

Ventura School for Girls—Continued

The request by function for equipment is as follows:

Function	1958-59	1959-60	Increase	
			Amount	Percent
Administration -----	\$2,660	\$1,880	\$-780	-29.3
Support and subsistence -----	3,581	3,408	-173	-4.8
Care and welfare -----	3,581	1,615	-1,966	-54.9
Maintenance and operation of plant -----	235	4,734	4,499	191.4
Totals -----	\$10,057	\$11,637	\$1,580	15.7

The budget as originally submitted by this facility requested \$12,736 for equipment.

Joint conferences were held with the agency and Department of Finance staff members, and a careful review of equipment requests was made. This review may be supplemented where necessary by personal inspection and appraisal in the field.

As a result, requests were modified to the extent that equipment was reduced from \$12,736 to \$11,637, a saving of \$1,099 or 8.9 percent.

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

DEPARTMENT OF EDUCATION

GENERAL ACTIVITIES

ITEM 67 of the Budget Bill

Budget page 143

FOR SUPPORT OF GENERAL ACTIVITIES FROM
THE GENERAL FUND

Amount requested -----	\$2,934,233
Estimated to be expended in 1958-59 Fiscal Year -----	3,153,269
Decrease (6.9 percent) -----	-\$219,036

TOTAL RECOMMENDED REDUCTION ----- **\$44,604**

GENERAL SUMMARY

The general activities budget of the Department of Education provides funds for the performance of administrative, supervisory and advisory functions for the public school system under the general direction of the State Board of Education. The department is also responsible for the administration of 13 state colleges, the California Maritime Academy, five special schools for physically handicapped children, three work shops for the blind, an orientation center for the blind, three opportunity work centers for the blind, the vocational rehabilitation program and the state-federal program of vocational education.

These activities are carried on through the following divisions of the Department of Education:

- Division of Departmental Administration;
- Division of Public School Administration;
- Division of Instruction;
- Division of State Colleges and Teacher Education;
- Division of Special Schools and Services.

General Activities—Continued

There are three principal units in the Division of Departmental Administration. The Administrative Unit includes the expenses of the State Board of Education, the Office of the Superintendent of Public Instruction, and his general executive, fiscal, personnel and legal staffs. The Credentials Unit is responsible for the evaluation and issuance of credentials for public school teachers. The Bureau of Education Research performs research work in the areas of finance, curricula, evaluation, testing and other related fields for the Department of Education and the public schools.

The Division of Public School Administration supervises the apportionment of school funds; school accounts and records; schoolhouse planning; school district organization and readjustment education for veterans. It also administers the free elementary school textbook program, edits departmental publications, advises local school districts, is the state educational agency for surplus property, administers the school lunch program, supervises the child care center program and Indian education. This division is under the direction of an associate superintendent of public instruction who is also its chief.

The Division of Instruction, which is under the direction of an associate superintendent of public instruction, provides consultative and advisory services to the public schools of the State in the field of instruction.

The division is comprised of the bureaus of elementary, secondary and junior college education as well as bureaus in subject matter fields such as audiovisual, special education, physical and health education and recreation, guidance and adult education.

The Division of State Colleges and Teacher Education is administered by an associate superintendent of public instruction as division chief. The staff provides central administrative services and co-ordination for the 11 state college campuses and the California Maritime Academy, the three off-campus centers, and the two new sites authorized by the 1957 Legislature.

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

The National Defense Education Act of 1958
(Public Law 85-864)

Since the Federal Government appears to be entering the field of support and stimulation to local education on an extensive and continuing basis, we are including a brief outline of the areas the act will cover, with particular reference to those which have an immediate effect upon California.

The National Defense Education Act, passed by the Congress in September, 1958, authorized 152.5 million dollars for 1958-59 for educational purposes for which formulas have been developed. A breakdown

General Activities—Continued

of the authorization for allotments to states implemented for this year is as follows:

	<i>Millions of dollars</i>
Title II—Loans to students in institutions of higher education----	47.5
Title III—Financial assistance for strengthening science, mathematics and foreign language instruction -----	75.0
Title V, Part A—Guidance, counselling and testing -----	15.0
Title VIII—Vocational education -----	15.0
Total -----	152.5

The act is composed of 10 titles, which are summarized briefly below:

Title I. This title provides a declaration of policy, affirms that the act is not construed as authorizing federal control of education, and establishes a series of definitions.

Title II. This title provides for loans to students in institutions of higher education and authorizes 47.5 million dollars for this purpose in the 1958-59 Fiscal Year. The authorized sums for loan purposes are to be administered by the institutions.

Title III. This title establishes three programs. First, federal payments can be made to states for the acquisition by local educational agencies of laboratory or other special equipment for science, mathematics, or modern language teaching.

Second, a program of loans to nonprofit, private elementary and secondary schools for the same type of projects as in the first program under this title. A total of 70 million dollars was authorized for the 1958-59 Fiscal Year for these two programs, with 12 percent of this amount reserved for the loan program.

Third, a program of grants to states for: (a) expansion or improvement of supervisory or related services in public elementary and secondary schools in the fields of science, mathematics, engineering and modern foreign languages; and (b) the administration of the state plan for this program and the first program authorized by this title. The sum of five million dollars was authorized for the 1958-59 Fiscal Year. *No state matching is required the first year, but thereafter federal funds must be matched on an equal basis.*

Title IV. This title establishes 1,000 fellowships in 1958-59 in order to increase the number of students in graduate programs, particularly students interested in teaching in institutions of higher education.

Title V. This title establishes two programs. First, grants may be made to state educational agencies to assist them to establish and maintain programs of testing, and of guidance and counseling, in secondary schools. For this program, 15 million dollars has been authorized for 1958-59. *Matching of federal funds is not required the first year but such funds must be matched by state funds in subsequent years. A state plan is required.*

Under the second program of Title V, the Commissioner of Education is authorized to make contracts with institutions of higher education for short-term or regular session institutes to provide training for persons engaged in, or preparing to engage in, guidance and counseling of students. For this program, 6.25 million dollars is authorized for the 1958-59 year.

General Activities—Continued

Title VI. Language development is the purpose of the two programs in Title VI. The first program authorized federal contracts with institutions of higher education to pay one-half the costs of setting up and maintaining centers for teaching certain modern foreign languages. The amount authorized for this purpose for 1958-59 was eight million dollars.

The second program is similar but is designed to give advanced training to persons engaged in, or preparing for, teaching modern foreign languages in elementary and secondary schools.

Title VII. This title authorizes the making of grants for research and experimentation in more effective uses of television, radio, motion pictures and related media for education purposes. The sum of three million dollars was authorized for 1958-59.

Title VIII. This title authorizes appropriations of 15 million dollars in 1958-59 to states to assist them in training individuals for employment as highly skilled technicians in occupations requiring scientific knowledge in fields necessary to the national defense. Allotments are made among the states on the same basis as the current federal-state vocational education programs. *Matching of federal funds is required.*

Title XIX. This title provides the National Science Foundation to establish a Science Information Service to provide for more effective dissemination of scientific information.

Title X. This title provides for the granting of up to \$50,000 per year per state through 1961-62 for improvement of statistical services of state educational agencies. *Dollar for dollar matching of federal funds is required. A state plan must be approved.*

Those titles for which the State Department of Education has the sole responsibility are:

Title III—Improvement of mathematics, science and modern foreign language.

