increase provision in the 1960 Budget Act which provided funds for a 7.5 percent increase in academic salaries for the state colleges and university;

10. House Resolution No. 16 requesting a study of standards of plant utilization in the state colleges and university by the Department of Finance and the Legislative Analyst with the assistance of the Department of Education and the University of California; and

11. House Resolution No. 22 requesting the Assembly Interim Committee on Education to conduct a study and report to the 1961 Session in regard to the type and degree of state support to be provided for the public junior colleges.

These measures contributed substantially to converting the principal master plan recommendations into statutory provisions necessary for insuring the sound and orderly development of California's system of higher education.

Higher Education in California—Continued**Areas Requiring Further Attention**

Inasmuch as the statutes noted above pertain primarily to the structure, function and co-ordination of the system, there remain several areas of importance which were considered in the master plan and which will require further attention during the 1961 Session. Chief among these are the problems of state assistance for the junior colleges, plant utilization, adult education, and budgetary policy in regard to the university and state colleges. For this reason, as well as in response to specific legislative requests, we have, in following sections, presented discussion and recommendations with regard to several matters we believe to be of utmost importance in further guaranteeing that California's higher education system continue to develop in a period of rapid expansion with a maximum of efficiency and service.

While we believe that the recommendations presented in the master plan survey generally provide a sound basis for approaching the matters discussed and often may serve as guides to proper action, we have not hesitated to criticize several specific recommendations or seek alternate means to the same ends.

FINANCING CALIFORNIA'S JUNIOR COLLEGES**The Public Junior College System**

At present there are 63 public junior colleges operated by 56 local districts. Thirty-five of the junior colleges are maintained by junior college districts while 28, with about 40 percent of junior college ADA, are included within high school and unified districts.

As of October 3, 1960, total enrollment in graded classes had reached 286,164 which included 103,331 full-time and 182,833 part-time students. Although precise data are not yet available, 1960-61 average daily attendance (ADA) in junior college courses, computed for the apportionment of state assistance, is expected to total approximately 186,000 of which about 36,000 is ADA for adults, as adult ADA is defined. This may be compared with the 1959-60 total of 166,219 ADA which included 36,787 adult ADA. It should be observed, however, that these figures substantially understate the actual proportion of students in adult programs since adult students in graded classes are not identified as such.

Master Plan Recommendation

The 1960 report of the Master Plan Survey Team advanced the following recommendation with regard to providing additional state support for the junior college system :

In view of the added local financial obligations, for both current expenses and capital outlay which will result from the master plan survey recommendations designed to divert to the junior colleges some 50,000 lower division students from the 1975 estimates for the state colleges and the University of California, and the attendant savings to the State resulting therefrom, these actions be taken :

- a. Procedures and methods be devised and adopted by the Legislature that will increase the proportion of total current

Higher Education in California—Continued

support paid to the junior colleges from the State School Fund (augmented for this purpose) from the approximately 30 percent now in effect to approximately 45 percent, to be achieved not later than 1975.

- b. A continuing program be devised and adopted by the Legislature that would distribute construction funds either through grants or loans or both, for capital outlay purposes annually to junior colleges as determined by growth, this program being for the purpose of assisting junior colleges to meet the facility needs of projected enrollments and of the students to be diverted to the junior colleges.

During the 1960 Session of the Legislature, no agreement was reached as to the complex and financially significant differences of approach contained in the several bills which were introduced concerning state financial assistance for junior colleges, and all such bills were referred for interim study.

Recommendation for Junior College Support Based on Transfer Credits

We believe that the most justifiable method for providing additional state assistance for junior college current operations would be one which: (1) Differentiates between normal enrollment growth and growth induced by admission policies adopted by the university and state colleges and which, (2) in regard to diverted enrollment, distinguishes between transfer and terminal students. We believe, further, that a method should be adopted to provide state support for lower division students diverted to the junior college based on the following premises:

1. There is at this time no reliable means of estimating either the extent or the timing of measures which will be taken to implement the master plan enrollment diversion recommendations. In part this is true because the master plan itself avoided rigid prescription, and while it concluded that some 50,000 lower division students should be diverted by 1975, it specifically provided only for the diversion of some 10,000 students. It is also true because it is impossible to forecast with sufficient accuracy the relative impact of growth upon the several segments of higher education or the nature and effect of policies to be adopted by the university, state colleges and independent institutions to bring about enrollment diversion. Thus, it would seem unwise to base an increase in state support on an assumption that any particular number of students will be diverted to the junior colleges by 1975.

2. Whatever the extent of the diversion which is actually accomplished, it may be most accurately measured in terms of the difference between the annual number of qualified California high school graduates who enter the university or a state college prior to further restriction of admissions and the number who do so following such action. The impact of this diversion upon each school district operating a junior college will not be susceptible to exact measurement. But assuming that the students diverted will for the most part enroll in transfer programs, the impact may be most readily identified, and the addi-

Higher Education in California—Continued

tional state support may be apportioned to districts, on the basis of the growth of transfer program enrollment.

3. The State currently provides about \$215 million for the support of the current expenses of the three segments of our higher education system, while local communities provide some \$55 million. The fact that the State carries the greater part of the burden reflects its responsibility and authority in higher education, particularly its responsibility for the university and state colleges which it supports entirely without local assistance. In the same manner, the contribution of the local communities is a measure of their role and their responsibility, for example, in the initiation and administration of junior college vocational training programs sensitive to the needs of the local economy. The guarantee of local responsibility for junior colleges, under local boards, is consistent with the high ratio of financial support which should be borne by local tax sources for such vocational training programs. Correspondingly, it is not inconsistent that the State assume a large share of the financial burden for the junior college transfer program for which it exercises primary responsibility through its jurisdiction over the university and state colleges.

4. The so-called articulation agreement method of transfer credit recognition will soon be sufficiently developed that, with little difficulty, both the university and the state colleges will be able to make available a full listing of those courses offered by the various junior colleges which carry acceptable transfer credit.

A procedure for appropriation and apportionment of state funds based on the foregoing premises would provide support in addition to that apportioned according to the junior college foundation program. It could be designed to insure that any upward adjustment in the level of state assistance necessary to provide for enrollment diversion would be tied to the actual extent of such diversion and, therefore, would accurately reflect a proper sharing of responsibility. Moreover, by treating separately the problem of enrollment diversion, it would permit adjustment of the foundation program entirely on the basis of actual average costs and a reasonable sharing of responsibility. Hence, it would remove the temptation to artificially raise the foundation amount to accommodate uncertain growth in what may be a lower than average cost sphere of junior college instruction.

State Responsibility for Financing Junior Colleges

In 1957-58 total current expenditures for junior colleges was \$77.0 million which was composed of \$22.7 million, or 29 percent, state funds and \$54.3 million, or 71 percent, district and county tuition funds. The master plan survey, which assumed a gradual diversion of 42,600 students from the state colleges and the university to the junior colleges by 1975 and an increase in state apportionments to junior colleges from 30 percent to 45 percent, projected total junior college current expenditure for 1975-76 would be \$267.0 million with the 45 percent state portion amounting to \$120.2 million. The magnitude of the total

Higher Education in California—Continued

state responsibility for higher education estimated by the master plan survey for 1975-76 is shown as \$683.5 million in Master Plan Table 28 which follows. It should be observed that implementation of the recommendation to raise junior college support assistance to the level of 45 percent accounts for approximately \$40.0 million of this total.

MASTER PLAN TABLE 28

Estimated Total Funds and State Funds Required for Public Higher Education on the Basis of Modified Projections (in millions of dollars)

Segments	1965-66		1970-71		1975-76	
	Total	State	Total	State	Total	State
Junior Colleges						
Current expenditure ----	\$160.2	\$56.1	\$210.8	\$84.3	\$267.0	\$120.2
Capital outlay ¹ -----	31.6	* ---	56.2	* ---	62.8	* ---
State Colleges						
Current expenditure ----	121.0	102.9	179.9	152.9	226.6	192.6
Capital outlay ² -----	†(50.2)	50.2	†(39.5)	39.5	†(35.9)	35.9
University of California						
Current expenditure ----	233.2	144.6	323.2	200.4	448.0	277.8
Capital outlay ² -----	†(42.7)	42.7	†(50.6)	50.6	†(57.0)	57.0
Total						
Current expenditure ----	514.4	303.6	713.9	437.6	941.6	590.6
Capital outlay -----	†(124.5)	92.9	†(146.3)	90.1	†(155.7)	92.9
Grand total -----	†(638.9)	396.5	†(860.2)	527.7	†(1,097.3)	683.5

¹ The junior college representatives on the Master Plan Survey Team favored a different method of estimating capital outlay on the junior colleges, i.e., use of ADA of daytime students only rather than total ADA as a basis. This method, if used, would have appreciably reduced capital outlay estimates for these institutions.

² Capital outlay appropriations for state colleges and university represent net capital outlay of state funds, with only partial inclusion of land acquisition costs and complete exclusion of University Medical Center.

* At present all capital outlay in junior colleges is financed by local school districts.

† Figures in parentheses are not total expenditures because of limitation of footnote ².

Note: The capital outlay figures in this table do not agree with those found on Page 107 of the Technical Committee Report entitled, "Costs of Higher Education in California," 1960-1975, because in those figures account has been taken of the cost impact of the Master Plan Recommendations of Utilization Standards and the increased library seating required to meet American Library Association standards.

Whether or not the Legislature concludes that the added responsibilities imposed upon the junior colleges by future acts of the university and state colleges in restricting admissions can best be measured by the diversion of students cited by the master plan study team, we believe that it is desirable that any added state contribution be on the basis of a more adequately defined closed-end responsibility, rather than simply an amount per pupil without restriction or control as to numbers. The present system unduly encourages numbers. It is fundamental to an appraisal of the needs of junior colleges to recognize that the State's relationship and responsibility is totally different from that of the university and state colleges. The junior colleges have a local tax source which is associated with their local responsibility for administration. Whereas the state budgets and controls expenditures for the university and state colleges, and there is no local tax source available for their additional support, the junior colleges are primarily a local institution and are controlled and budgeted accordingly.

EXTENSION AND EXTENDED DAY

In addition to adult education programs provided by California's public school system, including the junior colleges, the University of

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California and the state colleges have developed broad programs designed to extend the use of their resources to persons not included in regular day courses. The state colleges offer many regular classes during the late afternoon and early evening and also extend their instructional services to nearby metropolitan centers and outlying communities for the benefit of those beyond commuting distance. Similarly, but on a larger scale, the university, through its extension division, offers classes, conferences, discussion groups and correspondence courses for adults both on university campuses and throughout the State. It also operates auxiliary services on a statewide basis which include travel courses, lectures, films, and musical and dramatic programs.

The Legislative Analyst was requested to study and report on extension and extended day at the university and state colleges relative to cost and differentiation of function. Our principal findings and recommendations are contained in this analysis of the budget bill.

An indication of the scope, cost and support of state college and university extension programs is contained in the tables following. Table I shows the distribution of courses and enrollments for university extension in 1959-60.

Table I—University Extension, Regular Programs, 1959-60

Program type	Number of courses carried			Enrollments		
	Credit	Noncredit	Total	Credit	Noncredit	Total
Class	2,767	774	3,541	68,473	19,995	88,468
Short class	188	368	556	5,320	17,540	22,860
Conference	54	299	353	1,883	32,547	34,430
Correspondence	211	124	335	13,286	5,962	19,248
Discussion groups	—	346	346	—	6,398	6,398
Special	2	11	13	27	5,857	5,884
Totals	3,222	1,922	5,144	88,989	88,299	177,288

Source: University of California.

Table II provides a summary of University extension expenditures by principal category for a four-year period and compares these to fee income and state support.

Table II—University Extension, Regular Program Income and Expenditures

	Actual 1958-59	Estimated 1959-60	Estimated 1960-61	Proposed 1961-62 ^a
Expenditures:				
General Administration	\$650,576	\$640,140	\$876,125	\$1,032,440
Rent and Maintenance	328,594	307,588	339,587	491,322
Subtotal	\$979,170	\$911,728	\$1,215,712	\$1,523,762
Instruction and Operation	\$4,612,670	\$4,993,588	\$5,776,496	\$7,123,238
Research and Development	40,950	10,000	—	—
Total	\$5,632,793	\$5,915,316	\$6,992,208	\$8,647,000 ^a
Income:				
Fee Income	\$4,848,168	\$5,410,000	\$6,336,954	\$7,812,000
State Support	928,087	505,316	655,254	773,000
Percent State Support	16.47% ¹	8.54%	9.4%	9.0%

¹ Not including \$143,463 in extension reserves.

^a Proposed expenditures for 1961-62 are on the basis of 12 percent state support and have not been adjusted to reflect income data based on 9 percent level of support.

Source: University of California.

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Table III summarizes similar information in regard to state college extension but with less detail. Data as to state college extended day courses, enrollments and expenditures is not available as it is not recorded separately from data for the regular state college program.

Table III—State College Extension Programs

	1957-58	1958-59	1959-60 ¹
Number of courses-----	-	820	779
Number of students-----	-	27,051	24,498
Expenditures recorded-----	\$431,077	\$496,902	\$533,692
Fees collected-----	\$474,571	\$539,261	\$701,212

¹ San Francisco State College accounted for 33 percent of enrollments, 42 percent of expenditures and 53 percent of fees in 1959-60.
Source: Department of Education.

For comparative purposes, additional descriptive material as to university regular extension and state college extension and extended day has been summarized in Table IV.

Table IV—Summary of Comparative Data, University and State College Extension and Extended Day

Item	University extension	State college extension	State college extended day
Location-----	On-campus and statewide	Off-campus	On-campus
Programs-----	Classes, discussion groups, conferences, correspondence	Classes, workshops, conferences.	Classes
Course content-----	Great latitude; credit classes similar to regular classes	Great latitude; credit classes similar to regular classes	Conformity with regular course content
Percent of courses carrying credit-----	64%	99%	100%
Percent of enrollments in credit courses-----	51%	99%	100%
Admission-----	Matriculation not required	Matriculation not required	Full matriculation required
Basic fee-----	\$15 for 15 hours (1 credit unit) \$25 for 30 hours (2 credit units) \$35 for 45 hours (3 credit units)	\$10 per credit unit for lecture courses, \$13 for activity courses, \$20 for science laboratories	Regular state college fee of \$18.50 per semester for part-time students
Percent of state support-----	9%	Essentially self-supporting	90% ¹

¹ Assuming same basis as regular program.

Analysis of the three programs suggests that there are three general types or categories of extension service provided and that these do not correspond directly to the existing titles. All three categories involve an extension of educational service beyond the regular instructional program for full-time day students, but the three may be further identified as: (1) extension in time; (2) extension in time and place; and (3) extension in time, place and purpose.

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The first category, extension in time or late afternoon and evening credit classes, includes both state college extended day and university on-campus degree-credit programs. The second category, extension in time and place or off-campus credit extension, includes nearly all state college extension plus the university's off-campus degree-credit programs. The third category, extension in time, place and purpose, includes all state college and university noncredit programs. Extension in purpose may include programs which go well beyond the regular instructional program and in practice consists of some services which might otherwise be labeled recreation, welfare, public relations or commerce.

With regard to the financing of these three categories of extension, the state college extended day program currently receives the largest percentage of state support on the basis that it departs the least from the basic educational function and is subject to the same criteria and controls as is the basic program. State college extension has been placed on a nearly self-supporting basis because it represents a further departure and is not subject to such controls. State financial support for university extension, however, has been represented as providing a percentage of the "ready to serve" cost of the entire regular university extension program, regardless of who is to be served and how. Thus, there has been for the university no attempt to match the level of state support to functional categories of educational service. The administrative costs of a profitable series of lectures on art appreciation are currently supported to the same extent as those of required courses for a teaching certificate or an engineering degree.

In the past we have recommended that state support for university extension be eliminated entirely as quickly as practicable. It was our belief that in this manner the programs which both the university and the state colleges termed extension would then be put on an identical financial basis. At the same time, we recommended that state college extended day courses require full matriculation of part-time as well as regular students. While this second recommendation has been implemented for the fall of 1960, the past Session maintained state support for university extension at the 9 percent level established for fiscal year 1959-60.

We continue to believe that university and state college extension must be placed on similar financial footing, and, therefore, that all programs categorized above as extension in time and place or extension in time, place and purpose should be placed on a self-supporting basis just as is presently the case for that which the state colleges term "extension." However, we now also believe that support for university extension may be maintained for 1961-62 at the current level on the basis that the portion of its program which has been categorized as extension in time merits a level of support approaching that provided for the state college program. This is achieved by applying to the extension in time portion of the university's program the entire amount of support provided by the present 9 percent allocation. Thus, the existing level of support would be maintained but its application and justification given a much more acceptable foundation.

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The university has not prepared its justification on this basis for 1961-62 and so we are not able to estimate the level of state support for extension in time which is achieved by applying to it all state funds produced by the current 9 percent support figure. In succeeding support budgets, if this policy is accepted by the Legislature, it will be necessary for the university to compute its costs and justify its support requests on the basis of its on-campus degree credit extension program only.

Some adjustment must also be made in regard to the state college extended day services. The university contends that its extension credit courses on campus are nearly identical to extended day courses. Although they may be placed in the same general category, this is not precisely the case. State college extended day courses are, with some exceptions, the same courses as are offered during the regular day and are established to meet the same instructional criteria. Moreover, admission to extended day courses is now based upon the same matriculation process as is required of regular day students.

University extension credit courses on campus do not require matriculation and the offerings are not established with the same degree of academic control as for those of the regular university program. Furthermore, extension students are not provided the same services, for example in curriculum counseling, as are regular students.

Thus some difference in the level of state support is justified. However, we believe that the present difference can and should be narrowed. To accomplish this, we believe part-time students in the state college extended day program who have previously obtained a bachelor's degree or teaching certificate should be required to pay the same fee as state college extension students. This would not, of course, make extended day self-supporting since a large number of the students enrolled are regular day students, but it would significantly reduce the required level of state support.

The catalogues of several of the state colleges state that extended day programs are primarily for the benefit of adults of the local community although the courses offered are part of the college's regular degree or certificate curricula and are also attended by regular day students. While it might be desirable to provide nearly cost free education at all levels to all citizens of the State, at this time when accelerating non-adult enrollments are demanding more and more of the taxpayer's dollar, small fees must be required in the least critical areas. Extended day programs for members of the community who wish to pursue part-time study, however desirable on several grounds, must be classified as a form of extension. Therefore, it is not unreasonable that members of the community who are college graduates and who wish to take advantage of their proximity to a state college campus for additional part-time study should be required to pay the same fee as those with the same goals but less advantageously located.

A student who is not a full-time graduate student and who has previously obtained a bachelor's degree or teaching certificate, rather than paying an \$18.50 per semester materials and services fee, would pay \$20

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for a two-credit unit lecture course or \$30 for a three-unit course, an increase of only \$1.50 to \$11.50. This could not be considered an undue hardship for any individuals in this category, and it would put them on the same basis as those attending either a state college or university extension course.

Our study of extension and extended day programs indicates that one further step must be accomplished in the near future to remove existing or potential inequities. It has been assumed that state college extension is self-supporting, largely on the basis of the excess of fee revenue over budgeted expenditures. A campus by campus survey reveals, however, the existence of a very wide variety of accounting procedures as regards state college extension and important differences in the inclusiveness of such accounting.

All of the ten colleges with extension programs in the fall of 1959 accounted for the direct costs of teaching salaries, mileage and facility rental. However, only the two with the largest programs, San Francisco and San Jose, attempted to fully record or estimate indirect or administrative costs. Only one college, San Francisco, allocated a percentage (29%) of its extension fee revenues to administrative costs. Such essential expenditures as those for admissions and records, departmental administration, business management and audio-visual services were ignored in at least half the cases. Nor was there a uniform manner of accounting applied even as to the expenditures for the office of the dean of extension and educational services.

Until uniform and comprehensive accounting procedures are adopted in this area, there can be little assurance that individual programs are indeed self-supporting. Nor can there be an adequate basis for setting extension fees. The data for 1959-60, summarized in Table III, indicates that there was, on a statewide basis, a very large excess of fee revenues over direct expenditures for that year. However, 89 percent of this excess was contributed by a single college. Of the other nine colleges operating extension programs, two recorded a deficit and four realized an excess equal to less than 10 percent of expenditures. Since none of the latter accounted for all administrative costs, it is doubtful that their programs were fully self-supporting. Adequate cost accounting will be necessary before this proposition can be accepted without qualification.

Finally, attention must be drawn to the problem of co-ordinating the work of the university and state college extension programs and of integrating them with other elements of public adult education. At present the jurisdictional situation is such that in several areas the university and the state colleges are in open competition with one another and with junior college services. Each agency has frequently sought to extend its program into the immediate geographic and educational sphere of another.

This is much the same situation as was reported in 1948 in the Strayer Report and in 1955 in the *Restudy*. It has thus far proved impossible for the participating educational agencies to define their proper roles or to establish rules governing their relationships in any

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Comparison of Utilization Standards for California
Institutions of Higher Education

Standard	Instructional Area		
	Lecture	Activity	Laboratory
Restudy Recommendation			
Hours scheduled per week	36	--	24
Station occupancy percentage ¹	67	--	80
State Colleges, from 1956-57			
Hours scheduled per week	30	25	20
Station occupancy percentage ¹	75	85	85
Master Plan Proposal			
Hours scheduled per week	30	--	20
Station occupancy percentage ¹	60	--	80

¹ Station occupancy percentage, in each case, for those hours of scheduled room use only.

The Regents of the University approved the *Restudy* standards in 1955, but the Department of Education developed its own modification, as indicated above, for state college facilities funded for 1956-57 and thereafter. This modification, though raising station occupancy rates somewhat above the level recommended for hours scheduled, in net effect reduced the state college standard slightly below that which had been proposed.

An instructional area utilization standard is employed to determine the capacity of existing facilities and the need, if any, for new construction. In order to convert the standard to a measure of capacity, a conversion factor for each type of instructional area is calculated by multiplying the appropriate number of hours each type of room is to be used per 45-hour week times the standard per station occupancy for those hours and dividing by the number of class hours required per FTE enrollment unit for that type of class. The resulting conversion factors are then multiplied by the existing number of student stations in each type of instructional room. The sum of the products equals existing capacity and may then be compared with projected FTE enrollment figures to provide an estimate of new capacity required for the next four years.

