

Ventura School for Girls—Continued

We recommend disapproval of this position, reducing salaries and wages in the amount of \$5,106.

Excepting the aforementioned positions, the new positions requested are all related to the increased workload created by the construction and occupancy of the new plant and facilities in the current year.

Operating Expenses

Operating expenses are scheduled at \$326,620 for 1962-63. This is an increase of \$72,835 or 28.7 percent over the amount of \$253,785 estimated to be expended in the 1961-62 fiscal year.

The increases in operating expenses are related primarily to the increase in population and the initial full year cost of operating the new facility.

The principal items of increase by function are:

Support and subsistence	
Feeding -----	\$51,725
Clothing -----	11,270
Housekeeping -----	3,285
Plant operation	
Utilities -----	11,560

Equipment

Equipment expenditures are scheduled at \$4,319 for 1962-63. This is an increase of \$2,494, or 136.7 percent, over the amount of \$1,825 estimated to be expended in the 1961-62 fiscal year.

Out of the total of \$4,319 requested for equipment, the sum of \$2,443, or 56.5 percent, is for replacement of items deemed obsolete or no longer serviceable. The sum of \$1,876, or 43.5 percent of the total, is requested for additional items of equipment.

The budget, as originally submitted by this facility, requested \$13,068 for equipment. In conjunction with the agency and Department of Finance staff members, a review of equipment requests was made. As a result, equipment requests were modified to the extent that the total was reduced from \$13,068 to \$4,319, a saving of \$8,749, or 66.9 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 73 of the Budget Bill

Budget page 162

FOR SUPPORT OF DEPARTMENT OF EDUCATION, GENERAL ACTIVITIES, FROM THE GENERAL FUND

Amount requested -----	\$2,976,599
State employees' retirement -----	184,284
State employees' health and welfare -----	27,318
Total -----	\$3,188,201
Estimated to be expended in 1961-62 fiscal year -----	3,058,440
Increase (4.2 percent) -----	\$129,761
TOTAL RECOMMENDED REDUCTION -----	\$75,191

General Activities—Continued

Summary of Recommended Reductions

	Amount	<i>Budget</i>	
		Page	Line
Division of Public School Administration			
5 Field representatives -----	\$56,595	167	60
Related operating expenses -----	12,600	168	26-28
Division of Special Schools and Services			
1 Home-teacher counselor -----	5,496	169	18
Related operating expenses -----	500	169	58

ANALYSIS

The general activities budget of the Department of Education provides funds for administrative, supervisory and advisory functions for the statewide public school system under the general direction of the State Board of Education. The department is also responsible for the administration of the five special residence schools for physically handicapped children, the three production centers for the blind, an orientation center for the newly blinded, vocational education and vocational rehabilitation. The department is composed of five divisions, in addition to the Division of Libraries (the State Library) which for budgetary purposes is treated as a separate item. These are as follows:

- Division of Departmental Administration
- Division of Higher Education
- Division of Instruction
- Division of Public School Administration
- Division of Special Schools and Services

The activities of each of the divisions are outlined in conjunction with a review of each of their budgets.

For general activities in 1962-63 there is an increase of \$129,761 over the estimated 1961-62 expenditure of \$3,058,440. This is equivalent to a rise of 4.2 percent. Twenty-two new positions are requested; they are:

Division of Departmental Administration

- 1 Associate statistician
- 2 Programmer II
- 1 Key punch supervisor I
- 1 Key punch operator
- 1 Intermediate clerk

Subtotal 6

Division of Higher Education

- 5 Credential technician
- 4 Intermediate clerk
- 3 Intermediate typist

Subtotal 12

Division of Public School Administration

- 1 Associate budget analyst
- 1 Intermediate typist-clerk
- 1 Intermediate account clerk
- 1 Temporary help

Subtotal 4

Total positions requested—22

General Activities—Continued

Merit salary increases plus the salaries for these new positions will account for \$82,002 of the higher 1962-63 expenditure; operating expenses, \$133,280; retirement and health and welfare contributions, another \$18,666. Higher reimbursements in the amount of \$106,224 will partially off-set these increases.

DIVISION OF DEPARTMENTAL ADMINISTRATION

There are four functions within the Division of Departmental Administration. The Accounting Office administers certain trust funds and provides budgeting, purchasing and internal auditing services. The Administrative Adviser's Office provides legal services to the State Board of Education, the Superintendent of Public Instruction and the staffs of the special schools and services agencies. The Personnel Office exercises direction over the department's personnel program. The Bureau of Education Research performs research in the fields of finance, curricula, testing and other related subjects for the department and public schools.

The amount of \$781,787 is requested for 1962-63 for the division. This is an increase of \$69,232 over the 1961-62 figure. Six new positions are requested:

- 1 Associate statistician
- 2 Programmer II
- 1 Key punch supervisor I
- 1 Key punch operator
- 1 Intermediate clerk

Salaries and wages, including the requested positions, are up \$31,506 for 1962-63; operating expenses are \$30,245 higher, and equipment has risen by \$12,981.

We recommend approval of the one associate statistician and one intermediate clerk. The positions are justified on the basis of anticipated workload increases resulting from the statewide pupil-testing program authorized by Chapter 994, Statutes of 1961. Commencing in October, 1962, the department anticipates that over 700,000 pupils in the fifth, eighth and eleventh grades will be tested. The test scores are expected to yield between 13 and 15 different measurements of the pupils examined.

We recommend approval of the two key punch operator positions. One of these, the key punch supervisor I, is requested on the basis that presently there is no direct supervisor among the department's staff of 6.5 key punch operators. It is felt that a coordinating position is necessary. Both the supervising key punch operator and the other requested operator will be engaged in processing the volume of additional cards expected from the department's new activities in the fields of statewide testing; studying of the majors and minors and assignments of secondary schoolteachers; dismissal justifications for probationary teachers; textbook accounting and distribution; and determination of excess expense factors in the education of the mentally gifted. On the basis of workload estimates in connection with the first two of these five, the department anticipates 260,000 cards for punching. Estimates of card volumes in the other three fields have not yet been made.

General Activities—Continued

We recommend approval of the two programmer II positions on the basis that one of these be made for one year only. These programmers would make a total staff of three in the department. It is intended that they be assigned as follows: one to work exclusively with the programming of data processing equipment for the computation of State School Fund allowances; one to work full time in programming the equipment for all other computations and statistical surveys regularly performed except the apportionments; and the third to program special assignments and other projects that are presently being done manually or with less efficient equipment. Workload has been demonstrated for the first year for this third programmer; however, there has not been evidence that the position will be required on a permanent basis.

The programmer positions are tied to the department's request for the purchase of tape-type electronic data processing equipment in 1962-63. The present electronic accounting equipment used by the department is proving inadequate to meet the deadlines established for the various computations performed. Upon review of the alternatives open for the improvement of the data processing, the tape-type equipment was selected as offering the greatest speed and compactness. Its purchase will be financed from General Fund and federal moneys, the latter being available for this use from Titles III and V of the National Defense Education Act.

DIVISION OF HIGHER EDUCATION

This division was established in 1961 to consolidate and coordinate the department's functions in adult and post secondary school education. The division is composed of the following functions, all of which were transferred from other divisions into this new organization:

- Bureau of Adult Education
- Bureau of Junior College Education
- Bureau of Readjustment Education
- Credentials Office
- Teacher Education and Recruitment

The 1962-63 budget of the division requests \$18,258 in General Fund support, a reduction of \$55,969 from 1961-62. The remaining \$1,023,827 of the proposed budget is expected to come from reimbursements. Of this amount, \$880,000 is expected to be derived from credential fees. Under the authorization of Chapter 1691, Statutes of 1961, the charge for credential services was revised from the former fee of \$4 to \$8. Now applicants must pay \$4 for an evaluation of their qualifications (formerly this was free); if they are subsequently issued a document, the \$4 evaluation fee is applied to the charge for the document. Substantially increased reimbursement from these fees in 1961-62 and 1962-63 will make this service more than self-supporting.

Twelve positions are sought in 1962-63 to augment the staff of the Credentials Office. They include:

- 5 Credential technicians
- 4 Intermediate clerks
- 3 Intermediate typists

General Activities—Continued

We recommend the approval of these positions on the basis of the estimated 1962-63 workload. In 1960-61 the Credentials Office, with 21.6 credential technicians, performed 165,479 evaluations. For 1961-62 they anticipate approximately 190,000 evaluations and for 1962-63, approximately 214,000. 1960-61 saw the credential technicians servicing a greater number of evaluations per technician than had been expected. Realization of the 1962-63 estimate of evaluation services would see the augmented technician staff maintaining and possibly even exceeding this revised standard of performance.

The remaining seven positions (four intermediate clerks and three intermediate typists) are sought to keep pace with the increased technician staff in view of the estimated 1962-63 workload.

DIVISION OF INSTRUCTION

This division is the unit through which the department coordinates the State's public school instruction; it also provides the department's services for improving the statewide instructional program. In addition to the division administration, there are the following functions:

- Bureau of Audio-Visual Education
- Bureau of Elementary Education
- Bureau of National Defense Education
- Bureau of Physical and Health Education
- Bureau of Pupil Personnel Services
- Bureau of Secondary Education
- Vocational Education

General Fund support of the Bureau of National Defense Education and of Vocational Education comes from separate budget items outside the general activities support and is reviewed in detail elsewhere in this analysis.

No new positions are sought in the budget year. The 1962-63 request is \$27,065 lower than the estimated 1961-62 expenditure of \$623,704. This reduction may be attributed to: increased salary savings which have offset merit salary increases for the staff; a reduction in operating expenses of \$18,500; and lower equipment requests. With regard to the reduced operating expenses, \$16,000 of this reduction is the elimination of the purchase of additional copies of textbooks for review. Formerly, the division has had to purchase additional copies of texts submitted for review in connection with new textbook adoptions. Now, however, publishers wishing to have their books considered will have to supply sufficient copies so that the division will not have to use its funds to purchase additional copies.

Within the Bureau of Pupil Personnel Services, formerly known as the Bureau of Guidance, two consultant positions and one intermediate stenographer were added during 1961-62 to administer the education programs for mentally gifted minors authorized by Chapter 883, Statutes of 1961. The support for these positions was provided by an augmentation of \$30,000 to the 1961-62 Budget. These positions are among the authorized staff for 1962-63.

General Activities—Continued

DIVISION OF PUBLIC SCHOOL ADMINISTRATION

The Division of Public School Administration operates in noninstructional areas. In addition to the division's administration, there are the following units:

- Bureau of Administrative Services
- Bureau of School Apportionments and Reports
- Bureau of School District Organization
- Bureau of School Planning
- Bureau of Textbooks and Publications
- Educational Agency for Surplus Property
- School Lunch and Special Milk Programs

The Educational Agency for Surplus Property is supported from the Surplus Property Revolving Fund while the School Lunch and Special Milk activities are entirely federally financed. The Bureau of School Apportionments and Reports collates and verifies school district reports and is responsible for the apportionment of funds from the State School Fund. General Fund support of the State School Fund in 1961-62 will equal approximately \$720 million.

The division's 1962-63 budget request is \$990,765. This is \$13,541 higher than the \$977,224 estimated to be expended in 1961-62. Of this amount \$93,000 will come from the School Building Aid Fund to be applied to the costs of the Bureau of School Planning that may be attributed to the processing of school construction program projects. The balance of the division's budget will be met by the General Fund.

Four new positions are sought in 1962-63 for the division; they are:

Bureau of School Apportionments and Reports:

- 1 Associate budget analyst

Bureau of Textbooks and Publications:

- 1 Intermediate typist-clerk
- 1 Intermediate account clerk
- 1 Temporary help

Bureau of School Apportionments and Reports

We recommend approval of the proposed associate budget analyst position. The reintroduction of a budget review process in the determination of County School Service Fund allowances, as requested of the department in SR 152 of the 1961 General Session, has resulted in the need for this new position. It is believed that, if properly administered, this position can accomplish savings and equity by shifting the emphasis from a "formula" basis to a "need" basis in making apportionments from the County School Service Fund.

A review of the job classifications of the bureau's three general accountant II positions is in order in view of the technical nature of their work in the processing of the apportionments from the State School Fund. It appears that this activity may exceed accountant II specifications in terms of the responsibilities involved in the proper distribution of state public school support. We believe the State Personnel Board should review these specifications.

General Activities—Continued

Bureau of Textbooks and Publications

We recommend approval of the three positions requested for this bureau. The request is made on the basis of increased workload which has exceeded the staff's capacities. This increase is reflected in a greater variety of book-to-pupil distribution ratios, and the greater number of textbook titles now being distributed.

	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
Number of Titles	195	220	223	224	303	305	359

The workload has been further affected by the introduction of problems relating to the receipt and delivery of textbooks purchased from private firms rather than printed at the state facility at Sacramento. Efforts to improve the management control of the textbook requisitioning and distributing activities are also being made which we believe are necessary.

Bureau of School Planning

We also recommend that five of the ten field representatives of the Bureau of School Planning be abolished. These are existing positions and represent one-half of the 10 field representatives now in the budget. We estimate this would reduce the bureau's budget by approximately \$56,595 for salaries and at least \$12,600 in operating expenses. The bureau has stated:

“ . . . Approximately 40 percent of the working time of the field representatives in this Bureau is devoted to assisting school officials and architects prepare documents necessary to justify an application for a loan under the State School Building Loan Program.

Assisting school officials to prepare the forms necessary to apply for Federal monies for school housing under the conditions of Public Law 815 also represents a considerable workload in some of the geographical areas of California. It is the policy of the Bureau of School Planning to review the possibilities of Federal aid with every district making a State aid application. Following through this policy in the field often means that many work hours are spent reviewing the eligibility of districts for Federal aid when only a few or none of those reviewed turn out to be eligible.

This 'exploratory' part of the Bureau's workload also applies to districts relative to their eligibility for a loan under the State Aid Program.”

We do not feel that this is an appropriate activity for the bureau's field representatives; rather, it appears that the school districts should be capable of preparing their own applications for school building assistance. Further, if the efforts of the field representatives are so largely spent in reviewing a district's eligibility for federal building assistance, it appears the bureau's policies need revision. More properly, the Local Allocations Division of the Department of Finance could advise school districts with regard to their State School Building Aid Fund construction project applications.

General Activities—Continued

The bureau also assists and advises school districts on the acquisition of sites and construction of school buildings. Other state agencies are also involved in school plan review, as follows:

1. The Division of Architecture, Department of Public Works, under the State's Earthquake Law must approve all school building projects for *safety of design and construction*.
2. The Local Allocations Division, Department of Finance, in accordance with their established *construction cost standards* must approve all school buildings financed under the provisions of the State School Building Aid Law of 1952. In addition, the Department of Education must approve the same school buildings, school sites and necessary furniture and equipment.
3. The Bureau of School Planning, Department of Education, also must approve all school site acquisitions and school buildings excepting those built in school districts governed by city boards of education, in accordance with their *established educational standards*.

We have recommended in the past that the review of school plans for (1) structural soundness, (2) construction costs and (3) educational adequacy be combined into either one operation (instead of three) or in one location with representatives from the three agencies. The recommendation still applies.

DIVISION OF SPECIAL SCHOOLS AND SERVICES

The division provides administration and educational supervision for the various special schools and special services agencies of the department. It also provides services to school districts maintaining special education programs for handicapped pupils. In addition to division administration, there are the following units:

- Bureau of Special Education
- California Industries for the Blind (central administration)
- Field Rehabilitation Services for the Adult Blind
- Vocational Rehabilitation Service

General Fund support for the three California Industries for the Blind production centers and for the Vocational Rehabilitation Service is discussed in connection with the separate budget items appearing for these activities.

The division's 1962-63 budget is \$111,596 higher than the estimated 1961-62 figure of \$570,554. No new positions are sought.

We recommend the abolition of 1 home-teacher counselor position in the staff of the Field Rehabilitation Services for the Adult Blind. One of these positions has been vacant for over two years. In 1962-63 there is included \$5,496 for salary and approximately \$500 for operating expenses, primarily transportation, for this position.

The increase in the division's 1962-63 budget falls in the area of operating expenses. Appearing there for the first time in 1962-63 is provision for contractual services and stipendiary payments for blind

General Activities—Continued

persons formerly supported in the budget for the Orientation Center for the Blind at Oakland. These 30 or so persons have been resident at the Oakland center since before April 1, 1951. With the necessary relocation of the center because of freeway construction, Chapter 2129, Statutes of 1961, permitted the department to provide for the accommodation of these persons at private facilities. The expense of this, approximately \$104,400 and an additional estimated \$3,300 for stipends, was formerly part of the Orientation Center's budget. Its appearance in the division's operating expenses accompanies a corresponding decrease for 1962-63 in the Orientation Center General Fund support request.

The division's budget has also been revised to include the absorption of the General Fund support for the three opportunity work centers for the blind. Formerly there was a separate item in the budget for the Opportunity Work Centers. For the three centers in 1962-63 no new positions are sought and no change in the level of service is proposed. Proposed General Fund expenditures for the three centers are as follows:

<i>Center</i>	<i>Salaries and wages</i>	<i>Operating expenses</i>	<i>Equipment</i>		<i>Total</i>	<i>Increase from 1961-62</i>
Berkeley -----	\$13,784	\$6,241	\$100	=	\$20,125	+ \$852
Los Angeles ----	14,412	7,295	100	=	21,807	+1,026
San Jose -----	12,146	5,760	100	=	18,006	+636
Total -----	\$40,342	\$19,296	\$300	=	\$59,938	+\$2,514

Merit salary increases and higher costs for supplies have accounted for the increased costs of the three centers.

ADULT EDUCATION FOR CIVIL DEFENSE

Reported in conjunction with the department's general activities budget is the entirely federally financed Adult Education for Civil Defense program. For 1962-63, \$110,000 of federal funds is expected to be spent for state participation in the program. This is a 10 percent increase over 1961-62. Supplemental federal reimbursements are made direct to school districts maintaining adult education classes in civil defense. For 1962-63 seven of the positions filled in 1961-62 are sought again. The program runs on a year-to-year basis as the result of federal determinations; therefore, no fixed termination date has been set for federal support.

This activity is intended to use existing adult education resources to teach the principles of individual, family and community protection. There are two phases: the training of teachers by the department and the conducting of classes for adults in the local adult schools. The teacher training consists of an intensive 15 hour course conducted by staff members of the Division of Higher Education's Bureau of Adult Education covering the following subjects:

1. The current world situation and America's vulnerability
2. Chemical warfare
3. Biological warfare
4. Nuclear warfare
5. Methods of surviving natural and man-made disaster.

General Activities—Continued

Upon completion of this intensive course the teachers are certificated to conduct 12 hour courses for adults in Individual and Family Survival.

This program was commenced after the beginning of the 1960-61 year. In the first five months of 1961-62, 427 Individual and Family Survival classes were held in 39 counties and over 15,000 received instruction (a greater coverage than in 1960-61).

With the exception of the reductions noted above, we recommend approval as budgeted.

DEPARTMENT OF EDUCATION

ITEM 74 of the Budget Bill

Budget page 172

**FOR ADDITIONAL SUPPORT OF DEPARTMENT OF EDUCATION,
GENERAL ACTIVITIES, FROM THE SCHOOL BUILDING AID FUND**

Amount requested	\$93,000
State employees' retirement.....	3,300
State employees' health and welfare.....	480
<hr/>	
Total	\$96,780
Estimated to be expended in 1961-62 fiscal year.....	96,540
<hr/>	
Increase (0.3 percent).....	\$240
<hr/>	
TOTAL RECOMMENDED REDUCTION.....	None

ANALYSIS

Appropriation from the School Building Aid Fund for the general activities of the Department of Education is intended to meet the costs of the Bureau of School Planning, Division of Public School Administration, that are attributable to processing projects under the school construction aid program. The proposed 1962-63 appropriation is \$240 higher than the 1961-62 figure; this increase is to meet the increased expense of health and welfare contributions charged to the fund. The support and employee retirement levels are unchanged from 1961-62.

We recommend approval.

DEPARTMENT OF EDUCATION

National Defense Education Act of 1958

GENERAL SUMMARY

The National Defense Education Act, passed as PL 85-864 in 1958, was designed to provide financial assistance to states and to educational institutions in order to promote training to meet the defense needs of the United States. The act consists of 10 titles, as follows:

Title I. An introductory title containing a declaration of policy that nothing in the act authorizes federal control of education; this section also defines certain terms used throughout the act.

Title II. Loans to students in institutions of higher learning. General Fund participation here is set at one-tenth of the total expendi-

National Defense Education Act—Continued

ture, with federal funds meeting the remaining 90 percent. State-level administration of the program rests with the trustees of the California State Colleges and is discussed elsewhere in the analysis of the budget bill.

Title III. Improvement in the instruction of science, mathematics and modern languages. There are two parts of this title. Title IIIa provides federal funds to states to be matched by local sources for the purchase of laboratory or other equipment to be used in the teaching of science, mathematics and modern languages. Private schools may participate in this program to the extent that equipment is available to them on a loan basis. Title IIIb, administered within the Department of Education, provides grants to states for the expansion of supervisory and related functions in public schools in these disciplines, as well as for the support of state-level expenses in connection with the administration of Title IIIa. Federal subventions to local districts under Title IIIa appear in the local assistance section of the budget. During the most recently completed session of Congress Public Law 87-344 extended for two years the authorizations contained in the original act; for most activities this means an extension of the time from June 1962 to 1964.

Title IV. Graduate study fellowships available each year since 1958-59; these awards are not connected with the Title II program, nor does the State enter into their direct administration.

Title V. Federal funds for the establishment or maintenance of testing, guidance or counseling programs. Existing state and local expenditures in this area satisfy the federal matching requirements; therefore, only the federal support is reported in the local assistance section of the budget. As with the other programs under other titles of the act, a state plan was required for approval by the United States Commissioner of Education; this plan once approved serves as the State's contract for receipt of federal matching funds. The state plan provided for testing to identify the able student and for guidance and counseling in secondary schools to advise students with regard to further education best suited to them. The second part of this title, with which state-level operations are not involved, provides for the establishment of guidance and training institutes arranged with educational institutions by the United States Commissioner of Education. As with Title III, PL 87-344 of the last session of Congress extended the authorization of this program for two years beyond its 1962 termination.

Federal funds for Title V are administered at the state level by the Bureau of National Defense Education in the Department of Education. Local districts submit their applications to the bureau; the applications are reviewed for conformity to the act's provisions; if approval is granted the districts are then free to proceed with their projects, presenting their claims for federal reimbursements subsequent to their expenditures. For 1962-63 it is estimated that \$1,079,644 will be available from federal funds for Title V, approximately 1.8 percent more than the 1961-62 figure of \$1,060,587.

National Defense Education Act—Continued

Title VI. Authorization for the United States Commissioner of Education 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 were made available for teachers studying language training, for research and the organization of teacher training programs. A number of institutions of higher learning in California have entered into these arrangements, including both state and private schools.

Title VII. Furthering research in the use in instruction of radio, television, motion pictures and other information media. The Act provides for contracts between the commissioner and public or private organizations.

Title VIII. The Area Vocational Education Program. In California this program is administered by the Vocational Education unit of the department's Division of Instruction; as such it will be reviewed in connection with that budget elsewhere in the analysis. This title makes available less-than-college-level training in scientific and technical occupations considered necessary for defense purposes.

Title IX. Provided for the establishment by the National Science Foundation of the Science Information Service.

Title X. Miscellaneous. In California Title X represents federal and state partnership in a program to improve the statistical services of the Department of Education. These activities are reviewed in connection with the Analysis of Item 76.

Part of the state plan for California's participation in the National Defense Education Act was the creation of the Bureau of National Defense Education. This bureau has the primary responsibility for the administration of the Title III and Title V programs plus co-ordination responsibility for Titles VIII and X, assigned to the Vocational Education unit and the Bureau of Education Research, respectively. The bureau's budget appears as part of the state-level operations in Title IIIb, representing state and federal funds. There are two units in the bureau performing supervision and administration; the latter contains consultants whose activities include functions allocated to other bureaus within the state department.

A breakdown of federal, state and local expenditures in the National Defense Education Act appears on the following page.

With regard to the accomplishments of the Act in California, we posed certain questions in the Analysis of the Budget Bill for 1961-62. These questions were:

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?

National Defense Education Act Expenditures
(including contributions to retirement)

	1960-61			1961-62 (Estimated)			1962-63 (Proposed)		
	Federal	State	Local	Federal	State	Local	Federal	State	Local
Title II									
Student loans -----	\$1,498,482	\$166,498	----	\$2,101,518	\$233,502	----	\$1,800,000	\$200,000	----
Title III									
A. Local projects ----	2,546,879	----	\$2,546,879 ¹	2,671,875	----	\$2,671,875 ¹	2,671,875	----	\$2,671,875 ¹
B. State-level administration ---	304,173	239,221	----	299,853	254,759	----	299,565	256,107	----
Title V									
Guidance									
State-level -----	55,044	----	----	185,024	----	----	165,967	----	----
Subventions -----	1,125,266	----	----	1,060,537	----	1,079,644	----		
Title VIII									
Area vocational education									
State-level -----	43,190	----	----	102,800	----	102,512	----		
Subventions -----	636,842	----	----	545,868	----	543,315	----		
Title X									
Statistical reporting --	36,117	36,117	----	49,853	49,853	----	50,000	50,000	----
Total -----	\$6,245,993	\$441,836	\$2,546,879	\$7,017,378	\$538,114	\$2,671,875	\$6,712,878	\$506,107	\$2,671,875
Grand total, all sources--		\$9,234,708			\$10,227,367			\$9,890,860	

¹ Local district General Funds.² No additional funds required; current expenditures meet matching requirements.

National Defense Education Act—Continued

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?
6. What are the individual local school districts doing on their own as a result of the National Defense Education Act stimulus?

The Bureau of National Defense Education has been conducting surveys during the last year in an attempt to arrive at answers to these questions. In addition to questionnaires circulated to districts that have participated, there have been meetings and conferences with personnel involved in the different projects. At present the results of the surveys have not been completely tabulated, but we understand that the bureau will have completed its final report on this study in time for review by the Legislature during this session. Although the Congress has extended by two years the authorizations contained in the original legislation, we feel that it is appropriate that the Legislature be apprised of the accomplishments and conclusions that may be attributed to California's participation in this program. At the time when no further federal extensions may be available the State will then become heir to the expenses of continued operations, or the activities will cease.

**Department of Education
NATIONAL DEFENSE EDUCATION ACT**

ITEM 75 of the Budget Bill

Budget page 173

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

Amount requested	\$250,477
State employees' retirement	5,000
State employees' health and welfare	630
Total	\$256,107
Estimated to be expended in 1961-62 fiscal year	254,759
Increase (0.5 percent)	\$1,348
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

As noted in the General Summary, Title IIIb represents the state and federal partnership in the state-level administration of the program for the improvement in the instruction of science, mathematics and modern languages. The expenses of the Bureau of National Defense Education are also included within this budget item. For 1962-63 the total General Fund expenditure for Title IIIb will equal 46.1 percent of the Title IIIb budget, with federal support providing the balance. The federal support level is higher than the General Fund contribution as the result of "crediting" the State with current expenditures in another area as part of the matching requirement.

The 1962-63 budget request from the General Fund is \$256,107 which is \$1,348 (or 0.5 percent) higher than the estimated 1961-62 ex-

National Defense Education Act—Continued

penditure. This represents an adjustment of the federal-state matching of funds to accommodate merit salary increases less salary savings deductions.

The federal support contribution for 1962-63 of \$299,565 is \$288 less than the estimated 1961-62 expenditure. No new positions have been requested for Title IIIb and no change in the level of service is proposed.

We recommend approval as budgeted.

Department of Education
NATIONAL DEFENSE EDUCATION ACT

ITEM 76 of the Budget Bill

Budget page 175

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

Amount requested	\$47,200
State employees' retirement.....	2,500
State employees' health and welfare.....	300
Total	\$50,000
Estimated to be expended in 1961-62 fiscal year.....	49,853
Increase (0.3 percent).....	\$147
TOTAL RECOMMENDED REDUCTION.....	None

ANALYSIS

Under the state plan for Title X, required for approval by the U.S. Commissioner of Education before federal matching funds were available for this title, the Bureau of Education Research was assigned the responsibility for this project in improvement of statistical reporting to the state educational agency. Included in the state plan were the development of accounting and reporting procedures; a survey of junior college facilities (including sites, construction and buildings) and a similar survey of high schools to be undertaken in the 1962-63 year; a survey of pupil age-in-grade and progress information; and a recently completed study of recurring report forms originating in the Department of Education. This last study of recurring report forms will continue to be reviewed.

For 1962-63 the General Fund contribution to Title X support will be \$50,000 or \$147 higher than the estimated 1961-62 expenditures. Federal support will match equally the General Fund contribution in both years. As in the case of Title IIIb the federal and General Fund moneys share equally the costs of employee retirement and health and welfare benefits. No new positions have been requested and no changes in the services are proposed.

We recommend approval as budgeted.