Title V—Improvement of guidance, counseling and testing.

Title VIII—Extension of vocational education programs.

Title X—Improvement in state statistical services.

During the current year state plans have been prepared for Titles III, V, and VIII, which have been approved by the State Board of Education, the Superintendent of Public Instruction, and the Attorney General. The state plan for Title VIII has also been approved by the United States Commissioner of Education, and the first of the federal grants under this title has recently been received. The department is in the process of preparing the state plan for Title X.

Each of the four titles for which the department is responsible requires matching state funds for federal grants. Title VIII provides that state and local funds in excess of amounts necessary to match federal funds under other vocational education programs may be used to match funds under this title. Since present state and local funds are sufficient to match the federal grants, a request for additional state funds for this program is not anticipated.

General Activities—Continued

However, it is expected that requests for matching state funds for the other three programs will be forthcoming.

The sum of 40 million dollars was appropriated under the bill for the 1958-59 Fiscal Year with 35.5 million dollars allotted under specific formulas. Of this 35.5 million dollars, California is eligible for \$2,158,387 which may be distributed as follows:

Title II—National defense students loan program-----	\$571,699
Title III—Science, mathematics and language improvements	
a. Equipment acquisition -----	\$824,189
b. Administration -----	74,656
c. Loans to nonprofit private schools -----	124,630
Total Title III-----	\$1,023,475
Title V—Improvement of guidance, counseling, and testing----	\$392,763
Title VIII—Extension of vocational education program-----	170,450
Total state allotment based on formula-----	\$2,158,387

ANALYSIS

Summary of Reductions

	Amount	Page	Budget Line
Salaries and wages (three clerical positions)-----	\$10,896	143	22
Procedural improvements in credentials unit-----	18,398	143	37 & 79
Operating expenses (travel)-----	15,310	152	11
Total recommended reductions-----	\$44,604		

Division of Departmental Administration

Executive

Chapter 1853, Statutes of 1957, authorized the State Board of Education to establish within the Department of Education a commission to assist and advise local school districts in problems relating to racial, religious or other discrimination in connection with the employment of certificated employees. The 1958-59 Budget had \$19,414 for one professional and one clerical position for this purpose. The positions were filled in December, 1958, and sufficient time has not elapsed to determine to what extent discrimination is a problem. The two positions are continued in the budget request of this unit.

We recommend approval of the continuation of these positions and recommend that the department prepare a progress report of the workload of these positions and the extent to which discrimination is a problem in the employment of certificated employees.

One clerical position, added during the 1958-59 fiscal year, to perform clerical work in connection with investigation of noncertificated personnel, a program authorized by Chapter 1003, Statutes of 1957, is proposed to be continued. The cost of this position is reimbursed by the fee charged for this service. We recommend that it be continued.

Personnel Office

We recommend three clerical positions presently performing functions at the Department of Education that are being performed elsewhere be deleted at a savings of \$10,896.

The Director of Education has the responsibility, as provided in Section 20373 of the Education Code, for the classification of state

General Activities—Continued

college academic personnel. However, the State Personnel Board has this responsibility for all nonacademic civil service employees in the state colleges and employees within the Department of Education and Special Schools and Services.

The Department of Education personnel office administers the personnel program for the entire Department of Education. The duties of this office as they relate to the Department of Education include the functions of planning, organizing, and developing a personnel program, as well as carrying out such functions as selection and placement of employees, improvement and evaluation of work performance, the keeping of personnel records and the personnel roster, and the execution of policy and administrative decisions on personnel matters.

For the state colleges, special schools, and special services such as California Industries for the Blind, the responsibility for the development of a personnel policy is retained within the central personnel office, but the implementation of the policy and daily operations are the responsibility of the schools.

The discussion to follow will deal with the activities of the clerical staff of the personnel office as they apply only to nonacademic employees in the state colleges and employees in the special schools and services.

In reviewing the functions of the clerical staff at the department personnel office, we believe that the function performed by these clerical people is a duplication of functions elsewhere.

The State Personnel Board, in co-operation with the Office of the State Controller, has developed standardized forms dealing with such matters as appointment, separation, and miscellaneous changes of personnel which are used by all state agencies in reporting their personnel transactions.

The necessary data is entered on the appropriate form at each institution, whether it be a state college or a special school which is then forwarded to the Department of Education personnel office where three clerical positions review each form to determine if the proper data has been submitted. If errors are found, the form is returned to the institution for necessary corrections. If the form has been prepared properly, it is forwarded to the State Personnel Board where it is reviewed again by the clerical staff at this agency, and if no errors are found, the particular request is granted. Approved copies are returned to the central personnel office in the Department of Education where notations are made of the change, and forwarded to the original institution.

A formula of one clerk to 1,500 employees at the state colleges and special schools has been developed. We had no objection to the formula which had been adopted, and as a result did not recommend against the establishment of the three clerical positions proposed in the 1958-59 Budget.

During the interim, we reviewed the responsibilities of the Personnel Board and its relationship to the personnel units established in several of the State's larger agencies. Since the clerical review and the filing of forms is a function of the Personnel Board, which is presently being performed, the value of the review and the use, if any, of the forms

General Activities—Continued

filed at the central personnel office in the Department of Education is not apparent. It appears to us that this function at the central personnel office is a duplication of the same function being performed at the State Personnel Board.

Therefore, we recommend that the three clerical positions presently performing these functions at the Department of Education personnel office be deleted at a savings of \$10,896.

Credentials Unit

The budget proposes that the reimbursement from fees for teaching credentials be increased by \$158,000 to make this unit self-supporting. This will require that legislation be introduced to increase the present credential fee of \$4 to \$6.

We recommend approval of this fee increase.

During the current year, two professional and three clerical positions were added to this unit on a workload basis. The budget proposes that these positions be continued, and we recommend approval.

During the current year, our office with the co-operation of the Department of Education, conducted a study of the credentials unit to determine if the clerical and technical processes of this unit could be simplified while retaining the high quality credential evaluation procedure.

The suggested procedural improvements were discussed and agreed to by the Department of Education. The implementation of the recommendations of that study would produce a savings of \$18,398.

Therefore we recommend that the budget of the credentials unit be reduced by \$18,398 due to improvements in procedure.

Division of Public School Administration

The budget request for this division of \$843,414 is \$9,749 or 1.2 percent greater than the estimated expenditures for the current year of \$833,665.

Textbooks and Publications

The budget proposes two additional positions in this bureau, one stock clerk (\$4,194) and one intermediate typist-clerk (\$3,456).

It is proposed that the stock clerk position be transferred from the free textbook program budget to this support function to reflect proper distribution of costs, since the work of this position is the stocking of printed bulletins rather than textbooks.

The clerical position is proposed on a workload basis.

Bureau of School Planning

This bureau assists and advises school districts in regard to the acquisition of site and construction of school buildings. In addition to this review, other state agencies are also involved in school plan review. The agencies involved with school plan review are as follows:

1. The Department of Public Works, Division of Architecture, under California's Earthquake Law, better known as the "Field Act," must approve all school building projects for *safety of design and construction*.