The university, in calculating the future need for instructional facilities, considers only two types of area, classrooms and teaching laboratories, but employs an additional factor in its calculations, the amount of floor area required per student station. This provides an additional control factor in so far as there is an effort to establish and maintain station area standards.

Master Plan Findings and Recommendations

The Master Plan Survey, in arriving at its recommendations, did not attempt to conduct a thorough survey of utilization but judged its task to be to review existing standards, to determine the extent to which those standards were being achieved, to recommend any modifications found desirable, and to propose practical methods for improving upon the rates of utilization attained by the state colleges and the university.

The Technical Committee on Institutional Capacities and Area Needs found that in the past, between 1947 and 1953, instructional area

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utilization rates for the state colleges and campuses of the university had declined significantly with the rapid construction of new buildings and new campuses during that period. It found further that the standards later proposed in the *Restudy* had not been achieved on an institution-wide basis. This was determined largely on the basis of a survey of four institutions, representing each of the three public segments and the independent schools.

However, the committee held that it should not be inferred that the standard could not be achieved. By using such positive devices as lengthening the school day and developing better scheduling techniques, the committee stated, such a standard might well be surpassed. Nevertheless, the Master Plan Survey concluded that existing standards will not be realized under current conditions and operating procedures and that reduced standards should be established. It was thus recommended that 30 hours per week of scheduled room use and 60 percent station occupancy for classrooms and 20 hours with 80 percent occupancy for teaching laboratories be taken as the standard for future estimates of construction need.

It appears from study of this report that the Survey did not give adequate consideration to three important aspects of the problem. One of these is that the low current utilization rates have been recorded for plants which, in large part, were not built according to present capacity standards. Such standards can not be dismissed simply because they exceed what has been achieved in earlier construction, for this would amount to a denial of the possibility for subsequent improvement.

Another point is that surveys of current utilization usually include facilities which have been constructed to accommodate future growth. It is clear that such facilities will not at once meet a high rate of utilization, but this does not mean that they cannot meet high standards once the anticipated enrollment growth has been recorded.

The third point which the Master Plan Survey acknowledged but gave insufficient consideration is that utilization standards are not self-enforcing but must be buttressed by pursuit of practical scheduling improvements and by effective administrative control against wasteful circumvention. To say that existing standards are excessive in view of current practices is to beg the real question which may lie not with the standards but with the practices. This is one of the many areas of educational policy in which empirical verification of what *is* does not satisfy questions as to what *can* and *should* be.

Recent Utilization Data

With these important qualifications in mind, attention may be drawn to the scanty utilization data currently available for California's institutions of higher education. No comprehensive survey of instructional area utilization has been made since 1953-54. However, separate studies have been conducted in 1955 and 1959 for nine state colleges and in 1954 and the 1956 for five university campuses. Tables I and II have been drawn from these studies.

TABLE I—State Colleges, Summary of Average Class Hours Scheduled per 45-Hour Week and Percent of Student Station Capacity Utilized, by Instructional Room Type, Fall Terms 1955 and 1959

College and year	Lecture rooms		Activity rooms		Laboratories	
	Scheduled hours per week	Station occupancy percentage	Scheduled hours per week	Station occupancy percentage	Scheduled hours per week	Station occupancy percentage
Cal Poly (SLO)						
1955	30.6	63.2%	18.3	47.6%	20.3	71.6%
1959	23.3	53.3	24.0	60.3	20.0	77.3
Chico						
1955	29.1	70.4	22.4	78.9	20.7	69.9
1959	25.5	63.0	19.9	77.1	24.3	78.3
Fresno						
1955	—	—	—	—	—	—
1959	27.2	74.6	15.7	86.5	16.1	77.1
Humboldt						
1955	25.5	57.2	19.9	66.2	17.1	64.0
1959	25.8	64.7	17.8	55.4	23.0	55.3
Long Beach						
1955	23.3	98.0	20.1	87.9	22.9	86.2
1959	21.5	68.7	20.4	73.4	12.4	69.8
Sacramento						
1955	28.2	64.6	18.0	76.8	20.9	79.6
1959	21.3	67.1	15.8	81.7	15.4	71.2
San Diego						
1955	31.0	70.4	25.1	74.7	18.4	84.9
1959	28.1	70.3	21.9	75.5	19.2	83.9
San Francisco						
1955	29.6	74.5	25.4	81.3	18.8	80.8
1959	24.7	75.0	24.5	79.0	16.1	79.9
San Jose						
1955	29.9	71.7	21.4	93.3	19.1	79.0
1959	32.1	56.8	22.3	70.8	29.1	72.9

SOURCE: Division of State Colleges and Teacher Education.

TABLE II—University of California, Summary of Average Class Hours Scheduled per 45-Hour Week and Percent of Student Station Capacity Utilized,¹ by Instructional Room Type, Fall 1954 and 1956

Campus and year	Classrooms		Seminar rooms		Laboratories	
	Scheduled hours per week	Station occupancy percentage	Scheduled hours per week	Station occupancy percentage	Scheduled hours per week	Station occupancy percentage
Berkeley						
Fall 1954	20.4	--	10.4	--	14.2	--
Fall 1956	24.7	47%	15.1	60%	14.7	68%
Los Angeles						
Fall 1954	28.0	--	13.9	--	17.7	--
Fall 1956	26.8	46	12.4	46	16.7	64
Davis						
Fall 1954	21.1	--	--	--	10.6	--
Fall 1956	26.9	33	7.7	55	12.3	69
Riverside						
Fall 1954	15.5	--	18.3	--	8.1	--
Fall 1956	21.3	42	16.1	64	11.6	40
Santa Barbara						
Fall 1954	14.2	--	8.6	--	13.9	--
Fall 1956	16.5	45	10.2	47	13.2	51

¹ The average station occupancy percentage for fall 1954 could not be extracted with accuracy from available data.

SOURCE: University of California.

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It should be pointed out that in utilization studies such as outlined in Tables I and II, the station occupancy percentage figures shown are *for hours that classes are scheduled*. These are misleading figures, as a satisfactory occupancy percentage may appear to have been achieved and yet the rooms have been scheduled for only a few hours each week. Upon examination of specific rooms it is quite obvious that certain special purpose rooms show up with 80 or 90 percent utilization rates yet are only scheduled for classes for one or two hours per day. It therefore is necessary to look at the scheduling of classes to determine adequate use of the room.

Such data is inconclusive as to rates which might be achieved, as well as the causes of low rates and the relative capital outlay requirements per enrollment unit for the various institutions. It does, however, indicate the seriousness of the problem and the need for immediate attention to declining or static low level utilization rates. It also emphasizes the necessity for maintaining standards for new construction at the highest level consistent with educational purposes. As we have stated in the past, any attempt to reduce utilization standards at a time when enrollments are accelerating can only be justified, if at all, after thorough analysis of the obstacles encountered and extensive evidence of efforts to overcome such obstacles.

Means of Improving Utilization of Instructional Facilities

Aside from the matter of a standard for new construction, the Master Plan Survey did acknowledge the necessity for improving present utilization rates and recommended several steps to improve scheduling practices which are at the heart of room use and station occupancy problems. Thus the Survey recommended that greater use be made of an extended academic day and week and that the class scheduling be centrally controlled on each campus. It also recommended that a thorough study be made of the relative merits of various plans for full year use of plant on the basis of a trimester or four-quarter academic calendar.

It appears from our examination of room utilization and scheduling practice that it is essential to have a strong, centralized room scheduling body which has control of all space and can invade the prerogative of each division by scheduling, for example, English classes in the art building and mathematics classes in the chemistry building if class sizes and available rooms require it. Also, there must be strong central control of the cut-off points at which classes are closed to further registration. Data in this area is not currently available; however, it appears that a very substantial number of classes are closed to registration at 15 and 20 enrollments. The detrimental effect upon utilization rates is obvious. The case is made that limited enrollments are necessary to uphold the level of instruction and this is undoubtedly true in many instances. The point we must make is that the president of each college should assess each case and weigh the academic standards against the cost of facilities. Again, this is accomplished to some extent currently but we believe that much more effective control can be exercised.

The literature of instructional plant utilization has advanced several additional methods of improving upon prevailing rates. Among these

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the most practicable are: staggering of class schedules; lengthening of class periods with fewer meetings per week; increasing use of "unpopular" hours (noon hours, Friday afternoons, etc.); and the use of group or "block" scheduling techniques. All of these methods and others were proposed for experimentation in either the *Restudy* or the report of the Survey's Technical Committee or in both. There has been, however, little evidence of implementation of such proposals thus far.

The only method which has been put to effective use, largely for other purposes, has been the scheduling of late afternoon and evening classes by the state colleges. This program deserves recognition for significantly improving utilization at several colleges during the total number of hours per week available. It does not, however, diminish the necessity for a greater effort toward improving room and station use during the standard 45-hour week.

In addition to room and station utilization, it must be recognized that several other factors are of equal importance for minimizing instructional plant expansion requirements and building costs. University experts have pointed to the significance of standards for the floor area per student station and the relative proportion of instructional method used in the various course offerings, i.e., lecture, laboratory or activity. These two factors are the principal additional variables in a formula for space requirements. Required floor area per enrollment unit varies with station utilization, with the floor area per student station and with the quantity of the particular teaching method employed. For example, the laboratory method of teaching requires more floor area per student than the lecture or activity methods. Utilization studies frequently overlook the significance of the area and method factors, although there is evidence that they have as great an effect on capital outlay costs as utilization rates.

Inevitably the entire problem of utilization rates and station areas must become a major concern of the Coordinating Council. The Council is charged with the responsibility for reviewing the capital outlay proposals of the university and the state colleges and with developing plans for their orderly growth. According to Section 22704 of the Education Code, the Council . . . "shall have power to require the institutions of public higher education to submit data on . . . plant capacities and other matters pertinent to effective planning and coordination, and shall furnish information concerning such matters to the Governor and to the Legislature as requested by them." Only by maintaining continuous surveillance of utilization data, scheduling practices, space standards and teaching methods will the Council be in a position to recommend construction programs which recognize the justifiable demands of both the educational authorities and the taxpaying public. The state colleges and the university have indicated that they are prepared to gather and report such information as the Coordinating Council will require.

In view of the foregoing discussion, we recommend that:

1. *The existing standards of instructional utilization be maintained at least until proven too high or too low for the facilities built in conformity with them;*

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2. *The state colleges and university intensify their efforts to improve scheduling practices by means of the methods recommended in the Restudy and the Master Plan Survey;*

3. *The university and state colleges establish more effective central control of assignment of classroom space and cut-off points at which classes are closed to further registration;*

4. *The Coordinating Council as soon as possible, conduct, or cause to be conducted, a thorough study leading to the establishment of comprehensive methods of measurement of the instructional space and utilization performance, including scheduling procedures; and that*

5. *The significant data be produced on a continuing basis by the state colleges and the university and submitted as part of the justification for new construction requests.*

EDUCATIONAL TELEVISION

A new era in American education may well have begun with the use of television as a basic part of daily instruction at all levels. The use of TV for this purpose may still be novel, yet experiments in this field represent a search for better ways to teach the nation's growing student population and to make available to students instruction of a higher order than they might otherwise receive.

At the elementary school level, a country-wide experiment with classroom television has been going on for the past few years. The results have been encouraging for this new teaching media. Two kinds of TV are being used: closed-circuit systems which send instruction via cable to receivers joined in the "network" and open-circuit systems which transmit lessons to "regular" television receiving sets. In California both methods have been used in the public schools. Although it is probably too early to make a complete evaluation of its effect, most observers feel classroom TV is serving a useful purpose in elementary education.

The potential of educational television at this level is great. A list of benefits which might result from proper and judicious use of classroom TV should include:

1. The delivery of certain parts of the curriculum to large classes as effectively as conventional teaching, and, in some cases, more effectively. With studio teachers taking over the preparation and delivery of the major lessons, the classroom teachers have more time for individual instruction and guidance of pupils.

2. The improvement of the quality of teaching, making the very best instructors available to all classes (and by observing these skilled instructors at work, less experienced teachers gain priceless in-service training).

3. The broadening of curricula at smaller schools.

In colleges and universities, attempts have been made to try on television a wide variety of courses in the undergraduate curriculum. Most of the courses selected have been those that enroll relatively large numbers of students and that traditionally are taught in large part by the lecture method, or by lectures illustrated with demonstrations. Such use of television in higher education is still in the experimental stage.

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Both the University of California and the state colleges have used television in instruction and are making requests for increased state funds to finance further activity in this field in their 1961-62 budgets. The university is asking for an appropriation of \$307,156; the state colleges \$234,001, including \$50,000 for minor capital outlay.

The use of television by the state colleges is classified as both instructional and occupational. Los Angeles and Sacramento State Colleges have instructional television programs; Fresno and San Francisco have occupational programs and instructional use is made of the equipment; San Diego and San Jose have both instructional and occupational programs; and Humboldt has an occupational plan incorporated in its building program.

A study was made by the State College Committee on Instructional Television over a two-year period and its report was approved by the State College Presidents in December 1958 and by the State Board of Education in January 1959.

The report mentioned the functions of television which applied to all the state colleges:

1. To train teachers at all levels in the utilization of television in the classroom. This training should encompass these types of knowledges and skills:
 - a. How to use television programs (commercial, closed or open circuit) to improve instruction in the classroom
 - b. How to prepare school programs or instructional material for television presentation (what to include and what not to include in such programs)
 - c. How to prepare courses for television presentation
 - d. How to co-ordinate all aspects of television production, particularly at the elementary and secondary levels
2. To train people for occupations in television or other fields using television, such as journalism, advertising, speech, drama, etc.
3. To assist the college in meeting its community service responsibilities by:
 - a. Extending college instruction by closed or open circuit television, and to provide extension courses
 - b. Utilizing television for informing the community about the college and its program.

Most of these programs are staffed by student assistants and technicians.

The University of California is currently using TV in instruction at Berkeley and Los Angeles as (1) a classroom "magnifier," (2) to handle the lecture portions of large enrollment courses, (3) to handle overflow audiences which would not otherwise attend lectures, (4) to permit large group viewing of teaching demonstrations or other situations at which only a small number of students could normally be present. Black and white television is being used at the San Francisco medical campus also. All of these programs are staffed by professional television personnel.

Both state college and university television personnel state that instructional TV presents no budgetary savings at the present, but some agree that with proper use in the future, it might prove to be an important economy measure. The attitude of both groups appears to be that as many campuses as possible should experiment with television before oncoming enrollment increases require them to enter the field with inadequate experience. The point is also made that since the

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needs of the various campuses vary, each should conduct its own experiments in television to meet its particular requirements.

Studies indicate that students are capable of learning as well with television instruction as with conventional methods. Among the contributions which instructional television might be expected to make to higher education include at least the following:

1. Better utilization of faculty resources: Qualified faculty are becoming harder to find. If one man can lecture to 400 students at one time and do an equally effective job by TV, this is obviously more efficient than making lectures to 200 students at one time. If a professor on the Los Angeles campus can teach his own students and simultaneously can teach students at Santa Barbara, this is also more efficient.

2. Make more efficient use of facilities: If an institution has an enrollment of 500 students in a course and a lecture hall which holds 400 students, it is necessary either to cut down on the enrollment or use the lecture hall twice. Television would permit handling the overflow by piping the lecture to another room or rooms, handling the additional students while keeping the lecture hall open for other uses.

3. Accelerate the educational process: If 100 medical students can watch a patient at one time instead of having to do it in groups of five, it might decrease the time for a course which involved this kind of activity. If student teachers can watch teaching demonstrations in a demonstration school via TV on the campus instead of having to travel to the school, the time needed for such activities will be reduced.

4. Encourage the improvement of instructional quality in large classes: The medical students mentioned above might also be able to see many more patients examined in a shorter period of time, thus giving them a much wider variety of experience. The same holds for the student teachers. Or the instruction might be improved in lecture courses by providing better visibility via TV, i.e., a "front seat" for every student, for key visual materials, experiments and demonstrations. Facilities of this type are, for example, included in plans for university lecture halls at Berkeley.

5. Make the great scholars and teachers of the university and state colleges more widely available, both to other campuses and to the community. Video tape recordings will make it possible for these persons to be "guest lecturers" on all campuses. Intercampus microwave will make it possible for graduate students on campuses, other than their own, to actually see and talk to them. Broadcasts from the campuses or of video tapes made on campus will make them available to the community at large.

The most thorough cost accounting study of instructional TV available so far was made at Pennsylvania State during 1956-57. The costs of conventional and televised instruction were compared in general psychology, introduction to accounting, introductory sociology, and air science. In all four courses, closed-circuit televised instruction was found to be less expensive than conventional teaching. The study concluded that televised instruction could "break even" with conventional methods when 200 or more students were taught simultaneously in a

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given course. Cost analysis of this study showed savings of \$38,000 in one year through the use of television as compared with the usual ways of teaching these courses. Comparisons included all operating costs for television as well as depreciation of equipment. Average costs per student-credit hour for the year in these four courses were reduced from \$9.48 for conventional teaching to \$5.44 for televised instruction.

In the fall of 1958 San Francisco State College, in "An Experimental Study of College Instruction Using Broadcast Television," stated that "It is economically feasible to offer lecture-discussion courses by television if enrollments of about 950 students are attainable. . . . The cost of televised instruction, after initial costs have been met, may be reduced for subsequent semesters and break-even points may be lowered." This study was conducted with open-circuit TV carried over an educational television station and the accompanying charges for station time account for the comparatively higher costs. This indicates that open-circuit broadcasts require too large an enrollment to offer savings except on campuses with large classes. Closed-circuit television, on the other hand, appears to offer potential savings for smaller class enrollments.

Such economies would be welcome and continued experimentation in this potentially powerful educational aid should be encouraged. But the budget requests of the state colleges and the university have afforded little concrete information on the instructional value of specific projects as compared with traditional classroom techniques and budgetary evaluation of such projects. Since the State has made appropriations for this purpose for the past three years, it would appear that sufficient time has elapsed for the university and the state colleges to show evidence of economies realized by using instructional TV. If television is to become an integral part of higher education, it must begin at this early stage to be based on sound economic footing.

Therefore, we recommend that the state colleges and the University of California submit to the Legislature more detailed plans for the use of instructional TV including specific needs, economic justification and estimates of the potential savings before any future increase in appropriations are made for this function.

STUDENT FEES

The 1961 Legislature will be asked to appropriate approximately \$237 million for support of higher education during the 1961-62 academic year. Approximately \$210 million will be for the university and state colleges and \$27 million will be public school apportionments for junior colleges. This does not include the many millions of dollars of capital outlay which will be spent to house the 1961-62 and subsequent enrollments. It should be noted that 12 years ago for the 1949-50 Budget, the Legislature appropriated a total of \$55 million for support of higher education in California.

California's system of public higher education is recognized as one of the finest in the country, if not the finest, and one of the most costly, if not the most costly of the public systems. In addition to a statewide

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university of national and international distinction, the State provides regional state colleges to bring a college education within commuting distance of the majority of our citizens. Not only are the facilities for higher education provided, but students are aided in obtaining a college education by a state scholarship program and construction of state-subsidized college dormitories. The incidental fees paid by students for this state-provided education rank among the lowest in the country. This is in keeping with the expressed principle that tuition-free education should be available to all citizens, to such levels as they are able to pursue it. Educational pathways are open to virtually every conceivable vocation, occupation, or profession, at a minimal cost to the student. Thus California's young people have the highest educational opportunities regardless of economic circumstances. The State has provided top quality, tuition-free educational opportunity through the doctorate level. However, the financial burden for supporting this program is becoming so great that a re-evaluation of the student's part in paying for his education is essential.

Present statutory regulations for fee charges at the University of California are not consistent with the statutes governing the fees in the state colleges. In some cases, minimum charges are established; in others, maximum levels have been set by the Legislature. The present level of fees is the result of periodic adjustments which have taken place from time to time rather than a reflection of consistent legislative or administrative policy. Fees are for incidental expenses and are not for instructional costs, since tuition, as such, is free.

The concept of low student fee charges in California's public institutions of higher education appears to be a philosophical and historical development. Students pay approximately 8 to 9 percent of the total regular session support costs in the university and state colleges. Students at the university pay \$120 per year for incidental fees, and in the state colleges, students currently pay a \$66 per year (\$72 budgeted for 1961-62) materials and services fee. Thus, students pay approximately \$8 a month in fees to attend a state college and \$13.33 a month for the university.

Noninstructional expenditures financed by incidental fees are not the same at the university and the state colleges. It is difficult, at the present, to determine the meaning of the various categories of noninstructional activities. Fee support for noninstructional activities should finance the same general areas at the university and the state colleges, and they should support all noninstructional services.

University of California undergraduate students have indicated by vote that they do not object to making self-imposed increases in their school expenditures. According to the policy of the Board of Regents, fees for student activities, financed by other than regular university funds can be made compulsory only if two-thirds of the student enrollment approve such action in a campuswide election. All of the campuses with large undergraduate enrollments have approved an Associated Students membership fee to finance the activities of these student governing bodies. In addition, the Board of Regents has assessed students on six campuses a student union fee to help in the financing of

Higher Education in California—Continued

new union buildings. The growth of these "extracurricular" fees is seen in Table I.

Table I—Compulsory Associated Students Membership and Student Union Fees (Per Semester) in Selected Years from 1950-51 Through 1960-61

	1950-51	1955-56	1958-59	1960-61
Berkeley :				
Graduate -----	None	\$3.00	\$6.00	\$2.25 6.00 *
Undergraduate -----	None	3.00	6.00	5.50 6.00 *
Davis :				
Graduate -----	None	None	2.50 *	2.50 *
Undergraduate -----	\$7.50	7.50	7.50	7.50
Los Angeles :				
Graduate -----	None	None	2.00	2.00
Undergraduate -----	6.00	8.00	8.00	8.00
Riverside :				
Graduate -----	None	None	None	2.50 *
Undergraduate -----	None	10.00	10.00	15.00
San Francisco :				
Graduate -----	None	None	7.50 *	7.50 *
Undergraduate -----	None	None	7.50 *	7.50 *
Santa Barbara :				
Graduate -----	None	None	None	1.00 *
Undergraduate -----	10.00	15.00	15.00	15.00
Incidental fees -----	35.00	42.00	60.00	1.00 * 60.00

* Student Union Fees, designated as such at Berkeley, Davis, and Los Angeles; listed as "Student Center Fee" at Riverside and Santa Barbara; and "Student Union Membership Fee" at San Francisco.