Department of Education
DIVISION OF LIBRARIES

ITEM 77 of the Budget Bill

Budget page 177

FOR SUPPORT OF THE DIVISION OF LIBRARIES
FROM THE GENERAL FUND

Amount requested	\$977,958
State employees' retirement	51,848
State employees' health and welfare	8,508
Total	\$1,038,314
Estimated to be expended in 1961-62 fiscal year	1,016,937
 Increase (2.1 percent)	 \$21,377
TOTAL RECOMMENDED REDUCTION	\$1,000

Summary of Recommended Reduction

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Book purchases, general continuations	\$1,000	179	27

ANALYSIS

The State Library has several service responsibilities; these include: (1) providing basic reference services to the Legislature and the executive branch of the state government; (2) providing supplemental service through local public and private libraries; (3) stimulating and assisting in the development of public library facilities; and (4) acquiring and preserving historical materials relating to California. In addition to the Administration Bureau of the library, there are four operating bureaus: the Law Library, Library Consultant Services, Reader Services and Technical Services.

For 1962-63 the State Library budget represents an increase of \$21,377 (2.1 percent) over the estimated 1961-62 expenditure of \$1,016,937. The 1962-63 budget includes the abolition of 0.5 intermediate typist-clerk position within the Reader Services Bureau. In spite of this reduction merit salary increases add \$6,837 to the proposed expenditure. Higher proposed 1962-63 expenditures for book purchases account for much of the remaining budget increase, with increased retirement and health and welfare contributions accounting for the balance.

The Law Library

The Law Library serves as a legal research and reference center for the Legislature, law enforcement agencies, the bench, the bar, law students and the general public. Consultant services to other law libraries in the State are available from the law librarian. In addition to provision in the budget for merit salary increases to the bureau's two librarians and three clerks, \$5,297 is requested for book purchases for law books (\$2,426) and law continuations (\$2,871). No equipment is requested.

Library Consultant Services

This bureau is assigned the stimulation and development of public library facilities and services throughout the State, the making of studies and surveys of library needs, and for certain delegated responsibilities in the area of supervision of the county libraries. Merit salary increases (after deductions for reduced expenditures in operations and

Division of Libraries—Continued

equipment) will add approximately \$1,000 to the expenditures in this area in 1962-63.

Reader Services Bureau

The Reader Services Bureau coordinates the activities of the seven public service sections included within the bureau. Among these public service sections is the Administrative-Legislative Reference Service. Until recently this activity included the stationing of personnel and books in the State Capitol to service requests from the Legislature. In 1961 this activity was moved back to the Library and Courts Building which houses the rest of the State Library. As a result of this move the 1962-63 budget has been reduced by 0.5 position of clerical help as the need for liaison between the Capitol branch and the main library was abolished. The budget request for general book purchases for the Reader Services Bureau has been adjusted by the Governor's Budget to reflect decreased costs due to the closing of the Capitol branch.

We understand that for the 1962-63 budget for book and continuation purchases only the price increase factor was taken into consideration, without regard to increases in the State's population or increases in the output of titles in the past year. This price increase factor, we understand, equals approximately 11 percent and we further understand that this price factor consideration applies as well to general continuations purchases as it would to general book purchases. The 1962-63 budget contains a request of \$44,867 for general continuations; this is approximately 13.5 percent higher than the estimated 1961-62 figure of \$39,531.

We recommend a reduction of \$1,000 for general continuations purchases in order to provide no greater increase for the rise of costs than is present in the budget for other book purchases. Proposed expenditures for government documents, Californiana, or general books (before the reduction made in the Governor's Budget for this category) represent increases of approximately 11 percent over the present year.

Merit salary increases for the authorized staff in Reader Services will add approximately \$5,000 more to the State Library's budget for the 1962-63 year. Book purchase requests included in the budget represent over \$7,300 above 1961-62 levels.

Technical Services Bureau

This bureau reflects activities connected with maintaining and improving the library's collections, including the ordering of books, their cataloging and book repair. Merit salary increases in 1962-63 will add approximately \$1,000 to the budget while operating expenses and equipment will be lower than the present year.

In 1961-62 the library embarked upon a program of weeding out obsolete titles from the collection. In the period from July 1, 1961 to January 1, 1962, 25,500 titles were reviewed and 1,171 titles (representing 2,104 volumes) were withdrawn from the collection. During the rest of 1961-62 the following subjects will continue to be reviewed by specialists: philosophy, psychology, religion, social sciences, pure sciences and technology. For 1962-63 the following subjects are sched-

Division of Libraries—Continued

uled for review: language, the arts, literature and history. At the same time that specialists are reviewing these areas, the library's staff has been reviewing the collection of government publications, the reference collection and art reproductions. Staff review of the government publications will continue in 1962-63.

Federal allowances to the activities of the State Library are in the form of support for the Rural Library Services Act (PL 84-597), which has as its objective the extension of public library services to rural areas now lacking such services. The total expenditure of federal funds expected in 1962-63 will be \$196,057 plus employee retirement and health and welfare contributions of \$8,893 for the personnel employed in this federally financed operation. During 1960-61, the fiscal year most recently completed, the San Joaquin Valley project under this program continued its services to six county and four city libraries; the North Bay Cooperative project involving six counties in a demonstration program continued into 1961-62. The Processing Center established for 16 Northern California member libraries continued cataloging, classifying and preparing their books for use; and plans were carried forward for a demonstration of library services in Mendocino County which does not have library service. The total proposed federal expenditure of \$204,950 is down \$75,227 from the estimated 1961-62 figure of \$280,177 through reductions in operating expenses.

With the exception of our proposed reduction of \$1,000 for the purchase of general continuations in the Reader Services Bureau, we recommend approval of this item as budgeted.

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

There are three state-owned and state-subsidized production centers for blind and physically handicapped workers, located at Los Angeles, Oakland and San Diego. Central administration for these centers is within the Division of Special Schools and Services of the Department of Education at Sacramento. These centers offer factory employment opportunities to those who are not able to obtain employment in private industries because of their handicaps.

The main items of production are brooms, mops, pillowcases and other textile goods, brushes, rugs, surgical wrappers, plastic articles and rubber mats, as well as fabrication and assembly work done on a subcontract basis for other private industries.

The administrative and physical plant operating expenses are a direct charge against the State General Fund; manufacturing operations are financed through the working capital supplied by the revolving California Industries for the Blind Manufacturing Fund into which proceeds from the sale of products are deposited. For 1960-61 the State General Fund subsidization of the three centers amounted to \$285,652. The total sales for that year for the three centers equalled \$2,226,195 while the cost of the goods sold, inclusive of wages, was \$2,276,212. That is, for the 1960-61 year there was a loss in the manufacturing operations of \$50,017; and this was in spite of the State General Fund

General Summary

Education

California Industries for the Blind—Continued

subsidy. A comparison of the condition of the Manufacturing Fund's surplus, its profits and State General Fund support costs follows:

Year	Manufacturing Fund surplus	Manufacturing Fund profit	General Fund support costs	Manufacturing Fund profit as percentage of State General Fund support cost
1950-51	\$359,980	\$111,627	\$468,502	23.8%
1951-52	577,159	252,962	335,882	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	115,711	269,199	43.0
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	209,628	261,763	80.1
1959-60	1,196,640	-72,808	276,071	-26.4
1960-61	1,136,797	-50,017	285,652	-17.5
		\$1,043,705	\$3,188,268	32.7

During 1959-60 and 1960-61, in keeping with the recommendations of the Coordinating Council on State Programs for the Blind, the less efficient workers in the three centers were transferred to the Opportunity Work Center program as part of an effort to improve the productivity of the California Industries for the Blind. In terms of full-time equivalent workers, the three production centers reported the following figures:

Center	1957-58	1958-59	1959-60	1960-61	(Estimated) 1961-62	(Anticipated) 1962-63
Los Angeles	116	112	65	55	95	95
Oakland	102	98	96	75	80	80
San Diego	24	31	29	29	35	40
Total Full-time Equivalent Workers	242	241	190	159	210	215

In the case of the Los Angeles center, the increase in full-time equivalent workers in the 1961-62 year is due particularly, we understand, to activity resulting from the awarding of subcontracts to this center for assembly work. The transfer of the less productive workers from the Oakland center to the near-by Opportunity Work Center at Berkeley took longer to effect than at Los Angeles. The growth estimated in the Oakland and San Diego centers for 1961-62 reflects expected increases in the production activities.

During the 1959-60 fiscal year a management study was conducted by a private firm to explore methods of improving the operations of the centers. The study strongly recommended that the industries direct their production and sales activities to the commercial market rather than rely heavily on federal orders and contracts let out to industries for the blind. The program's administration has been implementing many of the recommendations of this study. Sales and marketing specialists have been employed to increase the emphasis upon commercial outlets. Quality control personnel have been employed to

California Industries for the Blind—Continued

improve the quality of the products and to control more closely the pricing structure in order to compete on the commercial market.

In 1960-61 the sales of products increased \$96,349 over the 1959-60 figure. The total cost of the products sold, however, remained greater than the total of sales for the second consecutive year, although the 1960-61 loss to the manufacturing fund was considerably reduced from the previous year's loss. A comparison of sales to the costs of manufacturing appears on opposite page.

It will be noticed that in 1960-61 the proportion of wages to total sales was at the lowest point in the past six years while the proportion of other operating costs was at its highest level for the same period. Two factors are present. The first, with regard to the decrease in total wages, reflects the reduction in full-time equivalent workers that was being effected in 1959-60 and 1960-61 when the less productive workers were being transferred to the Opportunity Work Centers. The other factor reflects a shift in the nature of the centers' production. This shift is away from low cost items which, however, require relatively great labor, such as rugs or brooms, to items such as mattresses that require proportionately less labor but much more machine effort and more costly materials. The centers' production of baskets, brooms and rugs have not sold well, whereas in recent years the production of such relatively more costly items as mattresses and box springs has resulted in better sales performance. That is, for the centers to do better on the competitive market, it has been necessary to reduce the emphasis upon such items as brooms, that require much labor and cheap materials; these items are cheaply available from abroad. The emphasis is shifting to production items that involve more machine work and more expensive materials than straw and broom corn, but which can be sold more profitably.

In the past the centers have demonstrated that sales can be sufficient to meet the costs of operations financed from the Industries for the Blind Manufacturing Fund. Therefore, we feel that increased attention to sales and to product quality can permit the centers to return to a profit-making condition, possibly to a degree which would ultimately allow the return to the General Fund of working capital formerly advanced to the fund, or a reduction in the amount of General Fund subsidy. It will remain to be seen what results are forthcoming from the 1961-62 year currently in progress as the efforts of the administration to implement the recommendations are translated into financial transactions.

With reference to sales, we understand that the position of sales manager at the central administration level is vacant and has been vacant for well over a year.

CALIFORNIA INDUSTRIES FOR THE BLIND
A Comparison of Sales to the Costs of Manufacturing

<i>Year</i>	<i>Total sales</i>	<i>Total wages</i>	<i>Percent of sales</i>	<i>Total other costs</i>	<i>Percent of sales</i>	<i>Net profit</i>	<i>Percent of sales</i>
1955-56 -----	\$2,341,982	\$471,779	20.1%	\$1,754,492	74.9%	\$115,711	4.9%
1956-57 -----	2,504,020	537,118	21.5	1,833,914	73.2	132,988	5.3
(increase) -----	(+162,038)	(+65,339)		(+79,422)		(+17,277)	
1957-58 -----	2,549,908	540,177	21.2	1,941,442	76.1	68,289	2.7
(increase) -----	(+45,888)	(+3,059)		(+107,528)		(-64,699)	
1958-59 -----	2,725,234	566,834	20.8	1,948,772	71.5	209,628	7.7
(increase) -----	(+175,326)	(+26,657)		(+7,330)		(+141,339)	
1959-60 -----	2,129,846	467,431	21.9	1,735,223	81.5	-72,808	-3.4
(decrease) -----	(-595,388)	(-99,403)		(-213,549)		(-282,436)	
1960-61 -----	2,226,195	397,376	17.9	1,878,836	84.4	-50,017	-2.3
(increase) -----	(+96,349)	(-70,055)		(+143,613)		(+22,791)	

Department of Education

LOS ANGELES CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 78 of the Budget Bill

Budget page 182

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

Amount requested	\$123,444
State employees' retirement	7,025
State employees' health and welfare	1,140
Total	\$131,609
Estimated to be expended in 1961-62 fiscal year	126,803
Increase (3.8 percent)	\$4,806
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

For 1962-63 the budget is increased by \$4,806 (3.8 percent) over the estimated 1961-62 expenditure of \$126,803. Merit salary increases for the administrative positions supported by the General Fund, the replacement of an automobile, and increased costs of plant operation in the proposed budget account for this increase. No new positions are sought and no departures from present service levels are proposed.

We recommend approval.

Department of Education

OAKLAND CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 79 of the Budget Bill

Budget page 183

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

Amount requested	\$165,114
State employees' retirement	4,975
State employees' health and welfare	660
Total	\$170,749
Estimated to be expended in 1961-62 fiscal year	101,262
Increase (68.6 percent)	\$69,487
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

This 1962-63 budget request represents an increase of \$69,487 (68.6 percent) above the estimated 1961-62 expenditure. The increase is attributable to the inclusion into this budget item of funds to cover moving costs and rent expected in 1962-63.

On approximately August 1, 1962, the center will be relocated in a leased facility; relocation is necessary because of the construction of a freeway adjacent to the present Oakland site. This budget request includes \$8,500 to cover the costs of moving the center's production equipment, and \$64,625 for the rent in 1962-63 of the new quarters. As a result of the necessity to relocate both the Oakland center and the Orientation Center for the Blind at Oakland, the Highway Fund will provide during 1962-63 approximately \$1.9 million to be applied to the costs of moving and construction for the Orientation Center and moving

California Industries for the Blind—Continued

and rent for the Oakland production center. This will in effect compensate the General Fund for the Oakland center's rent and moving expenses in 1962-63 and may meet rent expenses in subsequent years. For the time being the decision has been made to locate the Oakland center in leased quarters rather than invest in State-owned land and buildings. Within a period of a few years, possibly in the 1965-66 fiscal year, the funds available from the Highway Fund payment will have been totally applied, and the rent for the Oakland center will then become a General Fund expense without compensation.

We recommend approval.

Department of Education

SAN DIEGO CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 80 of the Budget Bill

Budget page 185

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

Amount requested	\$59,412
State employees' retirement.....	3,210
State employees' health and welfare.....	420
<hr/>	
Total	\$63,042
Estimated to be expended in 1961-62 fiscal year.....	58,254
<hr/>	
Increase (8.2 percent).....	\$4,788
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

This center's 1962-63 General Fund budget indicates an increase of \$4,788 (8.2 percent) over the estimated 1961-62 expenditure of \$58,254. This increase may be attributed almost entirely to the cost of repairs occasioned by damage to the first-floor ceiling from water leakage from sprinkler heads on the second floor. The San Diego center is the smallest of the three both in terms of its General Fund support and in terms of the staff and number of workers employed.

We recommend approval.

Department of Education

ORIENTATION CENTER FOR THE BLIND

ITEM 81 of the Budget Bill

Budget page 186

FOR SUPPORT OF THE ORIENTATION CENTER FOR THE BLIND FROM THE GENERAL FUND

Amount requested	\$228,320
State employees' retirement.....	14,175
State employees' health and welfare.....	1,950
<hr/>	
Total	\$244,445
Estimated to be expended in 1961-62 fiscal year.....	351,213
<hr/>	
Decrease (30.4 percent).....	\$106,768
TOTAL RECOMMENDED REDUCTION	None

Orientation Center for the Blind—Continued

ANALYSIS

The Orientation Center at Oakland has served two different groups of blind persons. The center's activities have been directed mainly towards intensive treatment of the problems facing the newly blinded. These include communication, travel and the development of the other senses to compensate for their handicap. The center offers courses in travel techniques, Braille, typing, daily living and grooming, physical conditioning and, where feasible, prevocational training intended to help enable these persons to engage in remunerative work. The center has also provided a home to blind persons who were in residence prior to April 1951. These persons, accepted on the basis of full-time residence, remain a responsibility of the State.

The 1962-63 budget reflects substantial reductions for the Orientation Center; the budgeted figure of \$244,445 is 30.4 percent lower than the estimated 1961-62 expenditure of \$351,213. This reduction has been occasioned by a necessary relocation. The present site is in the path of construction of the MacArthur freeway in Oakland and is expected to be vacated by September 1, 1962. For a temporary period the center will have to be housed in rented quarters while a new site is acquired and a suitable building constructed.

This relocation has prompted the separation of the center's services to its blind residents from its other activities. Under the authorization of Chapter 2129, Statutes of 1961, these people, presently numbering around 30, will be transferred on July 1, 1962 to suitable private facilities. Under the heading of "contractual services for blind residents" in the operating expenses area of the budget of the Department's Division of Special Schools and Services, \$104,400 is provided for 1962-63 for the maintenance of these people. As their numbers are reduced with the passage of years, the expenditure will gradually phase out. In addition to the state support of private facilities for these people, Chapter 2129 also authorized the expenditure from within the division's budget of allowance payments to these people; in the 1962-63 budget \$3,300 is included for this purpose. The sum of these two charges, \$107,700, is approximately equal to the reduction in the center's budget for 1962-63. Previously these expenses were met from the Orientation Center budget. This is considered preferable to the creation of facilities at the new site to accommodate a small and dwindling number of persons.

The separation of this service, and the relocation in more up-to-date quarters has permitted the abolition of 26.8 positions from the center's staff. Of this number, 14.6 came from the area of care and subsistence connected with the treatment of the permanent residents primarily, while another 12.2 came from plant operation and storekeeping functions in anticipation of increased efficiency in the new quarters.

We recommend approval as budgeted.

Department of Education
CALIFORNIA SCHOOL FOR THE BLIND

ITEM 82 of the Budget Bill

Budget page 188

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

Amount requested	\$624,719
State employees' retirement	35,040
State employees' health and welfare	4,500
Total	\$664,259
Estimated to be expended in 1961-62 fiscal year	642,571
Increase (3.4 percent)	\$21,688
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

The California School for the Blind, at Berkeley, is a residential school offering elementary and high school education to blind, partially blind and deaf-blind children. In addition to the special techniques necessary for the teaching of the blind, extensive use is made of such special teaching equipment as Braille writers and Braille books, embossed maps and globes, models and audio equipment. The school's Helen Keller unit also provides a full educational opportunity for the deaf-blind pupils. The school makes available field services for pre-school blind children, graduates and ex-pupils. It also administers a reader service for blind college students.

It is estimated that for 1962-63 the school will provide general education for approximately 170 resident pupils, including eight who are deaf and blind. This total enrollment is an increase of four over the 1960-61 figure and the 1961-62 estimate. Further, the school will provide guidance services for approximately 55 former students, field services for 95 pre-school children and reader services for about 75 blind college students.

For the 1962-63 budget \$21,688 more is requested than is estimated to be expended in 1961-62, an increase of 3.4 percent over \$642,571. Over \$13,000 of this increase is for merit salary increases to the school's staff; another \$9,500 is expected to be spent for special repairs to the buildings. No new positions are sought and no new programs proposed.

We recommend approval as budgeted.

Department of Education

SCHOOL FOR CEREBRAL PALSID CHILDREN, NORTHERN CALIFORNIA

ITEM 83 of the Budget Bill

Budget page 190

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

Amount requested	\$444,699
State employees' retirement	23,475
State employees' health and welfare	3,780
Total	\$471,954
Estimated to be expended in 1961-62 fiscal year	475,941
Decrease (0.8 percent)	\$3,987
TOTAL RECOMMENDED REDUCTION	None

School for Cerebral Palsied Children, Northern California—Continued

ANALYSIS

The San Francisco school, one of two residential schools, is designed for the diagnosis and treatment and determination of an educational program for Northern California children afflicted with cerebral palsy or other similar handicaps. The school also serves as a demonstration laboratory for the educational department of San Francisco State College and functions as a diagnostic center for the neurologically handicapped child in co-operation with the Crippled Children Services of the Department of Public Health. Further, in co-operation with the Vocational Rehabilitation Service of the Department of Education, the school is providing a limited amount of prevocational training in order to develop skills that will qualify young similarly handicapped persons for more specialized training and counseling available from Vocational Rehabilitation, in line with a policy of making these persons more self-sufficient.

For the 1962-63 year no change is anticipated in the number of students expected to be served. For the 1961-62 year it is expected that the school will handle 168 students, and that this will be the number for 1962-63. The school handles a greater volume of students than the Southern California facility, partly because of the differences in the physical lay-outs of the schools and partly because of the nature of the afflictions of the children referred. Many of the cases referred to the Southern California school are more complicated, requiring greater and more extensive treatment. During the 1960-61 year a total of 133 students were served; of this number 45 were evaluated in the diagnostic center only, and 88 were enrolled for intensive educational work and therapy.

The 1962-63 budget request represents \$3,987 less than estimated 1961-62 expenditures. A reassignment of duties in the teaching staff and increased productivity in the kitchen staff have permitted the abolition of one teaching and one cook position.

Thus, in terms of average cost per student served and the cost per average student year (determined by dividing the number of students served and the average resident enrollment, respectively, into the estimated total expenditure), the unit costs for the San Francisco school are expected to go down in 1962-63 from their 1961-62 levels. These figures are in turn lower than those reported for the previous year.

	1960-61	1961-62 (estimated)	1962-63 (proposed)
Number of students served.....	133	168	168
Average cost of students served---	\$3,560	\$2,833	\$2,809
Average resident enrollment.....	30	31	31
Cost per average student year-----	\$15,781	\$15,352	\$15,224

We recommend approval as budgeted.

Department of Education

SCHOOL FOR CEREBRAL PALSIED CHILDREN, SOUTHERN CALIFORNIA

ITEM 84 of the Budget Bill

Budget page 192

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

Amount requested	\$370,273
State employees' retirement.....	21,530
State employee's health and welfare.....	3,300
Total	\$395,103
Estimated to be expended in 1961-62 fiscal year.....	388,241
Increase (1.8 percent).....	\$6,862

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

This school, presently situated at Altadena, is one of the State's two residential schools for diagnosis and treatment and determination of an educational program for children afflicted with cerebral palsy or other similar handicaps. The children served by this school come mainly from the 13 Southern California counties. To a limited extent, the school serves as a demonstration laboratory for the education department of Los Angeles State College in the training of teachers of handicapped children. During the summer sessions the college has held courses at the Altadena school for teacher trainees.

In past years we have referred to the differences in program and unit costs between the Northern and Southern California schools. There have been two principal factors responsible for these differences. One is the nature of the school plants themselves; the Southern California school is housed in old quarters formerly used as a health home, and the plant, therefore, lacks the more efficient layout of the San Francisco school. Legislative authorization has been given for the construction of a new Southern California school adjacent to the campus of Los Angeles State College. This new plant will permit the school to make changes in its program and operations that will help to align the two schools, particularly in terms of pupil capacity. Another important cause for distinctions between the schools has been the degree of affliction of the children referred for diagnosis and treatment. In past years, the Southern California school has received a greater number of cases requiring more extensive diagnosis and more intensive therapy than has the Northern California school. A shift in the source of referrals to the Altadena school, with more children referred by the Crippled Children Services of the Department of Public Health and proportionately fewer complicated cases referred by clinics and hospitals, will effect a change in the length of stay of many of the children and of the degree of services required, thereby tending to permit the reception of more children without an increase in the school's facilities. The Department of Education is aware of the differences between the two schools and has sought to align their programs as much as the difference in the two school plants will permit. It will remain for the new plant to be occupied before a more meaningful comparison may be made of the actual program differences between the two schools.

School for Cerebral Palsied Children, Southern California—Continued

We understand that land acquisition for the new Southern California school still has not been completed at the time of this writing. Therefore, the Department of Education estimates that it will be some time in the first half of the 1963-64 fiscal year before the construction can be finished and the move made. Estimates of a possible moving date have been around September, 1963 to January, 1964.

For 1962-63 the budget request is \$6,862 higher than the estimated 1961-62 expenditure of \$388,241, an increase of 1.8 percent. Increased productivity of the kitchen staff through reassignment of duties and changes in purchasing will permit elimination of one position of cook in 1962-63. The total number of students expected to be served in 1962-63 is 90, equal to the reported 1960-61 total and the estimated 1961-62 total. Average resident enrollment, more equivalent to a head count of pupils on any school day, reflects no change from the 1960-61 figure of 30.

Whereas unit costs figured in terms of average numbers of students served and average resident enrollments at the Northern California school have gone down during the past three years, largely due to an increase in the numbers of students served and in increased productivity which has permitted the abolition of two positions in the 1962-63 budget, unit costs at the Southern California school have indicated a rise in the past three years.

	1960-61	1961-62 (estimated)	1962-63 (proposed)
Number of students served-----	90	90	90
Average cost of students served---	\$4,244	\$4,314	\$4,390
Average resident enrollment-----	30	30	30
Cost per average student year-----	\$12,731	\$12,941	\$13,170

To some extent this may be attributed to merit salary increases (held down in 1962-63 by the proposed abolition of the cook position) and by recurring maintenance and housekeeping in the older plant (estimated to be increased by approximately \$2,600 for 1962-63). No new positions are sought and no changes in the level of service are proposed.

We recommend approval as budgeted.

Department of Education
CALIFORNIA SCHOOL FOR THE DEAF, BERKELEY

ITEM 85 of the Budget Bill

Budget page 194

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

Amount requested-----	\$1,513,958
State employees' retirement-----	90,500
State employees' health and welfare-----	11,700
Total -----	\$1,616,158
Estimated to be expended in 1961-62 fiscal year-----	1,571,537
Increase (2.8 percent) -----	\$44,621
TOTAL RECOMMENDED REDUCTION -----	None

California School for the Deaf, Berkeley—Continued

ANALYSIS

The California School for the Deaf, Berkeley, is one of two state residential schools for deaf children. The curriculum is similar to that of public day schools, but special emphasis is placed upon speech instruction with oral techniques, as well as finger spelling and lip reading. The curriculum provides elementary and secondary education in academic and vocational preparation for pupils 5½ years to 21 years of age. The school offers students an opportunity to qualify for admission to Gallaudet College, Washington, D.C.; twenty-six of the Berkeley school's graduates were enrolled there during 1960-61. Other graduates are placed regularly in business firms, construction, printing, shoe repair and other self-employed enterprises.

The Berkeley school's 1962-63 budget request is up \$44,621 over the estimated 1961-62 expenditure of \$1,571,537, an increase of 2.8 percent. Four new positions are requested, two classroom teachers and two counselors.

We recommend approval of the two classroom teachers. The Berkeley school's enrollment has continued to grow in recent years. For the 1962-63 year the school anticipates an enrollment of 495 (composed of 460 resident and 35 nonresident) as compared to a December 1, 1961, enrollment total of 470. The classroom teaching positions are requested in order to maintain the pupil-teacher ratios used by the Berkeley and Riverside schools. The enrollment and classroom teacher distribution appears as follows:

Year	Grade level	Enrollment	Pupil-teacher ratio	Number of teachers
1960-61	Primary-----	156	8-1	20
	Intermediate-----	149	10-1	15
	Advanced-----	153	10-1	15
		458		50
1961-62	Primary-----	174	8-1	22
	Intermediate-----	147	10-1	15
	Advanced-----	149	10-1	15
		470 ¹		52
1962-63	Primary-----	185	8-1	23 ²
	Intermediate-----	150	10-1	15
	Advanced-----	160	10-1	16 ²
		495		54

¹ Enrollment reported as of December 1, 1961.

² Additional teachers requested for 1962-63 are included in this figure.

With regard to the two additional counselor positions, we recommend approval. The two positions sought would permit assigning one night counselor to each of two intermediate dormitories (for boys and girls) and two advanced dormitories (also for boys and girls). Presently one counselor is assigned at night to two dormitories; therefore, during the time the counselor is making his rounds in one building the other building is unattended. We understand that there are approximately 130 girls in the two girls' dormitories and approximately 153 boys in the two boys' dormitories. The counselors make regular nightly rounds of

California School for the Deaf, Berkeley—Continued

the multi-storied buildings attending to ventilation, quiet and health. In addition the counselors are available for fire alarm, illness, sudden weather changes and discipline problems. The two counselors presently assigned to the four buildings have not been successful in maintaining discipline among the older students who from time to time have taken advantage of the counselors' absences from the dormitories. Because of the large number of pupils involved and the number of buildings to be served, we feel additional night-time counseling staff is warranted.

Included among the equipment items for the Berkeley school in the 1962-63 budget is \$6,500 for equipment for an offset press. This is requested in order that the school may continue its successful program of vocational training in printing. More and more printing establishments are adopting the offset press as a more efficient and economical method of printing. The Berkeley school does not have the facility for instructing its pupils in this technique. Because of the success the school has experienced in this vocational instruction with the placement of its graduates, and because of the specialized manner of instruction necessary to teach deaf pupils the use of such equipment, we concur that this long-range training investment should be made.

It will be noted that in 1961-62 there was an allocation from the Emergency Fund for support of the school in the amount of \$6,200. This expenditure was for a new school bus. The vehicle previously used was recently declared unsafe by the California Highway Patrol and did not warrant reconditioning.

Salaries for the requested new positions account for over \$16,000 of the proposed budget increase. Merit salary increases for the presently authorized staff will represent another \$21,000 in increased expenditures.

We recommend approval of this item as budgeted.