General Activities—Continued

2. The Local Allocations Division of the Department of Finance in accordance with their established *construction costs 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 the necessary furniture and equipment.
3. The Bureau of School Planning in the 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 previous years that there be a clearer definition of the function of the three areas involved in the review of school building plans, since there appeared to be a considerable amount of overlapping and duplication of functions which result in delay and excess cost.

We further recommended that the review of school plans for (a) construction costs, (b) educational adequacy, and (c) structural soundness be combined into either one operation (instead of three) or in one location with representatives from the three agencies.

The Legislature, at the 1958 Session, requested that a study be initiated to determine the extent to which duplication and overlapping exist between the agencies involved and recommendations presented. The Organization and Cost Control Division of the Department of Finance has been in the process of reviewing this entire program, and it is their intention that a preliminary report be presented to the 1959 General Session of the Legislature.

The budget proposes the continuation of the one field representative established during the current year due to law changes of the 1957 Session of the Legislature which allowed school building aid funds to be available to purchase equipment for school districts.

We recommend approval of this position, with the understanding that the function of this position as it relates to the entire program of school plan and equipment review be incorporated in the study under way.

Division of Instruction

The budget request of \$841,857 is \$31,910 or 3.7 percent less than the estimated expenditures of the division for the current fiscal year of \$873,767. This reduction is due to the transfer from this division to the Vocational Education budget two consultant positions and their supporting clerical staff who conducted the general co-ordination activities in the fields of industrial arts and business education. These positions were transferred to more accurately present the total vocational education program.

No new positions are requested, and the level of service is to remain the same.

General Activities—Continued

Division of State Colleges and Teacher Education

The budget request of this division of \$330,785 is \$33,580 or 11.3 percent greater than the estimated expenditures for the current fiscal year of \$297,205.

One accountant auditor I (\$4,980) is proposed to assist the fiscal officer in insuring operational adherence to approved expenditures, divisional standards, and conformance with good business practices. The total 1958-59 support budget for the state college system approximates \$51 million.

One intermediate typist-clerk (\$3,630) is proposed for the typing pool on a workload basis.

A senior and an assistant administrative analyst are proposed on a workload basis.

We recommend approval of the positions requested.

Division of Special Schools and Services

The budget request of this division of \$327,968 is \$5,423 or 1.6 percent less than the estimated expenditures for the current fiscal year of \$333,391. This reduction is due to decreases in operating expenses and equipment requests.

No new positions or services are proposed in the budget request.

We recommend approval of the budget as submitted.

In-state Travel

We recommend a reduction of \$15,310 for in-state travel on the basis of the lack of administrative control.

The amount requested by the Department of Education for in-state travel is \$306,204, which is \$5,016 or 1.7 percent greater than the estimated expenditures for the current fiscal year.

The primary functions of the Department of Education are to enforce the school law to maintain legal standards, to secure maximum quality of education in terms of public funds, to plan and conduct conferences designed to co-ordinate educational services, and to consult with local school people to promote long-term programs for the improvement of the total educational programs. These functions cannot be properly performed without a considerable amount of travel expense.

It appears that the factors which determine the amount necessary for in-state travel are as follows:

1. Travel experience from previous years.
2. Increases in travel costs.
3. Addition of staff positions who travel.

At the present time, the budget presented by the department for travel purposes shows only the name of the person traveling, the estimated number of days to be traveled and estimated cost based on previous years experience.

This limited information does not include such important budgetary considerations as the method of travel to be used, the basis used in determining the number of trips and amounts necessary for these trips, and the estimated accomplishments which these trips will produce.

General Activities—Continued

There are approximately 25 separate administrative units within this agency whose head authorizes personnel within the bureau or service unit to travel. There is no central review of travel requests within the agency.

We recommend a general 5 percent reduction in the total amount of in-state travel money budgeted for the 1959-60 Fiscal Year. Five percent represents a reduction of \$15,310. By the elimination of completely unnecessary conferences, the establishment of controls over the authorization of travel, the combining of extensive field trips, and the use of coach air flights rather than first class flights, we have estimated that a 5 percent reduction is reasonable. *For these reasons we recommend a reduction in this budget of \$15,310.*

**Department of Education
SCHOOL BUILDING AID FUND**

ITEM 68 of the Budget Bill

Budget page 153

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

Amount requested	\$85,300
Estimated to be expended in 1958-59 Fiscal Year	71,895
	\$13,405

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

The appropriation of \$85,300 from the School Building Aid Fund is for the purpose of covering the costs of the Bureau of School Planning that are attributable to processing projects under the school construction aid program.

We recommend approval of the sum requested.

**Department of Education
WESTERN REGIONAL HIGHER EDUCATION COMPACT**

ITEM 69 of the Budget Bill

Budget page 152

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

Amount requested	\$10,000
Estimated to be expended in 1958-59 Fiscal Year	7,000
	\$3,000

TOTAL RECOMMENDED REDUCTION None

GENERAL SUMMARY

The Western Regional Higher Education Compact is comprised of California and 10 other western states. The program of this compact includes regional conferences, studies in fields of higher education, and the operation of a "student exchange" program whereby states without

Western Regional Higher Education Compact—Continued

professional schools of medicine, dentistry, and veterinary medicine send students to out-of-state professional schools in other states. California is a "receiving state" in this program, and payments to California institutions of higher education during 1957-58 were \$14,800. In 1958-59, the payments are to be \$44,000.

ANALYSIS

The budget request of \$10,000 is \$3,000 or 42.9 percent greater than the estimated expenditures for the current year of \$7,000.

The reasons for this requested increase are as follows:

1. The compact began in 1950, and the initial contribution for each state was set at \$7,000 as a starting figure.

2. On a cost-of-living change in the value of the dollar basis alone, \$10,000 will purchase no more in 1960-61 than \$7,000 did in 1950-51.

3. The budget for the compact for 1958-59 is \$300,000 of which \$77,000 comes from member states, the remainder coming from grants from federal agencies and foundations. These figures indicate that the contribution from each state amounted to approximately 2.3 percent of the total budget.

Based on the data above, we feel this increase is justified and recommend approval of the budget as submitted.

Department of Education**STUDY OF EDUCATIONAL PROGRAMS—GIFTED CHILDREN**

ITEM 70 of the Budget Bill

Budget page 152

**FOR SUPPORT OF STUDY OF EDUCATIONAL PROGRAMS—
GIFTED CHILDREN, FROM THE GENERAL FUND**

Amount requested	\$30,064
Estimated to be expended in 1958-59 Fiscal Year	74,000
Decrease (59.4 percent)	—\$43,936

TOTAL RECOMMENDED REDUCTION	None
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GENERAL SUMMARY

Chapter 2385, Statutes of 1957, authorized the Department of Education to make a study of special educational programs designed to meet the needs of gifted pupils in the public school system. The law provided that the study would be conducted over a period of three school years, and that a preliminary report would be provided to the Legislature by January 1, 1960, and a final report by January 1, 1961.

ANALYSIS

The budget request of \$30,064 is \$43,936 or 59.4 percent less than the estimated expenditures for the current year of \$74,000. The budget reflects the normal reduction in expenses as the project nears completion.

We recommend approval of the budget as submitted.