This table reveals that undergraduate students, excluding those at San Francisco Medical School, are paying from \$20 to \$32 per year for activities that have no direct relation to their university education. Most of these fees were accepted by the students during the past decade, while incidental fees during this same period have increased only \$25 per semester.

Nationwide studies of student support of public higher education indicate that students contribute fees equal to approximately 15 to 18 percent of the cost of their education as compared with approximately 8 percent and 9 percent at the university and state colleges.

In order to approach realistically the problem of financing higher education for the present and future and to establish a consistent state-wide policy regarding student fee charges in public higher education, we recommend the following policies:

1. *Full student support for noninstructional services which are currently financed by the incidental fee at the University of California should be continued. This is in accord with the policy adopted by the University Board of Regents in 1953. The state colleges' materials and services fee should be established at a level sufficient to support all non-instructional services. The definitions of the state colleges' noninstructional services should be similar to those established at the university.*

2. *The "National Defense Education Act of 1958," which provides federal funds for student loans in higher education, should be fully utilized by California's institutions of public higher education.*

Higher Education in California—Continued

3. *If the federal loan program together with institutional loan funds proves inadequate to meet the needs of California's financially-needy students, consideration should be given to establishing a state self-supporting student loan fund.*

4. *Approval should be given to expanding the California State Scholarship Program if fees are raised. This will insure that the most qualified and most needy students will be taken care of, and at the same time, will allow a small portion of the mounting burden of higher education to be shifted from the general taxpayer to those who directly benefit from the service.*

5. *Present statutes governing the nonresident tuition fee at the University of California should be amended to establish \$500 a year (\$250 a semester) as the minimum (rather than the maximum) for nonresident tuition. This fee should be periodically adjusted by the Regents to reflect approximately one-third of the average per student support costs for all instructional expenditures. The present nonresident tuition for the state colleges should be increased to equal eventually approximately one-third of the average per student support costs (\$608 for University of California; \$333 for the state colleges). These nonresident fees are in addition to the incidental fee at the university and the materials and services fee at the state colleges.*

6. *Professional school fees at the university should be increased to a more realistic level in the Schools of Medicine, Dentistry, Pharmacy, and Law.*

7. *The Coordinating Council should study the student fee problem at the university and state colleges, define the noninstructional activities, and recommend the appropriate fee and annual revisions to provide complete self-financing.*

8. *The Coordinating Council should study the feasibility of increasing nonresident tuition at the university and state colleges and of instituting an appropriately representative tuition charge for California residents.*

Student Fee Support for Higher Education in California

Examination of the expenditures for support of the state colleges and the university shows in Table II that the State's share of the support costs have been increasing each year with a less than proportionate rise in the percentage of student support.

Table II—University of California

Year	Regular session net expenditures (Incl. Reg. session fees)	Regular session student fees	Percent of student support
1949-50	\$41,663,626	\$8,228,426	19.8
1951-52	42,936,219	4,936,219	10.8
1953-54	39,915,775	3,861,603	9.7
1955-56	49,032,655	4,580,071	9.3
1957-58	64,741,786	5,645,742	8.7
1958-59	70,105,039	6,977,169	10.0
1959-60	80,714,020	7,611,112	9.4
1960-61 (Estimated)	98,170,827	8,114,217	8.3
1961-62 (Budgeted)	103,786,002	8,749,127	8.4

General Summary

Education

Higher Education in California—Continued

State Colleges

1949-50	\$11,630,945	\$3,278,034	28.2
1951-52	14,156,500	2,463,356	17.4
1953-54	19,612,203	2,041,754	10.4
1955-56	29,110,738	2,903,236	10.0
1957-58	45,406,760	3,508,462	7.7
1958-59	56,346,285	3,832,745	6.8
1959-60	61,886,963	5,887,109	9.5
1960-61 (Estimated)	75,099,314	6,375,314	8.5
1961-62 (Budgeted)	84,322,942	7,551,792	9.0

Reference to Table III shows that in 1959-60 the University of California and the California state colleges charged some of the smallest fees in the country. Free public education for pre-college students, where attendance is universal is different from higher education where only a small fraction of the graduates of high schools attend public institutions of higher learning. It seems reasonable that the increasing expenditures for higher education in the State will require other income sources than the General Fund as the burden becomes heavier. This table indicates that other states are meeting the problem of financing higher education by requiring the students to pay a small part of their instructional costs. California's fee charges for resident students are far below the average for 64 of the leading state universities and colleges of the country.

Table III—Tuition and Required Fees for Academic Year 1959-60 for California State Colleges, the University of California, and 64 Selected State Universities and Colleges for Full-time Undergraduate Students

Public institutions	Resident student		Nonresident student	
	fee amount	average fee	fee amount	average fee
California state colleges	\$66		\$321	
	(\$72 budgeted 61-62)		(\$327 budgeted 61-62)	
University of California	120		620	
West (12 schools)				
University of New Mexico (high for group)	260		490	
University of Idaho (low for group)	130		380	
Average for group		\$212		\$486
Northeast (7 schools)				
Pennsylvania State University (high for group)	350		750	
University of Connecticut (low for group)	160		560	
Average for group		\$274		\$709
North central (21 schools)				
Wayne State University (high for group)	300		600	
University of North Dakota (low for group)	151		271	
Average for group		\$229		\$550
South (24 schools)				
University of Virginia (high for group)	304		699	
Texas A. & M. College (low for group)	100		600	
Average for group		\$193		\$480
Average 64 selected state universities and colleges		\$217		\$529

Professional School Fees—University of California

In 1941-42, the resident tuition fee in the school of medicine was increased from \$100 a semester to \$125. This same tuition rate is still

Higher Education in California—Continued

in effect for the 1960-61 academic year. There appears to be little justification for maintaining the 1941-42 level of tuition charges in view of the more than three-fold increase in the State's per pupil expenditure and in the great increase in personal incomes in the State. *We recommend that the fees in the Schools of Medicine, Dentistry and Pharmacy should be increased commensurate with the current high rate of state expenditures for these facilities.* For comparison, we include Table IV which shows tuition rates at several of the leading public and private medical colleges.

Table IV—Medical School Tuitions 1959-60*

<i>California State Supported Universities</i>	<i>Resident</i>	<i>Nonresident</i>
University of California, San Francisco-----	\$385	\$735
University of California, Los Angeles-----	386	736
Other Public Universities		
State University of New York-----	715	715
University of Oregon-----	603	906
University of Michigan-----	550	980
University of Minnesota-----	505	945
University of Arkansas-----	500	1,000
University of Kansas-----	475	925
University of Washington-----	438	768
University of Illinois-----	344	764
Private Universities		<i>Tuition</i>
John Hopkins University-----		\$1,280
Georgetown University-----		1,260
College of Medical Evangelists, Loma Linda, California-----		1,250
Cornell University-----		1,250
Columbia University-----		1,183
Yale University-----		1,175
University of Southern California-----		1,120
Harvard University-----		1,068
Stanford University-----		1,005

* Compiled in "The Journal of the American Medical Association," November 14, 1959, pp. 1514-1515

The maintenance of a law school by a university is not an integral part of the regular instructional program. Students attending law school are in most cases not preparing for a teaching career. The large number of applications for entrance into law schools indicates that these students need little encouragement to continue their professional studies. A fee increase for the University of California's law schools would probably not decrease this number.

The level of law school charges in other state universities appears to be somewhat higher than the regular graduate charges but not as high as the tuition in medicine. The University of California has three law campuses, the Hastings College of Law at San Francisco and Schools of Law at Berkeley and Los Angeles. The Hastings College of Law has its own governing board, which sets the level of student fees. Until the 1952-53 academic year, Hastings charged a higher student fee than did the university in its Berkeley and Los Angeles law schools. At that time, the Hastings governing board reduced their fee from \$75 a semester to the same level as those of the other university law schools. The present fee charge is at the same level as the University of California (\$60 a semester for resident students), with the exception that Hastings students contract for their medical service separately.

Higher Education in California—Continued

It is our belief that the present law school fees at Hastings and other University of California Schools of Law are unrealistic and should be increased. For comparative purposes, we have included Table V which shows the tuition at various state-supported law schools, and a few at privately supported law schools.

Table V—Law School Tuitions (1960-61)

State Universities	Tuition for Academic Year	
	Resident	Nonresident
Rutgers—State University of New Jersey	\$460	\$575
University of Michigan	350	700
University of Virginia	345	813
University of Minnesota	306	576
University of Oregon	255	447
University of Washington	213	528
University of Colorado	212	666
University of Illinois	200	500
Hastings College of Law	120	620
University of California (Berkeley and Los Angeles)	120	620
Private Universities		Tuition
Yale University		\$1,200
New York University		1,190
Columbia		1,100
Stanford University		1,005
Harvard University		1,000
University of Southern California		950
University of Chicago		900
Northwestern		900
Georgetown		750
Fordham		700
Loyola University (Los Angeles)		600

Other professional schools require fees more realistically adapted to the greater expense of graduate and professional instruction. *It is therefore recommended that a special fee be charged to law students attending the university's Schools of Law at Berkeley and Los Angeles and at the Hastings College of Law.* The level of this special fee should be higher than the regular graduate student charge yet not as high as the tuition in the Schools of Medicine and Dentistry.

COORDINATING COUNCIL FOR HIGHER EDUCATION

ITEM 86 of the Budget Bill

Budget page 213

FOR SUPPORT OF COORDINATING COUNCIL FOR HIGHER EDUCATION FROM THE GENERAL FUND

Amount requested	\$226,937
Prior year balance available	12,406
Contribution to State Employees' Retirement System	9,536
Total	\$248,879
Estimated to be expended in 1960-61 fiscal year	37,594
Increase (562 percent)	\$211,285

TOTAL RECOMMENDED REDUCTION None

Coordinating Council for Higher Education—Continued

GENERAL SUMMARY

The Coordinating Council for Higher Education, created by the Donahoe Higher Education Act of 1960, implementing recommendations of the Master Plan for Higher Education in California, is an advisory agency established to assure a balanced growth of the programs and facilities of the several segments of the state's higher education system. The council consists of 15 members, three each from the University of California, the state colleges, the public junior colleges, the private colleges and universities and three representatives of the general public appointed by the Governor.

The legislation creating the council stated its three principal functions, advisory to the governing boards of the institutions of public higher education and to appropriate state officials, to be as follows:

1. Review of the annual budget and capital outlay requests of the university and the state college system and presentation of comments on the general level of support sought;
2. Advise as to the application of the provisions of this legislation delineating the different functions of public higher education and counsel as to the programs appropriate to each segment thereof; and
3. Development of plans for the orderly growth of public higher education and the making of recommendations on the need for and location of new facilities and programs.

In order to carry out these duties, the council has also been given power to require the institutions of public higher education to submit data on costs, selection and retention of students, enrollments, plant capacities and other matters pertinent to effective planning and coordination. Information concerning such matters shall be furnished the Legislature and the Governor by the council as requested.

The council held its first monthly meeting in October 1960 and has yet to organize its staff and develop plans for the assumption of its full responsibilities on July 1, 1961. For the remainder of fiscal year 1960-61, it will be engaged in selecting an executive director and in developing proposals for implementing certain recommendations of the Master Plan which were not included in 1960 legislation.

ANALYSIS

The proposed 1961-62 Coordinating Council support budget provides for a total of 18 positions at a cost of \$248,879, including \$12,406 from prior year balances and \$9,536 for retirement contributions. Thirteen new positions are requested with a total increase in expenditures of \$221,285 over the amount estimated to be expended in 1960-61 from funds appropriated by Chapter 49, Statutes of 1960. *We recommend approval of this budget as proposed.*

The total of 18 positions is composed of 15 new positions proposed for 1961-62, and 3 of the positions authorized for 1960-61. This will provide for an executive office plus staff services for the council in the three principal areas, academic affairs, fiscal affairs and facilities planning, which correspond to the three functions established for the council in the 1960 legislation. These positions appear to be required

Coordinating Council for Higher Education—Continued

to analyze the large amount of data and to conduct the annual and special studies necessary to the Coordinating Council if it is to assume its full responsibilities in 1961-62 in carrying out the functions enumerated in the Donahoe Higher Education Act.

It is evident, however, that the proposed new positions are intended to illustrate a possible form of staff organization rather than to represent the council's actual decision in this respect. Prior to submitting this proposal, the council made known its desire to request a lump sum apportionment rather than to present a tentative line item budget. Nevertheless, upon the advice of the Department of Finance, a line item budget has been submitted although based on the belief that there will be no restriction on the use of funds appropriated on this basis.

We would not be able to recommend approval of this budget without further justification of the proposed new positions and salary levels, if it were not for the fact that the single position exempt from civil service is that of director and that all other positions actually established will be reviewed as to salary and classification by the State Personnel Board. It would appear that the salary levels are higher than for positions of comparable function and responsibility, and for this reason, we have included these salaries in the salary table on pages 260-261.

It has been noted above that the Co-ordinating Council is to furnish the Legislature and the Governor with information as to the matters within its advisory responsibilities as requested. We believe that requests for such information by the Legislature should be made in the form of concurrent resolutions, in order that the council's responsibility will be made clear in each case.

In several sections of this analysis we have recommended that the Co-ordinating Council study and report to the Legislature in regard to several matters which we believe to have significance for the State's entire system of higher education. For purposes of emphasis and clarity, we reiterate these recommendations.

The Co-ordinating Council should study the student fee problems at the University and state colleges, define the noninstructional activities, and recommend the appropriate fee and annual revisions to provide complete self-financing.

The Co-ordinating Council should study the feasibility of increasing nonresident tuition at the University and state colleges and of instituting an appropriately representative tuition charge for California residents.

The Co-ordinating Council should, as soon as possible, conduct, or cause to be conducted, a thorough study leading to the establishment of comprehensive methods of measuring and establishing standards for instructional space utilization, including scheduling procedures.

The Co-ordinating Council should initiate a study of the various extension and adult programs offered by the university, state colleges and junior colleges and propose methods to assure a greater degree of co-ordination at all levels among the participating institutions.

**Co-ordinating Council for Higher Education
WESTERN REGIONAL HIGHER EDUCATION COMPACT**

ITEM 87 of the Budget Bill

Budget page 214

**FOR SUPPORT OF WESTERN REGIONAL HIGHER EDUCATION
COMPACT FROM THE GENERAL FUND**

Amount requested -----	\$10,000
Estimated to be expended in 1960-61 fiscal year -----	10,000
Increase -----	None
TOTAL RECOMMENDED REDUCTION -----	None

ANALYSIS

The Western Regional Higher Education Compact, which now includes 14 western states, was established to promote better co-operation among the member states in respect to higher education in medicine, veterinary medicine, dentistry and public health. The compact's program includes studies and regional conferences pertaining to these fields. California's participation was authorized by Chapter 1694, Statutes of 1955. The expenditure amount represents California's share in the expenses of this program. Previous expenditures have been included in the Department of Education, General Activities, section of the Governor's Budget.

The amount of \$10,000 requested for 1961-62 is the same as was provided for 1960-61. *We recommend approval of this amount.*

UNIVERSITY OF CALIFORNIA

ITEM 88 of the Budget Bill

Budget page 215

**FOR SUPPORT OF UNIVERSITY OF CALIFORNIA
FROM THE GENERAL FUND**

Amount requested -----	\$126,340,693
Contribution to State Employees' Retirement System -----	5,936,449
Total -----	\$132,277,142
Estimated to be expended in 1960-61 fiscal year -----	121,233,793
Increase (9.1 percent) -----	\$11,043,349
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL SUMMARY

The University of California was founded March 23, 1868, by act of the State Legislature. Within 92 years it has grown from a small college to a statewide university with eight campuses and numerous stations scattered throughout California.

According to the Master Plan for Higher Education in California: "The university shall provide instruction in the liberal arts and sciences, and in the professions, including teacher education, and shall have exclusive jurisdiction over training for the professions including but not by way of limitation, dentistry, law, medicine, veterinary medicine and graduate architecture. The university shall have the sole authority in public higher education to award the doctor's degree in all fields of learning, except that, it may agree with the state colleges to award joint doctor's degrees in selected fields. The university shall be

University of California—Continued

the primary state-supported academic agency for research, and the Regents shall make reasonable provision for the use of its library and research facilities by qualified members of the faculties of other higher educational institutions, public and private.”

ANALYSIS

The University of California is requesting General Fund support in the amount of \$132,277,142, an increase of \$11,043,349, or 9.1 percent, from the 1960-61 level plus employees' retirement. The total proposed budget of the university for 1961-62 is \$186,405,932, an increase of 7.9 percent over the preceding year. The enrollments of the university are budgeted to increase 9.3 percent over 1960-61, i.e., from 47,649 students to 52,075 students. A total of 21,694.8 positions are requested for 1961-62, an increase of 1,399.8 (6.9 percent) over the previous year. Of this total, 6,146.5 academic positions are budgeted, based on existing student-teacher staffing ratios, an increase of 436.6 (7.6 percent) over the 1960-61 level.

We recommend approval of this item with the reservations expressed in subsequent sections of this analysis.

The 1961-62 Budget anticipates savings of \$4 million composed of salary savings of \$2 million and budgetary savings of the same amount, both of which are contained as deductions in the total. The budget is based on an extension of the present level of service plus identifiable new programs in the amount of \$470,000 of which \$220,000 is for planning three new university general campuses in Orange County, San Diego County, and the South Central Coast area and \$250,000 for initial planning and staffing of a new medical school in San Diego.

**Enrollment and the Relationship Between the General Fund
and University Funds**

The number of students at the University of California has been increasing since 1953-54. In 1959-60 enrollment surpassed the 1949-50 postwar peak and has continued to grow annually, as shown in Table I. The table also shows that although enrollment increased only 25 percent from 1949-50 to 1961-62, net expenditures for regular sessions increased 184 percent for this period. Even more explosive is the 317 percent increase required of the General Fund for operation of the university also shown in the table. A substantial proportion of the increased cost of expenditures is attributable to price increases and to the increasing numbers of upper division and graduate students who cost more to educate than the lower division students. The balance of the increased cost of expenditures is attributable to a richer program at the university.

The fact that General Fund expenditures for all purposes are increasing at a more accelerated rate than net expenditures for regular session students is particularly noteworthy. In 1949-50, the General Fund was used entirely for regular session purposes and some university funds were required to be used for the regular sessions. Since that time, the General Fund has covered not only net expenditures for regular sessions, but is contributing to an increasing proportion of noninstructional activities. To what limits will this increase in the proportion of state support be allowed to go?

TABLE I
 General Funds, Expenditures, Net Expenditures for Regular Session, and Enrollments,
 University of California 1949-50 Through 1961-62

	1949-50	1953-54	1957-58	1958-59	1959-60	1960-61	1961-62	Percent increase 1961-62 over 1949-50
General Fund expenditures for all purposes-----	\$31,835,342	\$55,187,933	\$88,226,372	\$94,309,591	\$98,629,923	\$121,233,793	\$132,612,042	317
Net expenditures for regu- lar session (all funds)---	33,435,200	36,054,172	59,096,044	63,127,870	73,102,908	90,056,610	95,036,875	184
Average annual enrollment..	41,794	32,452	40,982	42,226	43,748	47,649	52,075	25

University of California—Continued

Postwar General Fund contributions have ranged from 50 percent of total university support expenditures in 1946-47 to 78 percent in 1952-53. During this period, university funds have been treated as a base level of expenditures and the General Fund has picked up all requirements above this base. When university funds are decreased, the General Fund contribution is increased to maintain the same level of service. For example, since student fees are considered as university funds and enrollment was comparatively low from 1951 through 1955, General Fund contributions were always over 70 percent of total university expenditures for this period. In 1959-60, the General Fund contribution dropped to 69 percent, the lowest since 1949-50. In the *1959-60 Analysis of the Budget Bill*, we recommended that every effort be made to return the General Fund contribution more nearly to the 50 percent level of 1946 through 1948; however, it has continued to increase as shown in the following table:

Percent General Fund Support Expenditures to Total University Support Expenditures From 1959-60 Through 1961-62

1959-60 -----	69%
1960-61 -----	70%
1961-62 (as requested) -----	71%

The 1961-62 budget request for General Fund money is almost identical with the entire university educational and general expenditure in 1957-58. In view of the large General Fund appropriations for the University of California and the growing percentage of these appropriations to total university expenditures, we again recommend to the Legislature and the university that consideration be given to returning the demands of the university for General Fund support to more nearly the 50 percent level.

A further example of the rising costs of the university and the magnitude of the increasing numbers of graduate students is seen by comparing enrollments and expenditures at the Berkeley campus in 1949-50 and the requested 1961-62 budget year as follows. Although enrollment remained constant, expenditures increased by 197 percent for this period.

Student Enrollment, Berkeley Campus

	1949-50		1961-62	
	Number	Percentage of total	Number	Percentage of total
Lower Division-----	7,273	32.9%	7,608	33.3%
Upper Division -----	9,871	44.6%	7,898	34.5%
Graduate -----	4,973	22.5%	7,370	32.2%
Total -----	22,117	100.0%	22,876	100.0%

Total Expenditure, Berkeley Campus

1949-50	1961-62	Percent increase 1949-50 over 1961-62
\$16,865,776	\$50,080,112	197%

This illustrates the extent of the enrichment of the academic program at Berkeley during the past decade. The cost of instructing similar

University of California—Continued

numbers has almost tripled during this period. Should university costs continue at this rate of growth, it is obvious that the General Fund will not be able to maintain its high percentage of support. The University of California is a distinguished institution of higher education of which the State can be proud. We believe that it will continue to be a university of the first rank. However, we believe that General Fund support of the university is reaching a peak, and the university will have to find other sources of support if it is to continue its expanding programs.