Department of Education

CALIFORNIA SCHOOL FOR THE DEAF, RIVERSIDE

ITEM 86 of the Budget Bill

Budget page 196

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

Amount requested	\$1,646,746
State employees' retirement	98,680
State employees' health and welfare	13,200
Total	\$1,758,626
Estimated to be expended in 1961-62 fiscal year	1,718,411
Increase (2.3 percent)	\$40,215
TOTAL RECOMMENDED REDUCTION	\$5,560

Summary of Recommended Reduction

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
1 teacher in horticulture (or reduction of an equivalent amount from another part of the vocational training staff plus adjustment of operating expenses and equipment) ..	\$5,560	197	33

California School for the Deaf, Riverside—Continued

ANALYSIS

The California School for the Deaf, Riverside, is the other state residential school for deaf children. The school educates mentally normal deaf children from elementary through high school grades in academic and vocational courses. As of December 1, 1961, there were 506 students enrolled; approximately the same number is expected in 1962-63. As in the case of the Berkeley school, the Riverside school offers college preparatory training to students wishing to qualify for admission to Gallaudet College in Washington, D.C.; for 1961-62 it is expected that nine students from Riverside will attend.

The curriculum of the school is similar to that of public day schools, but with special instruction for all students using oral techniques, lip-reading and finger spelling. Vocational preparation courses include home economics, business education, baking, spotting and pressing, commercial art, printing, cabinetmaking, electric appliance repair and body and fender repair.

The 1962-63 budget represents a request for \$1,758,626, or \$40,215 more than the estimated 1961-62 expenditure of \$1,718,411, an increase of 2.3 percent. Merit salary increases before deductions for salary savings will equal approximately \$44,000. Included in the budget request is one new position, a teacher in horticulture for the vocational preparation area. This would inaugurate a new course in the curriculum of the California Schools for the Deaf. The salary for this position is proposed to be \$5,560. We understand that no specific equipment has been requested in this budget for this position, but that available equipment could be used and some donated. *We recommend deletion of this position, or approval only if there is a consequent reduction of the equivalent of one full-time position in another part of the vocational training staff.* The Riverside school has among its students some who are not only deaf but have some other physical handicap as well, such as cerebral palsy. These students often cannot get training in a field suitable to their capacities and where the working conditions are safe within the present vocational curriculum of the school. In addition, the present vocational curriculum is slanted more toward boys' vocations than girls', with the result that more girls are presently being assigned to areas such as printing, baking and spotting and pressing than employment opportunities permit. The Riverside school, therefore, has proposed the inauguration of a program in vocational instruction in horticulture.

The school contacted nurseries in 19 different Southern California communities with a questionnaire concerning their willingness to hire deaf workers. Of those responding over two-thirds indicated that jobs suitable for deaf workers included propagation, potting and watering, while a smaller percentage indicated grafting, planting and fertilizing. The nurseries indicated they would be willing to accept deaf and handicapped workers. With the population growth of Southern California, the horticulture industry has enjoyed a corresponding increase, and the Riverside school contends that this would prove a practicable area for the employment of deaf and handicapped persons that has not presently been developed.

California School for the Deaf, Riverside—Continued

The school has indicated that approximately 24 students would receive instruction in horticulture if the position request were granted. This would be accomplished by three two-hour classes of approximately eight pupils. This would amount to about one-tenth of the total enrollment of boys and girls (all in the intermediate and advanced levels) in vocational preparation courses. This would permit the placement of many of the handicapped children not presently well-placed in other areas, as well as provide a wider field of preparation for many of the girl students. The subject is not being taught at the Berkeley school. We would recommend that the results and benefits of any horticulture training program be carefully studied and assessed before authorization were given to establish similar courses at other, comparable schools.

The pupils expected to be enrolled in the horticultural training at Riverside would come from a number of different courses rather than primarily from one or two specific courses. The Riverside school has indicated its desire to reduce the pupil load in the other vocational courses at the time the horticulture program is instituted.

However, it is understood that no increase in the student enrollment is anticipated for 1962-63 from 1961-62. We do not believe that a change in the direction of a vocational program with no change in number of pupils warrants adding a new teaching position. This is a matter of changing assignments of teaching staff within the teacher-student ratio. The approval of this new position should be made conditional upon the reduction of the equivalent of one full-time position (plus related expenses) from within the presently authorized vocational education staff.

With the exception of this proposed deletion, we recommend approval of this item as budgeted.

**Department of Education
VOCATIONAL EDUCATION**

ITEM 87 of the Budget Bill

Budget page 198

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

Amount requested	\$601,800
State employees' retirement.....	26,010
State employees' health and welfare.....	3,498
Total	\$631,308
Estimated to be expended in 1961-62 fiscal year.....	654,636
Decrease (3.6 percent).....	\$23,328
TOTAL RECOMMENDED REDUCTION.....	None

ANALYSIS

The support of California's Vocational Education program is based upon the co-operation of federal, State General Fund and local sources. Federal funds are derived from several different authorizations: (1) the Smith-Hughes Act which makes funds available for salary reimbursements only; (2) the George-Barden Act which provides funds

Vocational Education—Continued

for salary reimbursements, travel expenses and instructional materials; (3) the Practical Nurse Training Program which in California underwrites the full expense of the practical nurse education program sponsored by Vocational Education; and (4) Title VIII of the National Defense Education Act (PL 85-864). In order to be eligible for these federal funds equal matching of state and/or local moneys is necessary. After the expenses of state-level operations have been deducted from the total amount appropriated from General Fund and federal sources, the remaining balances are distributed as reimbursements to local secondary school districts for supervision and teacher training if the recipient districts are maintaining approved vocational education courses in agriculture, homemaking, business and industrial education. The subventions to local school districts appear in the local assistance section of the budget.

The table below summarizes the proposed 1962-63 State General Fund and federal expenditures for vocational education both at the state level and as reimbursements.

<i>Income</i>		I. State-level Operations		<i>Expenditures</i>	
State General Fund	\$631,308	Administration: General Fund	\$25,848		
Federal funds	748,193	Federal funds	43,343		
					\$69,191
		Area vocational education (federal funds)			102,512
		Practical nurse training (federal funds)			30,350
		Fire training program (General Fund)			97,055
		Instructional materials			20,000
		Supervision and teacher training:			
		General Fund	\$478,897		
		Federal funds	522,479		
					1,001,376
		(Detail:			
		Agricultural education	\$230,259		
		Business education	17,238		
		Distributive education	146,876		
		Homemaking education	201,393		
		Industrial arts education	17,375		
		Industrial education	411,276		
		Less: Salary savings and reimbursements	—23,041		
		Subtotal	\$1,001,376)		
		Plus: Contributions to retirement and health and welfare			59,017
Total Income	\$1,379,501	Total Expenditures			\$1,379,501
		II. Reimbursements to School Districts			
State General Fund	\$230,271	Agriculture (federal and General Fund)	\$407,952		
Federal funds	2,293,256	Area vocational education (federal funds)	543,315		
		Business (federal and General Fund)	119,732		
		Homemaking (federal and General Fund)	355,213		
		Industrial (federal and General Fund)	919,228		
		Practical nursing (federal funds)	178,087		
Total Income	\$2,523,527	Total Reimbursements			\$2,523,527

Vocational Education—Continued

Grand Total Expenditures and Reimbursements

GRAND TOTAL

INCOME-----\$3,903,028
 (General Fund-- 861,579)
 (Federal funds-- 3,041,449)

GRAND TOTAL REIMBURSE-
 MENTS TO SCHOOL DIS-
 TRICTS ----- \$3,903,028

In 1962-63 the total State General Fund expenditure for state-level support and subventions for vocational education will rise \$11,181, an increase of 1.3 percent over the estimated 1961-62 figure of \$850,398. This increase is for the State's share of the costs of merit salary increases. It appears that state and federal contributions bear equally these salary increase costs; however, the federal share must be met at the expense of program support rather than by increased federal allowances. The 1962-63 State General Fund total support figure of \$861,579 will represent 22.1 percent of the total vocational education budget of \$3,903,028; federal allowances will provide the balance.

State-level Operations

For 1962-63 the General Fund support of a state-level operation is proposed to be \$631,308 which is 3.6 percent lower than the estimated 1961-62 expenditure of \$654,636. This reduction may be attributed to two factors. The first of these is the introduction of federal participation in the support of employee retirement and health and welfare contributions. Previously the full expense of these contributions has fallen to the General Fund; commencing in 1962-63 it is proposed to split equally these costs between General Fund and federal sources. This has permitted some of the General Fund money previously required for state-level operations to be released for expenditure as subventions to local school districts in conformity with the practice that funds not required for state-level operations are available for subventions. Secondly, there has been a reassignment of the employment of federal funds at the state level in connection with matching requirements; this, too, has permitted the release of General Fund money for subventions by increasing the proportion of federal-to-General Fund money represented in the state-level operations. 1962-63 federal support of state-level operations has therefore risen while General Fund support has decreased. A third factor has influenced the amount of General Fund money released for use as subventions; this is, the necessity for merit salary increases which has reduced somewhat the amount of General Fund money that otherwise would have been available for transfer to subventions.

In addition to the overall administration of vocational education, there are five distinct operations represented in the state-level activities budget. One of these is entirely supported from the General Fund, two (including administration) are jointly-financed, two are solely supported from federal funds and the remaining has in the past few years been self-sufficient (although it is currently receiving federal financial support).

Vocational Education—Continued

A—Program Solely Supported by the General Fund

The Fire Training Program provides service to local fire departments by conducting inservice training throughout the State. In 1960-61, 187 schools were held and 4,747 men were taught by the program's six itinerant instructors for a total of 3,926 class hours. No new positions are sought and no changes in the level of service are proposed. The 1962-63 expenditure for fire training is proposed to be \$1,821 higher than the 1961-62 year.

B—Jointly Financed Programs

(1) Administration. Costs for this area are proposed to be \$2,051 less than the 1961-62 expenditure estimate. Elimination of payments for services from the State Personnel Board is responsible for this reduction. No new positions are sought and no changes in service are proposed.

(2) Supervision and Teacher Training. This is the principal area of state-level operation costs. For 1962-63 it is proposed to spend \$1,001,376 at the state-level in this activity. The General Fund share of this figure is \$478,897, or 47.8 percent of the total; the balance of \$522,479 will come from federal funds. The General Fund share is down \$3,775 (0.8 percent) from 1961-62. Here, too, no staff or service increases are requested.

C—Federally Financed Programs

(1) The Practical Nurse Training Program. This was instituted in 1956-57 by the federal government for the purpose of developing curricula and programs in the field of nursing. In California this development is being performed under contract with the University of California. No change is proposed for 1962-63 from the \$30,350 estimated to be spent in 1961-62. Of this amount \$30,000 represents the contract and \$350 the related travel expenses.

(2) Area Vocational Education. This is financed entirely at the state level from funds available from Title VIII of the National Defense Education Act (PL 85-864) which seeks to promote technical education at the lower-than-college level. Vocational education has been assigned the responsibility for reviewing, processing and approving the school districts' applications for technical education support from the Title VIII funds.

As a part of a program budgeted for 1961-62 and 1962-63 Area Vocational Education has been editing technical education publications in the following fields:

- Metallurgy
- Automatic controls
- Technical illustration
- Civil technology
- Electromechanics
- Business data processing

Editing of publications is usually performed in the Bureau of Textbooks and Publications of the Department of Education. However,

Vocational Education—Continued

because of a lack of provision for charging these editing costs to Title VIII, which is supporting this activity, it has been funded within vocational education. Temporary approval was given during 1961-62 for the employment of temporary help in editing and clerical positions. For 1962-63, 1.2 positions of temporary help in these areas are sought again.

We recommend that approval be extended for one year.

(3) Instructional Materials for Apprentices. Instructional materials are prepared for use by apprentices in trades where there are a minimum of 100 apprentices. Currently 30 such trades are being serviced. The material includes workbooks and test books, examinations, work progress charts and teachers' manuals. In the past few years it has been the policy to sell these materials at prices sufficient to recover the costs of the program.

However, commencing in 1961-62 two extensions of the level of service have been undertaken which have effected a deficit. Federal funds available from the George-Barden Act have been used to meet this deficit and are proposed to be used again in 1962-63, to the amount of \$20,000. Further, one editorial assistant and one clerical position temporarily approved in 1961-62 are sought as new positions. We understand that these two new areas of service may require continuing federal support in subsequent years.

The two new areas of service commenced during 1961-62 are: (1) the preparation of instructional materials for journeymen and other workers who have been affected by technological changes which have absorbed their jobs; and (2) persons engaged in training for trades which are presently not apprenticeable. The two new areas are separate and should be considered individually.

With regard to those workers already trained who have lost their jobs because of technological innovations, the instructional materials program has proposed to prepare items for use in the retraining of these persons in order that they may again be qualified to obtain employment comparable to that which they previously had. The extension of the preparation of instructional materials to include those persons in trades which are not presently apprenticeable is aimed at those who are equivalent to apprentices (that is, not already trained) but who are engaged in trades that are either so specialized or so organized that an apprentice system has not been developed.

Before federal funds (or possibly, ultimately, General Fund moneys) are committed to the support of these extended operations in the 1962-63 budget, it should be reviewed how much these services are likely to cost once they have been established; that is, how much money will it cost to maintain an instructional materials program for each of these two new areas once the basic materials have been compiled and ordered, and how much revenue might be anticipated from the sale of these materials. Also, we understand that at present certain items, such as answer sheets and some manuals, are available free-of-charge. We feel that before the policy of self-sufficiency is abandoned it should

Vocational Education—Continued

be explored whether increased revenues might be obtained which would lessen a reliance upon federal support.

Although we recommend approval of the request for two positions for the instructional materials program for a period of one year, we do not consider that these expanded activities should be included in the 1962-63 budgeted use of federal funds without the Legislature's being apprised of the two new areas intended to be serviced.

We recommend approval as budgeted.

**Department of Education
VOCATIONAL REHABILITATION SECTION**

ITEM 88 of the Budget Bill

Budget page 203

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

Amount requested	\$3,127,529
State employees' retirement.....	78,337
State employees' health and welfare.....	11,050
<hr/>	
Total	\$3,216,916
Estimated to be expended in 1961-62 fiscal year.....	2,974,801
<hr/>	
Increase (8.1 percent).....	\$242,115
<hr/>	
TOTAL RECOMMENDED REDUCTION.....	\$156,105

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Extension and Improvement Project, Mental Hospital			
Patients:			
Delete entire program	\$53,375*	208	51
Positions presently authorized:			
1 Supervising vocational rehabilitation counselor I.....		208	56
6 Vocational rehabilitation counselor.....		208	57
5 Stenographer		208	58
Proposed new positions:			
1 Supervising vocational rehabilitation counselor I.....		208	63
0.3 Medical consultant		208	65
1 Intermediate stenographer		208	66
<hr/>			
14.3 Total positions			
Extension and Improvement Project, Rehabilitation Services to Recipients of Public Assistance:			
Delete entire program.....	77,730*	210	4
Proposed new positions:			
2 Supervising vocational rehabilitation counselor I.....		210	12
9 Vocational rehabilitation counselor.....		210	13
7 Intermediate stenographer		210	14
0.2 Medical consultant		210	15
<hr/>			
18.2			
Extension and Improvement Project, Placement of Mentally Retarded in Rehabilitation Workshops:			
Delete entire program	25,000*	210	50
(No positions requested)			

* General Fund share in total program expenditures. Total federal contributions to these programs, \$471,915.

Vocational Rehabilitation Section—Continued

ANALYSIS

The Vocational Rehabilitation Service is part of the Division of Special Schools and Services of the Department of Education. It maintains four regular programs intended to assist the physically and mentally handicapped to achieve self-support. These are in addition to program administration: (1) the Business Enterprise Program for the Blind, largely state supported; (2) Vocational Guidance and Placement, the main element of the service, jointly financed by General Fund and federal moneys; (3) the Disability Certification Program, entirely federally financed; and (4) the sheltered workshops consultation service which is supported both by federal funds and General Fund dollars. The 1962-63 budget also reflects one project commenced in 1961-62 and three proposed new projects.

The total proposed budget for 1962-63 is \$8,746,850, an increase of \$634,256 over the estimated 1961-62 level. A total of 460.8 positions are presently authorized. The distribution of General Fund and federal support is as follows:

	<i>Estimated 1962-63 Expenditures</i>			
	<i>General Fund</i>	<i>Federal funds</i>	<i>Increase</i>	<i>Percent increase</i>
General Support -----	\$3,216,916		\$242,115	8.1
		\$3,707,354	374,374	11.2
Old Age and Survivors Insurance, Disability Certification Program Support -----	--	1,822,580	17,767	1.0
Subtotal -----	\$3,216,916	\$5,529,934	\$634,256	7.8
GRAND TOTAL -----		\$8,746,850		

Under the provisions of Public Law 565 the federal and General Fund support for regular vocational rehabilitation programs has been undergoing alignment in the past four years. These "bridge" provisions have caused an adjustment of the General Fund-to-federal support ratio from approximately 40-60 to nearer 50-50. However, the alignment does not cover all the expenditures represented in the Vocational Rehabilitation budget. Under other authorizations in PL 565 a different matching ratio is permitted for certain projects, most of which have a duration of three years. For 1962-63, the fourth and last year of the bridge provisions, the distribution of General Fund and federal moneys in the regular program is 48.5 percent General Fund to 51.5 percent federal. Additional expenditures under other matching ratios represent another \$265,357 of General Fund money and \$2,394,546 in federal funds.

General Fund, bridge provision-----	\$2,951,559
General Fund, additional-----	265,357
General Fund, total-----	\$3,216,916
Federal funds, bridge provision-----	\$3,135,388
Federal funds, additional-----	2,394,546
Federal funds, total-----	\$5,529,934
Grand total, all sources-----	\$8,746,850

Vocational Rehabilitation Section—Continued

The 62.2 new positions requested for 1962-63 would bring the total number of positions authorized to 523. The requested new positions are as follows:

- 6 Supervising vocational rehabilitation counselor I
- 25 Vocational rehabilitation counselor
- 3.2 Medical consultant
- 15 Intermediate stenographer
- 1 Senior typist
- 12 Typist-clerk

62.2

Our analysis recommends the approval of 37.0 of these:

- 2 Supervising vocational rehabilitation counselor I
- 2.5 Medical consultant
- 14 Vocational rehabilitation counselor
- 5.5 Intermediate stenographer
- 1 Senior typist-clerk
- 12 Intermediate typist-clerk

37.0

The individual requests are discussed in connection with the budgets for each of the activities reported in the budget.

Administration

This element provides direction and supervision to the various vocational rehabilitation activities. Included within administration is the sheltered workshop consultation service, authorized by Chapter 2030, Statutes of 1959. This service assists community workshops in improving their operations, participates in the development of standards for fees for services purchased by the State, and encourages community participation in the rehabilitation of the handicapped who have sought the Vocational Rehabilitation Service's assistance. No new positions are requested for this segment of the budget, and no change in the level of service is proposed.

For 1962-63 the budget proposes \$500,329, an increase of \$1,839 over the 1961-62 estimate. The General Fund share of this expenditure will be \$216,470, slightly less than in 1961-62; federal funds will provide the balance of \$283,859.

Business Enterprise Program for the Blind

This program is intended to assist blind persons to become self-supporting by providing equipment for the establishment of vending stands, snack bars and cafeterias in public buildings and in industrial plants. The service also counsels operators to insure proper operation of their establishments. At present there are 213 installations being served by the program; by July 1962, approximately 230 are anticipated.

For 1962-63 the program's budget is set at \$204,227, an increase of \$1,414 over the 1961-62 estimate. The General Fund underwrites all but half of the expense of the vending stands and related equipment included in this segment of the budget. For 1962-63, this will represent

Vocational Rehabilitation Section—Continued

\$154,519 of General Fund money. The federal contribution towards this equipment, \$49,708, is matched to the General Fund expenditure under the bridge provisions of PL 565.

Vocational Guidance and Placement

This unit, comprising the main body of vocational rehabilitation activities, is divided into 10 districts and 17 branch offices located throughout the State. Its authorized staff represents over half of the total positions in the Vocational Rehabilitation budget. The services of this unit are directed towards the rehabilitation of the handicapped and disabled not presently being serviced by other agencies or by special demonstration projects sponsored by Vocational Rehabilitation. Regular activities reflected in this segment of the budget include psychological and medical examination, work tolerance testing, medical care and treatment if necessary, and job training where applicable and feasible.

The 1962-63 proposed expenditure for vocational guidance and placement is \$5,314,527, an increase of \$102,869 over the 1961-62 estimate. Of the total 1962-63 budget for this activity, \$2,582,165 will represent General Fund money while the remaining \$2,732,262 will come from federal funds. This distribution of General Fund and federal support is regulated by the bridge provisions referred to above. The 12.5 positions requested are:

7 Vocational rehabilitation counselor
5.5 Intermediate stenographer

12.5

We recommend approval of these positions. Of the total number of positions requested, six vocational rehabilitation counselors and five intermediate stenographers are intended for the regular vocational guidance and placement activities. Their addition to the authorized staff is requested on the basis of the population growth in the State for people between the ages of 16 and 64, the segment of the population served by the activity. This increase in staff permits the maintenance of staffing ratios reflected in the 1961-62 budget.

An additional vocational rehabilitation counselor and one-half position as intermediate stenographer are sought for services to a special project of the Contra Costa Rehabilitation Council on a full reimbursement basis.

Abolition is proposed by the department, effective March 1963, for one position currently authorized in the staff. This position, a vocational rehabilitation counselor, was assigned to work with the Mt. Zion Hospital on a full reimbursement basis for a project in the rehabilitation of persons afflicted with Parkinson's disease. The proposed abolition reflects the termination of the project with the hospital.

Old Age and Survivors Insurance—Disability Certification Program

This activity is performed by the Vocational Rehabilitation Service under contract with the federal government, and the expenses are

Vocational Rehabilitation Section—Continued

fully borne by the Federal Security Trust Fund. The following new positions are proposed for 1962-63:

- 2 Supervising vocational rehabilitation counselor I
- 2.5 Medical consultant
- 7 Vocational rehabilitation counselor
- 12 Intermediate typist-clerk
- 1 Senior typist-clerk

24.5

We recommend approval of these positions. Recent federal legislation has resulted in a substantial increase in the workload of this program. The reduction in the age limits for benefits and liberalized definitions of disability have contributed to the increased workload of the counselor and consultant staff. The requirement of the federal authorities for more information to be submitted in connection with determination reports, plus the additional caseload, have occasioned the request for additional clerical help. For 1962-63 the budget for this activity will represent a federal expenditure of \$1,751,909, an increase of \$11,386 over the estimated 1961-62 expenditure.

Extension and Improvement Project—Mental Hospital Patients

We recommend that the requested new positions and the staff presently authorized be deleted from the budget. This program, authorized in 1961-62, is one of three projects appearing in the 1962-63 budget based on federal three-to-one support. It was originally authorized by the Legislature with a staff of 12 persons. Within the first six months of its operation the staff has been increased by 2.3 positions given temporary approval. Our recommendation is that the entire operation be deleted from the 1962-63 budget.

In addition to the 7 vocational rehabilitation counselors and 5 stenographers authorized in 1961-62, the additional 2.3 positions already given temporary approval and now requested as new positions are:

- 1 Supervising vocational rehabilitation counselor I
- 1 Intermediate stenographer
- 0.3 Medical consultant

2.3

The supervising vocational rehabilitation counselor now sought would make a total of two such positions for a staff of six program counselors. This second supervisor would be given responsibility for three program counselors in one end of the State while the supervisor position authorized in 1961-62 would cover the other end of the State. This ratio, in our opinion, is too high. The supervisor counselor, we understand, is also expected to act as liaison between the six counselors assigned to the mental hospitals and the vocational guidance and placement counselors operating within the regular program. In our opinion, a third person, the supervisor, is not necessary for this liaison. The clerical position requested would increase the counselor-to-clerk ratio for this project to a one-to-one basis, a higher ratio than applies to the vocational guidance unit.

Vocational Rehabilitation Section—Continued

The assignment of personnel from the Vocational Rehabilitation Service to the State's mental hospitals represents a duplication of services with the hospitals' own staffs. The Department of Mental Hygiene has assigned rehabilitation therapists to the various mental hospitals. In the 10 hospitals for the mentally ill in 1961-62, there were authorized 223 therapists and 20 teachers. Of the therapists, 40 were occupational therapists and 15 were industrial therapists. Although we recognize the psychiatric orientation present in the Department of Mental Hygiene's concept of rehabilitation, we understand that these occupational therapists are engaged in training patients for job opportunities intended to return the patient to self-sufficiency. We do not see what six more counselors from the Vocational Rehabilitation Service can expect to accomplish that such a staff in the Department of Mental Hygiene cannot. The assignment of counselors from the Department of Education in the mental hospitals represents not only a duplication of services within the hospitals but assumes that the personnel of the Department of Mental Hygiene cannot and do not effectively carry through in their services to a patient once he returns to private life.

We feel that the function intended to be accomplished by vocational rehabilitation in this project more properly belongs to the Department of Mental Hygiene's rehabilitation programs, and that the effective provision of vocational guidance and placement for the person newly released from a mental hospital can be provided by the regular staff of the vocational guidance and placement unit without the addition of this sort of operation.

**Extension and Improvement Project—Rehabilitation Services
to Recipients of Old Age and Survivors Insurance**

We recommend approval of this project. Of the four extension and improvement projects included in the 1962-63 budget, this is one of the three proposed new in the budget year (the mental hospital patient project was commenced in 1961-62). This project differs from the other three in that it will be financed on a four-to-one matching of federal funds to General Fund money; the others are on a three-to-one ratio.

Temporary approval has already been given to the addition of 4.7 positions in connection with this project; these same positions are included among the 1962-63 budget's requested new positions, as follows:

- 1 Supervising vocational rehabilitation counselor I
- 2 Vocational rehabilitation counselor
- 1.5 Intermediate stenographer
- 0.2 Medical consultant

4.7

For 1962-63 the General Fund is asked to provide \$18,270 towards the costs of this project. Federal support in the amount of \$73,080 is expected to meet the balance of the total expenditure of \$91,350. This is over \$22,000 more than is expected to be spent in 1961-62 under the temporary authorizations already granted for the project.

This project is intended to demonstrate what vocational rehabilitation can accomplish for persons eligible to receive or receiving cash

Vocational Rehabilitation Section—Continued

benefits under social security because of old age or disability. Persons in these categories who have been considered capable of rehabilitation have always been assigned a high priority in the regular vocational guidance and placement program. The project is proposed to demonstrate what an intensive rehabilitation of this type can accomplish, and it is requested on the basis of demonstrating how social security recipients might be rehabilitated and returned to a self-supporting status.

**Extension and Improvement Project—Rehabilitation Services
to Recipients of Public Assistance**

We recommend that funds for this be deleted from the budget.

This is one of the three new projects appearing for the first time in the 1962-63 budget, and it is predicated upon a financing of 3-to-1 federal funds. For the first year the General Fund support is proposed to be \$77,730, one-fourth of the total budget of \$314,520. The following positions are requested:

- 2 Supervising vocational rehabilitation counselor I
- 9 Vocational rehabilitation counselor
- 7 Intermediate stenographer
- 0.2 Medical consultant

18.2

The Vocational Rehabilitation Service proposes to demonstrate through this project that public assistance expenditures can be reduced through more effective identification and evaluation at the county level of public assistance applications. Citing its experience with referrals from county welfare departments, one of the regular sources of referrals to the Vocational Rehabilitation program, the service proposes stationing vocational rehabilitation counselors in selected counties in the first year to review cases at intake and select those capable of rehabilitation. We concur in the desire of the Vocational Rehabilitation Service to improve the value of their activities in the rehabilitation of people who might otherwise become recipients of public assistance. To support their contention, the Vocational Rehabilitation Service has noted that between July 1954 and July 1961, it has rehabilitated 4,338 individuals and families who had been on public assistance. Assuming an average grant for these families of over \$1,500 (they report it was \$1,867 in 1960-61), they estimate a one-year saving in relief payments of \$6,570,-800.

However, our recommendation is made because we do not believe that it has been adequately demonstrated that the stationing of vocational rehabilitation counselors in county welfare department offices is the appropriate method open for improving the referral process at this time. The personnel assigned to the seven selected counties in the first year would collect material relevant to the rehabilitation caseload that could be developed. We are concerned with the potential duplication of services that could develop with state and county people both participating in application evaluation. There appears to be no assurance that the counselors assigned in the county offices will not gradually assume the full responsibility for the rehabilitation case identifications.

Vocational Rehabilitation Section—Continued

If this transpires, the extension of this activity to many if not all of the State's other counties must be considered a distinct possibility.

If, as the Vocational Rehabilitation Service argues, the quality of evaluation and review being performed by the county welfare departments is not adequate in terms of effective identification of potentially rehabilitatable cases, we cannot concur that the only solution is the assignment of vocational rehabilitation counselors to the county offices. We feel that the first step for the improvement of these services lies with the county welfare departments and the State Department of Social Welfare in its relations with the county departments. No indication exists that the Vocational Rehabilitation Service is the only agency capable of effecting this improvement at this time.

Extension and Improvement Project—Placement of Mentally Retarded in Rehabilitation Workshops

We recommend the deletion of the funds for this project.

This is the third project appearing in the 1962-63 budget for the first time, and it is proposed to be funded on a 3-to-1 federal matching basis. The total proposed expenditure of \$100,000 would, therefore, represent a General Fund support of \$25,000. The staff of the vocational guidance and placement unit would be used to assist in the placement and orientation of mentally retarded persons in these private workshops. The proposed \$100,000 expenditure is intended to reimburse these private workshops for the less productive phases that accompany this orientation.