Department of Education

STUDY OF PROBLEMS—EMOTIONALLY DISTURBED CHILDREN

ITEM 71 of the Budget Bill

Budget page 152

FOR SUPPORT OF STUDY OF PROBLEMS—EMOTIONALLY DISTURBED CHILDREN, FROM THE GENERAL FUND

Amount requested	\$73,390
Estimated to be expended in 1958-59 Fiscal Year	79,363
Decrease (7.5 percent)	\$5,973
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

Chapter 2375, Statutes of 1957, authorized the Department of Education to make a study of problems relating to emotionally disturbed children in the public schools of the State. A preliminary report of the study will be provided to the Legislature by January 1, 1960, and a final report provided by January 1, 1961.

ANALYSIS

The budget request of \$73,390 is \$5,973 or 7.5 percent less than the estimated expenditures for the current year of \$79,363.

We recommend approval of the budget as submitted.

Department of Education

VOCATIONAL EDUCATION

ITEM 72 of the Budget Bill

Budget page 154

FOR SUPPORT OF VOCATIONAL EDUCATION FROM THE GENERAL FUND

Amount requested	\$747,716
Estimated to be expended in 1958-59 Fiscal Year	726,925
Increase (2.9 percent)	\$20,791
TOTAL RECOMMENDED REDUCTION	\$20,150

GENERAL SUMMARY

California's program for vocational education is based upon a co-operative plan among the United States Office of Education, the State Department of Education and local school districts. Federal funds finance a part of the state level operations and provide the major share of the reimbursements which go to local school districts for operation of their vocational education programs.

The four state bureaus for vocational education administer supervisory and teacher training services on a statewide level for assistance and guidance to the local districts. The Bureau of Agricultural Education aids local school districts in establishing and offering courses for persons interested in agriculture. School districts which provide courses for persons engaged in a trade are aided by the Bureau of Trade and Industrial Education. The Bureau of Homemaking Education assists local school districts in their offering of courses in the various phases

Vocational Education—Continued

of homemaking. The Bureau of Business Education provides supervision and teacher training for school districts which offer business education courses.

In addition to the basic vocational education program, there are two other programs administered by the Department of Education. A state-financed program of fire training offers fire training courses to local firemen. A program of instructional materials for apprentices prepares instructional materials for use by apprentices in trades where there are a minimum of 100 apprentices. This program is entirely supported by sales of the instructional materials.

ANALYSIS	Summary of Reductions		Budget	
	Amount	Page	Line	
Fire training program—increase reimbursements..	\$20,150	156	70	

The \$2,554,656 total expenditure program for vocational education is based upon a budget request of \$747,716 of General Fund moneys and \$1,806,940 of federal grants. The budget request will be expended as follows:

State-level operations	\$555,442
Reimbursements to school districts	192,274
Total	\$747,716

The source and outlay of funds for the entire 1959-60 vocational education program is shown below:

State Level Expenditures			
Income		Outgo	
General fund	\$555,442	Administration	\$61,422
Federal grants	471,996	Supervision and teacher training	882,570
		Agricultural education	\$217,153
		Industrial education	363,949
		Homemaking education	167,144
		Business education	134,324
		Fire training program	83,446
Total	\$1,027,438	Total state operations	\$1,027,438
Reimbursements to School Districts			
Income		Outgo	
General fund	\$192,274	Agriculture	\$322,686
Federal grants	1,334,944	Industrial	812,638
		Homemaking	287,156
		Business	104,738
Total	\$1,527,218	Total reimbursements	\$1,527,218
Grand total	\$2,554,656	Grand total	\$2,554,656

No new positions are requested for this program. However, three positions have been transferred to this budget from the General Activities budget of the Department of Education in order to consolidate the entire vocational education program in one budget.

Vocational Education—Continued

Fire Training

For support of the state financed portion of the fire training program, the Department of Education is requesting \$83,446. This is considerably below last year's budget request due to a transfer of approximately \$34,700 for three positions and their necessary operating expenses to the federal-state supported portion of the budget. Because the financing of this portion of Vocational Education is approximately 50 percent federal and 50 percent state, the Federal Government will pay one-half of the cost. Total General Fund expenditures for fire training would therefore be approximately \$100,796.

In our analysis of the 1958-59 budget for this program, we recommended that the local districts which received fire training instruction should reimburse the State for these services. As a result of this recommendation, the Legislature directed the Department of Finance, the Department of Education, and our office to study the State's responsibility in providing this training. The Division of Organization and Cost Control of the Department of Finance has conducted a complete study of this program. Their recommendations issued in Management Survey 1003 are as follows:

1. The fire training program should “* * * be continued as a state function.”
2. The State should “* * * require full payment of actual costs of courses presented to Industrial Fire Brigades and to those departments consisting of more than 50 percent full paid personnel.”
3. “* * * the state fire training program be continued as a responsibility of the Department of Education.”

We concur with these recommendations and believe that they should be adopted.

Reimbursements for state fire training services will be made by the local districts which are able to support a fire department with more than 50 percent paid personnel. Other districts which cannot finance a paid fire department will continue to receive state fire training services free of charge. Private industrial concerns receiving fire training services will also be required to pay full costs for the state program.

On the basis of these recommendations, reimbursement from approximately 20 percent of the fire departments serviced during the year can be anticipated.

We therefore recommend that the budget request for Fire Training be reduced by the amount of these anticipated savings of \$20,150.

**Department of Education
VOCATIONAL REHABILITATION SECTION**

ITEM 73 of the Budget Bill

Budget page 158

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

Amount requested -----	\$2,309,593
Estimated to be expended in 1958-59 Fiscal Year -----	2,121,044
Increase (8.9 percent) -----	\$188,549
TOTAL RECOMMENDED REDUCTION -----	\$10,000

Vocational Rehabilitation Section—Continued
GENERAL SUMMARY

Vocational Rehabilitation Section

California's rehabilitation service is a grant-in-aid program jointly financed by the Federal Government and the State. California receives funds under a three-part grant structure: (1) for support of basic vocational rehabilitation programs; (2) for extension and improvement of rehabilitation service; and (3) for support of special projects. The following table lists the amount of federal and state matching funds allocated for each of these purposes during 1958-59.

Support of California's Vocational Rehabilitation Program
Fiscal Year 1958-59

	<i>Federal grants to California</i>	<i>Federal percent</i>	<i>State percent</i>	<i>State matching funds</i>
Base -----	\$1,729,837	59.21	40.79	\$1,191,760
Additional base -----	910,177	50.86	49.14	879,397
Extension and improvement -----	127,712	75.00	25.00	42,571
Special project (industrially injured) -----	35,022	66.66	33.33	17,511
Total -----	\$2,802,748	--	--	\$2,207,157
OASI—Disability freeze program -----	\$1,008,017			
Less fiscal charges -----	--	--	--	--18,776
Less State Employees' Retirement -----	--	--	--	--67,337
Total -----				\$2,121,044

The program for vocational rehabilitation in California is carried out by the Vocational Rehabilitation Section, which is a part of the Division of Special Schools, Department of Education. Prior to this year, the agency for Vocational Rehabilitation was established as a bureau in the Division of Special Schools. However, both in terms of number of employees and size of operating budget the designation of bureau did not apply to this agency. The status of this bureau has been revised upward and given the special designation of "section." The former bureau chief now designated chief of section still reports directly to the Director of Education to fulfill requirements of the federal government. However, the chief of the Division of Special Schools and Services has been designated as a deputy director for Vocational Rehabilitation, which provides a liaison between the Vocational Rehabilitation section and the other agencies in the Division of Special Schools and Services.