Academic and Nonacademic Personnel

We believe it is important for the Legislature to be informed of the fact that of the university's total expenditure for salaries and wages, i.e., \$140 million of the \$186 million total support expenditures, \$60 million goes for academic salaries as compared with \$80 million which is expended on nonacademic and general assistance salaries and wages. In terms of numbers of personnel, to support the 6,147 academic positions requires 15,548 supporting nonacademic and general assistance positions. For the first time, there is now included in the salary supplement to the budget both the University of California's academic salary schedule [page (5)] and the positions and their salary ranges for administrative, and other supporting personnel as well as the totals for academic positions. These are reported in pages 98-152 of the salary supplement. Examination of the salary ranges of the high level administrative positions at the university reveals the competitive position in which the State of California now finds itself in implementing the organization for the state college trustees.

Research

The costs of the university represent one of the most rapidly expanding financial problems of state government. These costs have grown and can be expected to expand in the immediate future much more rapidly than either the tax base or the population of the State. In a measure this is due to the disproportionate increase in that segment of the population which represents university-age students. However, in a large measure it is due to the research function which has been assigned to the university and the fact that the University of California represents one of the great research institutions of the world, spending over \$200 million annually for research. While the present cost of the research activities of the university is financed primarily from non-state funds, a substantial state appropriation is required for this purpose and the potential assumption of an increased portion of the cost resulting from a possible shift in the nature of federal research contracts must be given consideration as the total university program expands.

While this office is mindful of the constitutional independence granted to the university in the administration of its affairs, we believe that it is both appropriate and essential that the Legislature be furnished a sufficient body of organized information that it can properly assess financial characteristics of the university. This procedure should be similar to an independent audit which examines into the adequacy of an agency's or corporation's system of internal control, to assure the

University of California—Continued

Legislature that reporting processes within the university provide the type of information which shows that the university administration is fully aware of cost relationships throughout the segments and departments of this vast enterprise. According to the Master Plan for Higher Education, research is a primary function and responsibility of the university, yet the term "research" is difficult to assign a clear definition and the reporting of research expenditures to the Governor and the Legislature has been neither consistent nor meaningful as reported by the university.

In 1960 the Senate Finance Committee requested the university to produce information which will show the relationship between research costs and instructional costs with particular reference to the following:

1. Definitions of the various types of research.
2. Actual hours spent in various areas of academic endeavor.
3. Establishment of criteria for judgment of students and faculty.
4. Proper balance of all functions.
5. Development of controls to insure proper balance.
6. Determination of over-researched fields.
7. Use of other personnel to relieve professors.

The recommendation that information of this character be studied and reported on by the university was made by this office. Accordingly, after the session the university consulted with us in an effort to define more clearly the basis upon which the information could be made available to the Legislature. Out of these discussions, certain additional questions were developed and a request was made of the university to supply cost per student data and comparative information as will be outlined later in the Analysis. To date the university has reported only total expenditures in areas involving research. In 1959-60 these figures were:

Instructional and <i>Departmental Research</i>	\$51,238,003
Organized Research	47,539,706
Special <i>Federal Research Contracts</i>	159,506,897

However, other university reports do indicate comparative figures of university expenditures for instructional and departmental research estimated for 1960-61.

<i>School or Department</i>	<i>Students</i>		<i>University Expenditures</i>	
	<i>Number of Majors*</i>	<i>Percentage of Total</i>	<i>Amount</i>	<i>Percentage of Total</i>
Letters and Science	31,257	63.6	\$27,087,794	38.1
Agriculture	1,916	3.9	15,313,122	21.6
Medicine	2,615	5.3	10,188,786	14.3
Engineering	4,926	10.0	6,373,523	9.0
Business Administration	1,846	3.8	2,175,912	3.1
Veterinary Medicine	210	.4	1,143,175	1.6
Law	1,006	2.0	1,075,334	1.5
Other	5,393	11.0	7,692,315	10.8
Total	49,169	100	\$71,049,961	100

* Based on Fall Semester, 1960 enrollments.

According to the university, organized research, including federal contracts, receives approximately 95 percent of its support from

University of California—Continued

sources other than state appropriations. Thus, every nickel spent by the State buys a dollar's worth of research. When federal contracts are omitted, approximately 75 percent of the university's expenditures for organized research come from outside state appropriations. Nevertheless, the 1961 Budget request for \$10,295,440 for organized research is an expenditure of state funds of significant magnitude.

The very fact that vast amounts of money are being given to the university annually for research by the federal government (amounting to 57 percent of 1959-60 income), makes it apparent that severe fiscal consequences would follow any shift in emphasis by the federal government on research grants. Would the State then be required to fill this void? Perhaps this is already taking place in the field of organized research in agriculture. The federal government, through the Morrill-Nelson-Bankhead-Jones Fund, the Smith-Lever Act as amended in 1953, and the Hatch Act as amended in 1955, has provided large sums to state land grant colleges and universities for agricultural activities. The University of California has been a recipient of such funds as they have been made available, but the amount derived from the federal government has not increased appreciably during the past five years. Inflation has reduced the buying power of these dollars. To provide more funds for agricultural research, the university has turned to the State. State General Fund money for research projects in this field have increased during the past few years. This points to some of the difficulties which may well arise in the future should the aims of federal research grants shift in the future.

The Coordinating Council should also be informed of the extent and scope of research activities so that it can make knowledgeable budget reports to the Governor and Legislature and interpret the functional differentiation among the three branches of our tripartite system of higher education.

Since faculty research is such an integral part of instruction of graduate students, the amount of research appropriations per graduate student would appear to be a meaningful figure for the university to report for planning purposes. These data would also be a useful guide in determining what facilities are required for expanding graduate programs and how much faculty time is necessary for "instruction" and "research."

This type of information would assist the Coordinating Council in evaluating the total needs of the university.

Thus the council would have better criteria for judging how much money to recommend for allocation to instruction and research. They would know the source of funds for these activities, and they would have a guide for planning a sound increase in funds in proportion to the numerical increase in graduate students. The council would also be informed as to how much research activity is "public service" and be able to advise on recommended levels for this function.

In 1959 organized research received a 20.6 percent increase over the previous academic year. Instruction and departmental research, on the other hand, increased only 9.8 percent. At this rate of increase, in five years, the university will be spending approximately \$121 million for

University of California—Continued

organized research and only \$80 million for instruction and departmental research. Such figures would indicate that the university would have become primarily a research organization with diminishing emphasis on instruction. Although the Legislature is not allocating funds for research for specific disciplines or departments, it needs knowledge of the various facets of research and their methods of finance. If the university plans to emphasize research in greater amounts than instruction, the Legislature should be informed of this switch. *We therefore reaffirm our recommendation that the University of California continue its efforts to define and segregate the various costs of research and instructional activities.*

Unit Cost Approach

We strongly endorse the unit cost approach to budget control as developed in the *California and Western Conference Cost and Statistical Study*. We believe that further studies should be made by the university to determine the elements which comprise the cost makeup of its budget. *The University of California Budget for Current Operations 1961-62* shows a marked improvement over previous budget presentations by the university in following some of the recommendations of the "California-Big Ten Study."

Teaching Expenditure

One of the most valuable measures developed in this budget is the teaching salary expenditure per student-credit-hour. These statistics are compiled by level of instruction, and provide useful tools for comparing the performances of the various campuses of the university. Only the expenditure incurred in the teaching function of the instructional departments is included in the following table.

	Comparison of Unit Costs Teaching Expenditure			Percent average Increase 1959-60 over 1958-59
	1959-60		Graduate	
	Lower Division	Upper Division		
A. Per Student-Credit-Hour Cost by Level of Instruction				
Berkeley -----	\$10.83	\$21.70	\$63.89	6%
Los Angeles General Campus -----	12.82	19.37	76.21	5
Davis -----	10.42	21.87	32.00	9
Riverside -----	16.86	43.08	-	-4
Santa Barbara -----	16.90	30.64	111.76	5
B. Per Student Cost by Class Level of Instruction				
Berkeley -----	\$311	\$552	\$871	6
Los Angeles General Campus -----	323	479	834	5
Davis -----	298	481	693	9
Riverside -----	504	910	1,137	-4
Santa Barbara -----	459	730	1,030	5

From this data, the following conclusions can be drawn:

1. The teaching salary expenditure per student-credit-hour within the University of California follows the general pattern of being the lowest at the lower division, followed in order by the upper and graduate division as would be expected.

University of California—Continued

2. Increasing the number of students of the small campuses without major changes in programs makes for more effective use of the teaching salary dollar expenditure. (Illustrated by Riverside which showed a 4 percent decrease in unit costs as enrollment at that campus increased some 27 percent over the prior year).

For comparative purposes, this data would be more useful if it were classified according to teaching salary expenditures per student-credit-hour in each subject-field classification and for combined subject fields by levels of instruction. Thus, for example, it would be possible to compare such expenditure in the humanities at Berkeley with a similar program at Los Angeles.

Teaching and Departmental Research Expenditure

The total expenditure by instructional departments inclusive of teaching is included in the following tabulation.

	Comparison of Unit Costs			Percent average increase 1959-60 over 1958-59
	Lower Division	1959-60 Upper Division	Graduate	
A. Per Student-Credit-Hour Cost by Level of Instruction				
Berkeley -----	\$18.46	\$36.99	\$108.90	6
Los Angeles General Campus -----	20.27	30.61	120.43	5
Davis -----	39.28	82.42	120.64	9
Riverside -----	27.91	71.33	—	—4
Santa Barbara -----	24.21	43.89	160.12	5
B. Per Student Cost by Class Level of Instruction				
Berkeley -----	\$530	\$941	\$1,484	6
Los Angeles General Campus -----	510	757	1,318	5
Los Angeles Medical Center -----	—	—	6,257	—2
San Francisco -----	—	—	3,247	3
Davis -----	1,122	1,315	2,613	9
Riverside -----	835	1,507	—	—4
Santa Barbara -----	658	1,046	1,475	5

NOTE: Figures for 1959-60 are preliminary.

On the basis of recent discussions with the university we have suggested four areas of expanded information which we believe would improve cost analysis.

1. The inclusion of cost per student-credit-hour data by department so that specific and more meaningful comparisons of the components of inter- and intra-campus costs can be made.

2. The inclusion, by department, of the significant factors which would affect these student credit hours costs such as:

- a. Class size.
- b. Teaching methods (lecture, laboratory, television, special aids, etc.).
- c. Emphasis on the depth of special programs.
- d. Salary, staff benefits, and promotional structure.
- e. Departmental expenditures for other than teaching.

University of California—Continued

3. The inclusion of the significant factors which influence other cost categories such as:

- a. Administrative costs per student.
- b. Maintenance and operation per square foot.
- c. Books per student for library expenditure.
- d. General institutional service dollar expenditure per instructional dollar expenditure.

4. The inclusion of the university's interpretations of the data which are considered to be of particular significance and interest to the Governor and Legislature including breadth of public interest in certain programs.

In answer to our request for a progress report on these studies, the university in a letter dated November 10, 1960, indicated that its Analytical Studies Unit had begun preparation of a detailed cost analysis of university operations but expressed only general goals and overall procedures as follows:

“The goal of this study is to produce more accurate, detailed and meaningful estimates of the costs of instruction at the various levels of instruction and in various fields of study at the university so that:

1. The administration will know what the cost of various programs currently is so that they will be able to make more fully informed decisions regarding these programs.
2. It will be possible to make comparisons of costs as between the various campuses and as between the university and other universities in the nation.
3. The Administration will have a sounder basis for budget preparation and analysis.
4. The university will be able to provide more adequate reports as to its activities and future plans, to the Legislature, the Governor and the people of the State.”

In moving toward this goal, the university is undertaking:

- “1. To develop a basis of understanding with other universities which are comparable in size and stature, so that it will be possible to make meaningful comparisons of our costs with theirs;
2. To develop the underlying statistical data which will be necessary in order to determine our costs by making a number of related studies.
 - a. A study of faculty time distribution with particular emphasis on time devoted to graduate students. The basic source document here will be a questionnaire to be completed by a scientifically selected sample of the faculty.
 - b. A study of class enrollments which will be integrated with a study of space utilization.
 - c. A study of graduate programs at the university that will serve as the basis for determining what method of analysis will be most fruitful in estimating costs of instruction at this level.

University of California—Continued

3. To develop standard definitions for each of the elements of statistical measure such as the various functional breakdowns of faculty time and measures of FTE students and staff to be employed."

This is a start in securing data which should be extremely valuable. It is recommended that the University of California be requested to continue to develop this type of comparative cost data for intra-campus comparisons as well as comparisons with other universities of the country and present it to the 1962 Session of the Legislature.

Educational Television

The activities of the University of California for the fiscal year 1961-62 in educational television will be directed toward implementing the long-range objectives of the university in regard to television: to assist in the handling of the predicted enrollment increases more efficiently and economically, while, at the same time, maintaining the quality of instruction. (For a discussion of the use of educational TV, see the section of the analysis on "Higher Education: Educational Television.")

Appropriations to the university for television for the past several years are as follows:

			<i>Request for</i>
<i>1958-59</i>	<i>1959-60</i>	<i>1960-61</i>	<i>1961-62</i>
\$50,192	\$51,642	\$307,156	\$307,156

The university request of \$307,156, places first priority on the acquisition of video tape recorders for Berkeley, Los Angeles, and San Francisco. It is planned that these expensive items (\$60,000 each) will be leased with an option to buy at a later date. Video tape recorders permit the recording and instantaneous or delayed playback of television materials for repeats during the week, during the following semester, or during following years, either on the originating campuses or on other campuses. The university also wishes to extend its present intracampus activities and initiate new programs at Davis, Riverside, Santa Barbara, and the Los Angeles Medical Center. Finally, the university hopes to provide intercampus TV by microwave transmission linking four pairs of campuses: Berkeley and San Francisco; Berkeley and Davis; Los Angeles and Riverside; Los Angeles and Santa Barbara. These interconnections will permit one-way picture and two-way sound intercommunication between the large and the small campuses. This will mean that an instructor on one of the large campuses will be seen and heard by students on one of the small campuses and that he will be able to hear (but not see) students.

The Los Angeles Medical Center plans to start limited activities in the use of black and white television, to include use in physiology laboratories and nursing education, and certain types of surgery observation. The San Francisco Medical School will expand its activities in medical TV utilizing black and white television and will add color television which will have many advantages over the conventional in

University of California—Continued

medical instruction. Color transmission, which requires a highly skilled engineering staff, still presents many problems, not the least of which is the great heat generated by the bright lights necessary for a good picture.

The \$307,156 request amounts to an expensive experiment. Without further data available as to specific needs, one can question the appropriateness of approving an increase in requests in the future. *Therefore, it is recommended that future university appropriation increases for educational television be denied until the specific needs, economic justification and estimates of the potential savings are presented.*

Electronic Data Processing

Like educational television, electronic data processing equipment holds promise of great potential value for the university, and should result in eventual savings in administrative activities. The university states that by utilizing such equipment, it hopes to keep its administrative staff at the present level in the face of increasing enrollments. In order to maintain an economical and efficient system of management controls, the university is developing a modern electronic data processing system for statewide use, to replace the present mechanical system at a cost of \$113,917 including an increase of \$49,281 over 1960-61 expenditures.

Electronic computers can provide vast new research frontiers in many fields of academic endeavor. We believe that it would be desirable for the university to further document its specific need for increased activities in computer work at its various campuses so that meaningful evaluation can be made of these expenditures. The following table shows the extent of the university's requested increases for electronic data processing for 1961-62:

Statewide	
Data processing machine services.....	\$49,281
Berkeley	
Enlarged memory unit, 704 computer.....	10,000
Data processing services.....	72,348
Los Angeles	
Data processing services.....	57,590
San Francisco	
Data processing services.....	36,174
Santa Barbara	
Data processing equipment.....	17,720
Riverside	
Data processing equipment.....	17,720
Computer service	2,196
Davis	
Data processing equipment.....	27,140
La Jolla	
Data processing equipment.....	17,720
Total university	\$307,889

It is recommended that, in the future, the university demonstrate more fully how the increased use of electronic data processing equipment can and will decrease administrative costs and improve academic research.

Hastings College of Law—Continued

GENERAL SUMMARY

The Hastings College of Law was founded in 1878 by S. C. Hastings with a grant of \$100,000 to the State of California through the Regents of the University of California. The original agreement provided that the State of California was to pay the sum of 7 percent interest on the grant or repay the \$100,000 in full to the Hastings' heirs. The college was able to finance its operations through student fees and through surpluses built up in the immediate postwar period because veteran students on educational benefits programs were required to pay on the basis of nonresident students. However, in the last few years, the surplus decreased and the State General Fund has appropriated additional moneys for the maintenance and operation of the plant.

From 1954 to 1957 the Legislature appropriated \$49,000 annually to the support of Hastings College of Law. An amount of \$42,000 has been appropriated to cover the cost of operating and maintaining the college building and \$7,000 has been appropriated to meet the original agreement with the founder to pay the 7 percent on the grant of \$100,000. In 1958-59 and subsequent years, the entire support of the college has been assumed by the State. Since that time total expenditures have been:

1958-59	-----	\$257,189
1959-60	-----	286,167
1960-61	-----	373,597
1961-62 (proposed)	-----	398,992

ANALYSIS

The 1961-62 budget request is \$398,992, or 6.8 percent more than was expended last year. This increase is largely the result of the addition of two teaching positions needed to offer required units in the four-year program and electives to students in the three-year program. One summer teaching position is also requested which is fully reimbursed by student fees.

We recommend approval of the budget as submitted, noting that we have also recommended a fee increase for Hastings College of Law as well as the other law schools of the University of California in the "Higher Education in California" section of this analysis entitled Student Fees.

STATE COLLEGES

The 14 existing state colleges, together with three new colleges authorized by the 1960 Session, are requesting a total of \$77,035,738 for support from the General Fund for 1961-62. This amount includes a net appropriations request of \$72,703,995 plus \$4,331,743 in contributions for the State Employees' Retirement Fund.

The 1961-62 appropriation request, exclusive of retirement contributions, may be compared with an estimated expenditure during the current fiscal year of \$64,859,787. The 1961-62 request represents an increase of \$7,844,208 or 12 percent. The major portion of this increase results from an expansion of facilities, curricula and enrollment, the latter projected to reach 76,925 for a growth of 7,925 FTE or 11.5 percent. A total of 548.4 new teachers are requested, accounting for \$3,273,452 of the increase in budgeted expenditures (including retirement contributions).

The state college budgets include a total of \$419,668 as a special allowance for library books to provide additional allotments for new colleges and those experiencing rapid growth. Also included is a total of \$184,001 for enlarged instructional television programs. Regular session student fees are increased by \$538,000 in accordance with an increase in the state college materials and services fee authorized by the Board of Trustees.

In the following pages, we have recommended reductions totaling \$563,595 in the appropriation requests which have been submitted, these reductions are summarized in the table below.

Recommended Reductions for State Colleges

College	Increase in student fees		Total Increase in student fees	Reductions in television items	Other reductions	Total reductions
	Regular students @ \$4 per student	Limited students @ \$2 per student				
Alameda	\$2,600	\$1,720	\$4,320	---	---	\$4,320
Chico	11,680	920	12,600	\$25,040	\$6,240 ¹	43,880
Fresno	19,000	2,920	21,920	---	---	21,920
Humboldt	7,200	560	7,760	---	4,800 ²	12,560
Long Beach	30,280	7,120	37,400	27,040	---	64,440
Los Angeles	34,000	13,980	47,980	33,000	10,974 ³	91,954
Orange	3,680	2,240	5,920	---	---	5,920
Sacramento	16,160	5,160	21,320	---	---	21,320
San Diego	34,640	6,240	40,880	45,609	---	86,489
San Fernando	18,160	5,780	23,940	---	---	23,940
San Francisco	35,360	7,460	42,820	40,312	---	83,132
San Jose	48,200	6,380	54,580	---	---	54,580
Sonoma	400	500	900	---	---	900
Stanislaus	1,200	1,800	3,000	13,000	---	16,000
California Polytechnic						
Kellogg-Voorhis	11,800	280	12,080	---	---	12,080
San Luis Obispo	18,720	440	20,160 ⁴	---	---	21,160
Total	\$293,080	\$63,500	\$357,580⁴	\$184,001	\$22,014	\$563,595

¹ Custodians.
² General instructional expense.
³ Technical assistants and building maintenance man.
⁴ Includes 1,000 summer quarter FTE @ \$1.

State Colleges—Continued

STATE COLLEGE STUDENT FEES**Materials and Services Fees**

The 1961-62 state college budget requests reflect a small increase in the level of student fees for materials and services. This increase was adopted by resolution by the Board of Trustees of the State College System in order that a deficit should not be incurred for fiscal year 1961-62 through an excess of related costs over fee collections. The increase is in the amounts of \$6 per year for full-time students, \$3 per year for part-time students and \$2 for summer quarter students at the California State Polytechnic College. With this increase such fees will total \$72, \$37 and \$24 respectively.

The state college materials and service fees are levied to finance student activities, housing funded by the support budget, health services, placement, counseling and testing, and instructional expense (@ \$29 per FTE). The state college budget requests for 1961-62 include expenditures for these services as indicated in Table I. Total related expenditures are now expected to reach \$6,437,560 with provision for a 4 percent salary savings and provision for 6 percent retirement fund contributions. Total fee collections are expected to reach \$6,452,630 for 1961-62 which would provide an excess of collections over expenditures of only \$15,070. If expenditures were estimated with provision for a 3 percent rather than 4 percent salary savings, as was the case for the majority of state colleges in regard to other areas, then the very small excess would disappear or become a deficit.

We therefore recommend that the annual state college materials and services fees for 1961-62 be further increased to a level of \$76 for regular students, \$39 for limited students and \$25 for academic summer quarter students and that the 1961-62 state college support requests be correspondingly reduced by a total of \$357,560. Recommended reductions totaling this amount appear in the individual state college budget items which appear on following pages.