We question the need for an expenditure from the Vocational Rehabilitation budget to private workshops on behalf of these mentally retarded persons. The training and the preparation for work belongs, in our opinion, to the public schools. In 1959-60 over \$9,300,000 was apportioned to school districts from the State School Fund as excess cost reimbursement to school districts for educational programs for the mentally retarded. These programs include among their aims the preparation of the mentally retarded for vocational employment. Not included in this figure is the expenditure of another \$1.2 million that year for programs for the severely mentally retarded, those considered too handicapped to profit from extensive training geared towards possible self-sufficiency. This State School Fund expenditure was made in addition to other support from the fund for educational services available to the mentally retarded. In view of the state support to school districts for the education of the mentally retarded, we question the necessity for additional services to these same people from the vocational rehabilitation program.

We also question whether state funds, or state and federal funds, should be used as compensation to private workshops for the reduced productivity that can be expected of new handicapped workers. Such a payment would amount to a state subsidy to these private workshops on behalf of mentally retarded workers. If this principle were adopted, this would constitute a precedent that could result in substantial state expenditures when federal support for such projects is no longer available, not only for the mentally retarded but for other groups of handicapped workers.

STATE TEACHERS' RETIREMENT SYSTEM

ITEM 89 of the Budget Bill

Budget page 211

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

Amount requested	\$480,943
State employees' retirement	27,666
State employees' health and welfare	3,750
Total	\$512,359
Estimated to be expended in 1961-62 fiscal year	474,619
Increase (8.0 percent)	\$37,740
TOTAL RECOMMENDED REDUCTION	\$7,800

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Two intermediate clerks	\$7,800	212	40

ANALYSIS

The State Teachers' Retirement System provides monthly allowances to public educational personnel who are qualified to retire for service or disability in accordance with the provisions of the Teachers' Retirement Act and policies established by the State Teachers' Retirement Board. The board consists of the State Board of Education plus two additional members who represent teachers in the system.

The present Teachers' Retirement System was established in 1944 and is provided for in Section 13801 through Section 14415 of the Education Code.

The 1962-63 budget request of \$512,359 for the administration of the system is \$37,740, or 8.0 percent, more than is estimated to be expended during the current year. The increase is due to the following reasons:

1. Two proposed new positions	\$7,800
2. Merit salary increases	9,324
3. Decreased salary savings	9,066
4. Increased operating expenses	3,495
5. Increased equipment cost	4,249
6. Increased employees' retirement and health and welfare cost	3,806

Total increased cost 1962-63 over 1961-62

\$37,740

The two new clerical positions are proposed for the Valuation Section of the system. The budget, on page 212, states that the positions would "give proper credit for part-time service prior to 1956 and meet the workload needs of this unit."

Prior to July 1, 1956, the Retirement Law gave credit for service if the person served for a minimum of an hour per day on 10 or more days of the school month. Eight such months of service constituted a year of credit. Since July 1, 1956, benefits have been based on the "final compensation" of an employee, which is defined as being the average annual salary earnable during the three highest years of earnings. The law states that the "earnings" shall be the salary which would be payable if the individual were employed full time. As a result of these two provisions it would be possible for an individual who rendered only the minimum amount of service to qualify for credit prior to July 1,

State Teachers' Retirement System—Continued

1956, to receive a benefit far in excess of salaries actually paid during any of his years of service.

In order to resolve the foregoing situation the law was amended in 1956 to provide that a different "final compensation" would be used for the calculation of benefits payable for part-time service prior to 1956. After a number of experiments in this connection the system reached a solution to the problem about a year ago. It is necessary to have complete information with respect to the amount of part-time service rendered prior to 1956, and also to learn the extent of service rendered in any given day, school month, and year.

In order to accomplish the increased workload there is a considerable amount of checking and correspondence required. The system has requested the two positions on the basis that, to do the work with the current staff of 15 persons including supervisors, there would be delays in the processing of retirement applications.

The system states that currently a time period of approximately six weeks elapses from the end of a school term to the time an applicant receives his first retirement check. This same staff is currently reviewing part-time service credit for applicants and is able to maintain the six-week time lapse. In our opinion this time lapse is not too lengthy and hardly would seem to justify two new positions.

We recommend the deletion of the two proposed clerical positions for a savings of \$7,800.

HIGHER EDUCATION IN CALIFORNIA**ENROLLMENT**

Student enrollment data continues to serve as the primary means for determining the amount of support and capital outlay funds which the Legislature is called upon to appropriate each year for higher education. It is the number of students enrolled in each institution which is used as the principal factor in calculating the size of the staffs and the facilities necessary for the executive, teaching, library, business management and student service functions of each institution. Projected enrollment figures also determine the need for new and enlarged colleges and campuses and indicate the magnitude of support funds which will be required in the future.

For this reason, enrollment statistics also suggest the importance of giving very careful attention to those factors of cost in higher education which are more readily controllable by administrative and legislative action. Among these factors are such matters as staffing patterns and workload standards, the level of service provided for various programs, the extent of reliance upon fee income and other non-state funds, enrollment distribution, curriculum expansion, instructional methods and salary levels: in other words, the resources employed and the efficiency with which they are utilized.

The enrollment statistics reported below indicate that by 1962-63 the University of California and the California state colleges will have a combined enrollment equivalent to 143,643 full time students. Junior

Higher Education in California—Continued

college attendance exclusive of adults may be expected to reach 175,000. Combining these figures (although they are not strictly comparable) it may be seen that over the five-year period 1958-59 through 1962-63 public higher education enrollment will have increased from 227,842 to 314,286 students, or 38 percent.

Table I—Summary of Enrollment
Annual Full-Time Equivalent Enrollment, Regular and Limited Students,
California State Colleges

	1958-59	1959-60	1960-61	<i>Estimated</i> ¹			
				1961-62	1962-63	1965-66	1970-71
Alameda	--	133	457	740	1,030	2,125	7,700
Cal Poly (K-V)	1,194	1,628	2,051	2,620	3,170	5,100	9,575
Cal Poly (SLO)	4,341	4,390	4,718	5,150	5,460	5,800	8,050
Chico	2,809	2,845	2,873	3,040	3,100	3,100	3,825
Fresno	4,861	4,717	4,770	4,940	5,130	5,075	5,950
Humboldt	1,498	1,540	1,700	1,750	1,900	2,025	2,650
Long Beach	6,013	6,234	6,795	7,680	8,400	9,825	13,950
Los Angeles	6,396	7,737	8,742	9,980	11,280	10,425	18,450
Orange	--	187	606	960	1,340	2,750	8,625
Sacramento	3,671	3,880	4,009	4,220	4,420	4,750	7,225
San Bern.-Riverside	--	--	--	--	--	1,050	3,100
San Diego	6,651	7,210	8,166	9,200	10,180	11,775	15,000
San Fernando	1,856	2,560	3,875	4,990	6,130	10,450	17,325
San Francisco	7,174	7,806	8,648	9,440	10,200	10,000	10,000
San Jose	10,170	10,739	11,592	12,780	14,000	14,250	17,000
Sonoma	--	--	--	140	300	1,100	3,375
South Bay	--	--	--	--	--	1,475	6,450
Stanislaus	--	--	322	310	400	950	2,725
Totals	56,632	61,606	69,324	77,940	86,440	102,025	160,975

¹ 1965-66 and 1970-71 figures are for regular students only and, therefore, exclude a substantial number of students enrolled as limited (part-time) students.
SOURCE: Department of Finance.

Table II—Summary of Enrollment
Annual Fall Term Full-Time Enrollment, University of California

	1958-59	1959-60	1960-61	<i>Estimated</i>			
				1961-62	1962-63	1965-66	1970-71
Berkeley	18,732	19,332	21,324	22,982	24,500	27,500	27,500
Davis	2,343	2,422	2,876	3,457	3,993	5,450	10,050
Los Angeles	15,451	15,600	16,377	17,622	18,540	23,950	27,500
Los Angeles (M.C.)	658	710	897	938	1,050		
Orange County	--	--	--	--	--	500	3,250
Riverside	970	1,221	1,573	1,910	2,245	3,350	7,300
San Francisco	1,487	1,618	1,806	1,899	1,973	2,200	2,500
Santa Barbara	2,536	2,803	3,397	4,004	4,652	6,400	11,800
San Diego	49	42	104	153	250	1,000	4,000
Santa Clara	--	--	--	--	--	--	2,500
Totals	42,226	43,748	48,354	52,965	57,203	70,350	96,400

SOURCE: University of California.

It is estimated that combined University and state college full-time enrollment will reach 172,375 by 1965 and 257,375 by 1970-71. Although no recent estimates are available for junior college growth over this period, it may be assumed that the number of junior college students, whether measured in terms of full-time enrollment or average daily

Higher Education in California—Continued

attendance, will increase at an equal or greater pace. Hence it is evident, as noted in previous years, that California must prepare to see its already very large public higher education enrollment nearly double in the next 10 years.

For the same period it has been estimated that the total state population will grow from approximately 17 million to over 22 million for an increase of about 30 percent. Thus, the rate of growth for public higher education enrollment is expected to be about three times the rate of population growth.

ADMISSION POLICIES

Among the principal objectives of the 1960 *Master Plan for Higher Education*, as approved by the Regents of the University and the State Board of Education, is the diversion of a substantial number of students from the University and the state colleges to the public junior colleges for their first two years of higher education. This enrollment diversion will produce, according to the Master Plan Survey Team, several important benefits: it will permit the senior institutions to concentrate on the educational tasks most appropriate to their functional responsibilities; it will enable the senior institutions to concentrate more of their resources on the upper division and graduate students who will be seeking admission in greater numbers; it will reduce the cost to the State for both capital outlay and current operating expenses for the lower division; and it will reduce student costs for lower division instruction.

To achieve the diversion, the Master Plan recommended the following changes in state college and University admission policies and procedures to be put into effect for the fall of 1962:

1. That entrance requirements be raised to the extent that "the state colleges select first-time freshmen from the top one-third (33 $\frac{1}{3}$ %) and the University from the top one-eighth (12 $\frac{1}{2}$ %) of all graduates of California public high schools" with any special exceptions kept to a minimum and graduates of private and out-of-state schools held to equivalent levels;
2. That both systems apply as fully as possible the requirement that "all, or almost all, the recommending units for admission shall be in college preparatory courses . . .";
3. That freshman admission through special procedures be limited to "2 percent of all freshman admissions in each system for a given year"; and
4. That "a minimum of at least 56 units of acceptable advanced standing credit" be required for transfer students ineligible to admission as freshmen, with special early transfers limited to "not more than 2 percent of all students who make application for advanced standing in any year."

In addition, it was recommended that undergraduate out-of-state applicants be required to stand in the upper half of those ordinarily eligible for admission; that continuing studies be conducted with respect to selection, admission and retention for all three segments, with

Higher Education in California—Continued

particular attention to the validity of existing entrance requirements; and that the University and the state colleges emphasize policies leading to a reduction of lower division enrollments in relation to those of the upper and graduate divisions, the percentage of undergraduates in the lower division in both cases to be gradually reduced from approximately 50 percent to 40 percent by 1975.

Inasmuch as the first four of these recommendations were to be put into effect for the fall of 1962 and, therefore, would have had a bearing on University and state college budgets for 1962-63, we believe it is appropriate to note what action has been taken to date.

Both segments had adopted a 60 unit rule for transfer students prior to publication of the final Master Plan report, but both had left open a means for bypassing this rule. The state colleges continue to permit transfer of students with a "B" average upon completion of 24 units of junior college work. The University, however, has recently announced that beginning in 1962 it will require, in accordance with the Master Plan recommendation, 56 transfer credit units for students with a grade point average of 2.4 or better rather than the 30 units previously required.

More important, the University's Academic Senate has also voted to tighten admission standards to reduce eligibility from 14.8 percent to 12.6 percent of all public high school graduates by eliminating its so-called "alternate" admission plans. This action is to be effective for students seeking admission in the fall of 1964 rather than 1962 as recommended, but the delay is believed necessary to properly forewarn those who will be affected. In addition, beginning this fall, exceptions to regular admission standards will be permitted only to the extent of 2 percent of each level of students admitted, also as recommended in the Master Plan.

Thus, though somewhat tardily, the University has demonstrated its intention to comply fully with the first four recommendations noted above. The state colleges, on the other hand, have evinced no further progress in this respect. In part, this may be due to the fact that the Trustees have had little time to act since taking on full responsibility for the state colleges on July 1, 1961, and that the state colleges have not in the past developed the type of data necessary for an accurate assessment of admission standards. Nevertheless, it is also evident that the state colleges are not in full accord with the Master Plan in this respect and have recently placed greater emphasis upon formulating an admissions policy under which different standards are applied for the various curricula offered. It is apparent that the state colleges now consider the general level of eligibility to be a consideration secondary to tailoring existing standards to individual educational programs.

Hence, despite the actions which have been taken by the University, the matter of enrollment diversion remains very much in doubt. Very likely, the tightening of University standards in the absence of state college action will result in the diversion of many students to the state colleges rather than to the junior colleges as intended.

Higher Education in California—Continued

Moreover, neither segment has indicated thus far what other steps are to be taken to emphasize policies which will substantially reduce the percentage of undergraduate students in the lower division as compared with the percentage in the upper division of each segment, although it is the implementation of this recommendation which, according to the Master Plan Survey Team, is to bring about approximately four-fifths of the total diversion to the junior colleges.

On the basis of the data and advantages set forth in the Master Plan, we believe that the recommendations of the survey team with respect to admissions policies were entirely sound and that both segments are committed to their implementation. The Legislature has every reason to expect full compliance at the earliest possible date.

We recommend, therefore, that the Trustees of the California State Colleges be required to submit to the next session of the Legislature, together with the annual budget requests, a concrete plan for compliance with the Master Plan admission recommendations. In addition, we recommend that both segments, in co-operation with the Coordinating Council for Higher Education, be requested to submit a definite statement of policy with respect to proposed methods of reducing the percentage of undergraduate students at the lower division level in accordance with the Master Plan recommendations.

EFFICIENT USE OF FACULTY RESOURCES

In view of the great expansion in enrollment which has been forecast for California's public institutions of higher education and the correspondingly increased outlays of state funds which will be necessary to support and provide facilities for these institutions, there can be no question but that the level of productivity in higher education has taken on a much greater significance than ever before in the development of this system. It is now quite clear that unless every available resource is employed to its full capacity, California will have great difficulty in the near future in maintaining its established level of educational service for all those who seek it.

In approaching this problem, the basic premise must be that the existing level of productivity of all resources employed in higher education can be improved. Inasmuch as the teaching staff may be considered to be the single most important resource utilized, it follows that full consideration must be given to the potential for achieving more efficient use of faculty with the objective of absorbing some of the anticipated increase in enrollment without a correspondingly large increase in teaching staff.

Current Faculty Staffing Patterns

As a first step in doing so, we believe it is useful to look at existing faculty staffing patterns for the three segments of public higher education. Within each segment it is common practice to rely heavily upon the divisional and departmental chairmen to see to it that each member of the faculty is assigned a reasonable and appropriate workload. However, formal and informal staffing standards have also been constructed to serve as guidelines for budgetary and other administrative purposes.

Higher Education in California—Continued

Since 1953-54, teaching positions for the state colleges have been budgeted according to a rather complex staffing formula which takes into account the types of courses offered, the types of instruction employed, and minimum and maximum class sizes for each type of course. The formula is based on a forty-five hour faculty workweek which includes 36 hours of teaching (classroom and preparation) and nine hours of nonteaching activity such as counseling and professional development. The 36 hours of teaching provide for the equivalent of a 12 credit-unit teaching load which, for the state colleges, is the same as one full-time equivalent (FTE) teaching position. This weekly teaching load is applied to the several types of instruction in the following manner:

FTE Teaching Workload—State Colleges

Type of instruction ¹	Credit units	Hours per week			
		Classroom	Preparation	Other	Total
1. Lecture -----	12	12	24	9	45
2. Activity -----	9	18	18	9	45
3. Home economics and industrial arts laboratories	8	24	12	9	45
4. Science laboratories ----	6	18	18	9	45
5. Major sports -----	2	24	12	9	45
6. Minor sports, performance and production -----	4	24	12	9	45

¹ Excluding allowance for supervision for which full teaching load is supervision of 25 to 36 students.

The distribution of teaching time between classroom and preparation is based upon the estimated number of hours of preparation required for each hour of classroom instruction. The actual number of credit units produced is dependent upon the number of class hours per week required for each unit of credit. Thus, for example, two hours of preparation are provided for each hour of lecture class, and each hour of lecture produces one credit unit. Hence, a full lecture teaching load is the equivalent of four lecture classes each meeting for three hours each week. For science laboratory instruction, in which fewer hours of preparation are required per hour of classroom but more hours of classroom are required per unit of credit, a full load is the equivalent of three laboratory classes each meeting for six hours per week, or six classes meeting three hours per week.

It must be understood that this formula is employed for budgetary purposes only: the actual assignment of teachers, the determination of proper class sizes and the distribution of teaching load has been left to each college. In practice, the workload at any college or for any single department varies above and below the formula allowance. Thus, released time (a lighter load) may be, and has been, achieved for some faculty members by increasing the workload for others. And, because the formula also takes into consideration the class size deemed appropriate for each type of course, it is also possible to vary workload by adjusting class sizes. Moreover, by increasing the average size for all classes, it is possible to reduce course loads across the board.

The University of California does not have a similar staffing formula, but data developed recently in connection with its unit cost study sug-

Higher Education in California—Continued

gests the existence of a comparable staffing pattern. According to this data, auxiliary staff (associates and assistants, lecturers, supervisors and teaching assistants) are expected to follow a 36-hour teaching workweek with a twelve-unit base identical with that of the state colleges. For the "faculty" (instructors through full professors) the teaching load is one-fourth less. The basic workweek for the "faculty" is calculated at 40 hours of which 27 hours are devoted to teaching, providing the equivalent of a nine credit unit base for one full-time position.

Full-time Faculty Teaching Workload—University of California

Type of instruction	Credit units	Hours per week			Total
		Classroom	Preparation	Other	
1. Lecture -----	9	9	18	13	40
2. Activity -----	6.75	13.5	13.5	13	40
3. Laboratory --	4.5	13.5	13.5	13	40
4. Tutorial ----	27 ¹	-	-	13	40

¹ Students in this case.

Again, it must be observed that in actual practice both faculty and auxiliary staff workloads vary above and below these norms. A total workweek of at least 45 hours, the figure used for the state colleges, would probably be more realistic. Also, a recent sample survey of the University staff has shown that the actual number of teaching hours per week per full-time position (including organized classroom time and tutorial time) is 32 for instructors, 33 for assistant professors and 31 for professors, including both organized class and tutorial teaching time, as compared with the 27-hour base.

At the junior college level, staffing patterns and workload standards for budgetary purposes and in actual practice vary rather widely among the 65 junior colleges now in operation. However, on the basis of preliminary analysis of a survey which we have conducted recently, some generalization appears to be possible. Some junior colleges budget new teaching positions simply on the basis of a student-teacher ratio, just as the state colleges did prior to 1953-54. For the most part, this ratio falls within a range from 22 units of a.d.a. per teacher to 30 a.d.a. per teacher.

A substantial number of junior colleges, however, budget and assign teachers on the basis of teacher load units and weekly teaching hours, and some also employ course, preparation time and class size standards similar in many respects to the budgetary standard used for the state colleges. While it is difficult to generalize with respect to those standards, the following data indicates what appears to be the most common practice.

Full-time Teaching Workload—Junior Colleges

	Usual range	Most frequent
Lecture contact hour base -----	14-16	15
Science laboratory contact hour equivalent ----	20-30	22
Student credit hour -----	13-18	14-16
Total teaching hours ¹		
Lecture -----	25-40	30
Science laboratory -----	30-45	35
Student credit hours -----	13-18	14-16
Average class size -----	16-35	25-30

¹ Classroom and class preparation time.

General Summary

Higher Education in California—Continued

The principal point of comparison between the University, the state colleges, and the junior colleges is the teaching-unit workload base. At present, this is nine units (equivalent to 3 three-unit lecture courses) for the University, 12 units (or 4 three-unit lecture courses) for the state colleges, and 15 units (or 5 three-unit lecture courses) for the junior colleges. On the basis of incomplete data available to us, actual total teaching hours per week (classroom and class preparation) usually run from 31 to 33 hours for University "faculty," up to 36 hours for state college faculty, and from 30-35 hours for junior college faculty. Apparently, it is the more generous allowance for preparation time at the senior institutions which produces this similarity in total teaching time as compared with the difference in unit load standards.

On the basis of data we have been able to gather by a survey of comparable institutions in other states, the workload standards which have been established for California's institutions of higher education appear to be generally in line with those employed elsewhere. The one exception to this, however, is that a number of major public colleges and universities comparable to the California State Colleges appear to operate with significantly higher overall student-faculty ratios and to produce a greater number of student credit hours per faculty member than is now true of the state colleges. This data is not sufficient to provide the basis for definite conclusions, but it does clearly suggest the need for further study in this respect.

Improving Faculty Productivity

In 1959 the Master Plan Survey Team estimated that between 1960 and 1970 a total of 25,853 new full-time faculty would be required to meet the enrollment growth predicted for public higher education in California for that period. Assuming a total full-time instructional staff for the three segments of 30,000 for 1970-71 at an average annual salary of \$8,000, the total annual cost for faculty salaries may be expected to reach some \$240 million by the end of this decade, more than double estimated current annual expenditures for this purpose. However rough these estimates may be, two conclusions appear to be inescapable: there will be a very heavy pressure upon the supply of new faculty, and there will be very heavy pressure upon available funds to pay their salaries.

At present much more attention has been given to the problem of increasing the supply of new faculty than to the matter of employing the existing supply to its maximum effectiveness. We believe that the combined problem of supply and cost will not be solved unless equal emphasis is placed on improving productivity.

The first step in doing so is to identify the factors which enter into faculty productivity. As indicated above, chief among these are class size, course load, workweek composition, and contact hours per student. Hence, the most obvious means to be considered for improving productivity would include:

1. Increasing average class size by expanding all classes, by utilizing a greater number of larger classes, or by reducing the number of very small classes; and

Higher Education in California—Continued

2. Increasing faculty workload in terms of the number of courses or course units taught, by reducing noninstructional activities, by reducing the number of different course preparations, or by reducing the number of class hours required for each course.

To date these and other possible courses of action have remained largely unexplored aside from the studies which have been initiated in connection with the use of instructional television and isolated efforts on the part of some junior colleges. We believe that similar studies dealing either with new or existing techniques should be pressed forward on a broad front.

We recommend, therefore, that the state colleges and the University be requested to initiate studies with respect to the means and possibilities for expanding faculty productivity and to report to the 1963 session of the Legislature as to their preliminary findings as a result of such studies.

UNIVERSITY AND STATE COLLEGE ADMINISTRATIVE SALARY LEVELS

Both the Regents of the University of California and the Trustees of the California State Colleges have been exempted from the jurisdiction of the State Personnel Board and empowered with sole responsibility for setting salary schedules and classification within the systems which they govern. While the Regents have always enjoyed such authority, it was extended to the state college system only as recently as 1960 under the terms of the Donahoe Higher Education Act.

This authority appears to be fully justified in connection with the high degree of autonomy which has been granted the University and state colleges with respect to other elements of the administration of the two segments. The Legislature has indicated, however, that it wishes to be informed of the manner in which this authority is exercised, particularly as to the salary levels which are established for administrative positions in comparison with administrative salary levels for other areas of state government.

For this reason, we have again constructed a table of comparative salary data (Table III, pages 195-197) showing the monthly range and maximum annual salaries for the principal administrative positions for the University, the California State Colleges and other major state agencies. The comparisons are made by general function and responsibility rather than by individual positions inasmuch as it is impossible to make strict comparisons between any two specific positions.

In general, it may be seen from this data that the principal state college and University positions in the executive, program development, financial and legal areas carry salaries significantly higher than do positions with similar responsibilities in other agencies. This is particularly true with respect to the principal executive positions. It is also evident that it is the University which serves as the example for the new state college administrative staff rather than the other major state agencies.

**Table III—Comparative Salary Data—The University of California,
The California State Colleges and Other Major State Agencies**

	UNIVERSITY OF CALIFORNIA		CALIFORNIA STATE COLLEGES		OTHER MAJOR STATE AGENCIES			
	Salary		Salary		Salary			
	Monthly Range	Annual Max.		Monthly Range	Annual Max.	Monthly Range	Annual Max.	
1. Principal Executive Positions:								
President, University of California -----	\$3,167	\$38,000	Chancellor -----	\$2,800	\$33,600	Director, Co-ordinating Council for Higher Education -----	\$2,355	\$28,253
Vice President of the University -----	2,375	23,500	Vice chancellor -----	1,928-2,343	23,116	Director, Department of Finance ..	2,527	30,419
Chancellor, Berkeley Campus	2,250	27,000	State college presidents	1,306-1,587	19,020	Director, Department of Mental Hygiene	2,067	24,806
						Director, Department of Corrections	1,745	20,948
						Director, Department of Employment	1,745	20,948
						Executive secretary, Board of Equalization	1,405-1,707	20,484
						Superintendent, mental hospitals, Department of Mental Hygiene	1,405-1,707	20,484
						Director and superintendent, Department of Education	1,667	21,000
						Deputy superintendent, Department of Education	1,274-1,549	18,588
						Director, Department of Public Health	1,791	21,499
						Director, Department of Social Welfare	1,515	18,191
2. Principal program development positions:			Vice chancellor for academic affairs	1,749-2,125	25,500	Deputy director, Department of Finance	1,549-1,764	21,168
Vice President, University Relations -----	1,667	20,000	Chief academic planning	1,213-1,475	17,700	Deputy director, Department of Corrections	1,275-1,549	18,588
			Chief, school and college relations	1,100-1,338	16,056	Deputy director for community services, Department of Mental Hygiene	1,405-1,707	20,484
			Chief, student affairs	1,100-1,338	16,056	Deputy director for hospital medical services, Department of Mental Hygiene	1,405-1,707	20,484
						Chief of clinical services, Neuro-psychiatric Institute	1,213-1,549	18,588
						Assistant director, Department of Public Health	1,405-1,707	20,484
						Chief, preventive medical services, Department of Public Health ..	1,274-1,626	19,512

**Table III—Comparative Salary Data—The University of California, The California State Colleges
and Other Major State Agencies—Continued**

	UNIVERSITY OF CALIFORNIA		CALIFORNIA STATE COLLEGES		OTHER MAJOR STATE AGENCIES			
	Salary		Salary		Salary			
	Monthly Range	Annual Max.	Monthly Range	Annual Max.	Monthly Range	Annual Max.		
3. Principal management and fiscal positions:								
Vice President, Finance-----	2,083	25,000	Vice chancellor for business affairs	1,749-2,125	25,500	Assistant director, fiscal affairs, Department of Finance-----	1,247-1,549	18,588
Vice President, Business-----	2,083	25,000	Chief, budget planning -----	1,155-1,405	16,860	Chief, budget division, Department of Finance -----	1,213-1,475	17,700
Budget Officer -----	1,435	17,220	Chief, institutional and management research -----	1,155-1,405	16,860	Deputy director, management, Department of Public Works-----	1,709	20,508
			Administrative services officer ----	950-1,155	13,860	Deputy director for administrative services, Department of Mental Hygiene -----	1,155-1,405	16,860
						Chief of business services, Department of Corrections-----	998-1,213	14,556
						Assistant executive secretary, property taxes, Board of Equalization -----	1,274-1,549	18,588

4. Principal facilities planning positions:						Specialists in fiscal affairs, Coordinating Council for Higher Education	1,213-1,475	17,700
University engineer -----	1,405	16,860	Chief, facilities planning-----	1,338-1,475	17,700	Chief, planning and development, Department of Corrections-----	1,100-1,338	16,056
University architect -----	1,541	18,500	Chief architect -----	1,100-1,338	16,056	Correctional facilities planning specialist, Department of Corrections -----	862-1,048	12,576
Specialist in facilities planning -----	1,338	16,056	Construction engineer -----	950-1,155	13,860	State architect, Department of Public Works -----	1,338-1,616	19,512
						Deputy chief, division of architecture, Department of Public Works -----	1,274-1,549	18,588
						Assistant state architect, design, Department of Public Works ---	1,213-1,475	17,700
						Chief construction engineer, Department of Public Works-----	1,213-1,475	17,700
						Specialist, facilities planning, Coordinating Council for Higher Education -----	1,213-1,475	17,700
5. Principal personnel positions:						Assistant executive officer, Personnel Board -----	1,155-1,405	16,860
Manager, personnel and employee relations -----	1,250	15,000	Chief, personnel services-----	1,155-1,405	16,860	Principal personnel analyst, Personnel Board -----	988-1,213	14,556
						Personnel officer, Department of Mental Hygiene -----	950-1,155	13,860
6. Principal legal affairs positions:						Chief counsel, Board of Equalization -----	1,155-1,405	16,860
General counsel, Regents-----	2,417	29,000	Chief counsel -----	1,155-1,405	16,860	Chief counsel, Public Utilities Commission -----	1,274-1,549	18,588
						Chief Counsel, Department of Employment -----	1,048-1,274	15,288

Higher Education in California—Continued

JUNIOR COLLEGE COST ACCOUNTING AND REPORTING

Two measures passed by the 1961 Session directed the State Board of Education to establish an improved system of cost accounting and reporting for the public junior colleges. Senate Bill 1261 (Chapter 1802, Statutes of 1961) requires that the board shall "provide for a uniform system of accounting for all junior colleges and shall by rule and regulation define and establish methods for accounting for revenues and expenses for junior college purposes" in all districts which maintain junior colleges. It further requires each district to "report annually the revenues and expenses of the district for junior college purposes in accordance with rules and regulations of the State Board of Education . . ." Similarly, House Resolution 77 directed the board to "devise immediately an accurate system of accounting for the exact cost of operations and the exact amounts of revenue which are attributable to a junior college maintained by a unified district or a high school district" in order that the costs and revenues can be reported annually to the board and to the Legislative Analyst.