The Vocational Rehabilitation Section administers its program through nine district offices and 14 branch offices located throughout the State.

To be eligible for any rehabilitation services, an individual must have a physical or mental disability and resulting functional limitations in activities. In addition, this limitation must be a substantial handicap to employment. Certain other criteria such as age, state residence, and number of years of work expectancy after rehabilitation must also be satisfied.

Vocational Rehabilitation Section—Continued

Disabled individuals in California meeting these criteria far outnumber the availability of present services. Because of this, a priority policy has been established. Those applicants most clearly in need of rehabilitation service will be given first preference. The term "need" is broadly defined in terms of the severity of disability and extent of vocational handicap as well as the resulting financial problems. Included in this category are all types of public assistance cases and OASI referrals. The Federal Vocational Rehabilitation Act also requires that the industrially injured be given preference.

Vocational rehabilitation programs operating in other states often attempt to provide services for as many individuals as possible, with less regard to the nature of the individual's disability. Statistically, these programs appear to be highly satisfactory, since large numbers of individuals are rehabilitated each year. California's program is oriented toward providing services for the most severely handicapped and needy individuals. Because of this, the total number of individuals rehabilitated each year in California is usually below corresponding figures for other states. By concentrating on the most severely handicapped individuals, however, a successful rehabilitation case in California very often means that an individual will be taken off the welfare rolls with a resulting long-run financial saving for the State. The ultimate returns to the state of a program of this type are much greater than if services were designed for the maximum number of individuals with little regard to their degree of disability. It is estimated that savings to the State in public assistance costs each year are approximately \$1,000,000 because of the rehabilitation of public welfare cases.

ANALYSIS

Summary of Reductions

	Amount	Budget	
		Page	Line
Operating expenses -----	\$10,000	160	55

The proposed total expenditures for vocational rehabilitation, exclusive of the disability determination program, are \$5,178,186 for 1959-60. This is an increase of \$187,057 over the estimated expenditures for 1958-59. All of this increase and an additional \$7,360 will come from the General Fund. This is primarily attributable to a change in funding procedures which is taking effect this year.

Prior to this year's budget request, the Federal Government financed approximately 59 percent of the base program for vocational rehabilitation and the State supplied the remaining 41 percent. Beginning in the 1959-60 Budget, the federal contribution is being adjusted downward in both the base program and the additional base program. By 1962-63, support for vocational rehabilitation will be approximately 50 percent federal and 50 percent state. Approximately \$140,000 of the total General Fund increase in support for 1959-60 is attributable to this change in federal support. The remaining increase is due to normal workload and cost increases.

A total of 11 new positions are requested for the Vocational Guidance and Placement Unit of Vocational Rehabilitation. Four vocational rehabilitation counselors have been proposed on the basis of a new formula for staffing. Prior to this year, one counselor was allowed for

Vocational Rehabilitation Section—Continued

each 130,000 total population in the State. The new formula allows one counselor to each 82,500 people in the age group 16 through 64 since this is the population group served by the program. Although this change does not affect the 1959-60 staffing allowances, it appears to be a much improved method for determining staff requirements since the proportion of the aged group to our total population will undoubtedly increase in the future. We recommend approval of these four counselors and their accompanying clerical staff.

A request for one medical consultant on the basis of one medical consultant per 20 vocational counselor positions appears justified. Three vocational psychologists are also requested. Although this is an increase in the level of service, the funds necessary for their support have been deducted from the total allowances for case services. We recommend approval of these three positions since no additional state support is requested.

Medical Fees

We recommend a reduction of \$10,000 in case service funds on the basis that there is no uniform policy in State Government setting medical fees.

Increases in the medical fee schedules for the Bureau of Vocational Rehabilitation were deleted from the 1958-59 Governor's Budget by the Legislature because of the existing variances among the fee schedules used by several agencies in the State.

The agencies administering the three largest General Fund medical programs are the Departments of Public Health (crippled children program), Social Welfare (medical care program), and Education (vocational rehabilitation). All three make use of the California Medical Association's (CMA) Relative Value Fee Schedule.

The Relative Value Schedule of fees is a system used by the CMA as a guide for establishing fees and for the assistance of doctors who desire to use it. It established unit values for many established medical procedures. For example, a routine office visit has a value of 1.0, a complete physical examination has a value of 2.0, and an appendectomy has a value of 35.0, etc. If a \$4 basic unit is established, the unit value of the procedure is multiplied by \$4 ($35.0 \times \$4 = \140). If the basic unit is \$5 then a value of 35.0, as for an appendectomy, would cost \$175.

The fee schedule sets forth four categories: (1) surgery, (2) medical services, (3) X-ray, and (4) laboratory. Of the four categories, medical services is the only one where the three agencies pay a common basic unit of \$4. The variances in each of the other three fee schedules are shown below:

	Medical Services	Surgery	X-ray	Laboratory
Crippled children program -----	\$4.00	\$3.50	\$4.00	\$4.50
Social welfare -----	4.00	4.00	4.00	4.00
Vocational rehabilitation -----	4.00	3.50	4.50	4.50

Vocational Rehabilitation Section—Continued

The reason that different amounts are paid is that each agency has negotiated separately with the medical vendors.

Since there had been no uniformity or criteria for judging the various fees, we had recommended a "freeze" on fees at the 1957 levels until such criteria could be established. It was felt that the variances created a tendency for a spiral situation when one schedule was increased, others would be affected. At the time of the 1958 Budget hearings, the Department of Finance stated that it was organizing a committee of representatives from the various agencies that use fee schedules in the administration of their medical programs. The Legislature instructed the Department of Finance to report to the 1959 session upon what basis the fee schedules should be adopted.

The committee on fees has held meetings throughout the year. However, no official results or recommendations have been published.

Although we recommended a "freeze" last year in fees, we are recommending a reduction this year of \$10,000 in the vocational rehabilitation budget for its laboratory and X-ray classifications. Our recommendation would reduce the \$4.50 basic unit in the laboratory and X-ray classifications to \$4.00, which we estimate would save \$10,000.

Again we must recommend that a method be devised for the establishment of criteria in the setting of fees and until such is the case the higher fees paid should be reduced in order to remove the pressure from any single agency to raise the others. The reduction in laboratory fees recommended does not amount to a great deal of money for either the Vocational Rehabilitation program or the crippled children program, since by the nature of their programs they do not make great use of laboratory services; however, an increase in the social welfare laboratory category would entail a great deal of money.

An additional problem in fee setting is the fact that the Legislature has no control over the Medical Care Fund, since it is a continuing appropriation. The fees are set by the State Social Welfare Board. We have recommended that the Legislature direct the Department of Social Welfare to consult with other state agencies offering similar programs, in order to avoid adverse results or conflicting effort.

Business Enterprise Program for the Blind

The Business Enterprise Program for the Blind is a program for assisting qualified blind persons to become self-supporting by providing equipment for the establishment of vending stands, snack bars, and lunchrooms in office buildings and industrial plants.