General Summary

Education

State Colleges—Continued

Estimated Expenditures—Related to Student Materials and Services Fees, 1961-62¹

<i>College</i>	<i>Student activities and housing</i>	<i>Health</i>	<i>Place-ment</i>	<i>Counseling and testing</i>	<i>Instruc-tional expense</i>	<i>Total</i>
Alameda -----	\$16,771	\$19,315	\$8,699	\$20,361	\$3,255	\$88,401
Chico -----	24,855	79,924	27,724	63,974	91,130	297,607
Fresno -----	31,876	128,718	38,634	88,503	153,280	441,011
Humboldt -----	26,040	54,616	23,164	40,959	56,710	201,489
Long Beach -----	53,596	190,495	58,753	112,308	227,530	642,682
Los Angeles -----	39,458	200,534	54,709	97,954	273,110	670,765
Orange -----	15,574	20,357	9,976	16,624	32,480	95,011
Sacramento -----	39,417	105,923	34,323	79,691	126,150	385,504
San Diego -----	47,242	229,502	55,343	139,788	257,520	729,395
San Fernando -----	24,589	108,866	27,727	74,078	143,550	378,810
San Francisco -----	52,931	226,442	52,783	138,121	258,680	728,957
San Jose -----	55,545	326,949	65,493	191,949	352,350	992,236
Sonoma -----	17,738	---	---	---	4,850	22,088
Stanislaus -----	12,786	---	---	21,560	14,500	48,846
Cal Poly						
San Luis Obispo	34,381	122,280	32,174	6,253	179,149	374,247
Kellogg-Voorhis	30,295	133,944	26,467	45,503	104,252	340,461
Total -----	\$533,094	\$1,947,865	\$512,979	\$1,137,626	\$2,302,996	\$6,437,560

¹ Includes a 4% salary savings and 6% average contributions to SERS.

SOURCE: Department of Finance

In approving an increase in materials and services fees for 1961-62 the board of trustees acknowledged the existence of a substantial deficit for 1960-61 and the probability, in the absence of such action, of a deficit of approximately \$340,000 for 1961-62. It was presumed that the small increase would, however, produce some \$538,000 in additional revenues and therefore result in an excess of collections over expenditures of nearly \$200,000 for 1961-62. With this excess in view, the board also stated its intention to maintain the new level of fees for a period of at least two years, applying the expected excess of collections for 1961-62 against any deficit incurred for 1962-63.

Since this increase was approved, however, the Department of Finance has prepared a re-estimate of expenditures for 1961-62 which, as indicated above, suggests a strong possibility that a deficit will be incurred for that year as well as for 1962-63, despite the trustees' action. Therefore, the trustees' statement of intent "that the state college budgets for 1961-62 contain a level of student fees which will cover the cost of student services . . . and that the policy be adopted to establish a fee for a minimum of two years," now appears unrealistic unless a somewhat larger materials and services fee increase is adopted. Otherwise it is very likely that the deficit expected for 1960-61 will be continued for the following two fiscal years, a situation which would obviously contradict the acknowledged policy of the trustees as to maintaining a level of fees sufficient to cover related costs. For this reason, we believe that the current annual state college materials and services fees should be increased for 1961-62 by an additional amount of \$4 for regular students, \$2 for limited students and \$1 for academic summer quarter students.

State Colleges—Continued

State College Materials and Services Fees—Recommended Increase

	Existing fee	Approved increase	Recommended additional increase	Total	Number of students	Estimated total collection 1961-62
Regular students -----	\$66	6	\$4	\$76	73,270	\$5,568,520
Limited students -----	34	3	2	39	31,750	1,238,250
Academic summer quarter	22	2	1	25	1,000	25,000
						\$6,831,770

With this increase, fee collections would total \$6,831,770 for 1961-62, providing \$357,580 in additional revenues for the 1961-62 state college budgets. It is thus recommended that the individual state college budgets on the following pages be reduced by the amount of this additional revenue.

Total fee collections at this level of fees will, on the basis of recent enrollment projections, provide an excess of collections over expenditures of \$394,210 for 1961-62. However, if allowance is made for a more realistic level of salary savings as previously mentioned, this excess would be considerably reduced and in all probability would be sufficient only to match the deficit likely for the following year. Such an excess is therefore justified if fee revenue is expected to be adequate to cover rising materials and services costs over a two-year period as stated by the Trustees.

Nonresident Tuition

Although the Board of Trustees has recommended an adjustment of the level of the materials and services fee for 1961-62, the state college support requests reflect a continuation of nonresident tuition at the existing rate of \$255 per year. *We recommend that the present state college nonresident tuition of \$255 per year be raised to at least \$300 per year for 1961-62.*

The basis for this recommendation is presented in a preceding section dealing with both university and state college fees. There it is recommended that nonresident tuition for both systems be raised eventually to the level of one-third of the average annual net cost per student. For 1961-62 the proposed average net cost per student for the state colleges is \$998 of which one-third would be about \$333. We therefore recommend, as a first step, an increase which would raise state college nonresident tuition by approximately one-half the difference between the existing and the optimum tuition levels.

It may also be observed that inasmuch as the Board of Trustees have acknowledged the necessity of raising the materials and services fee to accommodate increased costs and services, it would appear to be inconsistent to maintain nonresident tuition at the existing level. Thus, when the materials and services fee was similarly raised for fiscal year 1959-60, a corresponding upward adjustment was made at the same time in the tuition fee. Not to do so for 1961-62 is to suggest that all other costs have not risen as much as those directly related to the materials and services fee, a proposition which finds little support in the budgets which have been submitted for 1960-61 and 1961-62.

State Colleges—Continued

Application Fee

In addition to the foregoing, we believe that consideration should be given to the advisability of establishing a small additional fee to cover the costs of processing state college admission applications. Such an application fee, in the amount of \$5, has been established for the University of California and is becoming increasingly common elsewhere.

This fee, as at the university, would be required of every applicant to a state college, regardless of whether or not the applicant subsequently matriculated, and would be paid at the time of filing an application for admission. Such fees at other institutions are generally established to serve two purposes: to cover related costs and to discourage the tendency on the part of many students to file applications with a number of institutions while obviously intending to enter but one. A small application fee would insure that those not intending to enter would help defray the expense involved, rather than leaving this to the general taxpayer. It has been estimated that a fee of \$5, the amount charged by the university, would raise approximately \$300,000.

We recommend that this matter be given further consideration and that a study be made of the annual number of admission applications received each year by the state colleges and the cost of processing such applications. We believe that the Board of Trustees should undertake such a study prior to submitting support requests for 1962-63.

FULL MATRICULATION OF LIMITED STUDENTS

For the past several years it has been our recommendation that all limited students attending a state college, with the exception of special adult extension and summer session students, be required to matriculate, that is, formally apply for admission by submitting evidence of their ability to perform college level work. Several thousand state college students taking six or fewer units a semester and not seeking a credential or degree were until recently exempt from this requirement. Beginning with the fall of 1960, however, a new policy was implemented which requires full matriculation of all limited students with the above exceptions. In order to provide additional clerical staff to handle the admissions and records process for limited students not previously matriculated, a total of \$103,000 was added to the state college budgets for 1960-61. This sum was calculated to provide clerical staff in the ratio of one position per 1,000 limited students.

In approving the 1960-61 budget increase, the Assembly Ways and Means Committee requested a study by the Department of Education to determine the value of the new matriculation policy. The Department of Education has prepared a report concerning effects on enrollment and faculty reaction to the policy. According to this report there appears to have been a small effect upon total student enrollments. For individual colleges, overall changes between 1959 and 1960 ranged from a 27 percent decline in limited student enrollments at the San Luis Obispo campus of California Polytechnic to a 151 percent increase at Alameda. For all colleges combined, a 5 percent decline was recorded. There is, however, no way of determining how much of this resulted from the new matriculation policy since the colleges did not record

State Colleges—Continued

precise information as to the number of limited students denied admission nor the reasons therefor. However, the Department of Education estimates that approximately 10 percent of the limited students who applied for matriculation in the fall of 1960 were denied admission on the basis of failure to meet scholarship requirements.

The department's report also noted that the achievement level of limited students matriculated for the first time in the fall of 1960 differs significantly from that of the regular student body. Nearly two-thirds of the former were admitted as graduate students with a baccalaureate degree. Nearly one-third were admitted as undergraduate transfer students. Less than 5 percent were admitted with freshman standing, and less than 1 percent were admitted as adult special students.

Faculty and administrative reaction to the new policy was reported to be generally favorable, largely because limited students are required to state their objectives and are now given more adequate program planning assistance and because the faculty is now assured that students in their classes are formally qualified to be there.

The Department of Education has indicated its reservations with regard to the adequacy of the 1 to 1,000 staffing ratio for admission of limited students and has proposed that this matter be included in a more general study of staffing needs for the state college admissions and records functions. Clerical and student assistant staff as otherwise currently provided for admissions and records is in the ratio of 1 position per 800 individual regular student enrollments as compared with the 1 to 1,000 ratio for limited students which is continued in 1961-62 budget requests.

We recommend continuation of the new matriculation policy, including the 1 to 1,000 staffing ratio, for full matriculation of limited students. We also recommend that the Board of Trustees study the entire provision for admissions and records staffing for the state colleges and report on this matter prior to the 1962 session.

TEACHER EDUCATION AND CREDENTIALING

Revision of the credentialing system of the state has been under study by the Department of Education since December 7, 1954, when a statewide committee was appointed by the Superintendent of Public Instruction and the president of the California Council on Teacher Education to study and recommend changes in the state's system of granting credentials. After six years of hearings on the subject a plan which appears to be acceptable to a majority of the groups concerned has been presented to and approved by the State Board of Education. Proposed legislation will be introduced at the 1961 Session of the Legislature to accomplish these changes, and will reduce the number of credentials, if enacted, from 40 to 5 as follows:

1. Standard teaching credential
 - 1.1 Specialization in elementary teaching
 - 1.2 Specialization in secondary teaching
 - 1.3 Specialization in junior college teaching

State Colleges—Continued

2. Standard designated subjects teaching credential
3. Standard designated services credential
4. Standard supervision credential
5. Standard administrative credential

The three standard teaching credentials will all require an approved academic subject matter major (rather than an education major) and an approved academic subject matter minor or preparation in a specialized area (exceptional children or school librarianship).

Also, five years of college work will be required for elementary school teaching as well as for secondary teaching as in the case at the present time. It is estimated that approximately 6,900 of the nearly 10,900 students (i.e., 63 percent) who had completed preparation for elementary and related teaching credentials as of September 1, 1960, would have been required to take an additional year of preparation if this provision had been in force when they became credentialed.

In weighing the beneficial effects to be derived from this proposed legislation, consideration must also be given to the increased cost to the state for each additional student who will be supported in public higher education schools for one extra year. The cost for an additional year may be estimated to be approximately equal to the number of teachers prepared at the state colleges and the University of California times the respective per student costs for the two segments of public teacher education in California. The average cost per year is approximately \$998 per student for all students at the state colleges and \$2,247 per graduate student at the university. The distribution of the percentages of the total annual number of credentials issued on formal institutional recommendation for 1959-60 by accredited institutions in California was 64 percent for the state colleges, 13 percent for the University of California and 23 percent for the independent institutions. Using the above percentages for the public institutions and the appropriate per student costs yields an approximate annual cost for the additional year of \$6.4 million to the State of California.

The effect of this additional year on the current shortage of teachers must also be considered. As shown in Table I following, the excess of demand over supply is expected, on the basis of current credential requirements, to increase to a high of 6,500 teachers in 1962-63. This disparity between demand and supply is expected to continue until 1969-70 when they will be approximately equal as shown in the table.

State Colleges—Continued

Table I—Estimated Demand for New Teachers for the School Years 1960-61 Through 1970-71, Compared With the Estimated Number of California Teacher Education Institution Students Who Will Qualify for Teaching Credentials and Who Can Be Expected to Accept Positions

Year	Estimated number of students who will qualify for teaching credentials from prior year	Estimated number of newly credentialed students who will start teaching in California	Estimated number of persons who will return after an absence of one or more years	Estimated total supply	Estimated number of new credentialed personnel needed	Difference between supply and demand
1960-61	10,900	7,900	2,400	10,300	15,300	-5,000
1961-62	12,500	9,900	2,500	11,500	17,900	-6,400
1962-63	14,000	10,100	2,700	12,800	19,300	-6,500
1963-64	15,400	11,100	2,900	14,000	19,700	-5,700
1964-65	16,900	12,200	3,000	15,300	18,500	-3,200
1965-66	18,300	13,200	3,100	16,300	19,200	-2,900
1966-67	19,700	14,200	3,200	17,400	19,300	-1,900
1967-68	21,300	15,400	3,400	18,800	20,000	-1,200
1968-69	22,600	16,300	3,500	19,800	20,300	-500
1969-70	24,100	17,400	3,600	21,000	20,900	+100
1970-71	25,800	18,600	3,800	22,400	21,900	+500

MAINTENANCE AND OPERATION OF PHYSICAL PLANT

The Division of Organization and Cost Control (OCC) of the Department of Finance has been studying the cost of maintenance and operation of physical plant at the state colleges to determine the desirability of establishing a uniform maintenance cost accounting procedure for the state college system and the development of pro-forma schedules to show how the account structure of the University of California system can be integrated with the present format of the governor's budget. The Division plans to present a report to the 1961 Legislature as requested. Although the report has not been completed at the present time, opinions have been expressed by representatives of the OCC Division that the perfunctory recording of cost data had no value by itself, but could be justified only if accompanied by (1) changes in budget techniques, (2) a continuing interest by management in costs and control of costs, (3) strong central support with critical comparison of costs between campuses, and (4) constant vigilance to insure that uniform methods and procedures are being used for the compilation of cost data. With the above provisions, the system should provide management with greatly improved tools for the forecasting and controlling of plant maintenance costs. It is the opinion of OCC that it is extremely difficult to prove that resultant savings in plant maintenance costs will equal the additional cost of operating a cost system, and that in many cases these savings may not be recognized for many years or may only be identified by an increased level of service at no additional cost.

Since the new Board of Trustees for State Colleges will be concerned with the possible adoption of the cost system, and it is reasonable to expect some delay in determining the Trustees reaction because of the urgency of other administrative decisions pending at this time, the Organization and Cost Control Division proposed some qualified recommendations to the effect that:

State Colleges—Continued

1. The cost system be adopted and used at all college campuses, providing that:
 - a. The Budget Division will constructively make use of the data produced.
 - b. The Board of Trustees are concerned with developing maintenance cost data and will accept and exercise responsibility for overseeing and controlling the operation of the system.
 - c. The Board of Trustees, through its staff, will promote, encourage and, if necessary, insist upon the use of maintenance cost data by college business management personnel.
2. The pilot test which is being conducted at San Francisco State College be continued until the Board of Trustees acts upon the above recommendation, but if no action has been taken by June 30, 1962, that the test then be discontinued.

We concur with these tentative plans and recommendations subject to the same reservations; however, we believe that potential savings can and should be identified in the San Francisco State College pilot study for consideration by the Budget Division, the Board of Trustees and the Legislature.

State College System

TRUSTEES OF THE STATE COLLEGE SYSTEM

ITEM 91 of the Budget Bill

Budget page 233

FOR SUPPORT OF TRUSTEES OF THE STATE COLLEGE SYSTEM FROM THE GENERAL FUND

Amount requested	\$962,867
Contribution to State Employees' Retirement System	46,127
Total	\$1,008,994
Estimated to be expended in 1960-61 fiscal year	252,295
Increase (299.9 percent)	\$756,699
TOTAL RECOMMENDED REDUCTION	\$225,000

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Salary and wages	\$200,000	234	55
Equipment	25,000	234	71

GENERAL SUMMARY

The Board of Trustees of the State College System, established by the Donahoe Higher Education Act of 1960 in accordance with recommendations of the Master Plan for Higher Education in California, will become, on July 1, 1961, the governing body for the state colleges. In so doing, it will assume the administrative functions for the state college system which were previously the responsibility of the State Board of Education and the Division of State Colleges and Teacher Education within the Department of Education.

Trustees of the State College System—Continued

The Board of Trustees is composed of 20 members, including four *ex officio* members and 16 appointive members whose terms will be eight years. The board is to have a central administrative staff designed to assist the Trustees in the development of governing policies and to provide central administrative services for the entire state college system. Although the trustees will not assume full responsibility until July 1, 1961, they have as of this date held six monthly meetings for the purpose of preparing for the transfer of duties and powers.

Powers and Duties of the Trustees

In regard to the powers and duties of the Board of Trustees, the Donahoe Act, Chapter 49, Statutes of 1960, provided that:

1. The Trustees "shall succeed to the powers, duties and functions with respect to the management, administration and control of the state colleges heretofore vested in the State Board of Education or in the Director of Education" including property management and bonding authority outlined in Article 2, Chapter 11, Division 18 of the Education Code.

2. The Trustees "shall have full power and responsibility in the construction and development of any state college campus, and any buildings or other facilities or improvements connected with the State College System," except that such power shall be carried out pursuant to the procedures prescribed in the State Contract Act.

3. The Trustees shall take responsibility for the classification and salaries in academic and administrative employees and have sole discretion in appointing such employees.

The fiscal and budgetary powers of the Trustees were further described in general terms in Senate Concurrent Resolution No. 16, 1960 First Extraordinary Session, which stated that:

1. "Certain essential elements of fiscal responsibility and budgetary control are constitutional duties and obligations of the Legislature and Governor";

2. Within "well defined limits" the Trustees "shall be given a large degree of flexibility in determining the most effective use of funds available for higher education in the state colleges"; and that

3. "Budget Bills hereafter enacted shall provide for the state college system certain exemptions from fiscal and budgetary controls similar to those exemptions presently granted to the University of California, except that items for capital outlay shall continue to be subject to review and approval by the Legislature and appropriate state fiscal officers. . . ."

We recommend that a careful study be made of the basis upon which certain fundamental statutory powers presently held by the Director of Finance can be defined to give general freedom from control to the Trustees in respect to specific, predominantly academic matters which do not intrude upon the ability of the Legislature and Governor to act in the area of general public policy and which will not create financial obligations beyond those which are included in the level of expenditures authorized by annual appropriations.

Trustees of the State College System—Continued

We believe that, in conformity with S.C.R. No. 16, measures should be taken to free the trustees from unnecessary statutory restraints in respect to the administration of academic matters in which important aspects of other public policy are not involved. To provide such freedom will require a careful survey of all existing restraints with the purpose of eliminating the greater portion while maintaining the authority of the Director of Finance to approve decisions as to all matters which, with the exception of retirement obligations arising from salary increases, would create obligations beyond the annual appropriation level or in excess of five years. Matters which would not be delegated to the Trustees would include, *inter alia*, the acquisition or transfer of real property, certain other types of leases and contracts, insurance, bonds, investments, accounting systems, and certain fringe benefits. Approval by the Department of Finance might be eliminated as to, for example, the acquisition and disposition of personal property up to a maximum amount.

We also recommend that the Trustees be given exemption from the annual budget control function administered by the Department of Finance and regularly included in a control section of the Budget Act.

This action would correspond to the treatment afforded the University of California and would also, therefore, be in accord with Senate Concurrent Resolution No. 16, 1960 First Extraordinary Session.

ANALYSIS

A total of \$1,008,994 is requested for 1961-62 from the General Fund. This amount would provide an increase of \$756,699 or 300 percent over the total of \$252,295 made available for 1960-61 by Chapter 49, Statutes of 1960, and through an allocation from the Emergency Fund amounting to \$159,565.

The 1961-62 budget request for the Board of Trustees includes a total of 63 new positions. These positions, together with the 30 previously authorized, are proposed in order to provide the Trustees with staff services in the following areas: executive and legal service for the Trustees, management research, educational planning, student affairs, business affairs and budgetary analysis, personnel services, and facilities planning. The 63 new positions are in part offset by a reduction of 43.7 positions in the 1961-62 Department of Education budget, 37.4 of which are to be eliminated from the Division of State Colleges whose functions are being assumed by the Trustees' staff.

We recommend that the 1961-62 Trustees' budget be reduced in the amount of \$200,000 based on the lack of adequate justification of: (1) the need for the number of positions proposed, and (2) the relatively high level of salary ranges attached to these positions.

Table I provides a comparison of the principal elements of the proposed 1961-62 Trustees' budget with those of the 1960-61 budget of the Division of State Colleges. The 6.3 positions elsewhere in the Department of Education which are eliminated for 1961-62 are not included.

Trustees of the State College System—Continued

Table I—Comparison of Expenditures of Division of State Colleges with Board of Trustees

<i>1961-62 Board of Trustees</i>		<i>1960-61 Division of State Colleges</i>	
1. Positions			
<i>Function</i>	<i>Number</i>	<i>Function</i>	<i>Number</i>
Board secretariat -----	3	Executive -----	4.4
Executive -----	10	Management research -----	7
Legal -----	6	Educational planning -----	6
Management research -----	6	Facilities planning -----	6
Educational planning -----	12	Budget and accounting -----	14
Student affairs -----	6	Teacher education ¹ -----	6
Personnel -----	10		
Facilities planning -----	10		
Budget and accounting -----	30		
Total -----	93		
			43.4
Net positions -----	83		41.2
	<i>Amount</i>		<i>Amount</i>
2. Net salaries and wages ---	\$739,752		\$341,807
3. Operating expenses -----	178,620		80,208
4. Equipment -----	44,495		4,000
5. Total, excluding retirement	\$962,867		\$426,015

¹ Retained in the Department of Education for 1961-62.

First, in regard to the number of new positions proposed for 1961-62, it appears that, in the absence of a thorough analysis of program requirements, new positions have been requested with the objective of covering nearly any eventuality. This has resulted in large part from the fact that the Trustees have not delineated the manner in which they intend to approach their duties and the form of staff organization to be employed. While it is true that the Board of Trustees has not as yet completed its developmental phase and that many aspects of staffing organization must await the selection of an executive officer, it is also true that there is little need for an organization of such broad and amorphous nature, at least until such time as the board has made a more thorough determination of the extent of its duties and objectives.

This is particularly evident in regard to the two proposed new staff positions provided for facilities planning. At the Trustees' meeting of December 2, 1960, the members commended the work of the Department of Public Works, Division of Architecture, in carrying out state college construction projects and approved a resolution declaring it to be the Trustees' policy to continue to employ the Division of Architecture as in the past. The proposed budget, however, includes two senior architect positions which, in addition to the position of facilities planner previously established, appear to form the nucleus of a facilities planning section which would operate independently of the Division of Architecture in the manner of the University of California.