As stated in H.R. 77, this action is necessary for two reasons. First, it has not been possible to determine the exact amount of income and expenditure attributable to those junior colleges maintained by unified and high school districts. Second, information concerning the amounts of such income and expenditure is now absolutely essential for determining the extent to which the state should assist in meeting the present and future financial needs of the public junior college system.

At present, a uniform accounting system is in effect for all school districts regardless of level. There is no requirement that high school and unified districts account separately for junior college revenues and expenditures, although all districts which maintain junior colleges are required to determine in some manner the expense of graded and adult education in order to calculate the amount of tuition to be charged counties for students who do not reside in a district which maintains a junior college. The data reported for this purpose, however, has not only proven to be unreliable for comparative purposes, but is also incomplete inasmuch as it does not include allocation of capital outlay, special reserve and debt service funds. Moreover, because junior college accounting and reporting until now has been governed by the same regulations as are applied to elementary and secondary schools, it has been extremely difficult to extract data which may be compared with that developed for the state colleges and University of California.

The Department of Education, with the co-operation of the California Association of Public School Business Officials, is now working to develop the accounting and reporting system required by the 1961 legislation. The objective of the department is to provide for separate junior college accounting according to the existing public school accounting system. The department expects to complete its work and seek approval by the State Board of Education by April or May of 1962. Although this will not meet the January 1, 1962, deadline indicated in H.R. 77, it will still permit the collecting of required data for

Higher Education in California—Continued

fiscal year 1961-62 prior to the 1963 Regular Session. The Department of Education is also working with the Coordinating Council to develop a junior college reporting system which will provide data comparable to that reported by the University and the state colleges. This work is also expected to be completed in time to furnish 1961-62 data prior to the 1963 Regular Session.

The importance of this activity cannot be overstated insofar as it will permit the Legislature for the first time to be informed in a meaningful way of the exact nature of the revenue and expenditure structure upon which the public junior college system is based.

An additional area under study is the method of accounting for junior college attendance. The current practice of counting hours of attendance and then dividing by 525 to derive an annual daily attendance (a.d.a.) unit, without any limit as to whether a single student may account for more than 525 hours, produces more than one unit of a.d.a. for one student, to a maximum of 630 hours (or 1.2 a.d.a. per average student enrolled). This is unlike the limitation which is placed upon elementary and high schools where the State allows one a.d.a. for 175 days and does not permit counting for more than one day of attendance for any one calendar day. The result of this junior college law is to encourage the counting of hours of classes for the sake of additional a.d.a. funds. This should be corrected, and a full-time equivalent (FTE) basis for attendance should be used for both support and capital outlay financing purposes.

TUITION AND FEES

Historically California has maintained minimal fee charges in its state-supported institutions of higher learning on the theory that tuition-free education should be available to all California citizens at all levels of education. Tuition-free higher education, in conjunction with free public education through the junior college level, makes it possible for the citizens of the State to receive education from kindergarten to doctorate level largely supported by legislative appropriations.

The present fees at both the University of California and state colleges are not tuition, but are based upon the policy that the cost of certain noninstructional services should be borne by the students. At the University of California the following activities are entirely financed by the incidental fee: student health service, placement service, counseling service, and housing service. In addition, the incidental fee partially pays for laboratory costs, recreational facilities and services, diploma and certificate costs, and school and college placement service. The materials and services fee of the state colleges covers total budgeted costs for health services, counseling and testing, placement, student activities (including housing), and the materials and other miscellaneous expenses reflected under general expense within the instructional function of each college's budget.

However, while the costs of operating the University of California and the state colleges have risen rapidly during the past 14 years, fees

Higher Education in California—Continued

paid by students attending the University have, by comparison, increased only a small amount, as seen in the following table:

	1947-48	1960-61	Percent of Increase
University			
State support -----	\$19,316,204	\$132,212,814	584%
Expenditure per student -----	746	1,887	153%
Required fees -----	70	120	71%
State Colleges			
State support -----	3,946,525	68,207,719	1,628%
Expenditure per student -----	370	988	167%
Required fees -----	25	76	204%

In determining student fees, the State must reconcile two important aims: it must endeavor to promote equality of educational opportunity and at the same time find the income to finance quality educational service. By keeping student charges at a minimum, the State is bringing educational opportunities within the range of some persons who might otherwise not be able to afford them. Yet the swelling enrollments predicted for this decade pose financial problems which may require support funds beyond State appropriations. Student fee increases or the establishment of a tuition charge would be a logical method to help meet the financial requirements of the future. Student charges to defray part of the cost of instruction may be a necessary supplement to legislative appropriations.

While low cost higher education is desirable, it is questionable whether California's fees are realistic for the 1960's. The following table compares 1960-61 undergraduate fees of public universities with the University of California, liberal arts colleges and teachers colleges with the state colleges.

1960-61 Undergraduate Student Fees

Average of 81 public universities -----	\$249
University of California -----	120
Average of 130 teachers colleges -----	174
Average of 69 liberal arts colleges -----	138
State Colleges -----	76

Financial circumstances have compelled many public and private institutions of higher education to increase their student charges during the past 10 years. Income needs probably will require a reassessment of California's fee structure in the near future. Reasonable and proper fee increases accompanied by an enlarged state scholarship and loan program would prevent few, if any, students now capable of pursuing a college course from going to a public institution of higher education.

Nationwide studies from the U.S. Department of Health, Education and Welfare indicate that in 1957-58, student fees and tuition provided 19.7 percent of total instructional expenditures (excluding organized research, extension and public services, sales and services, auxiliary enterprises and student aid). For the same year (1957-58), University of California students paid fees equaling approximately 7.4 percent of their instructional expenditures (based on the best comparable figures available to us). These figures indicate that California taxpayers

Higher Education in California—Continued

are having to shoulder a heavier tax burden for the support of higher education than taxpayers of other states because of the low level of student contributions in this State.

Nonresident Tuition

Out-of-state students who have come to California for their higher education account for a significant part of University and state college enrollment. For example, in the fall of 1960 there were 7,267 nonresident students registered at the University, or 14.8 percent of the total enrollment. Unquestionably, these nonresident students perform an important function in preserving the cultural heterogeneity essential to the student body of a major educational system. However, with the continuing high rate of immigration from other states there is little reason to fear provincialism in California's institutions of higher education and for this reason to subsidize nonresident students at the expense of full educational opportunities for California's citizens.

The University of California presently charges \$620 (\$500 tuition and \$120 incidental fee) per year for nonresident students, which is less than many other public universities of comparable stature. The state colleges now charge nonresidents \$331 (\$255 tuition and \$76 materials and service fee) per year, which is well below resident tuition in many of the universities and colleges of other states. Legislative changes in the Education Code during the 1961 General Session now make it possible for the University of California to go beyond its former statutory limit of \$500 for nonresident tuition. State colleges have only \$180 per year minimum for nonresidents prescribed by the code.

In determining the nonresident charge, we believe nonresident tuition should be increased to at least \$570 at the University which would provide an amount equal to the lowest actual per student credit hour cost for lower division in 1960-61. We also believe that nonresident tuition for the California State Colleges should be raised for similar reasons to a minimum of \$370 for 1962-63.

We recommend a reduction in the University's budget of \$280,000 on the basis of a \$70 increase in nonresident tuition for the approximately 4,000 non-California students enrolled at the University. We also recommend a reduction of \$370,357 in the budgets of the state colleges on the basis of increasing nonresident tuition to \$370.

Medical School Tuition

The San Francisco Medical School increased its resident tuition fee to \$125 per semester in 1941-42, which was the last time that resident tuition in the University's medical school was changed. Combined with the required incidental fee of \$60 per semester and other fees, total required costs to a California resident amount to approximately \$385 per year. This amount seems small indeed in comparison to the gross instructional expenditure per student of \$9,233 at UCLA Medical Center and \$7,047 at the San Francisco Medical Center (estimated 1962-63) as reported in the Governor's Budget. Of the 37 state supported four-year medical schools in the United States, only three charge less than the University of California's two schools of medicine. The

Higher Education in California—Continued

national average for resident students in public medical schools is \$550 per year, with some schools charging as much as \$800 per year. University of California nonresident medical student charges of \$835 per year are also below the national average of \$953 (15 state-supported medical schools charge over \$1,000 per year). 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 1960-61 *

	Resident	Nonresident
California State Supported Universities		
University of California, San Francisco.....	\$385	\$835
University of California, Los Angeles.....	386	836
Other Public Universities		
State University of New York.....	715	715
University of Oregon.....	627	930
University of Michigan.....	620	1,230
University of Washington.....	525	870
University of Minnesota.....	505	945
University of Arkansas.....	500	1,000
University of Kansas.....	475	925
University of Illinois.....	450	900
Private Universities		
Harvard University.....		1,574
Cornell University.....		1,500
Columbia University.....		1,500
Johns Hopkins University.....		1,450
Georgetown University.....		1,450
Yale University.....		1,400
College of Medical Evangelists, Loma Linda, California.....		1,350
Stanford University.....		1,260
University of Southern California.....		1,220

* Compiled in "The Journal of the American Medical Association," November 11, 1961, pp. 582-583.

We recommend that the fees in the Schools of Medicine be increased to the national averages for resident and nonresident students to be more commensurate with the current rate of state expenditures for these types of instruction, and thus recommend a reduction of \$101,040 in the University's budget on the basis of raising the resident fee to \$550 and the nonresident fee to \$950 a year.

We also recommend that the fees in the schools of Dentistry and Pharmacy be increased to the national average.

Law School Tuition

Law schools likewise prepare students for professional careers which may result in substantial monetary gain. The three law schools of the University of California charge the same fees as those required of students in letters and sciences (\$120 per year for residents; \$620 for nonresident students). The national practice in public institutions is to charge law students more than undergraduate students but somewhat less than medical students. For 1960-61 the national average for 39 publicly supported law schools was \$231 per year for resident students. Such a charge would be approximately one-third of the gross cost per student at Hastings College of Law estimated for 1961-62 (the law school with what we believe to be the lowest cost per student in the

Higher Education in California—Continued

University of California). It is our belief that the present law school fees at the University of California are unrealistic and should be increased to provide greater student support for instructional costs.

We therefore recommend that law school fees for resident students be increased to at least \$200 per year and, on the basis of 1960-61 enrollments, \$80,480 be deleted from the University's budget, and \$49,840 from the Hastings College of Law budget.

In order to provide a uniform statewide policy regarding student fee charges in public higher education, we recommend as follows:

1. *Nonresident tuition should be increased to at least \$570 at the University of California and \$370 at the state colleges. Such increased fees in addition to the incidental fee at the University would provide an amount approximately equal to the lowest actual per student credit hour cost for lower division in 1960-61. Such increased fees at the state colleges would provide an amount which represents the minimum increase toward putting the state colleges' nonresident tuition on the same basis as that recommended for the University.*

2. *Compatibility of student charges for instructional and noninstructional services at the University of California and state colleges should be established. The state colleges should continue their studies in this area and the University should co-operate with them in an effort to end disparities between the two. The Coordinating Council should initiate its study of student fee problems and recommend appropriate fees and annual revisions of all fees including those for graduate and professional schools.*

SCHOLARSHIPS AND LOANS

The establishment of tuition at the state-supported institutions of higher education should be accompanied by expanded scholarship and loan programs. It is appropriate, we believe, that if public institutions shift part of the burden of paying for higher education onto the primary beneficiaries by charging moderate tuition, scholarships as well as loans should be made available to those who would have difficulty paying the tuition. Without this, students from low-income groups would be at a disadvantage because of increased financial barriers.

Scholarships and Subsistence Grants

In 1955, the California Legislature established a State Scholarship Program to aid very able students in need of financial assistance to attend the college of their choice and to divert students from public institutions of higher education to independent colleges and universities in the State. The Legislature recognized that the cost of tuitional scholarships to independent colleges represented less than the cost of educating a student at a public university and that there would be a resultant saving to the taxpayers to the extent that students were diverted. In 1960 the Legislature voted as part of the Master Plan for Higher Education an increase in the number of authorized State Scholarships, adding 640 a year for four years until 1964-65 when the number will reach 51,120.

Higher Education in California—Continued

Scholarship funds other than those administered by the State Scholarship Commission, which are available in California's junior colleges, state colleges, and University, are being utilized to a great extent at the present time. Many of the scholarships are of such a restricted type that prospective recipients are difficult to locate. For this reason, unrestricted scholarships administered by the institutions themselves are preferable in that the demand for scholarships usually exceeds the supply. The following table indicates the amount of scholarship aid available in public higher education in California in 1960-61:

Number and Amount of Scholarships Available, 1960-61

	<i>Number</i>	<i>Amount</i>	<i>Average Scholarship</i>	<i>Average per enrolled student</i>
University of California*	2,363	\$1,458,640	\$617	\$29.66
State colleges -----	2,128	505,639	238	7.33
Junior colleges † -----	2,165	288,554	133	2.18

* Includes graduate fellowships.

† On the basis of 51 replies from a questionnaire sent by the Legislative Analyst to 66 junior colleges of the State, 65 percent of respondents indicated that scholarship funds received 100 percent utilization.

The average scholarship shown above for the University is somewhat distorted by the fact that the total figure includes graduate fellowships. The University has stated that the average scholarship is closer to \$400 and when provided, is designed to meet about one-third of a student's yearly expenses.

In addition to the scholarships administered by the institutions themselves, there are an unknown number of private scholarships received directly by the students. Official records of all of these awards are not kept by the various institutions, but nearly all of the junior colleges, for example, estimated that some of their students had received these awards.

Almost every institution indicated that additional scholarship funds were needed to aid promising students. Although criteria for awarding scholarships vary among institutions, nearly all determine eligibility on the basis of some combination of scholarship, financial need, character, and promise. Past scholastic attainment and financial need usually receive the closest attention. Because of the small number of scholarships available, minimum grade point averages for applicants tend to be high.

One plan for a scholarship program as outlined by a congressional committee provides an incentive for more diligent scholastic effort on the part of the student and would relate the amount of the award to the grade point average of the student. Thus the student with a 3.5 grade point average (on a scale 4 equal to "A", 3 equal to "B", etc.) who demonstrated financial need would receive a larger award than the needy student with only a 2 point average. Such a plan could be accomplished either by the partial remission of fees or the payment of a flat sum to cover fee charges. For example, such a plan for the University of California might be established as follows:

<i>Grade Point Average</i>	<i>Required Fee (per semester)</i>
3.5 or above	\$60 (present incidental fee)
3.0-3.4	\$70 (present incidental fee plus \$10 for instruction)
2.5-2.9	\$80 (present incidental fee plus \$20 for instruction)
2.5 and below	\$100 (present incidental fee plus \$40 for instruction)

Higher Education in California—Continued

Able students of California's junior colleges, state colleges and the University who need it should be able to get financial assistance toward living expenses as well as funds to cover tuition and fees. These awards could also be related to grade point averages, providing the possibility that some students might receive larger awards as they progress through their courses of study while others might be dropped from the program altogether for lack of scholastic accomplishment.

Loans

Past experience of the federal government in providing loans for higher education indicates that students, for the most part, prove to be good credit risks according to a publication by Alice M. Rivlin, *The Role of the Federal Government in Financing Higher Education*. The National Defense Education Act is currently providing thousands of students with financial aid for higher education. Loan funds provided by the State should likewise prove beneficial with these advantages:

1. Loans might well increase the number of people for whom higher education is available by eliminating to some extent existing financial barriers.

2. With so many sectors of the economy offering goods for funds which may be paid in the future, higher education will find itself claiming a smaller portion of the consumer's dollar than it should unless it, too, offers credit terms.

Students should be encouraged to invest in their own higher education as long as the prospect of increasing their future earnings makes such investment attractive to them.

The following table shows the loan funds available in the University, state colleges and junior colleges for the 1960-61 fiscal year.

	NDEA ¹	%	Other	%	Total	Average Amount of NDEA Loan	Average Amount of Other Loans
University	\$3,100,000	60	\$1,900,000	40	\$5,000,000	\$520.00	\$125.00
State colleges	1,664,498	81	379,841	19	2,044,339	Unknown	214.50
Junior colleges ²	161,786	64	91,015	36	252,801	444.46	47.35

¹ National Defense Education Act.

² Obtained from replies of a questionnaire sent by Legislative Analyst. 77 percent of all junior colleges responded.

It is apparent that loan funds obtained through the National Defense Education Act account for the major portion of loan funds available to the institutions of higher education in California.

COORDINATING COUNCIL FOR HIGHER EDUCATION

ITEM 90 of the Budget Bill

Budget page 213

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

Amount requested	\$263,396
State employees' retirement	10,000
State employees' health and welfare	1,080
Total	\$274,476
Estimated to be expended in 1961-62 fiscal year	243,445
Increase (12.7 percent)	\$31,031
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

Scope and Function

The Coordinating Council for Higher Education is a representative body created by the Donahoe Act of 1960, in accordance with the Master Plan, to advise the governing boards of the institutions of higher education, appropriate state officials and the Legislature. Its general responsibility is to assist in co-ordinating the various programs of the segments and in fostering the orderly and effective development of the entire public and private system of higher education.

Under the Donahoe Act this responsibility is set forth in terms of three functions: (1) to review the annual budget and capital outlay requests of the University of California and the California State Colleges and to comment on the general level of support sought by all three segments; (2) to interpret the meaning of functional differentiation among the publicly supported institutions and, in accordance with the primary function of each segment as set forth in the Donahoe Act, to advise the governing boards as to the programs appropriate to each segment; and (3) to develop plans for the orderly growth of higher education and to formulate recommendations as to the need for and location of new facilities and programs.

Each of these functions remains to be defined more specifically in practice. The Council has indicated that it believes its most important responsibility may be that of interpreting functional differentiation. It intends to treat either formally or informally all questions concerning possible infringements of that differentiation described in the Donahoe Act and in previous agreements which have not become obsolete or superseded. With respect to its level of support function, the Council has indicated that it will emphasize the development of comparable data for the three public segments and for institutions throughout the United States as to program and performance, but will attempt to avoid intervention as to support proposals. Finally, the Council has expressed its belief that the development of plans for the orderly growth of higher education will be its broadest functional responsibility and is to be fulfilled principally through initiation of special studies leading to positive and constructive planning prior to the development of unwarranted competition.

Within this framework, the Council has indicated its intention to submit annual reports to the Governor (November) and to the Legis-

Coordinating Council for Higher Education—Continued

lature (January-February) concerning the University and state college support and capital outlay budget requests. In addition, it is to undertake the following tasks in the form of special studies:

1. Report to the Legislature on a plan for the expansion of medical education facilities in California during the next 10 years;
2. Report to the Legislature on co-ordination and functional differentiation of extension programs and adult education;
3. Report to the Legislature on ways for improving salaries, working conditions and fringe benefits of University and state college professors;
4. Report to the Legislature, in co-operation with the Trustees of the California State Colleges, on the need for establishing a new state college in San Mateo;
5. Report to the Legislature on student fee problems of the University and state colleges, with emphasis upon defining noninstructional activities and recommending appropriate fee levels to assure self-support for such activities;
6. Report to the Legislature on the feasibility of increasing non-resident tuition at the University and state colleges and of instituting an appropriate tuition charge for resident students; and
7. Report to the Legislature on a study leading to the establishment of comprehensive methods of measuring and establishing standards for instructional space utilization, including scheduling procedures.

Preliminary steps have been taken toward initiating the first three of these studies and all are to be completed for submission to the 1963 session of the Legislature.

Relocation of Council Offices

In accordance with a resolution adopted by the Coordinating Council in its meeting of September 15, 1961, the main offices of the council have been moved from Sacramento to San Francisco. Only a small amount of office space has been retained in Sacramento to facilitate liaison with the Governor and the Legislature.

The Council has advanced the following reasons for this action: (1) the bay area is more convenient to council members and therefore transportation expense to and from monthly meetings will be minimized, (2) recruitment of staff assistance and special technical experts will be facilitated by proximity to a greater number of major educational institutions, and (3) liaison with the University of California and the Trustees of the California State Colleges will be improved by proximity to Berkeley and frequency of air transportation flights to Los Angeles.

ANALYSIS

For 1962-63 a total of \$274,476 has been requested from the General Fund for support of the Coordinating Council, exclusive of \$20,000 for the medical education study provided by Chapter 1402, Statutes of

Coordinating Council for Higher Education—Continued

1961. The amount requested, which includes \$11,080 for retirement and health contributions, represents an increase of \$31,031, or 12.7 percent, over estimated expenditures for 1961-62.

No new positions have been requested. The assistant director position has been temporarily discontinued with the possibility of being reinstated by administrative action of the Department of Finance and financed from salary savings. With the exception of the director, who took office September 1, 1961, all personnel currently employed by the Council have been employed on a temporary basis through agreement with the State Personnel Board. The principal reason for this is that the Personnel Board has thus far been unable to approve the proposed classifications and salary schedules which have been submitted to it.

Operating expenses, with one exception, are budgeted on the basis of current year costs plus small price and workload increase allowances. The exception is the amount of \$24,000 which has been added for the compensation of special consultants employed in connection with the several studies the Council is to undertake prior to the 1963 session.

We recommend approval of this budget as submitted. We believe it necessary to note, however, that at the time this report is being prepared several important questions with respect to staffing remain undecided. These questions concern the organizational structure of the council staff; the salaries, classifications and prerequisites for staff positions; and the extent to which the Council will depend upon its own staff rather than outside experts in conducting special studies. It is evident that such decisions, which have already been delayed for more than a year, cannot be postponed much longer if the Council is to justify the support funds which it has requested.

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

ITEM 91 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 1961-62 fiscal year -----	\$10,000

Increase -----	None
----------------	------

TOTAL RECOMMENDED REDUCTION -----	None
--	------

ANALYSIS

The Western Regional Higher Education Compact became effective in 1953 with the purpose of facilitating better co-operation among the 13 member states with respect to higher education in medicine, veterinary medicine, dentistry and public health. The compact is administered by the Western Interstate Commission for Higher Education which consists of 39 members, three from each member state, who are appointed by the Governors. Under the guidance of the commission, the original objectives have been broadened somewhat to encourage

Western Regional Higher Education Compact—Continued

regional co-operation and effective statewide planning in several additional areas of higher education policy.

Each member state contributes \$10,000 per year toward the support of the commission's activities in addition to funds provided by private foundations and other public agencies. *We recommend approval of this item as budgeted.*

UNIVERSITY OF CALIFORNIA

ITEM 92 of the Budget Bill

Budget page 215

FOR SUPPORT OF UNIVERSITY OF CALIFORNIA
FROM THE GENERAL FUND

Amount requested	\$138,930,373
State employees' retirement	3,800,000
Total	\$142,730,373
Estimated to be expended in 1961-62 fiscal year	132,473,272
Increase (7.7 percent)	\$10,257,101
TOTAL RECOMMENDED REDUCTION	\$461,520

Summary of Recommended Reductions

	Amount	Page	Budget Line
Increased nonresident tuition	\$280,000	215	26
Increased medical school tuition	101,040	215	26
Increased law school tuition	80,480	215	26

ANALYSIS

The University of California is requesting General Fund support in the amount of \$142,730,373, an increase of \$10,257,101, or 7.7 percent, from the 1961-62 level. The total proposed budget of the University for 1962-63 is \$202,300,177, an increase of 7.8 percent over the preceding year. The enrollment of the University is budgeted to increase 8 percent over 1961-62, i.e., from 52,965 students to 57,203 students. The student body of the University will consist of an enlarged graduate student segment, as seen in the following table:

University of California Enrollment (All Campuses)*

	1960-61 (actual)		1961-62 (estimated)		1962-63 (projected)	
	Number	Percent	Number	Percent	Number	Percent
Lower Division	16,273	33.7	18,114	34.2	18,777	32.8
Upper Division	17,389	36.0	18,367	34.7	20,076	35.1
Graduate	14,692	30.3	16,484	31.1	18,350	32.1
Total University ...	48,354		52,965		57,203	

* Average of fall and spring semesters—revised as of October 13, 1961.

A total of 23,249.6 positions is requested for 1962-63, an increase of 1,354.1, or 6.2 percent, over the previous year. Of this total, 6,680 academic positions are budgeted based on existing student-teacher staffing ratios, an increase of 516.7, or 8.4 percent, over the 1961-62 level.

Salary and budgetary savings of \$4 million and additional savings of \$1,500,000 required for range adjustments are anticipated. The 1962-63

University of California—Continued

Budget is based on an extension of the present level of service plus new or improved programs.

The following table indicates the growth of the University in terms of expenditures and students from 1959-60 to 1962-63.

Table I

	1959-60 (Actual)	1960-61 (Actual)	1961-62 (Estimated)	1962-63 (Proposed)	Percent increase 1962-63 over 1959-60
General funds-----	\$98,629,923	\$120,744,748	\$132,833,172	\$143,090,273	45.1
University and other funds ---	45,079,368	48,877,907	54,834,041	59,109,904	31.1
Totals -----	\$143,709,291	\$169,622,655	\$187,667,213	\$202,300,177	40.8
Students -----	43,748	48,354	52,965	57,203	30.8

Comments and recommendations affecting the University of California as a segment of higher education appear in the section of this analysis entitled "Higher Education in California" on page 186. Budget recommendations and discussion of specific functions within the University follow.

**Membership of Nonacademic Personnel in the Pension and Retirement
Annuities System of the University**

In September, 1961, the Board of Regents of the University changed its policy in regard to nonacademic personnel membership in the Pension and Retirement Annuities System (PRAS) of the University. Prior to October 1, 1961, all academic personnel were members of the PRAS and all nonacademic personnel were members of the State Employees' Retirement System (SERS).

In a previous study of the University's retirement system, in which the Legislative Analyst participated, the recommendation was made that the University employees be transferred into the State Employees' Retirement System. In 1957 legislation was enacted to authorize this transfer providing the Board of Regents voted such action. That legislation had a termination date of July 1, 1959. The 1959 Legislature extended the termination date to July 1, 1961, at which time the legislation expired since the Board of Regents never took any action to authorize the transfer.

Rather than transfer the academic employees into SERS, the board took action to place all new nonacademic employees in the University's system. For this reason it will be noted that the contributions to the State Employees' Retirement System for 1962-63 have been reduced to \$3,800,000 from \$5,936,449 for 1961-62, Budget Page 225, Line 81. It should be noted that the amount budgeted for "Pensions and retiring annuities" is increased by \$2,105,096 (from \$4,185,154 to \$6,290,250) for the 1962-63 fiscal year (Budget Page 225, Line 60).

Proposed New and Improved Programs

A. Health and Welfare of University Employees----- \$1,313,000

The University has budgeted \$1,313,000 for the State's contribution to the new health insurance program for University employees. The

University of California—Continued

University program is basically the same as to the Meyers-Geddes State Employees' Medical and Hospital Care Act which is available to all state employees with the exception of University employees. The exclusion of University employees was brought about by action of the Board of Regents. The Meyers-Geddes program is administered by the State Employees' Retirement System.

The University's program is comparable to the Meyers'-Geddes program in that both programs provide for a state contribution of \$5 per month toward an approved basic health insurance policy. The University started its program on January 1, 1962, using surplus current year University funds for this purpose.

B. Trimester program ----- \$600,000

The University is proposing a third term program starting the summer of 1963 at the Berkeley, Los Angeles, and Santa Barbara campuses at a cost of \$600,000 for 1962-63. The course offerings will stress lower and upper division in approximately equal proportions. Graduate courses will not be offered except on specific approval of the dean or college. The offerings will be such that most undergraduates may make substantial progress during the third term toward a degree or credential.

In the summer a student may attend one or both of two 6-week sessions. An incidental fee of \$48.00 for the full 12-week session is contemplated. The nonresident fee will be \$200.

The support costs for Instruction and Research for the full 12-week term are computed on the basis of \$375 per FTE faculty. These support costs will cover nonacademic salaries, general assistance, supplies and expense, equipment and facilities and special items.

The sum of \$600,000 that is budgeted will provide funds for the planning of the new term and the first two or three weeks of the program. The funds for the remainder of the session will be in the 1963-64 Budget and will amount to approximately \$3,000,000. The Legislature should be aware of the fact that once this program is started, there will no doubt be a financial obligation which will continue to expand.

There are some distinct advantages to this proposal in that it holds promise of eventual cost reductions through more complete utilization of instructional and physical facilities. Those students who wish may accelerate their programs and complete their undergraduate work in three years.