Chapter 1405, Statutes of 1953, established a fee schedule to cover costs of maintenance and repair. The fee established was scaled to the operator's gross profit, after tax deductions, not to exceed 4 percent and was payable to the bureau monthly. The table below shows the fee schedule established in 1953:

<i>Gross sales</i>	<i>Monthly service charge</i>
Up to \$500	\$1
\$501 to 1,000	1 plus 1% of gross sales over \$500
1,001 to 1,500	5 plus 2% of gross sales over 1,000
1,501 to 2,000	15 plus 3% of gross sales over 1,500
2,001 and over	30 plus 4% of gross sales over 2,000

Vocational Rehabilitation Section—Continued

In the past, our office has felt that the blind population as a whole would be benefited if the fee schedule were revised so that the high-profit operators would pay a more realistic charge into the fund to cover the depreciation of equipment.

After reviewing the 1953 schedule with staff members of the Department of Finance and our office, the Bureau of Vocational Rehabilitation discussed revising the fee schedule with vending stand operators throughout the State. It was the recommendation of the vending stand operators that the fee schedule be realistically revised. As a result, the following fee schedule was started January 1, 1959:

<i>Gross sales</i>	<i>Monthly service charge</i>
Up to \$499.99-----	\$1
\$500 to 999.99-----	1 plus 1 percent of gross sales over \$500
1,000 to 1,499.99-----	5 plus 2 percent of gross sales over 1,000
1,500 to 1,699.99-----	1½ percent of gross sales
1,700 to 1,899.99-----	1½ percent of gross sales
1,900 to 2,099.99-----	1½ percent of gross sales
2,100 to 2,299.99-----	2 percent of gross sales
2,300 to 2,499.99-----	2½ percent of gross sales
2,500 to 2,699.99-----	2½ percent of gross sales
2,700 to 2,899.99-----	2½ percent of gross sales
2,900 to 3,099.99-----	3 percent of gross sales
3,100 to 3,499.99-----	3½ percent of gross sales
3,500 and over-----	4 percent of gross sales

The new fee schedule is expected to provide an increase of approximately \$16,000 a year which is an improvement over the old schedule.

This program is continually expanding, and the emphasis is changing from a vending stand program to a snack bar and cafeteria operation, which requires considerably more equipment.

Because of this changing emphasis toward more expensive equipment, it is our recommendation that the new schedule be periodically reviewed and the adequacy of the present formula determined.

The budget request of \$192,458 is \$39,247 or 25.6 percent greater than the estimated expenditures for the current year of \$153,211.

One business enterprise officer, one intermediate stenographer-clerk and the equipment necessary for additional blind vending stands are requested in the budget.

These positions are requested because of increased workload caused by the expanding program, as well as the changing nature of the program.

We recommend approval of the budget as submitted.

**Department of Education
DIVISION OF LIBRARIES**

ITEM 74 of the Budget Bill

Budget page 163

**FOR SUPPORT OF DIVISION OF LIBRARIES FROM THE
GENERAL FUND**

Amount requested-----	\$728,878
Estimated to be expended in 1958-59 Fiscal Year-----	738,372
Decrease (1.3 percent)-----	\$9,494
TOTAL RECOMMENDED REDUCTION-----	\$6,912

Division of Libraries—Continued

GENERAL SUMMARY

The State Library is the library facility for the State Legislature, state agencies and employees and the general public. The library collects library statistics, acts as a clearing house for library information and provides supervision, consultation and inspections for local public libraries. It assists in establishing public libraries in those parts of the State without such service, and maintains statewide library service for the blind, including loans of talking machines.

Federal Library Services Act

The Library Services Act, passed by the 84th Congress in June of 1956, authorized yearly appropriations of federal funds for a five-year period starting July 1, 1956. The primary purpose of this bill was to provide and develop library facilities in those rural areas which had inadequate library services. In providing this initial stimulus, it was hoped that the individual states would have developed methods of providing adequate library services for those areas when federal funds were withdrawn at the end of the five-year period.

Under the provisions of the act, all states must provide matching funds for extension of services to rural areas. The amount of the matching fund is determined by the State's per capita income relative to the per capita income of the United States as a whole. Since the average per capita income for California is well above the national average, and since the total statewide expenditures for rural public library services has far exceeded the qualifying amount stipulated in the act, it has not been necessary for additional state appropriations.

A state obligation under the Federal Act is to prepare and submit to the United States Department of Health, Education, and Welfare, Office of Education, for approval, a state plan for extension of public library services to rural areas. The California state plan has as its general aims for development over the five-year period, the following:

1. Extension of service by use of bookmobiles.
2. Establishment of at least one service center under the direction of the State Library.
3. Enrichment of existing services.
4. Encouragement of the establishment of libraries in presently unserved areas.

The actual, estimated and proposed expenditures of federal funds to fulfill the objectives of the California state plan are shown below:

	<i>Actual</i> 1956-57	<i>Actual</i> 1957-58	<i>Estimated</i> 1958-59	<i>Proposed</i> 1959-60
Administration		\$13,804	\$22,612	\$17,286
Butte County Project	\$39,990	37,038	11,584	--
Santa Barbara County Project	--	25,000	16,500	--
Amador County Project	--	8,000	10,000	--
Processing Center	--	58,058	59,247	58,933
Lassen and Plumas County Project	--	13,200	1,801	--
San Diego County Project	--	--	45,000	35,000
Contributions to State Employees' Retirement Fund	--	1,325	5,617	5,731
Total, Rural Library Services	\$39,990	\$156,425	\$172,361	\$116,950

Division of Libraries—Continued

It should be noted that the figures shown above for 1958-59 and 1959-60 are for only those projects where actual commitments have been made at the time of the budget preparation. The total federal appropriation to California for 1958-59 will \$184,362.

The Butte County Project, which covers the entire county outside the City of Chico, is a bookmobile demonstration to show the value and effectiveness of library services through the use of bookmobiles. This project was begun in May, 1957 with the first federal funds allocated to California. On November 1, 1958, Butte County assumed the financial responsibility for the bookmobile.

The Santa Barbara County Project, started in 1957-58, is a program whereby existing library services are being enriched through the employment of a professional library staff for the purpose of demonstrating improved reference and reader service. The Board of Supervisors of Santa Barbara County has voted to extend the contract for this project from December, 1958 to June, 1959.

The Amador County Project provides funds to assist in the payments and provide for a study of Amador County's library problems and the extension of service from the Stockton-San Joaquin County Library. The Board of Supervisors of Amador County voted to extend the contract for this project from October, 1958 to June, 1959.

The Processing Center Project has the responsibility to catalog, classify and process in Sacramento books for 16 northern libraries. The time released in each of the libraries participating in this program is to be used to improve reader services.

The Lassen-Plumas County Project started in 1957-58 has as its objective the assisting in the development of a co-operative operation of the two libraries under the direction of one county librarian.

The San Diego County Project, which is to be started this year, is to be similar to the Butte County Project. The purpose of this project will be to demonstrate the value and effectiveness of library services through the use of a bookmobile.

The Legislature should be aware of two important possibilities which may result from the Rural Library Services Act. First, the stimulation of rural library activity could have a direct effect on the activities performed by the State Library. It is quite possible that such activities as requests for special reader services, library materials and volumes will increase the workload on the staff of the State Library whereby additional staff positions will be necessary to handle the increased workload.

Second, the Library Services Act initiated in 1956 is for a five-year period only, at the conclusion of which federal funds will be withdrawn. The projects which have been started during this time will require financing from other sources than federal appropriations. It is hoped that local political subdivisions will assume this financial responsibility. However, if the local community does not make this effort, it is possible the obligations of the State Library may continue and perhaps increase when the projects must rely upon local support.