The proposed budget also includes six positions for a student affairs function for which there has been no provision in the Division of State Colleges and for which no justification as to program or objectives has

Trustees of the State College System—Continued

been presented. Until such justification is provided, we cannot recommend approval of funds for the support of this function.

Second, with respect to proposed salary levels, we believe it to be imperative at this period in the development of the Board of Trustees that the Legislature be aware of the salary levels which are to be established by the Trustees in exercising their powers in regard to salaries and classification. For this reason the salaries for principal professional positions are compared in Table II with those of comparable positions for the Co-ordinating Council for Higher Education, the Department of Education, the University of California, and other major state agencies. The comparisons are made by function rather than by individual positions and therefore several levels are included in each category, and there is no intention of comparing any two specific positions or salary levels. It may be seen, however, that the salary levels proposed for several of the new positions included in the Trustees' budget request are somewhat higher than those authorized for positions of equal or greater responsibility in several other agencies, with the exception of the University of California.

Inasmuch as the Trustees have been exempted from the jurisdiction of the State Personnel Board in regard to administrative and academic salaries and classification, the Legislature cannot under existing statutes act directly with respect to salaries and positions. The Legislature can, however, express its intent by means of adjusting the total level of support provided annually. We believe that such action must be taken, particularly at this early stage of development and in view of the lack of justification noted above, to encourage a greater degree of budgetary responsibility. *It is for this reason that we recommend a general reduction of \$200,000 in the total amount of support to be provided.*

We further recommend a reduction of \$25,000 in the \$44,495 item for equipment.

This amount is requested to provide the necessary office equipment for the proposed new staff positions. While the budget includes 63 new positions, it is indicated that these are to be offset in large part by a reduction of 43.7 positions in the Department of Education. It would appear, therefore, that a good part of the equipment required can be transferred from the Department of Education. Unless sufficient explanation can be provided as to why this cannot be done, we do not believe that the full amount requested should be approved.

Table II—Comparative Salary Data¹—Coordinating Council, Board of Trustees, Department of Education and Other Major Agencies—By Function

	Salary			Salary			Salary			Salary	
	Monthly Range	Annual Max.		Monthly Range	Annual Max.		Monthly Range	Annual Max.		Monthly Range	Annual Max.
Coordinating Council			Board of Trustees			Dept. of Education			Other Major Agencies		
1. Principal Executive			1. Principal Executive			(Div. of State Colleges)			1. Principal Executive Positions:		
Positions: Dir.-----	\$2083.33	\$25,000	Positions: Executive officer-----	\$2500	\$30,000	1. Principal Executive			Pres., University of California-----	\$3,000	\$36,000
						Positions:			Dir., Dept. Finance-----	2526.58	30,319
						Dir. and supt.-----	\$1866.66	\$20,000	Dir., Dept. Mental Hygiene-----	2067.16	24,806
						Associate supt.-----	1274-1549	18,588	Dir., Dept. Corrections-----	1745.66	20,948
						State college pres.-----	1306-1587	19,044	Dir., Dept. of Employment-----	1745.66	20,948
									Exec. secretary, Bd. Equalization-----	1405-1707	20,484
2. Principal Program			2. Principal Program			2. Principal Program			2. Principal Program Development Pos.:		
Development Positions:			Development Positions:			Development Positions:			Deputy dir., Dept. Corrections-----	1274-1549	18,588
Specialist, Academic			Asst. executive officer, academic			Specialist in higher education-----	905-1100	13,200	Deputy dir. for community services, Dept. Mental Hygiene-----	1405-1707	20,484
Affairs-----	1213-1475	17,700	affairs-----	1306-1587	19,044	Specialist in state college curricula-----	905-1100	13,200	Deputy dir., hospital med. services, Dept. Mental Hygiene-----	1405-1707	20,484
			Chief, educational planning-----	1151-1405	16,860	State college pres.-----	1306-1587	19,044	Chief of clinical services, neuro-psychiatric institutes-----	1274-1549	18,588
			Specialist, educational planning-----	1023-1243	14,916				Supt., mental hospital, Dept. Mental Hygiene-----	1405-1707	20,484
									Asst. dir., Dept. Public Health-----	1406-1707	20,484
									Chief of preventive medical services, Dept. of Public Health-----	1274-1549	18,588
									Deputy dir. for research, Dept. Mental Hygiene-----	1405-1707	20,484
3. Principal Management, Procedures and Fiscal Positions:			3. Principal Management, Procedures and Fiscal Positions:			3. Principal Management, Procedures and Fiscal Positions:			3. Principal Management, Procedures and Fiscal Positions:		
Specialist, Fiscal			Asst. executive officer, business affairs-----	1306-1587	19,044	Accounting officer IV-----	821- 998	11,976	Vice pres., finance, Univ. of Calif.-----	2083	25,000
Affairs-----	1213-1475	17,700	Chief, management research-----	1155-1405	16,860	Senior administrative analyst-----	821- 998	11,976	Vice pres., business, Univ. of Calif.-----	2083	25,000
			Chief fiscal officer-----	1155-1405	16,860				Budget officer, Univ. of Calif.-----	1435	17,220
			Administrative services officer-----	862-1048	12,576				Asst. dir., fiscal affairs, Dept. Finance-----	1274-1549	18,588
			Fiscal officer-----	821- 998	11,976				Chief, budget division, Dept. Finance-----	1213-1475	17,700
									Deputy director for management, Dept. Public Works-----	1709	20,508
									Executive asst., Dept. Mental Hygiene-----	1312.50	15,750
									Chief of research, mental hospital, Dept. Mental Hygiene-----	1213-1475	17,700

<p>4. Principal Facilities Planning Positions: Specialist, facilities planning.....1213-1475 17,700</p>	<p>4. Principal Facilities Planning Positions: Facilities planner.....1213-1475 17,700</p>	<p>4. Principal Facilities Planning Positions: Specialist college facility planning... 905-1100 13,200</p>	<p>Deputy dir., administrative serv- ices, Dept. Mental Hygiene.....1155-1405 16,860 Chief of business services, Dept. of Corrections..... 998-1213 14,556 Asst. executive secretary, property taxes, Bd. of Equalization.....1274-1549 18,588 Chief, bureau of research, Dept. Education..... 905-1100 13,200 Chief, research section, budget division, Dept. Finance..... 950-1155 13,860</p>
<p>5. Principal Legal Affairs Positions: (None)</p>	<p>5. Principal Legal Affairs Positions: Chief Counsel.....1155-1405 16,860</p>	<p>5. Principal Legal Affairs Positions: Administrative ad- viser (Dept. of Education).....1048-1274 15,288</p>	<p>4. Principal Facilities Planning Positions: University engineer, Univ. of Calif. 1706 20,472 Chief architect, Univ. of Calif. 1475 17,700 Specialist in facilities planning, Univ. of Calif. 1338 16,056 Chief, planning and development, Dept. Corrections.....1100-1338 16,056 Correctional facilities planning spe- cialist, Dept. Corrections..... 862-1048 12,576 State architect, div. of architecture, Dept. Public Works.....1338-1626 19,512 Deputy chief, div. of architecture, Dept. Public Works.....1274-1549 18,588 Asst. state architect, designs and planning, Dept. Public Works.....1213-1475 17,700 State hwy. engineer, division of highways, Dept. Public Works...1405-1707 20,484</p>
<p>6. Principal Personnel Positions: (None)</p>	<p>6. Principal Personnel Positions: Personnel officer.....1155-1405 16,860</p>	<p>6. Principal Personnel Positions: Personnel officer II (Dept. Education) 862-1048 12,576</p>	<p>5. Principal Legal Affairs Positions: General counsel, Regents of the Univ. of Calif. 2416 29,000 Chief counsel, Bd. of Equalization...1155-1405 16,860 Chief counsel, Pub. Util. Com.....1274-1549 18,588 Administrative adviser, Dept. Fi- nance.....1048-1274 15,288 Principal counsel, Dept. Employ- ment.....1048-1274 15,288 Principal deputy, legislative counsel.1213-1475 17,700</p> <p>6. Principal Personnel Positions: Chief personnel officer, Univ. of Calif. 1274 15,288 Asst. executive officer, Personnel Bd.1155-1405 16,860 Principal personnel analyst, Person- nel Bd. 998-1213 14,556 Personnel officer, Dept. Mental Hygiene..... 950-1155 13,860</p>

¹ The salary figures presented represent the current monthly range where applicable. The annual salary amounts are computed at the maximum salary for the range.

**State College System
STUDENT LOAN PROGRAM**

ITEM 92 of the Budget Bill

Budget page 235

**FOR SUPPORT OF NATIONAL DEFENSE EDUCATION ACT, TITLE II,
STUDENT LOAN PROGRAM FROM THE GENERAL FUND**

Amount requested	\$200,000
Available from prior year appropriation	33,512
Total	\$233,512
Estimated to be expended in 1960-61 fiscal year	166,488
 Increase (40.3 percent)	 \$67,024
 TOTAL RECOMMENDED REDUCTION	 None

GENERAL SUMMARY

For fiscal year 1961-62 the Board of Trustees of the State College System are to take over from the Department of Education administration of the Student Loan Program, National Defense Education Act, Title II. State college participation in this program was authorized by Chapter 952, Statutes of 1959. The program provides loans, up to the amount of \$1,000 per year, to deserving college students with emphasis upon aiding those who intend to pursue a teaching career. Repayment, with an interest charge of 3 percent, is required in installments beginning one year after the student completes or drops his studies, except that for each year for five years that the recipient serves as a full-time public elementary or secondary school teacher, the amount to be repaid is reduced by 10 percent.

ANALYSIS

An appropriation of \$200,000 is requested for 1961-62, the same amount as was provided for 1960-61. Funds are provided in the ratio of nine-tenths from federal sources and one-tenth from state or local sources. In 1959, the Legislature appropriated \$100,000 in matching funds for the state colleges and this was supplemented with \$9,665 in local funds to provide over \$1 million in loans for state college students. For 1960-61 a total of \$200,000 in state matching funds was appropriated. However, the federal allocation for 1960-61 was \$1,498,397 so that the state share of disbursements will be \$166,488. This will leave a carryover balance of \$33,512 for use in 1961-62, so that a total of \$233,512 in state funds will be available for disbursement during 1961-62 on the basis of this request. It is believed that the entire matching amount of the federal share of this program will be forthcoming for 1961-62. *We recommend approval of this item.*

**State College System
SAN BERNARDINO-RIVERSIDE STATE COLLEGE**

ITEM 93 of the Budget Bill

Budget page 235

**FOR SUPPORT OF SAN BERNARDINO-RIVERSIDE STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$127,966
Contribution to State Employees' Retirement System	6,332
Total	\$134,298
Estimated to be expended in 1960-61 fiscal year	None
Increase	\$134,298
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

San Bernardino-Riverside State College, authorized by Chapter 64, Statutes of the 1960 First Extraordinary Session, is one of two new colleges for which support funds are requested for 1961-62 in order to establish a planning staff prior to the first year of operation. The permanent site for the campus has not yet been chosen, but it is expected that the college will be located in San Bernardino County near enough to the Riverside County boundary to serve the large concentration of population in both of these counties. The establishment of this college, together with South Bay State College, is in accord with the 1960 Master Plan recommendations.

ANALYSIS

A total of \$127,966, plus \$6,332 for retirement contributions, is requested for 1961-62 to provide for a planning staff of 12 position. *We recommend approval of this amount.*

The planning staff, which is to include two professional positions each for administration, student personnel, business management and instruction, plus four clinical positions, is closely comparable to that provided for Alameda County State College and Orange County State College for 1959-60 in anticipation of their opening. Experience has indicated the value of providing for preliminary planning as to administration, curricula and facilities before the opening of a state college.

**State College System
SOUTH BAY STATE COLLEGE**

ITEM 94 of the Budget Bill

Budget page 235

**FOR SUPPORT OF SOUTH BAY STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$127,966
Contribution to State Employees' Retirement System	6,332
Total	\$134,298
Estimated to be expended in 1960-61 fiscal year	None
Increase	\$134,298
TOTAL RECOMMENDED REDUCTION	None

South Bay State College—Continued

GENERAL SUMMARY

South Bay State College, authorized by Chapter 65, Statutes of the 1960 First Extraordinary Session, is one of two new state colleges for which funds are requested for 1961-62 for the purpose of providing a planning staff prior to the first year of operation. This college is to be located in Los Angeles County, in the approximate vicinity of the Los Angeles International Airport. The Department of Education has recommended a primary service area to include the southwest part of Los Angeles County, and it is expected that the new college will share the large enrollment burden projected for Los Angeles State College and Long Beach State College. The exact site for the South Bay State College campus has not as yet been selected.

ANALYSIS

The amount of \$127,966 plus \$6,332 for retirement contributions is requested for 1961-62 to provide for a 12-position staff to initiate short- and long-range program and facilities planning. *We recommend approval of the budget as submitted.*

The planning staff provided by the funds requested is very similar to the staffs allowed for Alameda County State College and Orange County State College in 1959-60 for the same purpose. Experience in previous years has proven the value of undertaking preliminary planning prior to the opening of a state college for enrollment.

**State College System
STATE COLLEGE FOR ALAMEDA COUNTY**

ITEM 95 of the Budget Bill

Budget page 236

**FOR SUPPORT OF STATE COLLEGE OF ALAMEDA COUNTY
FROM THE GENERAL FUND**

Amount requested	\$1,221,180
Contribution to State Employees' Retirement System	58,467
Total	\$1,279,647
Estimated to be expended in 1960-61 fiscal year.....	1,015,375
Increase (26 percent)	\$264,272
TOTAL RECOMMENDED REDUCTION.....	\$4,320

Summary of Recommended Reductions

	<i>Budget</i>	<i>Page Line</i>
Increase student fees	\$4,320	238 45

GENERAL SUMMARY

The State College for Alameda County is at present an upper division liberal arts institution established in 1957 to serve Alameda County and portions of Contra Costa and San Mateo Counties. It offered classes for the first time in the fall of 1959 in rented facilities in the City of Hayward. The permanent site for this college, which now includes 316 acres, is located in the southeastern part of Hayward. It is

State College for Alameda County—Continued

planned that the first classes on the permanent site will begin in the fall of 1963. The college is master planned for an enrollment of 15,000 FTE.

Alameda is one of eight state colleges whose enrollment growth for 1960-61 is not expected to meet the figure projected for the 1960-61 Governor's Budget. For 1961-62 FTE enrollment is expected to rise to 815 as compared with 480 FTE in 1960-61. At the outset the curriculum was limited to upper division courses leading to an elementary teaching certificate, but with enrollment growth the college has been authorized to offer courses leading to bachelors degrees in language arts, social science, mathematics, biological science and physical science.

ANALYSIS

The budget submitted for 1961-62 totals \$1,279,647 which is \$264,272 or 26 percent above estimated expenditures for 1960-61. This increase may be compared with an expected enrollment growth of 69.8 percent which indicates a proposed decline in net expenditure per FTE student from \$2,115 to \$1,570 or 25.8 percent.

A total of 54.3 new positions are requested based upon enrollment growth and new course offerings. Of the total, 18.4 are new teaching positions based upon the state college faculty staffing formula. For the instruction function, the 1961-62 budget also proposes 0.7 new supervisory positions and 6 technical and clerical positions on the basis of workload standards. Five administrative positions, 8.2 library positions and 16 plant operation positions are similarly based upon workload standards related to enrollment growth, and expanded facility requirements. *We recommend approval of these proposed positions.*

A special allowance of \$65,180 is provided for library books, but all other operating expenses and equipment are based on increases in cost and workload.

With respect to our recommendation for an additional increase in state college materials and service fees, *we recommend that student fee reimbursements be raised by \$4,320 and that this budget be approved in the reduced amount of \$1,216,860.*

State College System
CHICO STATE COLLEGE

ITEM 96 of the Budget Bill

Budget page 239

FOR SUPPORT OF CHICO STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$3,464,032
Contribution to State Employees' Retirement.....	212,052
<hr/>	<hr/>
Total	\$3,676,084
Estimated to be expended in 1960-61 fiscal year.....	3,425,422
<hr/>	<hr/>
Increase (7.3 percent).....	\$250,662
<hr/>	<hr/>
TOTAL RECOMMENDED REDUCTION.....	\$43,880

Chico State College—Continued

Summary of Recommended Reductions

	Budget		
	Amount	Page	Line
1 Television co-ordinator	\$5,980	241	16
1 Equipment technician III	6,060	241	17
Equipment rental, television	13,000	241	58
3.2 Custodians	6,240	241	21
Increase student fees	12,600	242	63

GENERAL SUMMARY

Chico State College, the second oldest California state college, is a five-year institution with programs in teacher education and other occupational and preprofessional fields including agriculture. The college serves an area which includes eight counties of the upper Sacramento Valley and contiguous mountain regions. The Chico campus is 88 acres in area and has been master planned to accommodate a maximum enrollment of 6,000 FTE students.

The 1961-62 support proposal is based on an enrollment of 2,970 FTE, as compared with 2,900 FTE for 1960-61, for an increase of 70 FTE or 2.4 percent. Chico is one of eight state colleges which are not expected to meet the enrollment growth for 1960-61 originally projected in last year's Governor's Budget.

While Chico's primary responsibility is for the training of teachers for California's public school system and nearly 50 percent of its students are enrolled in courses designed for this purpose, the college, like most of the others, has expanded its program considerably in such curricula as business, engineering, agriculture, nursing and social science. Chico's agricultural program has recently expanded from a two-year terminal course to a four-year degree program and is centered on a new 644-acre college farm. In addition to existing curricula, the college has been authorized as of January 1, 1960, to grant a bachelor's degree in economics and master's degrees in music and physical education.

ANALYSIS

The 1961-62 support proposal totals \$3,676,084 which is \$250,662 above the amount estimated to be expended for 1960-61 for an increase of 7.3 percent. This compares with an enrollment increase of only 2.4 percent and indicates an increase in net cost per FTE student from \$1,181 for 1960-61 to \$1,238 for 1961-62 or 4.8 percent.

The proposed budget includes a total of 30.1 new positions. Based upon the faculty staffing formula, 4.8 new teachers are proposed to accommodate the small enrollment gain as well as the additional curricula noted above. Also based on increased workload are three clerical positions for the instructional functions, 0.5 positions for business management, 1.3 positions for admissions and records, and 1.3 positions for health service. For the agricultural program, 5.7 new positions are proposed, and 11.5 new positions are included for plant operation, again on the basis of a workload increase. Two new positions are provided for an expanded instructional television program.

We recommend deletion of 3.2 custodian positions with a reduction of salaries and wages by \$6,240. A total of 8.5 new custodian positions

Chico State College—Continued

are requested on the basis of the scheduled opening of two new facilities, a men's gymnasium and pool deck area plus a new physical science and agriculture building. With a net total of 64,408 square feet of custodian area to be added, only 4.3 new positions would be required on the accepted basis of one custodian per 15,000 square feet, plus one position for day coverage and supervision. This makes a total of 5.3 new positions required for increased workload rather than the 8.5 requested.

We recommend that the two new positions for instructional television together with increased operating expenses of \$13,000, be deleted for a total reduction of \$25,040 in the television area. This amount represents an increase in the level of service which we believe, as we have stated in a preceding section on this subject, has not been adequately justified in terms of specific uses, economic value or estimates of potential savings.

With regard to our previous recommendation for an additional increase in state college materials and services fees for 1961-62, *we recommend that student fee reimbursements be increased by \$12,600.*

We recommend approval of this budget in the reduced amount of \$3,420.152.

**State College System
FRESNO STATE COLLEGE**

ITEM 97 of the Budget Bill

Budget page 243

**FOR SUPPORT OF FRESNO STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested -----	\$5,573,149
Contribution to State Employees' Retirement System -----	352,563
Total -----	\$5,925,712
Estimated to be expended in 1960-61 fiscal year -----	5,575,582
Increase (6.3 percent) -----	\$350,130
TOTAL RECOMMENDED REDUCTION -----	\$21,920

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Increase in student fees -----	\$21,920	247	39

GENERAL SUMMARY

Fresno State College, founded in 1911, is now located on sites totaling 1,324 acres, including a 586 acre college farm. The college serves the San Joaquin Valley region and offers an increasingly comprehensive instructional program in the liberal arts and sciences, teacher training, and other professions and applied fields. In terms of enrollment, its largest programs are teacher education, business, engineering and agriculture. Fresno is also one of the three state colleges which have been authorized to operate an off-campus resident center for teacher education. Fresno's off-campus center is located in Bakersfield and offers a program in elementary teacher training. The entire college has been master planned for an eventual FTE enrollment of 10,000.

Fresno State College—Continued

Fresno State College is also one of the eight state colleges which are not expected to meet the enrollment gain for the current year which was projected in the 1960-61 Governor's Budget. The 1961-62 support proposal is based upon a total enrollment of 4,850 FTE units for an increase of 120 FTE or 2.5 percent over the 4,730 FTE now estimated for 1960-61. No increase is projected for the off-campus center or for the agricultural program.

In addition to the small enrollment increase expected for 1961-62, workload will be increased as a result of the authorization, as of January 1, 1960, for the granting of a bachelor's degree in agricultural business and a master's degree in art.

ANALYSIS

The 1961-62 support proposal for Fresno State College totals \$5,925,712 and thus provides for an increase of \$350,130 or 6.3 percent over the total amount estimated to be expended for 1960-61. With an enrollment increase of 2.5 percent, the net expenditure per student proposed for the budget year is \$1,136, up 3.8 percent, for the general and professional divisions and \$3,216, up 4.1 percent, for the agricultural program.

Based upon the anticipated enrollment of 4,850 FTE for fiscal year 1961-62, a total of 35.3 new positions is proposed. This total includes 21 new teachers, based upon the faculty staffing formula, 3.5 technical and clerical positions for the instructional function, 3 library positions, 6.5 positions for plant operation, 1 position for agriculture and 0.3 positions for extension. *We recommend approval of these positions.*

A special allowance of \$4,500 is provided for library books, but all other increases in operating expenses and equipment are based upon workload and price levels.