In addition to the third-term program the University will continue the self-supporting summer sessions for returning teachers and other nonmatriculating students.

We believe this program has promise for eventual reductions in capital outlay and intend to carefully review the analysis the University will be making as it progresses.

C. Core support for four new research centers at Berkeley ---- \$60,000

The budget proposes \$60,000 as core support for four new research centers at the Berkeley campus. A sum of \$15,000 is proposed for each center to provide funds for the administrative director of each center.

University of California—Continued

With this core support the University will attract outside funds for the remaining expenses. The four proposed centers are the following:

1. A Marine Research Center for research in marine biology at a field station at Bodega Head.

2. A center for higher education for the continuance of research in the major problems of higher education. The administrative support for this center has previously been supplied by the Carnegie Foundation since 1956.

3. A center for human learning to conduct interdisciplinary research in the psychological processes of human learning. The center was established in 1961-62 with a Ford Foundation grant.

4. A Center for Management Science in the School of Business Administration to coordinate faculty research aimed at the development of the management sciences and graduate student instruction in these fields.

D. Planning for a new School of Architecture at UCLA-----\$75,000

The proposed budget of \$75,000 will permit the employment of a Dean and key staff members for detailed planning of curriculum and space requirements for a new School of Architecture at ULCA. The University anticipates that the first year class could be admitted in the fall of 1963 or spring of 1964.

E. Computer installation at Davis----- \$15,000

A sum of \$15,000 is requested to meet initial requirements for a basic computing center for the Davis campus. The University considers a computing center to be a valuable and indispensable tool for its research programs. In addition, the center would enable the campus to initiate instruction in the techniques and utilization of computers.

F. New Bureau of Public Administration at Davis----- \$25,000

A sum of \$25,000 is included in the University's budget for a new Bureau of Public Administration at Davis. The University has stated that the bureau will have the following objectives:

"1. Provide the agencies of state government with assistance on matters in which the University staff are particularly knowledgeable and competent.

"2. Undertake integrated studies of those State problems which require professional skills, i.e., water pollution, wildlife management, migratory labor, etc.

"3. Make long-range studies of problems in the fields of public administration and public policy which are most appropriate for University research."

The bureau will be closely associated with the Department of Political Science.

G. Increased level of support for Institute of Geophysics and Planetary Physics at San Diego----- \$20,024

A sum of \$20,024 is requested for one Professor I and related support to more fully develop within the University the study of geophysical problems.

University of California—Continued

NONRESIDENT AND PROFESSIONAL SCHOOL TUITION**Nonresident Tuition**

In our previous section on "Higher Education in California" we recommended that the nonresident tuition be increased at the University and the state colleges (page 199).

We recommend a reduction in the University's budget of \$280,000 on the basis of a \$70 increase in nonresident tuition for the approximately 4,000 non-California students enrolled at the University.

Adoption of this recommendation would increase the present nonresident tuition from \$500 to \$570, which would provide an amount equal to the lowest actual per student credit hour cost for lower division in 1960-61. A complete analysis of our recommendation can be found on page 201.

Medical School Tuition

We recommend that the fees in the Schools of Medicine be increased to at least the national averages for resident and nonresident students to be more commensurate with the current rate of state expenditures for these types of instruction, and thus recommend a reduction of \$101,040 in the University's budget on the basis of raising the resident fee to \$550 and the nonresident fee to \$950 a year.

Of the 37 state-supported four-year medical schools in the United States, only three charge less than the University of California's two schools of medicine. The national average for resident students in public medical schools is \$550 per year, with some schools charging as much as \$800 per year. University of California nonresident medical student charges of \$835 per year are also below the national average of \$953. A complete explanation of our recommendation can be found on page 201.

Law School Tuition

We recommend that law school fees for resident students be increased to at least \$200 per year and that \$80,480 be deleted from the University's budget on the basis of 1960-61 enrollments.

The three law schools of the University of California charge the same fees as those required of students in undergraduate status (\$120 per year for residents and \$620 for nonresidents). We have recommended an increase of \$80 per year for resident and nonresident students on the basis that the increased fee would be more commensurate with the costs of the schools.

RESEARCH

The Master Plan provides that "the university shall be the primary state-supported academic agency for research." Research—the systematic, intensive study for the purpose of expanding the body of knowledge of the subject studied—may be of three primary types:

1. Basic research, where the principal aim of the investigator is a fuller knowledge or understanding of the subject matter rather than a practical application thereof.
2. Applied research directed toward practical application.

Table II

Source of Funds for Instruction and Research Expenditures
for Fiscal Year Ended June 30, 1961

	Instruction and Departmental Research			Organized Research		
	Total	Agricultural	Other	Total	Agricultural	Other
Unrestricted						
General Funds (includes state support)-----	\$54,420,232	\$2,024,823	\$52,395,409	\$20,927,586	\$13,224,668	\$7,702,918
Restricted						
State Funds						
Special Appropriations:						
Sea water conversion-----	-	-	-	369,140	-	369,140
Fruit Fly investivation-----	-	-	-	4,188	4,188	-
Pear Decline-----	-	-	-	28,100	28,100	-
Public accounting-----	-	-	-	12,144	-	12,144
Spotted alfalfa aphid-----	-	-	-	1,730	1,730	-
Real estate research-----	-	-	-	157,816	-	157,816
San Francisco Bay water pollution-----	-	-	-	4,398	-	4,398
Khapra beetle-----	-	-	-	8,631	8,631	-
Gnat control-----	-	-	-	350	350	-
				\$586,497	\$42,999	\$543,498
Service agreements-----	\$101,440	\$10,275	\$91,165	\$1,104,109	\$421,204	\$682,905
Federal Funds *						
Appropriations-----	\$192,000	\$60,620	\$131,380	\$896,335	\$896,335	-
Grants-----	1,576,933	23,686	1,553,247	14,187,912	1,446,942	\$12,740,970
Contracts-----	80,478	5,097	75,381	14,554,473	981,930	13,572,543
Private gifts and grants-----	649,124	-	649,124	4,839,574	886,174	3,953,400
Endowment income-----	650,127	22,269	627,858	1,278,961	275,050	1,003,911
Endowment principal-----	32,805	-	32,805	216,465	1,411	215,054
Sales and services-----	2,037	-	2,037	38,312	31,913	6,399
Organized activities-----	52,969	-	52,969	94,723	213	94,510
Other--(Includes service to industry agree- ments--Org. Res., Summer Sessions --I & R-----	1,311,145	15,030	1,296,115	444,142	128,243	315,899
Total-----	\$59,069,290	\$2,161,800	\$56,907,490	\$59,169,089	\$18,337,082	\$40,832,007

* Excludes federal projects of \$184,033,673.
SOURCE: University of California.

University of California—Continued

3. Developmental research, which is the systematic use of scientific knowledge directed toward the production of useful materials, devices, systems, methods, or processes.

These three types are pursued at the University in various ways:

1. Departmental research is specifically assigned or understood to be part of a faculty member's total activity. In the University's budget, departmental research is categorized as part of the expense of departments of instruction and research.

2. Organized research is conducted in separately organized bureaus, institutes, laboratories, et cetera, and in separately financed research projects. In 1960-61, the Governor's Budget provided \$24,481,478 for organized research while the University Financial Report showed \$59,169,089 for organized research. Therefore, approximately \$35 million of all organized research apparently was supported from other sources. In addition to these funds, special federal research projects, primarily contracts with the Atomic Energy Commission, accounted for expenditures of \$184,033,678.

The magnitude of the research effort at the University of California is best illustrated by Table II supplied by the University.

The following data show the rise in research spending in United States universities in general and especially at the University of California. In 1940, the federal government, now the largest research sponsor, spent \$15 million on grants to United States colleges and universities. For the 1939-41 biennium the University listed no funds for organized research in the Governor's Budget which stated that "the primary function of the University is to provide undergraduate instruction . . ." By 1956, the federal figure had increased 20-fold to \$310 million, and by 1960-61, federal expenditures for this purpose had reached \$879 million.* In 1956, the University listed its expenditures for organized research in the Governor's Budget at \$5,358,812, and for 1960-61 budgeted \$9,898,501 for the same type of research (an increase of 85 percent). Because of a change in University budgeting procedures (transferring agricultural extension expenditures from departments of instruction and research to organized research) the 1962-63 request reflects an unusual increase to \$26,317,178.

In addition to federal funds, business corporations are spending at least \$50 million annually for research grants to universities, and foundations are spending about the same. Meanwhile universities are estimated to be spending approximately \$150 million a year of their own money.

In the *1961-62 Analysis of the Budget Bill* we stated that if the University plans to emphasize research rather than instruction, as a matter of University policy, the Legislature should be informed of this change. The Financial Report of the University appears to indicate that this change in emphasis has already taken place, as reflected in increased research expenditures. The following table taken from finan-

* None of the federal figures include additional money, an estimated \$60 million, for construction of university buildings in which some of the research is performed.

University of California—Continued

cial reports of the University show the increase of "Instruction and Departmental Research" and "Organized Research" during the past four years. The percentage increase of one year over the previous year is also shown.

	<i>Instruction and Departmental research *</i>	<i>Organized research</i>
1957-58 -----	\$41,749,415	\$34,951,598
1958-59 -----	46,677,911	39,409,981
Percent increase over previous year	11.8	12.8
1959-60 -----	51,238,000	47,539,706
Percent increase over previous year	9.9	20.6
1960-61 -----	59,069,000	59,169,000
Percent increase over previous year	15.4	24.7
Percent increase 1960-61 over 1957-58	41.9	70.0

* Summer session costs are included in instruction and departmental research.

Although the University has recently made a study of graduate student distribution, no report was made of research costs per graduate student.

In our last year's *Analysis of the Budget Bill*, we stated that faculty research appropriations per graduate student would appear to be a meaningful figure for the University and for the Coordinating Council for Higher Education for planning purposes.

It is essential that the Legislature be informed as to what appropriated funds are for teaching and instruction and what funds are for research. *We therefore recommend once again that the University of California continue it's efforts to define and segregate the various costs of research and instructional activities and to inform the Legislature of such costs.*

EDUCATIONAL TELEVISION

In the 1961-62 *Analysis of the Budget Bill* we 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." In keeping with this recommendation, the University has started collecting data which it is hoped will provide such figures in the future. For 1962-63, the University is requesting a support appropriation of \$305,631 (approximately the same as the previous year's request) which would be distributed among the campuses according to the following table:

Berkeley -----	\$60,000
Los Angeles	
General Campus -----	40,000
Medical School -----	60,000
San Francisco -----	70,000
Davis -----	22,000
Riverside -----	3,000
Office of Coordinator (statewide) -----	30,631
	\$305,631

Until November, 1961, instructional television was centrally administered through University Extension under the direction of a statewide coordinator with extension specialists carrying on programs at Berkeley and Los Angeles. A program was also carried on in San Francisco supported in part from University funds and also federal grants.

University of California—Continued

The University has reorganized its instructional television program, placing administration with a statewide director who reports directly to the vice president of the University. This was done on the basis that activities in this field had reached a stage where administration of this service at the campus level was more effective when closer relationship with the academic departments could be attained. The campus instructional television staffs were placed under each chief campus officer, although the head of each campus television unit retains a staff responsibility to the statewide director. The statewide director will review campus television budget proposals and co-ordinate current operations and long-range plans of each campus with statewide policy.

The Regents recently approved a statewide policy which provides, in part, that:

1. Highest priority on the general campuses will be given to instructional situations involving large enrollment groups, which are defined in general terms as follows:
 - a. Two hundred or more students, when television is to be used to make possible the offering of multiple sections of the same lecture, with no increase in faculty time expended;
 - b. 50 or more students, when television is to be used to improve the students' view of demonstrations or other illustrative material, or to improve the quality of instruction in some similar way.
2. Television lectures should originate from central lecture or laboratory studios rather than from classrooms whenever possible and appropriate. Originating studios should, however, contain some seating facilities so that those instructors who prefer to lecture directly to a limited number of their students may do so.
3. In the establishment of campus priorities for the role of instructional television, the following objectives should be considered: improvement in quality of instructional presentation; more efficient use of faculty; more efficient use of instructional space, instructional facilities or materials.

The use of television to improve the students' view of demonstrations and other visual materials receives primary priority in the medical schools. A survey of potentials is being prepared for the medical campuses, and its preliminary findings indicate that beneficial use could be made of image magnification or transportation at the Los Angeles Medical Center and at the School of Veterinary Medicine at Davis. The advantage of these operations is the saving in instructional staff time while achieving qualitative improvement in teaching. For example, with television it is now possible for a single instructor team to demonstrate a surgical procedure simultaneously to 100 students in a class where formerly it was necessary to divide the class into 20 teams of five students each repeating the demonstration 20 times. There is thus a saving in demonstration costs even with the addition of several more demonstrations into each semester's curriculum.

It is recommended that the University compile statistics of its 1961-62 instructional television activities, providing complete costs of

University of California—Continued

each course and the savings, realized and potential, resulting from these activities and present this cost data to the 1963 session of the Legislature.

UNIT COST STUDIES

In 1954-55, the University of California participated in the California and Western Conference Cost and Statistical Study (commonly referred to as the "California—Big Ten Study"), which developed operational cost data concerning teaching costs, departmental research costs, administrative costs, space utilization, and physical plant operation and maintenance of the 10 participating institutions of higher learning. The extensive data compiled in this study provided the University with figures for inter-institutional and intra-campus comparison and evaluation. Since the 1958-59 *Analysis of the Budget Bill*, our office has encouraged further studies of this type for comparative cost data for intra-campus comparisons as well as for comparisons with other universities.

The Analytical Studies Unit in the Office of the Vice President for Finance, has recently carried on operation and cost analysis studies and has released some statistical material to aid in evaluation of budget requests. The University budget officer and his staff have continued to expand analytical data and unit cost information in the Regent's Budget, which provides the University administration with further statistics which were not available before.

The following are examples of these statistical studies:

1. Distribution of Teaching Staff Time

The Analytical Studies Unit sampled 10.7 percent of the total 1960 teaching staff (5,264), using a questionnaire which dealt with the distribution of the staff members' time between the various academic endeavors—teaching, research, administration, and public service. Table III is an example of their findings.

Inspection of the table reveals that the higher the academic rank, the greater the amount of time spent in tutorial teaching and, conversely, the less the time devoted to organized class instruction. More time devoted to administrative tasks is also expended by the higher academic ranks.

Table IV is an example of comparative costs between the general campuses of the University.

3. Inter-institutional Exchange of Statistical Data

The University has contacted 12 major universities concerning the exchange of unit cost data. In all cases, the techniques of cost determination were as varied as the number of replies. Comparable unit cost data would require inter-institutional agreement on exact formulas to be used (a difficult project according to California-Big Ten Study experience) or an exchange of the basic data required to fit the respective institutions' formulas and a subsequent reworking of the data by each institution. Under these circumstances, the University has given first priority to perfection of comparable statistics among its own campuses—a policy which we believe is correct at this time.

Table III
Distribution of Teaching Staff Time (in hours)
Fall—1960

	Total workweek	Teaching		Research		Additional student time	Admin- istration	Public service	Other
		Organized class	Tutorial	Teaching	Department				
<i>By Title</i>									
Faculty									
Professor -----	59	20	11	7	8	3	9	1	-
Associate Professor -----	55	22	8	6	9	3	6	1	-
Assistant Professor -----	58	28	5	7	11	3	3	1	-
Instructor -----	59	30	2	7	17	1	1	1	-
	<u>58</u>	<u>24</u>	<u>7</u>	<u>7</u>	<u>10</u>	<u>3</u>	<u>6</u>	<u>1</u>	<u>-</u>
Auxiliary Staff									
Associate and Assistant -----	49	31	2	4	8	2	1	-	1
Lecturer -----	54	33	3	6	7	2	1	1	1
Supervisor -----	51	25	10	5	2	3	4	2	-
Teaching Assistant -----	40	33	1	2	1	1	-	-	2
	<u>47</u>	<u>32</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>1</u>
	<u>54</u>	<u>27</u>	<u>5</u>	<u>6</u>	<u>8</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>1</u>
<i>By Campus</i>									
Berkeley -----	52	26	6	6	7	2	3	1	1
Los Angeles -----	54	25	7	6	9	2	3	1	1
Davis -----	56	31	6	5	7	2	4	1	-
Riverside -----	56	27	2	6	10	2	8	1	-
Santa Barbara -----	56	29	2	5	9	3	6	1	1
San Diego -----	56	10	17	3	7	2	13	2	2
	<u>54</u>	<u>27</u>	<u>5</u>	<u>6</u>	<u>8</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>1</u>

Table IV
Comparison of Actual and Budgeted Unit Costs

	1960-61 (actual)			1961-62 (estimated)			1962-63 (budgeted)			Percent increase 1962-63 over 1961-62
	Lower division	Upper division	Graduate	Lower division	Upper division	Graduate	Lower division	Upper division	Graduate	
<i>Teaching Expenditure</i>										
Per Student Credit Hour By Level of Instruction										
Berkeley -----	\$11.13	\$22.30	\$65.67	\$11.48	\$23.01	\$67.73	\$11.64	\$23.32	\$68.67	1
Los Angeles General Campus -----	13.70	20.69	81.41	13.17	19.89	78.24	13.73	20.73	81.56	4
Davis -----	10.14	21.28	31.15	10.00	21.00	30.74	9.95	20.88	30.57	(1)
Riverside -----	15.72	40.19	--	14.95	38.22	--	15.13	38.67	--	1
Santa Barbara -----	16.89	30.63	111.74	17.51	31.75	115.84	17.70	32.09	117.08	1
Per Student by Class Level of Student										
Berkeley -----	320	567	895	330	585	923	334	593	936	1
Los Angeles General Campus -----	345	512	891	321	492	857	346	513	893	4
Davis -----	290	469	675	286	462	666	284	460	662	(1)
Riverside -----	470	849	--	447	807	--	452	817	--	1
Santa Barbara -----	459	730	1,030	476	757	1,067	481	765	1,079	1

UNIVERSITY OF CALIFORNIA

ITEM 93 of the Budget Bill

Budget page 225

FOR SUPPORT OF RESEARCH IN SEA WATER CONVERSION FROM THE GENERAL FUND

Amount requested	\$334,900
Estimated to be expended in 1961-62 fiscal year	334,900
Increase	None
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

This research program in sea water conversion has been active in the University of California continuously since 1951-52. Funds for support of this program have been provided by the Legislature, in some cases by special bill and in others by augmentation of the item of appropriation for the University budget. In 1958-59 the annual budgetary appropriation of \$86,500 was augmented by a special appropriation of \$334,900 from the Investment Fund in order to accelerate the research program. This special appropriation was repeated in 1959-60. The funds appropriated for 1960-61 were all derived from the Investment Fund and are contained in a special earmarked allocation of \$421,400 to the University of California Water Resources Center. The 1961-62 funds were all derived from the General Fund.

For 1962-63 the University is again requesting \$334,900 from the General Fund.

This work relates largely to research in the various methods of converting sea water to fresh water.

We recommend approval.

UNIVERSITY OF CALIFORNIA

ITEM 94 of the Budget Bill

Budget page 225

FOR SUPPORT OF UNIVERSITY OF CALIFORNIA FROM THE GENERAL FUND

Amount requested	\$25,000
Estimated to be expended in 1961-62 fiscal year	25,000
Increase	None
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

The budget proposed a sum of \$25,000 to be appropriated to the University of California for a study of the productivity of agricultural workers throughout the State. This is the same amount that is estimated to be expended for this purpose during the current year. The University's activity is concerned with a time and motion study, wage incentives and the study of the placement of workers in areas of greatest employment.

We recommend approval as budgeted.

HASTINGS COLLEGE OF LAW

ITEM 95 of the Budget Bill

Budget page 227

FOR SUPPORT OF THE HASTINGS COLLEGE OF LAW
FROM THE GENERAL FUND

Amount requested.....	\$410,102
Estimated to be expended in 1961-62 fiscal year.....	381,179
 Increase (7.6 percent).....	 \$28,923
TOTAL RECOMMENDED REDUCTION.....	\$49,840

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Increased tuition	\$49,840	228	39

ANALYSIS

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 during 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 was appropriated to cover the cost of operating and maintaining the college building and \$7,000 was 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	381,179
1962-63 (proposed)	410,102

The 1962-63 budget request is \$410,102, which is \$28,923 or 7.6 percent, more than is estimated to be expended during the current year.

In the past, Hastings has offered a four-year program to which students who had completed two years of college work could be admitted. This was in addition to the regular three-year program to which holders of the bachelor's degree are admissible. Due to the large number of applications for the three-year program, admission to the four-year program was discontinued in 1961, and only holders of the bachelor's degree are now eligible for admission.

The budget proposes 1 assistant librarian, 0.9 additional teacher time, and 1 secretary-stenographer on the basis of anticipated increased workload.

We recommend approval of the proposed positions as budgeted.

California State Colleges—Continued

Table II—Comparative Summary, Tuition and Other Fees, Nonresident Students¹

<i>College or University</i>	<i>Total required fees, resident students</i>	<i>Nonresident fee²</i>	<i>Total required fees, nonresident students</i>
University of Oregon -----	\$270	\$255	\$525
Oregon State University -----	270	255	525
Washington State University -----	214	(287)	501
University of Nevada -----	105	300	405
University of Utah -----	255	(180)	435
University of Colorado -----	232	(488)	720
Colorado State College -----	175	(135)	310
University of Arizona -----	182	500	682
University of Oklahoma -----	180	(270)	450
University of Missouri -----	215	250	465
Rutgers University -----	493	100	593
University of Connecticut -----	160	400	560
Pennsylvania State University -----	480	(160)	640
State University of New York -----	90	300	390
Southern Illinois University -----	184	(150)	334
University of California, Berkeley -----	143	500	643
California State Colleges -----	96 ³	255	351
Recommended increase, California State Colleges -----	96	370	466

¹ Based on 1960-61 or 1961-62 data.

² Figures in parentheses represent the difference between total resident and nonresident fees when no specific nonresident tuition charge is identified.

³ Includes student body fees at the maximum rate of \$20.

tion, plus the clerical salaries, supplies, equipment and organized activities related to teaching.”

According to the data developed by the Technical Committee on Costs of Higher Education, teaching expense per student credit hour for 1957-58 at the 10 state colleges then in operation was as shown in Table I.

Based on the lowest figure at the lower division level, the minimum annual teaching expense per FTE student (unit rate × 30 credit units) was \$368 for 1957-58. Based on the lowest unit rate for all levels, the cost was \$448, and based on the average unit rate for all levels, the cost was \$499. Thus, even in 1957-58 the current charge of \$255 for nonresident tuition would have been considerably below the minimum standard recommended in the Master Plan.

There is little reason to doubt that teaching expense has risen somewhat during the past four years, inasmuch as overall net cost per student has risen from \$886 to \$995, or 14.9 percent, between 1957-58 and 1961-62. We believe, therefore, that the Master Plan data provides sufficient evidence to support a minimum increase in nonresident tuition to \$370 pending further study of this matter by the Trustees and

California State Colleges—Continued

the Coordinating Council. This increase would still leave nonresident tuition at approximately the same level as the lowest teaching expense figure reported for 1957-58.

According to the most recent data available to us with respect to fees charged for higher education in other states, this increase would in no way jeopardize the position of the California State Colleges in relation to similar institutions elsewhere. In Table II we have summarized minimum required fees for nonresident undergraduate students at a number of major colleges and universities across the country. For purposes of comparison, the state college materials and services fee and the maximum student body fee have been added to nonresident tuition to give the total minimum fee charged all nonresident students.

It may be seen from this that even with the recommended increase, nonresident fees for the California State Colleges will remain below comparable fees for the majority of similar public institutions in other states.

Accordingly, we recommend that the nonresident tuition for the California State Colleges be increased to \$370 for 1962-63 as a first step toward establishing a realistic and justifiable charge for services rendered students from other states, and that the several state college budgets be reduced by a total of \$370,357. We further recommend that the Trustees of the California State Colleges, in co-operation with the Coordinating Council for Higher Education, present, prior to the 1963 session of the Legislature, recommendations as to the feasibility of a further increase in nonresident tuition for academic year 1963-64.

Special Allowance for Library Books and Expenses

For the third consecutive year, the 1962-63 state college budgets include funds for a special allowance for library books and supplies in addition to the regular allowance based on the book acquisition formula. The special allowance for 1962-63 totals \$664,704, or nearly one-third the entire amount provided for book acquisition and expenses, as compared with the special allowance of \$419,668 for 1961-62 and \$148,000 for 1960-61.

Previously this special allowance has been requested for two purposes: to accelerate the usual book acquisition rate for the new and very rapidly growing colleges and to augment the collections of the larger colleges in connection with the opening of new graduate programs. The special allowance requested for 1962-63 is based on these same two objectives plus a third which is to begin enlarging those collections which are below the level of 35 volumes per student. As shown in Table III below, 12 of the 15 existing state colleges are to be included in the special allowance proposed for the budget year.

California State Colleges—Continued

Table III—1962-63 Special Library Book and Expense Allowance, California State Colleges

College	Formula Allowance	Special Allowance		Total	Total Allowance
		Books	Expenses		
Alameda -----	\$40,194	\$57,980	\$17,853	\$75,833	\$116,027
Long Beach -----	137,610	9,600	2,592	12,192	149,802
Los Angeles -----	155,232	73,000	19,710	92,710	247,942
Orange -----	46,332	49,110	24,121	73,231	119,563
Sacramento -----	87,516	25,000	6,750	31,750	119,266
San Diego -----	132,264	25,000	6,750	31,750	164,014
San Fernando -----	121,820	67,000	18,090	85,090	206,910
San Francisco -----	153,819	43,000	11,610	54,610	208,429
San Jose -----	182,160	43,000	11,610	54,610	236,770
Sonoma -----	11,880	52,800	7,320	60,120	72,000
Stanislaus -----	15,840	60,000	6,138	66,138	81,978
Cal Poly-KV -----	71,181	21,000	5,670	26,670	97,851
Totals -----	\$1,155,848	\$526,490	\$138,214	\$664,704	\$1,820,552

In addition to the amounts for books and expenses shown above, 47 new library staff positions have been requested to process the additional books to be acquired with the special allowance. These positions are budgeted on the basis of one per 1,600 volumes in accordance with the existing library staffing formula. At \$3,996 per position, the additional cost in salaries and wages is \$189,812.

The first question which must be raised with respect to the proposed special allowance is why is it necessary to repeatedly augment the regular book allowance and to do so in ever increasing amounts. The answer obviously lies with the formula upon which the regular allowance is based. This formula begins with an acquisition allowance of four books per student for the first 1,000 students enrolled, two books per student for the next 4,000 students, and one book per student for enrollment in excess of 5,000. From the total calculated in this manner for each college is subtracted an estimate of the number of gift volumes which will be received during the year and the number of bound periodicals to be acquired. The net result multiplied by \$6 per volume gives the total amount allowed for the purchase of new books. In addition, an amount equal to 65 percent of this allowance is allotted for library expenses to cover the cost of other library resources, including acquisition and binding of periodicals, microfilm, and miscellaneous supplies.

In practice, the basic formula has several serious faults: it is inadequate to meet the needs of new colleges which must build minimum collections very rapidly, it greatly favors colleges with little growth, it penalizes the larger colleges among those of equal growth rate, and it penalizes the more rapidly growing colleges among those of similar size. Hence, the formula bears little relation to the actual needs of the majority of the state colleges and must be shored up continually with stopgap measures such as the special allowance requested for 1962-63.

Revision of this formula has been postponed largely because a more liberal and realistic book allowance, as it is now tied in with staffing and operating expense formulas, would very probably cost more in

California State Colleges—Continued

salaries and expenses than it would for books. Nevertheless, it is unjustifiable to repeatedly ask the Legislature to come to the rescue of a formula which has so little merit and which is in fact unworkable under present conditions. Moreover, we believe that a thorough study of the problem, including a careful analysis of actual library staffing requirements, can produce a book acquisition formula which is much more realistic and which will not make unacceptable demands in terms of additional library staff.

We recommend that the Trustees of the California State Colleges be requested to initiate a study directed toward this end and report their findings prior to the 1963 session.

The second question which must be raised with respect to the special allowance proposed for 1962-63 concerns the amount included for library expenses in addition to book purchase funds. We fail to see the necessity for including for most of the colleges concerned an expense amount equal to 26 percent of acquisition funds for additional library resources. As noted above, this money is allowed under the regular formula (at 65%) to cover the cost of such items as microfilm and microcards, periodical subscriptions, periodical binding, equipment repair and art reproductions as well as the library cards and miscellaneous supplies required to process the additional books. No justification has been presented for an augmentation of those items not directly connected with the additional books. Nor does it appear appropriate, in view of the very large amount which has been requested as a special allowance, that there should be provided more than the very minimum in supplies necessary to process the additional books.

We estimate that an expense amount equal to 15 percent of the special allowance for books, as compared with the 26 percent figure requested, should be sufficient to get the additional books on the library shelves and available for student use.

We therefore recommend that a total of \$62,702 be deleted from the individual state college budgets and that the special allowance for library books be allowed in the reduced amount of \$602,002.