Division of Libraries—Continued

Microfilming Project

The State Library microfilming program has been discussed with the Department of Finance and the Division of Libraries as requested by the Legislature in an attempt to reach an agreement as to the number of newspapers which should be microfilmed in relationship to the total number of newspapers published in California.

The State Library feels that the newspaper acquisition and microfilming program should be based on a 20 to 25 percent relationship to the total number published in the State. In past budgets presented to the Legislature, funds have been proposed to provide microfilming of 10 percent of the newspaper titles published in California. We agree that 10 percent will provide an adequate coverage of the State's activities, and the budget request proposes to continue the program at the same level as in the current year.

The cost of microfilming is based on a cost per page basis, and the number of pages in each newspaper varies considerably. As a result, the number of newspaper titles in the current backlog microfilmed has not yet reached the 10 percent figure. It is expected that at the end of the current year, this number will be reached.

It is our recommendation that the financing of this program be restricted to a given number of titles representing 10 percent of the total newspapers published in the State.

ANALYSIS

	Summary of Reductions	Amount	Budget	
			Page	Line
1 Existing clerical position	-----	\$3,456	164	6
1 Intermediate typist-clerk	-----	3,456	164	13
Total recommended reduction		-----		
		\$6,912		

The budget request of \$728,878 is \$9,494 or 1.3 percent less than the estimated expenditures for the current fiscal year of \$738,372. A decrease in this budget of \$25,387 is due to the proposed transfer of the Sutro Branch of the State Library to the University of California.

SALARIES AND WAGES

Law Section

In the Law Section of the State Library law texts are arranged alphabetically by author and type, rather than grouped by subject matter. In 1957-58, one intermediate typist-clerk position was authorized on a temporary basis to begin the classification of the books in this section. The 1958-59 Budget proposed the continuation of this position for an additional year because sufficient time had not elapsed to develop firm workload figures.

Our office last year recommended that the position be approved, with the stipulation that a progress report be presented with firm workload figures on which to base an estimated cost for the cataloging project.

The workload data have been submitted which indicates that there are approximately 110,000 volumes in the law collection. During the first nine months of operation, 976 volumes were classified. At this rate

Division of Libraries—Continued

with the existing staff, it will take an estimated eight years to complete the law collection at a cost of between \$30,000 to \$40,000.

The budget proposes that the one intermediate typist-clerk originally granted on a one-year basis in 1957-58 and 1958-59 be continued until the project is completed.

It was our understanding that when this project was first introduced that it would be one of short-term duration with a minimal cost. However, as previously mentioned, the data presented indicate the project will take a considerable amount of time and money to complete. Since the Law Section collection presently is cataloged and usable, we question the value of this additional expenditure at this time.

Therefore, we recommend that one intermediate typist-clerk (\$3,456) be deleted from the budget.

It is further proposed the 0.3 of a man-year of an intermediate clerk position be granted based on increased workload. We recommend approval of this temporary help.

Government Publications Section

The budget proposes one librarian II (\$4,740) and one half-time clerical position (\$1,686) which had been granted originally for two years, and extended to complete a cataloging project in the Government Publications Section, be continued in the 1959-60 Fiscal Year.

In the 1956-57 budget, funds were authorized for the hiring of a librarian for two years for the purpose of completing the processing of 63,000 Library of Congress cards, representing 19,384 titles, which were purchased in 1951-52. At the time the request was originally made, it was estimated that the project would be essentially completed in two years and only a small balance of the titles would remain.

The original estimate and the actual projection at the end of 1956-57, the first completed year of the operation, indicated that the agency had grossly underestimated the time and cost necessary to complete this project. For comparative purposes, the table below indicates the original estimate and actual production:

	Original estimate	Actual production revised estimates after one year of operation
Total cards on hand-----	63,000	63,000
Total titles represented-----	19,384	19,384
Average titles cataloged per month-----	656	183
Estimated titles cataloged per year-----	7,875	2,196
Estimated two-year output in titles-----	15,750	4,392
Estimated balance to be processed at the end of 1957-58 Fiscal Year-----	3,634	14,992

At the rate of production shown above, the time necessary to complete the project would have been eight years and nine months as compared to the original estimate of two years. Furthermore, instead of costing an estimated \$12,396, it would cost \$57,025.

For this reason we did not recommend the continuation of the project in our analysis last year. However, the Legislature approved

Division of Libraries—Continued

the project and directed the staff of the State Library to make every effort to improve the output of titles.

During the 1957-58 year, the staff of the State Library drastically revised the cataloging procedures for this project. A detailed plan was developed to double the production of titles cataloged per month to provide for 350 rather than 183 per month. At the end of the 1957-58 Fiscal Year, there were slightly less than 12,000 titles remaining. At the rate of 350 titles per month, this project should be completed on or before June 30, 1961.

Therefore, we recommend approval of the librarian and half-time clerical position to complete this project.

Administrative-Legislative Reference Section

The establishment of the Capitol Branch of the State Library, authorized in the 1957 General Session of the Legislature, is to provide library service to members of the Legislature. To facilitate this service, one half-time position of a Librarian II and one-half time clerical position have been added to the staff during the 1958-59 Fiscal Year. It is proposed that these two part-time positions be continued in the 1959-60 year.

We recommend approval of these positions and suggest that the library staff prepare a progress report on the usage made of this service by the members of the Legislature.

EQUIPMENT

One large item of equipment, a Flexowriter Machine, is requested at a cost of \$3,930 for the Catalog Section.

In our discussion of this section last year, we were critical of the number of books cataloged daily. We pointed out that during the 1956-57 Fiscal Year the professional library staff cataloged 5,395 volumes which amounted to 4.8 books per day per professional position.

During the 1957-58 Fiscal Year, the State Library has made several changes in organization or procedures to expedite the production of cards and of cataloging. Some of the procedural changes adopted are as follows:

1. Subject cross references were discontinued.
2. Co-ordination of author entries was retained but co-ordination of the cataloging of related publications was sharply limited.
3. The California Catalog, as far as possible, was brought into conformity with the main catalog.
4. Rearrangement of the files and reference tools in the section was effected which increased efficiency and improved work conditions.
5. The use of clerical help to give part-time individual assistance to catalogers, in pre-cataloging and other activities that save professional time, was accomplished as far as clerical staffing and turn-over would permit.

The net result of these changes was as follows:

1. In the 1957-58 Fiscal Year, 7,118 volumes were cataloged, an increase of 32 percent over the 5,395 cataloged the previous year.

Division of Libraries—Continued

2. The number of volumes per professional position increased from 4.8 volumes per day to 9 volumes per day.
3. The arrearage has been reduced from 4,146 volumes on October 21, 1957, to 1,769 on July 1, 1958, a reduction of 2,377 volumes or 57 percent in less than one year. This reduction brought the card production down to within one month of the release of books.

The piece of automatic equipment requested will produce savings equivalent to one clerical position. This item of equipment was requested in lieu of one additional clerical position to further reduce the arrearage in this section.

It appears that if the same rate is maintained in reducing the arrearage factor during the current year as was achieved between October 1957 and July 1, 1958, there will no longer be an arrearage problem.

Therefore, we recommend that the equipment item be granted but that one clerical position (\$3,456) be deleted from this budget.