We recommend an increase of \$21,920 in student fee reimbursements. This is in conformity with our recommendation in a preceding section that state college materials and services fees be further increased for 1961-62 in order to insure that related expenditures are fully covered.

We recommend approval of this request in the reduced amount of \$5,551,229.

State College System
HUMBOLDT STATE COLLEGE

ITEM 98 of the Budget Bill

Budget page 248

FOR SUPPORT OF HUMBOLDT STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$2,784,633
Contribution to State Employees' Retirement System	162,268
Total	\$2,946,901
Estimated to be expended in 1960-61 fiscal year	2,816,429
Increase (4.6 percent)	\$130,472
TOTAL RECOMMENDED REDUCTION	\$12,560

Humboldt State College—Continued

Summary of Recommended Reductions

	Budget		
	Amount	Page	Line
General instructional expense-----	\$4,800	250	30
Increase student fees-----	7,760	251	3

GENERAL SUMMARY

Humboldt State College, serving the northwestern counties since 1913, offers the standard state college teacher education, occupational and preprofessional curricula. In addition, due to its location, the college provides vocational training in fisheries, game and forestry management. The college presently operates on a 72-acre site which has been master planned for an enrollment of 5,000 FTE students.

For fiscal year 1961-62 an FTE enrollment of 1,790 has been projected. This is 120 FTE more than estimated for 1960-61 or an increase of 7.2 percent. In addition the college has been authorized, as of January 1, 1960, to supplement existing curricula with programs leading to a bachelor's degree in civil engineering and a master's degree in psychology.

ANALYSIS

A total of \$2,946,901 is proposed for support of Humboldt State College for 1961-62. This is an increase of \$130,472, or 4.6 percent over the amount estimated to be expended for 1960-61, as compared with the projected 7.2 percent enrollment growth. Net expenditure per student on this basis is expected to decline from \$1,686 for 1960-61 to \$1,646 for the budget year, a drop of 2.3 percent.

The proposed support budget includes 21.8 new positions of which 10.9 are teaching positions based upon application of the faculty staffing formula. The total also includes 0.5 supervisory positions and 0.5 clerical positions for the instructional function, 1.1 new positions for student personnel services, 3.6 library positions, and 4.7 new positions for plant operation. *We recommend approval of these positions.*

General expense for instruction is provided on the basis of \$31 per FTE student in this budget. With the exception of Humboldt State College and California State Polytechnic College, all state colleges are budgeted to receive \$29 per FTE student. The higher rate is proposed to accommodate the programs which this college offers in the fields of game, forestry and fishery management although no such provision was made in the funds for general instructional expense in the budget for 1960-61. We believe further justification is necessary prior to creating a second exception to the standard rate. *We recommend that in the absence of further justification this item be reduced by \$4,800 to \$51,910 which would provide for \$29 per FTE student.*

In conformity with our previous recommendation for an additional increase in state college materials and services fees, *we recommend that student fee reimbursements be increased by \$7,760 and that this budget be approved in the reduced amount of \$2,772,073.*

State College System
LONG BEACH STATE COLLEGE

ITEM 99 of the Budget Bill

Budget page 251

FOR SUPPORT OF LONG BEACH STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$6,459,219
Contribution to State Employees' Retirement System	420,265
Total	\$6,879,484
Estimated to be expended in 1960-61 fiscal year	6,093,727
Increase (12.9 percent)	\$785,757
TOTAL RECOMMENDED REDUCTION	\$64,440

Summary of Recommended Reductions

	Amount	Page	Line
1 Television co-ordinator	\$5,980	253	53
1 Equipment technician II	6,060	253	54
Television equipment rental	15,000	254	15
Increase student fees	37,400	254	57

GENERAL SUMMARY

Founded in 1949 and located on a 320-acre site donated by the City of Long Beach. Long Beach State College has been, until recently, one of the most rapidly growing of California's state colleges. Originally established to meet the need for teacher training in southeast Los Angeles County, the college has since developed an extensive instructional program which includes engineering, business, industrial arts, physical education, and the physical and social sciences. The college is eventually expected to accommodate an FTE enrollment of 20,000.

Long Beach is one of eight state colleges which are not expected to reach the enrollment figures projected for the 1960-61 Governor's Budget. For 1961-62 total FTE enrollment is expected to be 7,570, which is an increase of 780 or 11.5 percent over the current estimate for 1960-61. The workload will also be increased through the addition of new curricula inasmuch as the college has been authorized, as of January 1, 1960, to grant bachelor's degrees in nursing and philosophy and a master's degree in speech-drama.

ANALYSIS

The 1961-62 support budget totals \$6,879,484, an increase of \$420,265 or 12.9 percent over estimated expenditure for 1960-61. Based on a projected enrollment increase of 11.5 percent, this amount will increase net expenditures per FTE student from \$897 for 1960-61 to \$909 for 1961-62, a rise of 1.3 percent.

A total of 130.3 new positions are proposed for the budget year, including 65.3 new teachers, based on the faculty staffing formula, and 2.5 supervisory positions plus 16.2 technical and clerical positions for the instructional function according to accepted workload standards. Three new business management positions, 3.3 student personnel positions and nine library positions are also justified on the basis of increased workload, as are 29 positions for plant operation. Two additional positions have been proposed for the development of instructional television.

Long Beach State College—Continued

We recommend deletion of one television co-ordinator position and one equipment technician II, reducing salaries by \$12,040, and deletion of \$15,000 for rental of television equipment. The total of \$27,040 requested for expansion of instructional television represents an increase in the level of service which, for reasons presented in a preceding section, we do not believe to be adequately justified as to specific uses, economic value or estimated potential savings.

Other operating expenses and equipment, with the exception of \$5,600 as a special allowance for library books, are based upon increased workload and price increases.

We further recommend that student fee reimbursements be raised by \$37,400. This is in conformity with our recommendation in a preceding section for an additional increase in state college materials and services fees for 1961-62.

We recommend approval of this budget request in the reduced amount of \$6,394,779.

**State College System
LOS ANGELES STATE COLLEGE**

ITEM 100 of the Budget Bill

Budget page 255

**FOR SUPPORT OF LOS ANGELES STATE COLLEGE OF APPLIED
ARTS AND SCIENCES FROM THE GENERAL FUND**

Amount requested	\$7,543,510
Contribution to State Employees' Retirement System.....	434,021
Total	\$7,977,531
Estimated to be expended in 1960-61 fiscal year.....	7,150,246
Increase (11.6 percent).....	\$827,285
TOTAL RECOMMENDED REDUCTION.....	\$91,954

Summary of Recommended Reductions

	Amount	Page	Line
1.5 Technical assistants	\$5,994	257	26
1 Building maintenance man.....	4,980	257	44
Television equipment rental.....	13,000	257	66
Additional instructional television equipment.....	20,000	258	26
Increased student fees.....	47,980	258	35

GENERAL SUMMARY

Los Angeles State College, established in 1947, is the second largest California state college. It also offers one of the most comprehensive instructional programs, including curricula in liberal arts, education, and the physical sciences with special emphasis upon applied arts and sciences related to education, business and industry. Until 1959 the college was limited to upper division instruction, but lower division students have been admitted since the fall of that year with the result that course offerings have been considerably expanded and an increasing percentage of the enrollment is made up of full-time students. The college is located on a 96-acre site currently master planned to eventually accommodate an FTE enrollment of 15,000.

Los Angeles is one of eight colleges which are not now expected to reach the enrollment figure for 1960-61 projected in the 1960-61 Gov-

Los Angeles State College

ernor's Budget. The 1961-62 support budget is based upon an FTE enrollment of 9,590, an increase of 790 FTE, or 9 percent above the current estimate for 1960-61. Workload will also be affected by the authorization, as of January 1, 1960, to offer additional curricula leading to bachelor's degrees in geology and philosophy and master's degrees in speech correction and audiology.

ANALYSIS

The proposed level of support for 1961-62, totaling \$7,977,531, amounts to an increase of \$827,285 or 11.6 percent over estimated expenditures for 1960-61. This increase, with a projected 9 percent enrollment growth, will raise the net cost per FTE student from \$813 for 1960-61 to \$832 for 1961-62, an increase of 2.3 percent.

The proposed budget includes a total of 102.3 new positions of which 53.9 are new teachers based upon the state college faculty staffing formula. Accepted workload standards are also employed to justify 1.2 new supervisory positions and 14.1 technical and clerical positions, all for the instruction function, as well as 12.9 new positions in student personnel, 3 business management positions, 12.2 library positions and 5 additional plant operation positions.

We recommend deletion of 1.5 technical assistant I positions with a reduction in salaries of \$5,994. These positions are requested as life-guards for the college swimming pool, which has yet to be constructed, for all periods of instructional and recreational swimming. We believe that this function can be quite adequately performed by properly qualified student assistance employed as required, particularly in view of the fact that all instructional swimming is presumably under the close supervision of class instructors.

We recommend deletion of one building maintenance man position with a reduction in salaries and wages of \$4,980. This position is requested in order to provide an assistant for the existing locksmith position. This position does not appear to be based on increased workload and a single position would seem to be entirely adequate for the duties involved.

All operating expenses and equipment are based on increases in workload and prices, with the exception of a special library book allowance of \$42,000 and a total of \$33,000 for the lease and purchase of additional instructional television equipment.

We recommend deletion of \$13,000 for the lease of a video tape recorder and \$20,000 for the purchase of additional equipment for closed circuit television. These funds would provide for an increase in the level of services for which we cannot recommend approval, for the reasons presented in a preceding section on this subject, in the absence of more adequate explanation as to specific use, economic justification and potential savings.

We recommend an increase in student fee reimbursements of \$47,980. This is in conformity with our recommendation in a preceding section that state college materials and services fees be further increased for 1961-62 in order to cover the cost of related expenditures.

We recommend approval of this support request in the reduced amount of \$7,451,556.

**State College System
ORANGE COUNTY STATE COLLEGE**

ITEM 101 of the Budget Bill

Budget page 259

**FOR SUPPORT OF ORANGE COUNTY STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$1,383,430
Contribution to State Employees' Retirement System	65,790
Total	\$1,449,220
Estimated to be expended in 1960-61 fiscal year	972,953
Increase (49 percent)	\$476,267
TOTAL RECOMMENDED REDUCTION	\$5,920

Summary of Recommended Reductions

	<i>Budget</i>
	<i>Amount Page Line</i>
Increase student fees	\$5,920 261 46

GENERAL SUMMARY

Orange County State College, established by Chapter 1681, Statutes of 1957, began operations in the fall of 1959. Planned to serve portions of Orange, Riverside and Los Angeles Counties, the college is at present an upper division institution with programs limited to elementary and secondary education and business administration. The college is now located in temporary buildings on its permanent campus in northeast Fullerton. This site, expected to total 240 acres, has been planned to serve an FTE enrollment of 20,000. Initial use of the college's permanent plant is planned for the fall of 1963.

Like seven other state colleges, Orange County State College is not expected to reach the enrollment figure for 1960-61 which was projected in the 1960-61 Governor's Budget. For 1961-62 total FTE enrollment is expected to be 1,120, an increase of 520 FTE or 86.7 percent over the current estimate for 1960-61. Workload will also be increased by the addition of programs in business education, music, biological science, mathematics, social science, and language arts.

ANALYSIS

The 1961-62 support budget, totaling \$1,449,220, provides for an increase of \$476,267 or 49 percent over the amount estimated to be expended for 1960-61. With an enrollment growth of 86.7 percent, this will reduce the net cost per FTE student from \$1,622 for 1960-61 to \$1,294 for 1961-62, a reduction of 20.2 percent.

A total of 55.8 new positions are proposed, including 26 new teachers based upon application of the faculty staffing formula. One new supervisory position and 6 technical and clerical positions are also proposed for the instruction function and based on increased workload, as are six new administration and business management positions, 5.3 new positions in student personnel, 3.5 library positions and eight new positions for plant operation. *We recommend approval of these positions.*

A special allowance of \$49,110 is provided for library books, but all other operating expenses and equipment are based on increased cost and workload.

Orange County State College—Continued

With respect to our previous recommendation for an additional increase in state college materials and services fees, *we recommend that student fee reimbursements be increased by \$5,920 and that this budget be approved in the reduced amount of \$1,377,510.*

**State College System
SACRAMENTO STATE COLLEGE**

ITEM 102 of the Budget Bill

Budget page 262

**FOR SUPPORT OF SACRAMENTO STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$4,172,885
Contribution to State Employees' Retirement System	257,457
Total	\$4,430,342
Estimated to be expended in 1960-61 fiscal year	4,082,635
Increase (8.5 percent)	\$347,707
TOTAL RECOMMENDED REDUCTION	\$21,320

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Increase student fees	\$21,320	264	72

GENERAL SUMMARY

Sacramento State College, established in 1947, serves the 13 counties of the southern Sacramento Valley and central mountain regions. The college offers a variety of liberal arts and occupational curricula in addition to providing for its primary responsibility, teacher education. Its 260 acre site is master planned for an FTE enrollment of 10,000.

Like seven other state colleges, Sacramento State College is not expected to reach the enrollment level for 1960-61 which was projected in the 1960-61 Governor's Budget. For 1961-62, enrollment is expected to rise to 4,350 FTE as compared with the current estimate of 4,050 FTE for 1960-61, for an increase of 300 FTE or 7.4 percent. Workload will also be increased by further expansion of instructional curricula and changes in program emphasis as is the case for nearly all the state colleges. As of January 1, 1960, the college has been authorized to offer, in addition to existing curricula, a program leading to a bachelor's degree in electrical engineering.

ANALYSIS

The 1961-62 budget totals \$4,430,342 which is \$347,707 or 8.5 percent greater than estimated expenditures for 1960-61. With an enrollment growth of 7.4 percent, net expenditure per FTE student will rise from \$1,008 to \$1,018 in 1961-62, an increase of 1 percent.

A total of 44.2 new positions are proposed, including 19.9 new teaching positions based on the faculty staffing formula. Other new positions within the instruction function and based on workload standards are 1.8 new supervisory positions and 6.9 technical and clerical positions. In addition, 2.3 business management positions, 1.3 new student per-

Sacramento State College—Continued

sonnel positions, 5 library positions, and 7 plant operation positions are to be added on the basis of increased workload. *We recommend approval of these new positions.*

All operating expenses and equipment are based on workload and price increases with the exception of a special allowance of \$16,000 provided for library books.

In conformity with our general recommendation for an additional increase in state college materials and services fees, *we recommend that student fee reimbursements be increased by \$21,320 and that this budget be approved in the reduced amount of \$4,151,565.*

**State College System
SAN DIEGO STATE COLLEGE**

ITEM 103 of the Budget Bill

Budget page 265

**FOR SUPPORT OF SAN DIEGO STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$7,534,100
Contribution to State Employees' Retirement System	503,484
Total	\$8,037,584
Estimated to be expended in 1960-61 fiscal year	7,179,915
Increase (11.9 percent)	\$857,669
TOTAL RECOMMENDED REDUCTION	\$86,489

Summary of Recommended Reductions

	Amount	Page	Line
Television equipment rental	\$13,000	268	16
Additional television equipment	32,609	268	63
Increase student fees	40,880	269	3

GENERAL SUMMARY

San Diego State College has served the southernmost counties of the State since 1897. For years primarily oriented toward teacher training, it has in recent years followed the state college trend toward increasingly varied programs in the liberal arts and business and industrial occupational programs. In addition to teacher training, the college now offers programs in engineering, physics, accounting, business administration, the humanities and the social sciences. The college is also one of the three state colleges which operate an off-campus center for teacher education. San Diego's 235-acre campus is presently master planned for an eventual FTE enrollment of 15,000.

San Diego State College is one of five state colleges which are expected to exceed the enrollment level in 1960-61 which was projected in the 1960-61 Governor's Budget. For 1961-62, FTE enrollment is expected to reach 8,800 for an increase of 900 FTE or 11.4 percent over the current estimate for 1960-61. Workload will also be increased as a result of the college's being authorized, as of January 1, 1960, to grant bachelor's degrees in biology and astronomy and master's degree in physical science and geology.

**State College System
SAN FRANCISCO STATE COLLEGE**

ITEM 105 of the Budget Bill

Budget page 273

**FOR SUPPORT OF SAN FRANCISCO STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$7,893,404
Contribution to State Employees' Retirement System	480,982
Total	\$8,374,386
Estimated to be expended in 1960-61 fiscal year	8,119,722
Increase (3.1 percent)	\$254,664
TOTAL RECOMMENDED REDUCTION	\$83,132

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
1 Television co-ordinator	\$5,980	275	57
1 Television engineer	6,828	275	58
1 Intermediate stenographer-clerk	4,092	275	59
0.5 Student assistant	1,500	275	60
Television equipment	21,912	277	4
Increase student fees	42,820	277	20

GENERAL SUMMARY

San Francisco State College, serving the San Francisco Bay counties, has, like the majority of California's state colleges, three principal instructional responsibilities: teacher training; preprofessional and occupational training; and the liberal arts. In addition, the college has developed important programs in the humanities, the physical and social sciences, and school supervision and administration.

Since 1954 the college has been located on its 98-acre campus in the Lake Merced area. This site is currently master planned to accommodate an FTE enrollment of 10,000. In addition, the college also operates two off-campus centers, one of which is a downtown center for extension services and the School of World Business. The other, in Santa Rosa, is to terminate operations at the end of the current year as it will be replaced in the fall of 1961 with the opening of Sonoma State College.

For the current year, San Francisco State College is expected to slightly exceed the enrollment growth projected in the 1960-61 Governor's Budget. For 1961-62, FTE enrollment is expected to reach 9,000, an increase of 480 FTE or 5.6 percent over the current estimate for 1960-61. Workload will also increase as a result of authorization, as of January 1, 1960, to grant bachelors' degrees in statistics and general engineering plus master's degrees in homemaking and recreation.

ANALYSIS

The 1961-62 support request totals \$8,374,386, an increase of \$254,664 or 3.1 percent over the amount estimated to be expended for 1960-61. With an FTE enrollment growth of 5.6 percent, net cost per FTE student is expected to decline from \$953 for the current year to \$930 for 1961-62, a reduction of 2.4 percent.

San Francisco State College—Continued

A total of 46.4 new positions are requested for 1961-62, including 21.5 new teachers according to the faculty staffing formula. Workload standards are also employed to justify one new supervisory position and 8.7 technical and clerical positions for the instruction function, as well as one new business management position, 4.7 positions for student personnel services, 3 new library positions, and 3 plant operation positions. The total proposed new positions also includes 3.5 positions for expansion of the college's instructional television program.

We recommend deletion of the 3.5 new positions for instructional television, reducing salaries and wages by \$18,400, and deletion of \$21,912 for additional television equipment. This total amount of \$40,312 represents an increase in the level of service which we believe, as discussed in a preceding section, has not been adequately justified in terms of specific uses, economic value or potential savings.

With the exception of a special book allowance of \$70,800, all other increases in operating expenses and equipment are based on increased costs and workload.

In conformity with our previous recommendation for an additional increase in state college materials and services fees in order to cover the related costs for 1961-62, *we recommend that student fee reimbursements be increased by \$42,820.*

We recommend that this budget be approved in the reduced amount of \$7,810,272.

**State College System
SAN JOSE STATE COLLEGE**

ITEM 106 of the Budget Bill

Budget page 277

**FOR SUPPORT OF SAN JOSE STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$10,638,459
Contribution to State Employees' Retirement System	674,969
Total	\$11,313,428
Estimated to be expended in 1960-61 fiscal year	10,651,410
Increase (6.2 percent)	\$662,018
TOTAL RECOMMENDED REDUCTION	\$54,580

Summary of Recommended Reductions

	<i>Budget</i>
	<i>Amount Page Line</i>
Increase student fees	\$54,580 281 16

GENERAL SUMMARY

San Jose State College, the oldest and largest of California's state colleges, serves the Counties of Monterey, San Benito, Santa Cruz, Santa Clara and San Mateo. While the college offers curricula leading to 33 public school credentials, it also grants bachelor's and master's degrees in 146 academic fields. At present only about one of every three graduates enters the teaching profession. The college's campus, which is continuing to expand, now includes 108 acres and has been master planned for an ultimate FTE enrollment of 17,000.

San Jose State College—Continued

San Jose is one of five colleges which are expected to exceed the enrollment growth for 1960-61 which was projected in the 1960-61 Governor's Budget. For 1961-62 FTE enrollment is expected to total 12,150, an increase of 600 or 5.2 percent over the current estimate for 1960-61. Workload for the budget year will also be increased as a result of authorization, as of January 1, 1960, for the college to offer curricula leading to bachelor's degrees in meteorology and industrial design and master's degrees in civil engineering, geology and political science.

ANALYSIS

The 1961-62 support budget totals \$11,313,428 which amounts to an increase of \$662,018 or 6.2 percent over the estimated level of expenditures for 1960-61. With an enrollment gain of 5.2 percent, net cost per FTE student is expected to increase from \$922 to \$931, a rise of 1 percent.

A total of 107.3 new positions are requested for 1961-62, including 43.8 new teachers as justified within the faculty staffing formula. In addition, three new supervisory positions and 13.1 technical and clerical positions for the instruction function are requested on the basis of increased workload, as are 0.5 positions for business management, 10.6 positions for student personnel services, 15.9 new library positions, and 19.4 new plant operation positions. One new position is also requested for the summer session program which is reimbursed from student fees. *We recommend approval of these positions.*

With the exception of a \$6,000 special allowance for library books, all operating expenses and equipment are justified on the basis of increased costs and workload.

We recommend an increase of \$54,580 in student fee reimbursements. This is in keeping with our recommendation in a preceding section on this subject that state college materials and services fees for 1961-62 be further increased to assure full coverage of related expenditures.

We recommend approval of this support request in the reduced amount of \$10,573,879.