Campus Master Planning

A total of \$127,200 has been included in the 1962-63 state college budgets for support of master planning services for each state college campus in the amount of \$7,500 for each of the 16 existing campuses and \$3,600 for each of the two new colleges. These funds are to be used for payment of consulting architects who are to be retained on an annual basis to assist the Campus Planning Committee for each campus in formulating and maintaining long-range development plans. Private architectural firms have been selected to serve as consultants for 14 campuses with the other four campuses to be served by the Division of Architecture.

In the past, funds for this purpose have been included in Capital Outlay rather than support budgets, either as a portion of the funds provided for the preliminary planning of a specific project or as a separate allotment for master planning. This has been the practice with respect to consulting architects for the several campuses of the Univer-

California State Colleges—Continued

sity of California as well as for other State agencies. In this manner such funds are properly accounted for as a portion of capital outlay costs.

There appears to be no justification for making the state colleges an exception to this policy and thereby transferring a small portion of capital outlay costs to the support budgets. *We recommend therefore that the state college support budgets for 1962-63 be reduced by a total of \$127,200 and that this amount be added to the individual state college capital outlay budgets as required.*

California State Colleges

TRUSTEES OF THE CALIFORNIA STATE COLLEGES

ITEM 96 of the Budget Bill

Budget page 233

FOR SUPPORT OF TRUSTEES OF THE CALIFORNIA STATE COLLEGES FROM THE GENERAL FUND

Amount requested	\$1,047,894
State employees' retirement	51,000
State employees' health and welfare	5,100
Total	\$1,103,994
Estimated to be expended in 1961-62 fiscal year	898,000
Increase (22 percent)	\$205,994
TOTAL RECOMMENDED REDUCTION	\$20,205

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Salaries and wages	\$13,524	235	54
Equipment	6,681	235	74

ANALYSIS

The Trustees of the California State Colleges, created under the Donahoe Higher Education Act of 1960, in accordance with recommendations of the Master Plan for Higher Education in California, assumed full responsibility for administration of the state colleges on July 1, 1961. Legislation enacted in 1961 (Chapters 1796, 1797, 1828, 2081 and 2082, Statutes of 1961) provided substantive changes in the statutes, consistent with the intent of the Donahoe Act, necessary to establish the full governing powers of the Trustees. Among other things, the new legislation broadened the rule making authority of the Trustees with respect to admission, finance and the government of employees and transferred the classification and pay responsibilities for all state college employees from the State Personnel Board.

The Board of Trustees is composed of twenty members, including four *ex officio* members and 16 appointive members with terms of eight years. An administrative office under the Chancellor of the California State Colleges has been created to assist the Trustees in the development of governing policies and to provide centralized administrative services for the entire state college system.

Trustees of the California State Colleges—Continued

Relocation of Staff Offices

During the month of December, 1961, the Trustees' staff headquarters was moved from Sacramento to temporary office space in Los Angeles. It is intended that the staff will occupy these offices until such time as permanent facilities can be acquired in the Los Angeles area, with very limited office space retained in Sacramento for liaison purposes.

The decision to move from Sacramento was made at the Trustees' meeting of August 4, 1961. In large part, the decision appears to have been based on the belief that, consistent with the degree of autonomy bestowed on the Trustees by the Donahoe Act, a physical separation from the principal state offices would eliminate any overtones of dependence which might be attached to continued location in Sacramento. The choice of the Los Angeles area as an appropriate site for permanent headquarters seems to have been founded on several factors, including the availability of major transportation facilities and the fact that it is the center of the greatest concentration of state college campuses and enrollment.

The move was financed largely through a transfer of funds from other purposes, principally from savings in salaries and wages achieved by a slowing of staff recruitment which was facilitated by the imminence of relocation. The direct cost of moving personnel and their belongings was approximately \$13,000. The cost of moving equipment, installation and reestablishment of operations will raise this amount substantially.

We believe this action to have been unwarranted and have not, as of the time this report is being prepared, seen any justification prepared for the Legislature. Unquestionably, the move and the resulting delay in staff recruitment and turnover in the original staff personnel has forced the Trustees to delay the undertaking of many important responsibilities until the latter part of 1961-62, even though the 1961-62 budget provided staff for a full year of operation.

A total of \$1,103,994, including retirement and medical contributions, is being requested for 1962-63 from the General Fund for support of the Trustees of the California State Colleges. This amount, which excludes funds requested for state college faculty research and for Title II of the NDEA student loan program, would provide an increase of \$205,994, or 22.9 percent, over estimated expenditures for 1961-62, and an increase of \$120,000, or 12.1 percent, over the approved budget for 1961-62.

Salaries and wages are up \$43,047, operating expenses are up \$77,175 and equipment is down \$10,495 as compared with the amounts originally budgeted for 1961-62. Only one new position is listed in the proposed budget, an assistant personnel analyst to assist in carrying out the classification and salary responsibilities for nonacademic employees transferred from the State Personnel Board by Chapter 1828, Statutes of 1961. We have recommended a corresponding reduction of one position in the Personnel Board budget for 1962-63.

Trustees of the California State Colleges—Continued

We recommend reductions in the proposed 1962-63 trustees budget totaling \$20,205, composed of \$13,524 in salaries and wages and \$6,681 for equipment.

With respect to proposed expenditure for salaries and wages, it is necessary to point out that although only one proposed new position is listed in the 1962-63 Budget, there has been a substantial rearrangement of previously authorized positions through the establishment of several new classifications. In effect, the result of this action has been to discontinue a number of authorized positions and to add an equal number of new positions without identifying them as such. The principal changes which have been made, including 11 new positions and 11 discontinued positions, are as follows:

New positions	Salary range	Discontinued positions	Salary range
Vice chancellor	\$1,928-2,343	Assistant executive officer	\$1,306-1,587
Vice chancellor, academic affairs	1,749-2,125	Specialist in higher education	905-1,100
Vice chancellor, business affairs	1,749-2,125	Assistant executive officer	1,306-1,587
Chief, school and college relations	1,100-1,338	Specialist in educational planning	1,023-1,243
Chief architect	1,100-1,338	Senior architect	821- 998
Construction engineer	950-1,155	Senior architect	821- 998
Research associate IV	1,074-1,806	Program specialist (3)	1,023-1,243
Research associate III (5)	1,023-1,243	Senior administrative analyst	821- 998
Research associate II (4)	801- 974	Consultant (4)	782- 950
Research associate I	660- 801	Associate administrative analyst	676- 821
Chief, auxiliary services	905-1,100	Assistant administrative analyst	556- 676
College accounting coordinator	676- 821	Associate statistician	676- 821
		Housing coordinator	745- 905
		Governmental auditor II	556- 676

The Trustees have been granted the authority to establish classes and salary ranges for all state college personnel just as the State Personnel Board does for other agencies. However, we believe that whenever such action amounts to a major reorganization, the new positions should be identified as such in the annual budget in order that the Legislature may be fully informed as to the extent of the reorganization and be given an opportunity to approve the new positions. The fact that there may be no net change in the total number of positions involved should not obscure the fact that important staffing changes have been made without seeking specific budgetary approval of the Legislature.

Among the new salary ranges which have been established, there would seem to be the least justification for those set for the classes of Research Associate I, II, III and IV. The 11 new positions established under this title appear to have been drawn from the previously approved positions of Assistant, Associate and Senior Administrative Analyst, Consultant, Program Specialist, and Associate Statistician. We cannot recommend approval of this action without further justification by the Trustees as to the function of the new classes and the relationship between the new salary levels.

For this reason we recommend, in the absence of further justification, a reduction in salaries and wages in the amount of \$13,524.

We also recommend a reduction of \$6,681 in the amount of \$9,300 allocated for equipment.

Of the \$9,300 requested, \$7,232 is to provide the standard allowance of office equipment for 12 new staff positions. However, as noted above,

Trustees of the California State Colleges—Continued

only one proposed new position is listed in the 1962-63 Budget. Therefore, we believe that the amount of \$6,681 requested for the 11 other positions should be deleted.

It is our understanding that the amount provided for equipment in the 1961-62 Budget was sufficient, together with the existing equipment transferred from the former Division of State Colleges in the Department of Education, to meet the needs of all positions authorized in the 1961-62 Budget.

An amount of \$16,000 is included in this item under operating expenses for 1962-63 for support of special lecture services for the several colleges. This amount is intended to augment the \$16,000 presently included in the college budgets at the level of \$1,000 for each campus. The additional funds are to be used by the Chancellor's office to arrange for special lectures for a number of colleges when appropriate. *We recommend approval.*

We recommend approval of this item in the reduced amount of \$1,027,689.

California State Colleges
STUDENT LOAN PROGRAM

ITEM 97 of the Budget Bill

Budget page 236

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

Amount requested	\$200,000
Estimated to be expended in 1961-62 fiscal year	233,502
Decrease (14.3 percent)	\$33,502
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

Title II of the National Defense Education Act is a student loan program for higher education financed jointly by the federal government and the State in the ratio of \$9 of federal money to \$1 of State funds. 1962-63 will be the fourth year of California's participation and the second year that the state college portion of the program will be administered by the Trustees of the California State Colleges.

A total of \$5 million in State and federal funds will have been disbursed for student assistance by the end of the current fiscal year. The State's share in this amount was \$100,000 for 1959-60, \$166,498 for 1960-61, and \$233,502, including \$33,502 carried over from the previous year's appropriation, for 1961-62.

An appropriation of \$200,000 is requested for 1962-63, to be matched with \$1.8 million in federal funds.

We recommend approval of this item as budgeted.

It should be noted, however, that the State's contribution to the support of this program is substantially greater than just that amount made available for loan funds. The State also supports, through the annual state college budgets, the entire cost of administering the disbursement of these funds and will be responsible as well for collecting repayments. Much of the work connected with disbursement, including

Student Loan Program—Continued

both the approval of loans and the maintenance of financial records, is handled by fractional allotment of time or in addition to normal workload. However, it has been estimated that the total salaries cost in 1961-62 will reach approximately \$127,000. As the repayment aspect of program administration begins to assume significant proportions in 1962-63 and subsequent years, it may be expected that support costs will continue to grow.

California State Colleges

STATE COLLEGE FACULTY RESEARCH

ITEM 98 of the Budget Bill

Budget page 236

FOR SUPPORT OF STATE COLLEGE FACULTY RESEARCH FROM THE GENERAL FUND

Amount requested	\$645,000
Estimated to be expended in 1961-62 fiscal year.....	None
Increase	\$645,000
TOTAL RECOMMENDED REDUCTION.....	\$645,000

Summary of Recommended Reductions

	<i>Budget</i>		
	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Support of college research	\$645,000	236	10

ANALYSIS

As a separate item in the 1962-63 budget, the Trustees of the California State Colleges are requesting for the first time state support for state college faculty research. The amount requested is \$645,000, which is the equivalent of 1.5 percent of state college instructional salaries. This sum is requested as an appropriation to the Trustees to be allocated to the colleges in order that they may hire additional faculty to take the place of those faculty members released from a portion or all of their teaching duties to engage in approved research projects.

The \$645,000 requested for 1962-63 is represented as being "a minimum amount for such research." It must, therefore, be considered as not only the initial request for state support in this area and an amount of very substantial proportions, but also as the beginning of a program which, if approved, may be expected to expand significantly in subsequent years. For these reasons it is unquestionably the most important item in the state college budgets for 1962-63.

The Trustees have advanced four major reasons for requesting this appropriation:

1. Faculty research is a recognized function of all colleges and universities and is recognized as essential to good instruction for both graduate and undergraduate levels;

2. The state colleges now have very substantial masters degree programs, and doctoral programs will soon be undertaken jointly with the University of California, but it is impossible to conduct genuinely excellent graduate work in the absence of a faculty actively engaged in meaningful research;

State College Faculty Research—Continued

3. The Donahoe Act of 1960 provides, with respect to the state colleges, that "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";

4. The practice of including research as part of the total workload of instructional staff has long been followed at the University of California.

Each of these points merits careful attention. With respect to the first statement it must be observed that although faculty research may have become a recognized function of all four-year colleges and universities, it takes a great many forms and is supported in a number of different ways. It may be supported in public institutions through expenditure of state funds for faculty released time. It may also be supported through expenditure of nonstate funds, including federal and private grants, for released time. Or it may be carried on largely at the initiative of individual faculty members in conjunction with their normal teaching duties. Much can be done, and has been done, with the encouragement of the institution and a reasonable teaching schedule but little or no budget for that specific purpose.

Therefore, it is appropriate before initiating a program of state budget support to ask: (1) How much faculty research can be carried on with funds available from nonstate sources with no released time? (2) How much can be done with funds available from nonstate sources with released time? (3) How much is now being done in the state colleges on each basis? These are questions which must be answered in some detail before it can be decided whether additional state funds are necessary. Clearly, the Donahoe Act, in authorizing state college faculty research consistent with the primary instructional function, cannot be interpreted as committing the Legislature to increase funds for such research. The authorization for research was primarily intended to differentiate between the role of the state colleges and the University (not to make them common) as well as to recognize that research was being done by state colleges under their existing faculty ratios.

It is also appropriate to inquire as to what levels of undergraduate instruction are believed to be aided substantially by being taught by a research faculty. Does this include only upper division students in the more specialized curricula? Or does it also include freshman and sophomore students in introductory liberal arts courses? Does the same argument hold true for junior college students taking transfer programs?

It is true that the initial steps have been taken toward establishment of joint doctoral programs in co-operation with the University, but inasmuch as the joint board which is to work out agreements as to the policies and procedures in this matter has just recently been appointed, it is highly improbable that the important decisions will be reached and programs planned in time for implementation during 1962-63. Hence, there is more time than has been implied to study this matter of state college faculty research and to answer several fundamental questions as to means and objectives.

State College Faculty Research—Continued

Nor can it properly be held that simply because research has long been included as part of the workload of the University of California faculty and is a requirement for retention on the faculty, it should also be included in the regular workload of state college faculty. The University employs a research faculty at all ranks and instructional levels, and the research carried on by this faculty, supported in part with state funds and in part from other sources, ranges across nearly every conceivable field of such endeavor. Is this also, with the exception of certain areas of professional training, to be established as the objective of the state colleges?

In addition to the foregoing, a fifth point has been raised by the Trustees in support of this request. This is that without being able to offer a regular program of publicly supported faculty research, the state colleges cannot recruit new faculty of the quality which is essential to the maintenance of a first-class instructional program. The implication is that salary levels, fringe benefits and working conditions may not count as heavily as do guaranteed opportunities to be released from some teaching duties in order to pursue basic or applied research as a matter of academic curiosity or professional development.

Again, more questions are raised than are answered. Our preliminary study of faculty workload, discussed in an earlier section of this report, suggests that state college workload standards are not out of line with standards followed at similar institutions in other states. What evidence is there that state-supported faculty research at the state colleges has become a matter of competitive need? How will we know when we achieve the goal for recruitment? What will be the net effect on recruitment of requiring more new teachers in proportion to the amount of additional released time allowed?

In sum, we believe that the merits of this proposal cannot now be carefully considered in the absence of answers to several basic questions with respect to the proposed new program. Chief among these questions are:

1. What faculty research can be carried on without released time from current teaching duties, and what can be done with released time supported by nonstate funds?
2. How much money is received by the state colleges outside the state budget, and how much research is now done with outside support?
3. What are the goals which are to be established for faculty research in terms of the kinds and amount of activity, the number of faculty members to be included, and the levels and programs of instruction to be affected?
4. How is the proposed research to be related to that now supported at the University of California and that carried on by private institutions of higher education in California?

Therefore, we recommend deletion of the entire amount of \$645,000 for support of faculty research in the California State Colleges. We also recommend that, prior to resubmitting a similar request at a subsequent session of the Legislature, the Trustees of the California State Colleges present to the Legislature a full and detailed study of this

State College Faculty Research—Continued

matter together with answers to the questions we have raised. We further recommend that the Coordinating Council for Higher Education be requested to submit its recommendations with respect to state college faculty research, with emphasis upon the proper delineation of functional responsibilities, at such time as the Trustees may resubmit a request for state support.

California State Colleges

STATE COLLEGE FOR ALAMEDA COUNTY

ITEM 99 of the Budget Bill

Budget page 237

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

Amount requested	\$1,436,088
State employees' retirement	63,483
State employees' health and welfare	9,540
Total	\$1,509,111
Estimated to be expended in 1961-62 fiscal year	1,262,558
Increase (19.5 percent)	\$246,553
TOTAL RECOMMENDED REDUCTION	\$18,496

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Campus master planning	\$7,500	238	80
Library expense	9,156	239	8
Increased nonresident tuition	1,840	239	39

ANALYSIS

In 1962-63, its fourth year of operation, the State College for Alameda County is expected to attain an FTE enrollment of 1,030 students, an increase of 290 students, or 39.2 percent, over the estimate for the current year. With total expenditures proposed at \$1,509,111, it is expected that net expenditure per FTE student will be reduced from \$1,706 for 1961-62 to \$1,465 for 1962-63, or 14.1 percent.

A total of 34.1 new positions are proposed for 1962-63, including 16.3 new teaching positions, 2.5 technical and clerical positions for instruction, 2.5 positions for business management, 7 for student personnel activities, 0.5 for the library, and 4 for plant operation. All of these are based on established staffing formulas and workload standards.

We recommend approval of these proposed new positions.

With the exception of \$7,500 for master planning and a special allowance of \$75,800 for library books and expenses, all increases in operating expenses and equipment are based on price increases and workload.

As discussed in previous sections on nonresident tuition, campus master planning and library expense, *we recommend a reduction in operating expenses of \$16,656 and an increase in student fees of \$1,840.*

We recommend approval of this budget in the reduced amount of \$1,417,592.

California State Colleges

CHICO STATE COLLEGE

ITEM 100 of the Budget Bill

Budget page 240

FOR SUPPORT OF CHICO STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$3,643,961
State employees' retirement	230,313
State employees' health and welfare	27,210
Total	\$3,901,484
Estimated to be expended in 1961-62 fiscal year	3,629,639
Increase (7.5 percent)	\$271,845
TOTAL RECOMMENDED REDUCTION	\$51,880

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
5 Teacher	\$29,900	242	10
3 Custodian	3,900	242	20
Campus master planning	7,500	242	46
Increase nonresident tuition	10,580	243	44

ANALYSIS

For 1962-63, a total of \$3,901,484, including \$257,523 for retirement and health contributions, is requested for Chico State College. This amount is based in large part on an estimated budget year enrollment of 3,100 FTE, an increase of 60 FTE, or 2 percent, over 1961-62. Net cost per student is to be increased from \$1,198 to \$1,264 for 1962-63, or 5.5 percent.

The proposed budget includes 21.2 new positions, 10.8 of which are teachers with the remainder composed of 2.4 technical and clerical positions for the instruction function, 1.5 positions for business management, 1.5 for student services, 4 for plant operation and one for reimbursed projects.

We recommend deletion of 5 teaching positions, with a reduction of salaries and wages of \$29,900, pending a review by the Trustees of the application of the faculty staffing formula in this case.

Of the 10.8 new teaching positions requested for 1962-63, 9.8 are for the general and professional divisions, which are expected to have an enrollment growth of 45 FTE. On this basis, the new positions would be added in the ratio of 1 teacher for every 4.6 additional students. Even taking into consideration the development of new curricula, this would appear to be an excessively rich allowance in comparison with the overall state college ratio for 1962-63 of one new teaching position for every 15.6 additional FTE students. We believe that the faculty staffing formula calculations for Chico State College should be reviewed by the Trustees' staff to see if the proposed positions are actually justified on the basis of the data employed and a careful analysis of the need for development of new programs.

We also recommend deletion of 3 custodian positions effective March 1, 1963, for a reduction in salaries and wages of \$3,900.

Chico State College—Continued

These three positions are being requested on the basis of the custodian staffing formula in connection with the anticipated opening of the new education and psychology building on March 1, 1963. We question the need for including these three positions in the 1962-63 budget on the grounds that it would appear that the new building will be opened too late for use during the spring term of the 1962-63 academic year. We fail to see the necessity for such custodial care until such time as the new classrooms are actually put to use.

Operating expenses and equipment are budgeted according to enrollment workload, price levels and necessary maintenance with the exception of the allowance of \$7,500 for campus master planning.

We recommend deletion of the \$7,500 for campus master planning and an increase of \$10,580 in nonresident tuition, consistent with the discussion in a preceding section.

We recommend approval of this item in the reduced amount of \$3,592,080.

California State Colleges

FRESNO STATE COLLEGE

ITEM 101 of the Budget Bill

Budget page 244

FOR SUPPORT OF FRESNO STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$5,734,156
State employees' retirement	371,989
State employees' health and welfare	41,652
Total	\$6,147,797
Estimated to be expended in 1961-62 fiscal year	5,838,994
Increase (5.3 percent)	\$308,803
TOTAL RECOMMENDED REDUCTION	\$24,117

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Campus master planning	\$7,500	247	28
Increase nonresident tuition	16,617	248	39

ANALYSIS

For 1962-63 a total of \$6,147,797, including \$413,641 for retirement and health contributions, is requested for Fresno State College. On the basis of an estimated enrollment growth of 190 FTE, or 3.8 percent, for 1962-63, net costs per student are expected to increase from \$1,094 to \$1,110, or 1.5 percent, for the general and professional divisions and from \$3,264 to \$3,377, or 3.5 percent, for agriculture.

A total of 37.6 new positions are requested for 1962-63, including 7.9 new teachers, 1.5 supervisory and 1.7 technical and clerical positions for instruction, 1 position for business management, 1 for student services, 1.5 for the library, 4 for plant operation and 19 positions for fully reimbursed special projects. *All of these positions are based on increased workload and we recommend approval.*

Fresno State College—Continued

Except for \$7,500 for campus master planning, all operating expenses and equipment are based on increased workload, price levels and necessary maintenance and replacement.

Consistent with our recommendations in a preceding section, *we recommend deletion of \$7,500 for campus master planning and an increase of \$16,617 in nonresident tuition.*

We recommend approval of this budget in the reduced amount of \$5,710,039.

California State Colleges
HUMBOLDT STATE COLLEGE

ITEM 102 of the Budget Bill

Budget page 249

FOR SUPPORT OF HUMBOLDT STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$3,004,657
State employees' retirement.....	171,982
State employees' health and welfare.....	23,670
Total	\$3,200,309
Estimated to be expended in 1961-62 fiscal year.....	2,904,330
Increase (10.1 percent)	\$295,979
TOTAL RECOMMENDED REDUCTION.....	\$16,182

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
1 librarian II.....	\$5,232	250	67
Campus master planning.....	7,500	251	25
Increase nonresident tuition.....	3,450	252	3

ANALYSIS

A total of \$3,200,309, including \$195,652 for retirement and health contributions, is requested for support of Humboldt State College for 1962-63. This amounts to an increase of \$295,979, or 10.1 percent, over estimated expenditures for 1961-62. With an enrollment increase of 150 FTE students expected, net cost per student is to be increased from \$1,660 for 1961-62 to \$1,684, or 1.4 percent.

The proposed budget includes 30.7 new positions, of which 7.6 are teaching positions based on the faculty staffing formula. Also included are 0.5 supervisory positions and 2.5 clerical positions for the instructional function, 1 new position in business management, 3 for student services, 5 for the library, 8.5 for plant operation, and 2.6 for fully reimbursed special projects.

In the absence of further justification, we recommend deletion of 1 librarian II position for a saving in salaries and wages of \$5,232.

Three professional librarian positions are being requested for 1962-63 to provide staffing for three public service points in the new library building which is to be opened this summer. However, it should be noted that there are two public service points, presumably manned by professional staff, in the existing facility. Therefore, it would appear that only two additional professional positions are required to staff the

Humboldt State College—Continued

one additional public service point during the 74 hours the library is to be open each week.

Consistent with the analysis presented in a previous section, we also recommend deletion of \$7,500 for campus master planning and an increase in nonresident student fee reimbursements of \$3,450.

We recommend approval of this item in the reduced amount of \$2,988,475.

California State Colleges
LONG BEACH STATE COLLEGE

ITEM 103 of the Budget Bill

Budget page 252

FOR SUPPORT OF LONG BEACH STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$6,998,411
State employees' retirement	481,855
State employees' health and welfare	85,590
Total	\$7,538,856
Estimated to be expended in 1961-62 fiscal year	6,836,809
Increase (10.3 percent)	\$702,407
TOTAL RECOMMENDED REDUCTION	\$35,102

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Campus master planning	\$7,500	254	78
Library expense	1,152	255	8
Increase nonresident tuition	26,450	255	48

ANALYSIS

Proposed expenditures for Long Beach State College for 1962-63 total \$7,538,856, including \$540,445 for retirement and health contributions. Enrollment is estimated at 8,400 FTE students for 1962-63, an increase of 720 FTE, or 9.4 percent. Net expenditure per student on this basis is expected to increase from \$889 for 1961-62 to \$898 for 1962-63, or 1 percent.

The total of 75.5 proposed new positions is composed of 34.4 new teaching positions, 1 division chairman, 0.5 supervisory position, and 7.5 clerical and technical positions in instruction, 3 positions for business management, 11.9 for student services, 7.2 for the library, 2 for admissions and records and 7 positions for plant operation. *All of these positions are based on increased workload or the opening of new facilities, and we recommend approval.*

With the exception of \$7,500 for campus master planning and a special allowance of \$12,192 for library books and expenses, operating expenses are based on enrollment workload, price levels and necessary plant maintenance.

We recommend deletion of \$7,500 for campus master planning, a reduction of \$1,152 for library expense and an increase in nonresident tuition of \$26,450 in accordance with the discussion in a preceding section.

We recommend approval of this item in the reduced amount of \$6,963,309.

California State Colleges

LOS ANGELES STATE COLLEGE OF APPLIED ARTS AND SCIENCES

ITEM 104 of the Budget Bill

Budget page 256

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

Amount requested	\$8,570,900
State employees' retirement	485,857
State employees' health and welfare	72,096
Total	\$9,128,853
Estimated to be expended in 1961-62 fiscal year	7,980,249
Increase (14.4 percent)	\$1,148,604
TOTAL RECOMMENDED REDUCTION	\$60,760

Summary of Recommended Reductions

	Amount	Page	Budget Line
Campus master planning	\$7,500	258	51
Library expense	8,760	258	56
Television equipment rental	10,000	258	59
Increase nonresident tuition	34,500	259	12

ANALYSIS

The Los Angeles State College budget for 1962-63 totals \$9,128,853, including \$557,953 for retirement and health contributions. On the basis of an estimated enrollment of 11,280 FTE students, up 1,300 FTE, or 13 percent, from the current year, net cost per student is to increase from \$800 for 1961-62 to \$809, or 1.1 percent.

A total of 182.9 new positions are requested for the budget year of which 93.8 are new teachers, 23.2 are new supervisory, technical and clerical positions for instruction, 6 are for business management, 14.9 are for student services, 9 are for the library and 33.8 are for plant operation. *We recommend approval of these positions.*

We recommend a reduction of \$10,000 in the amount allotted to television equipment rental.

The amount of \$23,000 is budgeted for television equipment rental for 1962-63, as compared with estimated expenditures of \$13,000 for 1961-62. In the absence of further justification, the \$10,000 increase in this allotment would appear to provide for a substantial increase in program. Inasmuch as the Trustees have been requested by the Senate Finance Committee to submit more detailed plans for the use of instructional television, including specific needs, economic justification, and potential savings estimates, prior to requesting any further increase in appropriations for this function, we believe this increase should not be allowed in advance of such a report. It is our understanding that no other increases in television programs are now included in the 1962-63 state college budget.

We also recommend deletion of the \$7,500 allowance for campus master planning, a reduction of \$8,760 in library expenses, and an increase in nonresident tuition of \$34,500 in accordance with our discussion of these matters in a preceding section.

We recommend approval of this item in the reduced amount of \$8,510,140.

California State Colleges
ORANGE COUNTY STATE COLLEGE

ITEM 105 of the Budget Bill

Budget page 259

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

Amount requested	\$1,566,594
State employees' retirement	74,074
State employees' health and welfare	11,160
Total	\$1,651,828
Estimated to be expended in 1961-62 fiscal year	1,443,782
Increase (14.4 percent)	\$208,046
TOTAL RECOMMENDED REDUCTION	\$29,429

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Campus master planning	\$7,500	261	76
Library expense	16,754	262	6
Increase nonresident tuition	5,175	262	39

ANALYSIS

Orange County State College is an upper division college now in its third year of operation. The proposed budget for 1962-63 reflects an estimated enrollment of 1,340 FTE students, an increase of 380 FTE, or 36.6 percent, over the current year. Net expenditure per FTE student is to be reduced from \$1,504 for 1961-62 to \$1,233 for 1962-63, a decrease of 18 percent.

The total of 31 new positions proposed for the budget year is composed of 14.5 teaching positions, 1 supervisory position and 3.1 clerical positions also for instruction, 3.5 business management positions, 3.2 positions for student personnel, 1.5 for the library, 3 for plant operation, and 1.2 for reimbursed programs. *All of these positions are based on increased workload, and we recommend approval.*

A special allowance of \$73,200 is allotted for library books and library expense, and \$7,500 is budgeted for campus master planning. All other operating expenses are based on enrollment, price increases and maintenance requirements.

Consistent with our discussion in an earlier section, we recommend deletion of the \$7,500 for campus master planning, a reduction of \$16,754 for library expense, and an increase in nonresident student fee reimbursements of \$5,175.

We recommend approval of this item in the reduced amount of \$1,537,165.

**California State Colleges
SACRAMENTO STATE COLLEGE**

ITEM 106 of the Budget Bill

Budget page 263

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

Amount requested -----	\$4,446,413
State employees' retirement -----	290,911
State employees' health and welfare -----	37,530
Total -----	\$4,774,854
Estimated to be expended in 1961-62 fiscal year -----	4,369,870
 Increase (9.3 percent) -----	 \$404,984
TOTAL RECOMMENDED REDUCTION -----	\$31,775

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Campus master planning -----	\$7,500	265	23
Library expense -----	3,000	265	29
Increase nonresident tuition -----	21,275	265	69

ANALYSIS

A total of \$4,774,854 is requested for Sacramento State College for 1962-63, including \$328,441 for retirement and health contributions. Enrollment is estimated at 4,420 for the budget year, an increase of 200 FTE students, or 4.7 percent. Net expenditure per student on this basis is to be increased from \$1,036 for 1961-62 to \$1,080 for 1962-63, or 4.2 percent.

The budget includes a total of 32.6 proposed new positions, including 19.1 teachers, 4.1 technical and clerical positions for instruction, 2.1 positions for student services, 1 position for business management, 2.5 for the library and 3.8 for plant operation. *We recommend approval of these new positions.*

A special allowance of \$31,750 has been provided for library books and expense, and \$7,500 is included for campus master planning. All other operating expenses and equipment are based on workload, price level and necessary plant maintenance.

We recommend deletion of the \$7,500 allowance for campus master planning, a reduction of library expense of \$3,000, and an increase in nonresident tuition of \$21,275 in accordance with our recommendations in a preceding section.

We recommend approval of this item in the reduced amount of \$4,414,638.

California State Colleges

SAN BERNARDINO-RIVERSIDE STATE COLLEGE

ITEM 107 of the Budget Bill

Budget page 266

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

Amount requested -----	\$168,463
State employees' retirement -----	8,139
State employees' health and welfare -----	960
Total -----	\$177,562
Estimated to be expended in 1961-62 fiscal year -----	88,177
Increase (101.4 percent) -----	\$89,385
TOTAL RECOMMENDED REDUCTION -----	\$37,407

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
3 Division chairman (effective January 1, 1963) -----	\$17,235	267	13
1 College librarian (effective January 1, 1963) -----	8,800	267	18
4 Senior stenographer (effective January 1, 1963) -----	5,172	267	15
Campus master planning -----	3,600	267	33
Equipment -----	2,600	267	43

ANALYSIS

San Bernardino-Riverside State College, authorized by Chapter 64, Statutes of 1960 First Extraordinary Session, is one of the two new state colleges for which a preliminary planning staff was authorized in the 1961-62 budget. Although funds were provided to support a full year of planning activity, the first staff appointments were not made until January of this year.

For 1962-63, the amount of \$168,463, plus \$9,099 for retirement and health contributions, is being requested to continue the planning activities. The total request amounts to an increase of \$89,385, or 101.4 percent, over estimated expenditures for 1961-62 and \$43,264, or 32.2 percent over the approved budget for 1961-62.

The proposed increase over the amount previously budgeted is due largely to a request for 8 new positions, including 3 division chairmen, 1 librarian and 4 clerical positions, all budgeted on a six-month basis. Together with the 12 positions previously authorized, this would provide a substantially larger planning staff than has been provided for new state colleges in the past. The reason for this is that the Trustees intend to open the new colleges with curricula in several liberal arts fields rather than just in teacher education and with a library adequate at the outset to meet the needs of the new students.

We believe such a staff would be warranted during the six months prior to the opening of these colleges in view of the Trustees' intentions to improve upon the inadequate program planning which has taken place in the past. However, there has been no indication that the Trustees actually intended to open one or both of these new colleges in the fall of 1963.

We do not believe that planning staffs of this size should be authorized indefinitely. For this reason, in the absence of a decision by the

San Bernardino-Riverside State College—Continued

Trustees as to the exact opening date for this college, we recommend deletion of the 8 new positions for a reduction of \$31,207 in salaries and wages plus \$2,600 for equipment for the 8 positions. In addition, we recommend deletion of the amount of \$3,600 for campus master planning as discussed in a previous section.

We recommend approval of this item in the reduced amount of \$131,056.

California State Colleges
SAN DIEGO STATE COLLEGE

ITEM 108 of the Budget Bill

Budget page 268

FOR SUPPORT OF SAN DIEGO STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$8,565,539
State employees' retirement	540,897
State employees' health and welfare	66,498
Total	\$9,172,934
Estimated to be expended in 1961-62 fiscal year	7,979,743
Increase (15%)	\$1,193,191
TOTAL RECOMMENDED REDUCTION	\$56,500

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Campus master planning	\$7,500	270	77
Library expense	3,000	271	10
Increase nonresident tuition	46,000	271	60

ANALYSIS

The proposed 1962-63 budget for San Diego State College totals \$9,172,934, including \$607,395 for retirement and health contributions. With enrollment estimated at 10,180 FTE students for 1962-63, net cost per student is to be increased from \$867 to \$901, or 3.9 percent.

Proposed new positions total 154.3, including 87 new teachers, 4 supervisory and 19.1 technical and clerical positions for instruction, 6.5 new business management positions, 12.8 positions in student services, 6 new positions for the library, 15.9 positions for plant operation, and 3 positions for reimbursed special projects. *All positions are based on workload standards and we recommend approval.*

With the exception of \$7,500 for campus master planning and a special allowance of \$31,750 for library books and expense, all operating expenses and equipment are based on workload and price increases and necessary plant maintenance.

We recommend deletion of the \$7,500 allowance for campus master planning, a reduction of library expense by \$3,000, and an increase in nonresident tuition of \$46,000 in accordance with our discussion of these matters in a preceding section.

We recommend approval of this item in the reduced amount of \$8,509,039.

**California State Colleges
SAN FERNANDO VALLEY STATE COLLEGE**

ITEM 109 of the Budget Bill

Budget page 272

**FOR SUPPORT OF SAN FERNANDO VALLEY STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$5,247,840
State employees' retirement	270,872
State employees' health and welfare	39,180
 Total	 \$5,557,892
Estimated to be expended in 1961-62 fiscal year	4,643,400
 Increase (19.7 percent)	 \$914,492
TOTAL RECOMMENDED REDUCTION	\$23,590

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Campus master planning	\$7,500	274	51
Library expense	8,040	274	55
Increase nonresident tuition	8,050	275	3

ANALYSIS

The 1962-63 proposed budget for San Fernando State College totals \$5,557,892, including \$310,052 for retirement and health contributions. The budget reflects an enrollment estimate of 6,130 FTE students, an increase of 1,140 FTE over 1961-62. Net expenditure per FTE student is to be reduced from \$930 for 1961-62 to \$907 for 1962-63, or 2.4 percent.

Proposed new positions total 110.5, including 65.5 new teachers, 1 supervisory and 13.4 technical and clerical positions for instruction, 2 positions in the executive function, 3 new business management positions, 15.6 new positions for student services, 3 new library positions, and 6 new plant operation positions. *Inasmuch as all these positions are based on workload standards, we recommend approval.*

A special allowance for library books and expenses of \$85,090 and an allotment of \$7,500 for campus master planning are the only operating expenses not based on enrollment growth, price increases and plant maintenance requirements.

In accordance with our recommendations in a preceding section, we recommend deletion of the \$7,500 for campus master planning, a reduction of \$8,040 in library expense and an increase in nonresident student fees of \$8,050.

We recommend approval of this item in the reduced amount of \$5,224,250.

**California State Colleges
SAN FRANCISCO STATE COLLEGE**

ITEM 110 of the Budget Bill

Budget page 275

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

Amount requested -----	\$8,660,156
State employees' retirement -----	529,604
State employees' health and welfare -----	70,040
<hr/>	
Total -----	\$9,259,800
Estimated to be expended in 1961-62 fiscal year -----	8,334,272
<hr/>	
Increase (11.1 percent) -----	\$925,528
<hr/>	
TOTAL RECOMMENDED REDUCTION -----	\$67,860

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Campus master planning -----	\$7,500	278	41
Library expense -----	5,160	278	49
Increase nonresident tuition -----	55,200	279	35

ANALYSIS

San Francisco State College is expected to have an enrollment of 10,200 FTE students for 1962-63, an increase of 760, or 8.1 percent, over 1961-62. Net cost per student is to be increased from \$879 to \$909, or 3.4 percent.

The proposed budget includes a total of 118.4 new positions of which 77.1 are teachers, 2.4 are supervisory positions, 18.4 are technical and clerical positions for instruction, 2 are for business management, 8.2 are for student services, 6.2 are for the library and 4 are for plant operation. *All of these positions are based on workload increase, and we recommend approval.*

A special allowance of \$54,610 is provided for library books and expense, and \$7,500 is allotted for campus master planning. All other operating expenses are based on workload and price increases or required maintenance activity.

We recommend deletion of \$7,500 for campus master planning, a reduction of \$5,160 in library expense and an increase of \$55,200 for nonresident tuition consistent with our discussion of these matters in a preceding section.

We recommend approval of this item in the reduced amount of \$8,592,296.

California State Colleges
SAN JOSE STATE COLLEGE

ITEM 111 of the Budget Bill

Budget page 280

FOR SUPPORT OF SAN JOSE STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$11,552,529
State employees' retirement	756,968
State employees' health and welfare	88,260
Total	\$12,397,757
Estimated to be expended in 1961-62 fiscal year	11,386,559
Increase (8.9 percent)	\$1,011,198
TOTAL RECOMMENDED REDUCTION	\$96,150

Summary of Recommended Reductions

	Amount	Budget Page	Line
Campus master planning	\$7,500	282	46
Library expenses	5,160	282	56
Increase nonresident tuition	83,490	283	15

ANALYSIS

San Jose State College is both the oldest and the largest of the California state colleges. Enrollment for 1962-63 is expected to reach 14,000 FTE students, an increase of 1,220 FTE, or 9.5 percent, over 1961-62. On the basis of total proposed expenditures of \$12,397,757, net cost per student is to be reduced from \$892 to \$886 for 1962-63, or 0.7 percent.

Proposed new positions total 154, including 69.4 new teachers, 15 technical and clerical positions for instruction, 6.2 positions for reimbursed projects, 3.5 for business management, 18.4 for student services, 13 for the library and 27.5 for plant operation. *All of these positions are based on increased workload or opening of new facilities, and we recommend approval.*

Except for a special allowance of \$54,610 for library books and expenses and \$7,500 for campus master planning, all operating expenses and equipment are based on enrollment increases, price increases and necessary plant maintenance.

In accordance with our discussion in a preceding section, we recommend deletion of \$7,500 for campus master planning, a reduction of \$5,160 in library expense and an increase in nonresident student tuition of \$83,490.

We recommend approval of this budget in the reduced amount of \$11,456,379.

California State Colleges
SONOMA STATE COLLEGE

ITEM 112 of the Budget Bill

Budget page 283

FOR SUPPORT OF SONOMA STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$632,323
State employees' retirement	29,824
State employees' health and welfare	3,986
Total	\$666,083
Estimated to be expended in 1961-62 fiscal year	445,532
Increase (49.5 percent)	\$220,551
TOTAL RECOMMENDED REDUCTION	\$8,190

Summary of Recommended Reductions

	Budget		
	Amount	Page	Line
Campus master planning	\$7,500	285	47
Increase nonresident tuition	690	286	3

ANALYSIS

Sonoma State College, which opened in the fall of 1961, is the most recent addition to California's state college system. The proposed budget for 1962-63 reflects an estimated enrollment growth of 160 FTE students, or 114.3 percent. Net expenditure per FTE student is to be reduced from \$3,182 for 1961-62 to \$2,220 for 1962-63, or 30.2 percent.

The proposed budget includes 30.9 new positions of which 10.1 are new teaching positions, 0.5 building program position, 2.2 clerical positions for instruction, 9.5 library positions, 5.5 business management positions and 3.1 student services positions. *We recommend approval of these positions on a workload basis.*

With respect to operating expenses, \$1,000 is provided for special lecture services and \$3,000 for leasing IBM equipment in line with practice at other state colleges. Seven thousand five hundred dollars is budgeted for campus master planning. Other increases are based on workload or upon revision of the college's lease and enlargement of the area leased.

In accordance with our recommendations in a previous section, we recommend deletion of the \$7,500 for campus master planning and an increase in nonresident student fee reimbursements of \$690.

We recommend approval of this item in the reduced amount of \$624,133.

**California State Colleges
SOUTH BAY STATE COLLEGE**

ITEM 113 of the Budget Bill

Budget page 286

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

Amount requested.....	\$168,463
State employees' retirement.....	8,139
State employees' health and welfare.....	960
Total	\$177,562
Estimated to be expended in 1961-62 fiscal year.....	88,177
 Increase (101.2 percent).....	 \$89,385
TOTAL RECOMMENDED REDUCTION	\$37,407

Summary of Recommended Reductions

	Amount	Budget Page	Line
3 Division chairman (effective January 1, 1963).....	\$17,235	287	7
1 College librarian (effective January 1, 1963).....	8,800	287	11
4 Senior stenographer (effective January 1, 1963).....	5,172	287	8
Campus master planning.....	3,600	287	26
Equipment	2,600	287	36

ANALYSIS

South Bay State College, authorized by Chapter 65, Statutes of 1960 First Extraordinary Session, is one of the two new state colleges for which a preliminary planning staff was authorized in the 1961-62 Budget.

For 1962-63, the amount of \$168,463, plus \$9,099 for retirement and health contributions, is being requested to continue planning activities which are to begin in the latter part of fiscal year 1961-62. The total request amounts to an increase of \$89,385, or 101.4 percent, over estimated expenditures for 1961-62 and \$43,264, or 32.2 percent, over the approved budget for 1961-62.

Inasmuch as the proposed budget for South Bay State College is identical to the amount requested for San Bernardino-Riverside State College, we recommend an identical reduction in the amount requested for 1962-63 for the same reasons discussed in connection with the other budget. The amount of the recommended reduction is \$37,407, composed of \$31,207 for salaries and wages, \$3,600 for operating expenses, and \$2,600 for equipment.

We recommend approval of this item in the reduced amount of \$131,056.

California State Colleges
STANISLAUS STATE COLLEGE

ITEM 114 of the Budget Bill

Budget page 288

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

Amount requested	\$825,821
State employees' retirement.....	39,076
State employees' health and welfare.....	5,160
Total	\$870,057
Estimated to be expended in 1961-62 fiscal year.....	797,056
Increase (9.2 percent)	\$73,001
TOTAL RECOMMENDED REDUCTION	\$73,010

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
1 Intermediate clerk	\$3,900	288	78
5.7 Teacher	37,620	289	6
1 Associate dean—activities	9,612	289	14
2 Intermediate stenographer	8,388	289	15
1 Graduate nurse	4,740	289	17
Travel—in-state	560	289	29
Campus master planning.....	7,500	289	33
Increase nonresident tuition.....	690	289	67

ANALYSIS

The total amount budgeted for Stanislaus State College for 1962-63 is \$870,057, including \$44,236 for retirement and health contributions. This amount, which is based on an enrollment estimate for 1962-63 of 400 FTE, is \$32,441 higher than the amount approved by the Legislature for 1961-62 based on an enrollment estimate of 500 FTE. Net expenditure per FTE student is to be reduced by 15.4 percent as compared with the revised budget for 1961-62, but is to increase by 27.9 percent as compared with the approved budget for 1961-62.

The explanation for this situation would appear to be found in the fact that although enrollment actually declined slightly between 1960-61 and 1961-62, expenditures were permitted to more than double. The 1962-63 budget, therefore, appears to be constructed on the inflated expenditures of the current year.

A total of 12.5 new positions are proposed for 1962-63, including 5.7 new teaching positions, 1 clerical position for business management, 4 positions for student services, and 1.8 positions for the library. *We recommend deletion of 10.7 of these positions, excluding only the 1.8 new library positions, for a reduction in salaries and wages of \$64,260.*

The one clerical position for business management and the 4 positions for student services are requested on the basis of student enrollment workload, yet all positions requested for the current year on the basis of an enrollment estimate 25 percent higher were approved. Hence, there should be for 1962-63 a reduction in workload in these areas.

The 5.7 teaching positions are requested on the basis of the faculty staffing formula which takes into consideration both additional enrollment and new programs. Yet it would appear that the 15.3 new positions allowed by the Department of Finance for the current year,

Stanislaus State College—Continued

when enrollment actually fell off by 12 FTE, should be adequate to accommodate the estimated enrollment increase and any program expansion for 1962-63.

We recommend a reduction of \$560 in the amount of \$9,960 budgeted for traveling within the State.

Inasmuch as this allotment is based on the number of professional positions, and we have recommended deletion of all such proposed new positions, no increase would be appropriate for this purpose.

We further recommend deletion of \$7,500 for campus master planning and an increase in nonresident student fee reimbursements of \$690 in accordance with our recommendation in a previous section.

We recommend approval of this budget in the reduced amount of \$752,811.

California State Colleges

CALIFORNIA STATE POLYTECHNIC COLLEGE

ITEM 115 of the Budget Bill

Budget page 290

FOR SUPPORT OF CALIFORNIA STATE POLYTECHNIC COLLEGE FROM THE GENERAL FUND

Amount requested	\$8,527,381
State employees' retirement.....	487,765
State employees' health and welfare.....	61,080
Total	\$9,076,226
Estimated to be expended in 1961-62 fiscal year.....	8,339,606
Increase (8.8 percent).....	\$736,620
TOTAL RECOMMENDED REDUCTION.....	\$103,770

Summary of Recommended Reductions

	Amount	Page	Line
5 Instructor—summer quarter—Kellogg-Voorhis	\$29,900	294	65
Campus master planning—San Luis Obispo.....	7,500	293	13
Campus master planning—Kellogg-Voorhis.....	7,500	295	27
Library expense—Kellogg-Voorhis	2,520	295	33
Increase nonresident tuition—San Luis Obispo.....	42,550	293	53
Increase nonresident tuition—Kellogg-Voorhis.....	13,800	295	66

ANALYSIS

The total budget proposed for California State Polytechnic College for 1962-63 is \$9,076,226 of which \$5,664,097 is for the San Luis Obispo campus and \$3,412,129 is for the Kellogg-Voorhis campus. The total amount represents an increase of \$736,620, or 8.8 percent, over total estimated expenditures for 1961-62. Net cost per FTE student for the San Luis Obispo campus, on the basis of a 1962-63 enrollment of 5,460, is to be increased from \$1,011 to \$1,037, or 2.6 percent. Net cost per FTE student for the Kellogg-Voorhis campus on the basis of an enrollment of 3,170 is to be reduced from \$1,195 to \$1,053, or 11.9 percent.

The proposed budget for San Luis Obispo provides for 59 new positions, including 10.2 new teachers and 3.3 technical and clerical positions for instruction, one new position for business management, 9.9

California State Polytechnic College—Continued

for student personnel, 8.5 for the library and 21.1 for plant operation. For the Kellogg-Voorhis campus a total of 34.4 new positions are proposed, including 12.6 new teachers under the faculty staffing formula, 5 new teachers for a new summer quarter, one new supervisory position, and 3.2 technical and clerical positions for instruction, two positions in business management, 2.3 for student personnel, 2 for the library and 6.3 positions for plant operation.

We recommend deletion of the 5 teaching positions for the proposed new summer quarter at Kellogg-Voorhis for a reduction in salaries and wages of \$29,900.

As noted above, five new teaching positions are requested for 1962-63 for Kellogg-Voorhis to permit the start of a state supported summer quarter program at that campus. Such a program has been offered at the San Luis Obispo campus for a number of years, but at all other state colleges the summer sessions are entirely self-supporting with teachers' salaries supported through student fees.

We believe that it would be premature at this time to begin extending state support to any additional campuses. The proposed action would represent a very substantial reversal of existing policy and would have important ramifications in terms of both educational policy and support costs, not only within the state college system but throughout the entire public system of higher education. Such action should require at the minimum a very careful study by the Trustees as to the types of programs involved, the types of students to be served, the effect on plant utilization and staffing requirements, and the costs to be borne as a result of the reduction of student fees.

In the absence of such analysis and a clear statement of educational and fiscal policy in this respect by the Trustees, we see no justification for taking this step at this time.

In addition, as discussed in a previous section, we recommend deletion of a total of \$15,000 for master planning for the two campuses, a reduction in library expense of \$2,520, and an increase in student fee reimbursements of \$56,350.

We recommend approval of this item in the reduced amount of \$8,423,611.

Department of Education
CALIFORNIA MARITIME ACADEMY

ITEM 116 of the Budget Bill

Budget page 297

FOR SUPPORT OF CALIFORNIA MARITIME ACADEMY
FROM THE GENERAL FUND

Amount requested	\$397,982
State employees' retirement.....	40,206
State employees' health and welfare.....	3,600
Total	\$441,788
Estimated to be expended in 1961-62 fiscal year.....	429,587
Increase (2.8 percent).....	\$12,201

TOTAL RECOMMENDED REDUCTION..... None

California Maritime Academy—Continued

ANALYSIS

The proposed 1962-63 Budget for the California Maritime Academy is based on an enrollment figure of 250 midshipmen, the same number estimated for the current year. A small increase in salaries and wages and operating expenses, offset only in part by a reduction in equipment and an increase in federal payments, will raise net expenditures per student from \$1,718 to \$1,767 or 2.9 percent.

No new positions are requested for 1962-63. Because of the academy's inability to meet estimated salary savings for the current year without impairing the instructional program, an emergency allocation of \$5,663 has been allowed for 1961-62 salaries and wages and salary savings have been reduced from \$10,000 to \$7,500 for 1962-63.

The principal item of increased cost for operating expenses is fuel oil, up \$5,970 from the amount budgeted for 1961-62. This increase is based upon a greater cost per barrel and additional mileage for the annual training cruise.

We recommend approval of this budget as submitted.

STATE SCHOLARSHIP COMMISSION

ITEM 117 of the Budget Bill

Budget page 299

FOR SUPPORT OF THE STATE SCHOLARSHIP COMMISSION
FROM THE GENERAL FUND

Amount requested	\$2,446,777
State employees' retirement.....	4,340
State employees' health and welfare.....	660
Total	\$2,451,777
Estimated to be expended in 1961-62 fiscal year.....	1,845,952
Increase (32.8 percent).....	\$605,825
TOTAL RECOMMENDED REDUCTION.....	\$17,180

Summary of Recommended Reductions

	Amount	Page	Line
General scholarship program			
Academic and need evaluation.....	\$2,000	299	75
Agricultural scholarship program			
Agricultural scholarship awards.....	6,750	299	78
Specialized agricultural testing program.....	2,500	299	80
Academic and need evaluation—agricultural.....	430	299	76
Related clerical and operational expenses.....	5,500	299	67-74

ANALYSIS

The State Scholarship Commission, composed of nine members appointed by the Governor, administers a statewide program of competitive scholarship awards. These awards are provided to enable academically qualified students to attend the college or university of their choice. The distribution of award winners by the type of institution attended follows:

State Scholarship Commission—Continued

Type	Percentage of the Total Group		
	1959-60	1960-61	1961-62
Independent colleges -----	65.5	67.0	65.8
University of California -----	29.7	28.9	29.3
State colleges -----	4.8	4.1	4.9
	100.0	100.0	100.0

As a result of legislation passed in 1960 the total number of academic awards authorized for 1962-63 will be increased by 640 from the 1961-62 level of 3,200 to a total of 3,840 scholarships. This is part of a build-up of the total number of awards available to an ultimate figure of 5,120, in increments of 640 per year. The grants will range in value from \$300 to \$900 per year in steps of \$100, but in no case will an award exceed the recipient's tuition and fees. With increased tuition costs the value of the average general scholarship award is expected to rise \$75 from the 1961-62 figure of \$525 to \$600 in 1962-63. Those students who are selected to receive a scholarship but who elect to attend a junior college prior to enrolling in a college or university will have their awards held in trust for them by the commission.

The commission also administers a program of scholarship awards in the field of agriculture, authorized by Chapter 2049, Statutes of 1959. Under this authorization there were provided a maximum of 400 awards to be available in annual increments of 100. These awards, with purposes different from the general academic awards, are treated separately from the other, larger program.

For 1962-63 the commission's budget reflects an increase of \$605,825 over the estimated 1961-62 expenditure of \$1,845,952, an increase of 32.8 percent. \$584,000 of this increase may be attributed to the 640 additional awards available in the general award program in 1962-63 and to the expected increase of \$75 in the value of the average award due to higher tuition fee costs. An additional \$7,500 has been requested to provide for the academic and need evaluations performed for semifinalists and renewal applicants in the general program. (It should be noted here that evaluations are performed in one fiscal year for awards to be funded and applied in the following year. That is, the evaluations for awards issued in 1961-62 and financed from the 1961-62 budget were supported by funds included in the commission's 1960-61 budget.) Another \$2,500 is included in the budget request for 1962-63 for the agricultural scholarship award program. One position of clerical help is sought in the proposed budget.

It will be noted that the 1961-62 fiscal year includes an Emergency Fund allocation of \$40,000 to the commission. We understand that this represents money needed to meet the increased costs of scholarships issued during the 1961-62 year. Increases in tuition costs have occasioned this additional allowance.

The request for additional intermediate typist-clerk help (one position), is made in connection with the increased number of awards to be available in the general program. *We recommend approval of this position request.*

State Scholarship Commission—Continued

Further, we recommend a reduction of \$2,000 in the amount proposed for academic and need evaluations for the general academic awards. We understand that the commission's experience is that the average evaluation costs approximately \$1.50; the estimate of \$20,000 included in the proposed budget presumes 9,000 semifinalists and 3,000 renewals to be reviewed during the 1962-63 budget year in preparation for the 1963-64 academic year. The sum also represents certain fixed charges for fiscal services and charges in connection with the testing program. The estimate of 9,000 semifinalists and 3,000 renewal applications seems too high. A review of the rate of increase in the number of semifinalists and renewal applicants for the years since 1956-57 indicates that figures closer to 8,000 and 2,600 might be more realistic. Our recommended reduction of \$2,000 is based upon approximately 1,330 fewer evaluations than the commission has estimated, using the unit rate of \$1.50.

We also recommend deletion of the funds for the special agricultural scholarship program beyond the support of the presently committed awards. This would reduce the commission's 1962-63 budget request by at least \$9,250 for the proposed awards and the special testing program used therewith assuming the present award holders all qualified for renewals in 1962-63. On the basis of past performance, approximately \$5,500 more might be reduced from clerical and operating expenses in connection with the administration of these awards.

For the agricultural scholarship awards available in 1961-62 we understand that only 149 applications were received. The authorizing legislation had provided that 200 awards would be available that year, although the 1961-62 budget had provided funds for only 100 awards on the basis of previous performance. Only 26 of the 149 applicants were selected to receive agricultural scholarships (in addition there were 20 renewals from the previous year's recipients); of this number six elected to attend first a junior college and their awards are accordingly being held in reserve. Funds should be retained in the budget to meet these award commitments; the number of awards thus provided will ultimately phase out. Of the 149 applicants for the new 1961-62 awards the commission has indicated that 25 applications were incomplete and therefore eliminated; of those remaining who passed the required examination, 50 were found not in financial need and another 24 had insufficient transcripts. The commission anticipates that the value of the 1961-62 awards will be approximately \$5,000; it also estimates that administrative expenses connected with these awards, representing 26 new and 20 renewed awards, equalled approximately \$6,300, or more than the value of the awards themselves. The 1960-61 expenditure for the specialized agricultural testing program alone was \$2,036, almost equal to the value of the 20 new awards issued in 1961-62.

In view of the fact that in neither of the two years that the agricultural scholarship program has operated has it attracted as many applicants as there were awards available, and that in neither of the two years has it passed one-third of its intended performance in terms of awards issued and awards authorized, we do not feel that the substantial administrative expenses are justified or that the need for main-

State Scholarship Commission—Continued

taining such a special program is established. *Therefore we recommend that funds in the commission's 1962-63 budget be limited to the expenses necessary to meet the State's commitment to the present agricultural award holders with no provision for the issuance of further new agricultural awards, but that current recipients continue to be eligible for renewals as long as they meet present qualifications.*

This recommendation is made as an interim recommendation capable of being acted upon by the Legislature at a budget session. We further recommend, in view of the experience under the Agricultural Scholarship Program and the availability of scholarships for deserving students including agricultural students under the general scholarship program, that the Legislature at the 1963 session consider legislation terminating the special program upon completion of outstanding commitments to award winners.

With the exception of the deletions noted above, we recommend approval as budgeted.

BOARD OF CONTROL

ITEM 118 of the Budget Bill

Budget page 301

FOR SUPPORT OF BOARD OF CONTROL
FROM THE GENERAL FUND

Amount requested	\$16,758
State employees' retirement	1,049
State employees' health and welfare	120
Total	\$17,927
Estimated to be expended in 1961-62 fiscal year	16,959
Increase (5.7 percent)	\$968

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

The board 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.

Its jurisdiction relates mainly to:

1. Making rules respecting such matters as travel expenses of employees, use of state cars, claims against the State and headquarters of appointive and elective officials.
2. Acting as an administrative tribunal in connection with employee merit awards, claims against the State, the discharge from accountability for collecting or refunding small amounts of money, and the approval of refunds, credits and cancellations of certain taxes.