State College System
SONOMA STATE COLLEGE

ITEM 107 of the Budget Bill

Budget page 281

FOR SUPPORT OF SONOMA STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$414,504
Contribution to State Employees' Retirement System	9,045
Total	\$423,549
Estimated to be expended in 1960-61 fiscal year	None
Increase	\$423,549
TOTAL RECOMMENDED REDUCTION	\$900

Summary of Recommended Reductions

	Budget		
	Amount	Page	Line
Increase student fees	\$900	283	38

Sonoma State College—Continued

GENERAL SUMMARY

Sonoma State College, established by Chapter 66, Statutes of 1960, First Extraordinary Session, is the most recent addition to California's state college system. The college has been planned to serve portions of seven counties, including Sonoma, Marin and Napa. The permanent site for the campus is to be located near Cotati and funds for site acquisition, site development and working drawings for initial facilities have already been appropriated.

The new college is expected to open in the fall of 1961 in rented facilities with upper division and graduate curricula in elementary education, language arts and the social sciences. It is estimated that initial FTE enrollment will reach 150.

ANALYSIS

The 1961-62 support budget for Sonoma State College totals \$423,549. This amount has been proposed on the basis that it will be necessary to provide during the first year for both an instructional staff for 150 FTE students and a planning staff similar to that provided other new colleges in recent years. A total of 41.5 new positions has been requested, including 10 teachers based on the faculty staffing formula, 5 supervisory positions, and 5 technical and clerical positions for the instructional area. Also included are 9.5 new positions for administration and business management, 6 positions for student personnel services, 5 library positions and one position for plant operation. *We recommend approval of these positions.*

In line with our previous recommendation that state college materials and services fees be further increased for 1961-62, *we recommend that student fee reimbursements be increased by \$900.*

We recommend approval of this support request in the reduced amount of \$413,604.

State College System
STANISLAUS STATE COLLEGE

ITEM 108 of the Budget Bill

Budget page 283

FOR SUPPORT OF STANISLAUS STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$832,846
Contribution to State Employees' Retirement System	17,770
Total	\$850,616
Estimated to be expended in 1960-61 fiscal year	373,122
Increase (128 percent)	\$477,494
TOTAL RECOMMENDED REDUCTION	\$16,000

Summary of Recommended Reductions

	Budget		
	Amount	Page	Line
Television equipment rental	\$13,000	285	65
Increase student fees	3,000	286	10

Stanislaus State College—Continued

GENERAL SUMMARY

Stanislaus State College, established by Chapter 2172, Statutes of 1959, admitted its first students in September, 1960, in rented facilities on the fairgrounds in Turlock. The college was planned to serve an area including Stanislaus, San Joaquin, Merced, Calaveras, Tuolumne and Mariposa Counties. Although limited to upper division instruction until facilities are constructed on the permanent 220-acre site north of Turlock, the college had a record initial enrollment of 719 individual students.

The FTE enrollment estimate for 1961-62 is 500, an increase of 180 FTE or 56.3 percent over the 320 FTE currently estimated for 1960-61. As of January 1, 1960, the college has been authorized to establish curricula leading to bachelor's degrees in elementary education, business education, business administration, art, music, the humanities, mathematics, science and social science.

ANALYSIS

The 1961-62 support request totals \$850,616 which is an increase of \$477,494 or 128 percent over the amount estimated to be expended for 1960-61. With an enrollment growth of 56.3 percent, net expenditure per FTE student will rise from \$1,166 for 1960-61 to \$1,701 for 1961-62, an increase of 45.9 percent.

A total of 66.9 new positions are proposed for 1961-62, including 26.3 new teachers based on the faculty staffing formula which takes into account program changes and expansion as well as enrollment growth. Increased workload is also the basis for 1.1 new supervisory position and 8.5 technical and clerical positions within the instruction function as well as for 8 administration and business management positions, 9 new positions for student personnel, 9 new library positions, and 5 plant operation positions. *We recommend approval of these positions.*

With the exception of a special book allowance amounting to \$58,278 and \$13,000 for additional instructional television equipment, all operating expenses and equipment are based on price and workload increases.

We recommend deletion of the amount of \$13,000 for television equipment. This represents an increase in service which, as discussed in an earlier section on this subject, we believe has not been presented with adequate explanation as to specific projects, economic justification or estimates of potential savings.

In conformity with our previous recommendation that state college materials and services fees be further increased for 1961-62, *we recommend an increase in student fee reimbursements of \$3,000.*

We recommend that the support request for 1961-62 be approved in the reduced amount of \$816,846.

State College System

CALIFORNIA STATE POLYTECHNIC COLLEGE

ITEM 109 of the Budget Bill

Budget page 286

FOR SUPPORT OF CALIFORNIA STATE POLYTECHNIC COLLEGE
FROM THE GENERAL FUND

Amount requested -----	\$8,094,028
Contribution to State Employees' Retirement System -----	450,985
Total -----	\$8,544,963
Estimated to be expended in 1960-61 fiscal year -----	7,512,992
Increase (13.7 percent) -----	\$1,031,971
TOTAL RECOMMENDED REDUCTION -----	\$32,240

Summary of Recommended Reductions

	Budget		
	Amount	Page	Line
Increased student fees -----	\$32,240	292	32

GENERAL SUMMARY

California State Polytechnic College, including both the San Luis Obispo campus and the Kellogg-Voorhis campus, is intended to serve the entire State with emphasis upon occupational programs in agriculture, business and engineering. The San Luis Obispo campus alone has the largest undergraduate agricultural program in 13 western states and the second largest engineering program, in terms of enrollment, in the West. The two campuses have been master planned for an ultimate FTE enrollment of 12,000 for San Luis Obispo and 20,000 for Kellogg-Voorhis.

This college is one of eight which are not expected to reach the enrollment for 1960-61 which was projected in the 1960-61 Governor's Budget. For 1961-62 FTE enrollment at San Luis Obispo is expected to rise to 5,140, an increase of 500 FTE or 10.8 percent over the current estimate for 1960-61. FTE enrollment at Kellogg-Voorhis is expected to rise by 950 to 3,100 FTE, an increase of 44.2 percent. Workload for the entire college will be further increased with development of curricula in agricultural business, food processing, business administration, elementary education and the physical and social sciences.

ANALYSIS

The total proposed budget for California State Polytechnic College for 1961-62 is \$8,544,963, including \$5,325,212 for the San Luis Obispo campus and \$3,219,751 for the Kellogg-Voorhis campus. The total amount represents an increase of \$1,031,971 or 13.7 percent over the amount estimated to be expended for 1960-61. Net cost per FTE student for the San Luis Obispo campus is expected on this basis to decline from \$1,059 to \$1,036 or 2.2 percent, and for the Kellogg-Voorhis campus, it is expected to decline from \$1,208 to \$1,039 or 14 percent.

The proposed support budget for San Luis Obispo provides for 68.1 new positions, including 27.7 new teachers, based on the faculty staffing formula and 12 technical and clerical positions for the instructional function. The other increases are 5.5 new positions for administration and business management, 5 positions for student personnel, 6.4 library positions, 9.9 for plant operation and 1.6 for the agricultural pro-

California State Polytechnic College—Continued

gram. For the Kellogg-Voorhis campus a total of 97.2 new positions are proposed, including 48.4 teachers, 2.5 supervisory positions and 9 technical and clerical positions for the instruction function. Also included are 7.2 new positions for administration and business management, 11.5 positions for student personnel services, 6 library positions and 12.6 new positions for plant operation. *We recommend approval of these positions.*

All increases in operating expenses and equipment are based on workload and price levels, with the exception of a \$36,900 special allowance for library books for the Kellogg-Voorhis campus.

In conformity with our recommendation in a preceding section that state college materials and services fees be further increased for 1961-62, *we recommend an increase in student fee reimbursements of \$32,240.*

We recommend that this support request be approved in the reduced amount of \$8,061,788.

CALIFORNIA MARITIME ACADEMY

ITEM 110 of the Budget Bill

Budget page 293

**FOR SUPPORT OF CALIFORNIA MARITIME ACADEMY
FROM THE GENERAL FUND**

Amount requested	\$882,791
Contribution to State Employees' Retirement System.....	33,748
Total	\$416,539
Estimated to be expended in 1960-61 fiscal year.....	394,381
 Increase (5.6 percent)	 \$22,158
TOTAL RECOMMENDED REDUCTION.....	\$7,356

Summary of Recommended Reductions

Salaries and Wages:	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Watch officer-instructor	\$7,356	294	5

GENERAL SUMMARY

Prior to the creation of the Board of Trustees of the State College System, the California Maritime Academy was considered a part of the State College System and included within the Division of State Colleges of the Department of Education. Beginning with fiscal year 1961-62, the academy has an academic year of 11 months, divided into tripartamental Administration, although it may eventually be placed in the proposed new division for post-high school education. It will continue to be governed by a board of governors within the Department of Education.

The Maritime Academy trains qualified young men to become licensed deck or engineering officers in the Merchant Marine. For this purpose its instructional program differs from that of the state colleges in that the Academy has an academic year of 11 months, divided into trimesters, and its program requires three years of study rather than four. In addition, classroom work is supplemented with an annual

California Maritime Academy—Continued

three-month training cruise aboard the Golden Bear, a merchant ship furnished by the Federal Maritime Administration.

ANALYSIS

The following three new positions have been proposed for the Academy for 1961-62:

	Amount	Budget	
		Page	Line
Instruction:			
Watch officer-instructor -----	\$7,356	294	5
Plant Operation:			
Building maintenance man -----	4,980	294	7
Janitor -----	3,720	294	8
 Total -----	 \$16,056		

We recommend deletion of the watch officer-instructor position, reducing salaries and wages by \$7,356, in the absence of further justification by the academy. This position was originally proposed by the academy on a workload basis within the state college faculty staffing formula. That formula, however, has been recognized by the Department of Finance to be inappropriate to the staffing requirements of the Maritime Academy. An alternate formula, developed on an interim basis for the academy in 1959, was not referred to in the budget justification, which referred only to enrollment growth. In terms of the existing student-faculty ratio, the position does not appear to be justified. For 1960-61, enrollment is estimated at 239 students which, with 16 authorized teaching positions, indicates a student faculty ratio of 15 to 1. The 1961-62 budget proposal is based on an enrollment of 250 students, an increase of 11, or less than enough to require an additional teaching position. *Without more adequate justification, we cannot recommend approval of this position.*

The two other positions, one building maintenance man and one janitor, appear to be fully justified on the basis of increased workload. The new engineering building, to be completed in June 1961, will significantly increase machine and building maintenance responsibilities. It will also add approximately 19,000 square feet of custodian area to the present 45,000 square feet for which three janitors have previously been authorized. *We therefore recommend approval of these two positions.*

STATE SCHOLARSHIP COMMISSION

ITEM 111 of the Budget Bill

Budget page 295

FOR SUPPORT OF STATE SCHOLARSHIP COMMISSION
FROM THE GENERAL FUND

Amount requested -----	\$1,802,559
Contribution to State Employees' Retirement System -----	4,254
Prior year balance available (Ch. 2049, Stats. 1959) -----	9,082
 Total -----	 \$1,815,895
Estimated to be expended in 1960-61 fiscal year -----	1,257,737
 Increase (44.4 percent) -----	 \$558,158
 TOTAL RECOMMENDED REDUCTION -----	 \$10,000

State Scholarship Commission—Continued

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
100 agricultural scholarship awards	\$10,000	296	25

GENERAL SUMMARY

General Scholarship Awards

The State Scholarship Commission, composed of nine members appointed by the Governor, administers the statewide program of competitive scholarships. It is the intention of this program to enable academically qualified students, who would not otherwise have been able to have made a selection, to attend the college of their choice. It is claimed for the program that it has encouraged private institutions to expand their enrollment facilities and to relieve the construction and support costs of the state colleges and the University of California.

Scholarships are granted on the basis of (1) a competitive examination given to all applicants; (2) demonstrated financial need, and (3) additional requirements pertaining to residence, good citizenship, etc. Academic aptitude is measured by means of the Scholastic Aptitude Test prepared by the College Entrance Examination Board. Academic achievement is evaluated in terms of high school performance; need of financial assistance is determined by a need evaluation system and by the judgment of college admissions and scholarship directors engaged by the commission on a temporary basis. The scholarships are annual awards capable of renewal for a total of not to exceed four years or the completion of a four-year undergraduate program. The recipient may apply the award at any California institution which has been accredited by the Western College Association.

The most recent amendments to the original legislation establishing the State Scholarship Commission and the program came during the First Extraordinary Session of the Legislature in 1960. At that time it was decided, as part of the Master Plan for Higher Education, to expand the number of scholarships available from the previously defined limit of 2,560 to twice that number by the end of a four-year period (1964), by increments of 640 awards annually. The maximum award was enlarged from \$600 to \$900; graduated awards from \$300 to \$900 at intervals of \$100 were also authorized; and it was specified that in no case were awards to exceed costs of tuition or fees. It was further determined that the commission would hold in trust scholarships won by students who had determined to attend a junior college prior to enrollment in a four-year institution.

As California's collegiate enrollment continues to rise and the state scholarship program becomes more widely known, the number of applicants has risen also, from a beginning in 1956 of 2,443 applicants to 11,165 for awards made during the spring of 1960. Estimates of 15,000 and 17,000 are made for 1961 and 1962. With the increase in the number of applicants greater than the number of awards available, it has been necessary to raise the cut-off point in relation to the maximum score of 1,600 points available in the Scholastic Aptitude

State Scholarship Commission—Continued

Test and a consequent increase in semifinalist quality. The gradual elevation of cut-off scores by grade levels of applicants is shown below:

Class	1956	1957	1958	1959	1960	Percent
						increase since 1956
High school seniors	1,050	1,067	1,110	1,106	1,186	12.95
Freshmen	1,084	1,117	1,155	1,187	1,239	14.29
Sophomores	1,101	1,127	1,158	1,198	1,239	12.58
Juniors	1,181	1,215	1,219	1,247	1,283	8.64

The number of semifinalists in the competition for 1960-61 academic year awards was 2,576, accounting for 23.1 percent of the 11,165 applicants. This percentage reflects a downward trend noted since the program's inception, due to the raising of the cut-off scores and determined indirectly by the total number of awards available for the year. It was noted that of the 2,576 semifinalists academically qualified for 1960, over 900 were disqualified for lack of financial need.

New awards made in the spring of 1960 were fewer in number than immediately preceding years due to the fact that the program had reached the then existing maximum level of 2,560 awards, and a higher proportion of awards that year were renewals (1,679). However, with the resumption in 1961 of the growth by annual increment program the number of new awards granted will continue its expansion. The percentage distribution of awards by class level of enrollment is as follows:

Class	1956	1957	1958	1959	1960
High school seniors	85.0%	60.0%	44.3%	42.3%	31.7%
Freshmen	6.0	32.0	32.9	25.2	30.1
Sophomores	7.0	5.4	19.0	21.4	21.0
Juniors	2.0	2.6	3.8	11.1	17.2
	100.0%	100.0%	100.0%	100.0%	100.0%

As stated above, one of the primary motivations for the establishment of the state scholarship program was the stimulation of student attendance at private colleges and the subsequent relief of state expenditures for construction and support at state-supported institutions of higher learning. The extent to which this has been borne out may be noted from the distribution by type of institution attended by award winners, listed as follows:

	Percentage of total awards					No. of awards 1960	Cost of awards 1960	Percent of total costs 1960
	1956	1957	1958	1959	1960			
Independent colleges	62.9%	65.2%	66.5%	65.5%	67.0%	1,714	\$1,022,208	89.7%
University of California	28.6	28.4	27.8	29.7	28.9	741	108,670	9.5
State colleges	8.5	6.4	5.7	4.8	4.1	105	8,939	0.8
	100.0%	100.0%	100.0%	100.0%	100.0%	2,560	\$1,139,817	100.0%

Agricultural Scholarship Awards

The first awards for undergraduate study in the field of agriculture were made to 45 high school seniors for academic year 1960-61, of whom

State Scholarship Commission—Continued

only 35 made use of them. One hundred awards were available. For 1961-62 two hundred awards will be available; and, as a result of changes in the program affected during the 1960 First Extra Session of the Legislature, in two successive years the total number of awards will increase by steps of 100 until the total currently authorized figure of 400 is obtained. One of the reasons advanced for the establishment of this program separate from the general scholarship award program reviewed above was the infrequency of awards made to agricultural students. Although it is to be expected that the first year of the separate program might not see total utilization of the grants available, it remains to be seen whether, even under improved recruitment made possible by the changes outlined below, the full quota of awards available for the budget year under consideration (i.e., 200) will be granted. Towards the end of better fulfilling the program, changes made by the First Extra Session include the following: elimination of the requirement that only one applicant per high school may apply, although only schools offering agriculture courses are eligible; and that applications are now made directly to the State Scholarship Commission instead of first to the county superintendent of schools. The following criteria remain in evaluating applications: (1) an attained grade average in the top 20 percent of graduating students in college preparatory agriculture; (2) ability to meet college entrance requirements; and (3) application and selection in the senior year of high school only. To these specifications was added the commission's requirement that award winners must enroll in one of the specified major agricultural courses at an eligible institution.

Because of the small number of applicants for the 1960 awards, 97, it was not possible for the commission to evaluate the testing program it had prepared to meet the need for a test emphasizing high school agriculture. The distribution of scores paralleled rather closely that of the standardized science test of the Educational Testing Service which was also given to the applicants. The two exams were weighted about equally. Following is a breakdown of college choices by the 35 who accepted their awards:

California State Polytechnic College, San Luis Obispo	19
University of California, Davis	7
Fresno State College	5
Chico State College	3
California State Polytechnic College, Pomona	1
	35

ANALYSIS

The total expenditures for the State Scholarship Commission are up for the 1961-62 year by 44.4 percent (\$558,158). This represents increases of \$544,000 in award values and \$14,158 in salary and wages and operating expenses (offset partially by a reduction in equipment expenditures). The increase, therefore, can be seen as being largely attributable to the growth in the number of awards to be available in 1961-62. It is noted that for the budget year under consideration the sum of \$1,680,000 is budgeted for general scholarships, both new awards

State Scholarship Commission—Continued

and renewals. For the agricultural scholarship program \$20,000 is expected to be spent in grants. The increases over the previous year's level for these two categories of expense are \$528,000 and \$16,000 respectively.

With regard to the growth in General Fund expenditures as a result of the growth in number of awards available, two factors are present, both working to raise the General Fund support. First is the number of awards themselves, and the second is the gradual increase each year in the average value of the grants made. In 1956 the average award amount in the general scholarship program was \$408. In 1957 this figure was \$416, then \$426, \$432 and a 1960-61 academic year figure of \$445. For 1961-62, the average value of the award is expected to be \$525 (\$1,680,000 divided by the 3,200 awards available = \$525). Even if this average value were to remain at the same level in the three succeeding years during which the total number of general awards available is due to rise, the increase in the General Fund expenditure will be \$336,000 per year (\$525 per award times 640 new awards yearly = \$336,000) or \$1,344,000 for awards alone by 1964. As mentioned above, this projection does not account for increases in the average value of the award, although it is likely this figure will rise as the tuition costs of private institutions continues to rise thus exerting its effect on the determination of the value of awards given to qualified applicants in order that they may attend the institution of their choice. It is also noted that the average value of awards under the agricultural award program has risen, and may be expected to follow a similar course with the extension of the total number of awards to be granted.

In view of the growth in award numbers provided by the Legislature, it is well to look at the commission's request for 1.5 new positions as intermediate typist-clerk to handle the increased workload. In order to maintain the work measurement ratio for the numbers of clerical staff in relation to applications received currently at a level in excess of 1:2100, the position request appears justified. *We recommend approval of the 1.5 positions sought*, noting the increases projected for awards to be granted and applications expected to be received. A factor seriously contributing to the workload element present in this growth is additional time required to be expended in assessing award value in relation to the financial need and intended college choice of each of the eligible applicants.

However, we do recommend a reduction of \$10,000, equivalent to 100 awards, in the agricultural scholarship program. It is noted that for the first year of the program 100 awards were to be available, and that there were actually only 97 applicants. Although it is appreciated that changes in the administration of the program may be expected to produce a greater number of applicants for the 1961-62 competition, it is still felt that the progression for the budget year under consideration to a total of 200 awards is premature. Therefore a reduction in awards available to the same level as the 1960-61 program is felt advisable, with the subsequent allowance of another year to see whether the program will develop to meet the original expectations.

State Scholarship Commission—Continued

As mentioned in past analyses, we have not recommended approval of special scholarship programs which tend to fragment the State's student assistance program. It seems evident that numerous other groups which do not fare well in the general program and/or which view scholarships as recruitment aids may well advocate additional special programs. The costly proposals of the Master Plan for Higher Education on state scholarships, subsistence grants, graduate fellowships, awards for advanced work in teacher training, and all types of expansion of special programs and special interests should be closely scrutinized. Also, the recommendation made by the Governor's Committee on the Study of Medical Aid and Health for the establishment of grants-in-aid for undergraduate medical students and for the encouragement of enrollment for nurse and dental training is another area outside the structure of the general scholarship program and should be examined critically.

We recommend approval of this item as budgeted except for the reduction of \$10,000, for 100 awards, in the agricultural scholarship program for 1961-62.

BOARD OF CONTROL

ITEM 112 of the Budget Bill

Budget page 297

**FOR SUPPORT OF THE BOARD OF CONTROL
FROM THE GENERAL FUND**

Amount requested -----	\$15,725
Contribution to State Employees' Retirement System -----	1,049
Total -----	\$16,774
Estimated to be expended in 1960-61 fiscal year -----	16,357
Increase (2.5 percent) -----	\$417
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL SUMMARY

The Board of Control, essentially as it exists and functions today, dates back to 1927.

It consists of the Director of Finance, who is designated by law as the chairman, the State Controller, and a third member appointed by and serving at the pleasure of the Governor. The third member may be a state officer who shall act ex officio. If he is not a state officer he is entitled to \$25 per day for each day of actual attendance at meetings of the board, not in excess of four meetings per month, plus travel. The Board of Control normally meets twice a month.

The board exercises two general types of functions, rule making and acting as an administrative tribunal.

Among its more important rule making responsibilities are those relating to the following:

1. Presentation and audit of claims against the State.
2. Allowances for travel for state officers and employees.
3. Use of state-owned motor vehicles.