HIGHER EDUCATION IN CALIFORNIA**Definition and Scope****GENERAL SUMMARY**

California's public higher education system includes the University of California and its seven campuses, the 13 regional state colleges and Maritime Academy, and the 62 public junior colleges. Basic to an evaluation of this system is an understanding of the primary purpose of each type of institution and the concept of differentiation of functions.

In 1948, the *Report of a Survey of the Needs of California in Higher Education* was published. This so-called "Strayer Report" was a complete study of the development of higher education in California. A second complete study of higher education entitled "*A Restudy of the Needs of California in Higher Education*" was issued in 1955 by the Joint Staff of the Liaison Committee of the University of California and the State Department of Education. One of the major recommendations of both reports which has been adopted by the university and the Department of Education is the principle of differential functions for the three types of higher educational institutions.

The University of California has particular responsibility for graduate instruction and professional education and research; the state colleges should provide vocational or occupational level of training; and the junior colleges should offer terminal two-year technical programs and the first two years of lower-division college training. It is recognized that a considerable amount of overlapping in purposes and programs is necessary. In the case of general or liberal education, occupational programs in the state colleges must be blended with a substantial amount of general educational course offerings. Some fields such as medical technology and physical therapy which are more technical than professional should be given by the university rather than the state colleges since facilities are readily available in the university's professional schools.

Higher Education in California—Continued

The distinctions in functions may be primarily in the level of instruction. Nursing is an example. The junior colleges may offer two-year terminal curriculums. Both the university and some state colleges offer curriculums leading to the baccalaureate degree. The university, however, should have the responsibility for education in nursing specialties at the graduate level.

Although the differentiation of functions concept has been recognized by the university and the Department of Education, considerable changes in types and levels of course offerings have been made since 1955 and the "Restudy" report. The majority of the state colleges now offer graduate programs leading to master of arts and master of science degrees in a wide range of subjects from American studies to physics. Undergraduate majors are available at all state colleges in practically every field. Training is available in preprofessional areas, teacher education, liberal arts and various occupational fields. With the increase in types and numbers of course offerings, the primary function of the state colleges as suppliers of certificated personnel for our public schools, has been on the decline, even though they are still the primary source of California's new teaching personnel each year.

The junior colleges have undoubtedly played an increasingly important part in the field of higher education during the last few years. Many thousands of students attend a junior college for their first two years of collegiate level work before transferring to a state college or branch of the University. If it were not for the existence of these junior colleges, many more students would be enrolled in state colleges and the university.

The University of California has achieved recognition as one of the pre-eminent institutions of higher education in the world. Although the university provides a wide offering of excellent undergraduate programs, they have won distinction primarily at the graduate level of instruction and research. During the 1957-58 academic year, the university had over \$122 million of research activities under contract with the Federal Government, chiefly in the field of atomic energy. A considerable amount of state funds are also used each year to conduct basic research in a variety of fields.

With the increasing demands for more higher education and the expected mushrooming of student enrollments, the Legislature must critically evaluate the needs of each segment of higher education as they compete for the total tax dollar. It is essential that the university, the state colleges and the junior colleges all be viewed as integral parts of one system of public higher education, each with a particular function to perform. Budgetary appropriations to one level of higher education should be related to the expenditures proposed for the other levels of public higher education.

Enrollment

Student enrollment is the single most important statistic which is used in planning and as a basis for financing the operations of our higher educational institutions. Potential student enrollment estimates determine the need for new state college or university campuses. The

Higher Education in California—Continued

number of students enrolled in a particular institution chiefly determines the size of the staffs in the executive, student personnel, health services, business management, and library areas. The number of students in each teaching major determines the size of the teaching staff. The number of students enrolled in laboratory, lecture, and activity-type courses determines the size and type of buildings which are built at each campus. More than any other statistical index, the level and type of student enrollment determines the amount of capital outlay and support funds which the Legislature must appropriate each year for higher education.

Enrollment data may be tabulated in a number of different ways. The most commonly used method equates student enrollment with the number of course units taken. In the University of California, almost all students carry a full course load. For statistical purposes, a minimum full load is 12 units. Since the great majority of all university students take 12 or more units each semester, university officials compute the average of the actual number of students enrolled in the fall and spring semester each year and use this as their enrollment figure. This enrollment figure, for the most part, is the basis for operational budgeting and planning of new university campuses.

The state colleges use a slightly different method for computing enrollment. The basic enrollment figure is one full-time equivalent (FTE) student. One annual FTE equals 30 semester units of course credit per year. A semester FTE equals 15 units of course credit. Since many students attend school part-time at the state colleges and carry much less than a full-course load (15 units a semester) it is misleading, in most cases, to base budgetary estimates on the actual number of students attending a college. As an example, for 1959-60, it is estimated that a total of 14,750 students will attend Los Angeles State College. However, more than half of these students will be taking less than seven units of course credit each semester. Therefore, on the basis of FTE enrollment, Los Angeles State College bases its budget requirements on 7,970 annual FTE for 1959-60. The use of FTE enrollments for most budgetary purposes is highly desirable.

In some cases, other enrollment figures are used for staffing and planning purposes. It is obvious that the workload for certain positions in the admissions office is determined by the number of individuals which apply for admission and enroll in the college, not by the number of course units carried by each student. When the workload is determined by these factors, actual enrollment estimates, rather than FTE enrollment, is used for budgeting.

The projections of enrollment for planning new state college campuses, new buildings and budgeting some administrative positions are based on regular student enrollment. A regular student takes more than six course units; a limited student (in terms of course load) takes six or less units. Buildings are planned on the basis of the number of regular FTE students enrolled rather than total FTE enrollment. The justification for this is that the regular student enrollment (and the peak load) primarily attends classes during the daytime, when

Higher Education in California—Continued

buildings are being used to their maximum capacity. The bulk of the limited, or part-time students, enroll in night courses and make use of the facilities planned for the maximum daytime enrollment.

Many of the campus administrators work primarily during the day-time hours when the bulk of the students carry more than six course units. Because of this, the budgetary justifications for some of these positions are based upon regular student FTE.

Since the junior colleges are a part of the public school system and receive state apportionment money for partial support of their operations, their enrollment is usually based on a unit of ADA or average daily attendance similar to that used in the elementary and secondary schools.

In 1959-60, it is estimated that a total of 254,881 full-time students will enroll in California's public institutions of higher education.¹ The latest available estimates show that in 1969-70 a total of 545,283 students will be enrolled in our public higher education facilities.² California can expect to double its present higher education enrollment in its public institutions in the next 10 years. The magnitude of this enrollment growth can best be seen if we consider that in the 10-year period, 1960-70, we will increase the level of our enrollment by a little more than the total existing enrollment which has been achieved after approximately 100 years of operations in public higher education.

It is also estimated that the total state population will increase from approximately 15 million to over 22 million or by approximately 46 percent in this same period. In other words, the total State's population will increase at one-half the rate of our college-age population. It would appear that the most significant financial implication which evolves from these data is that the demands for public higher education are multiplying much faster than the principal tax base factor which would support these demands.

The following tables lists the past and future estimated enrollment of the university, the state colleges and the public junior colleges.

Table I—Summary of Enrollment
Fall Graded Enrollment of Public Junior Colleges

<i>Total Enrollment</i>		<i>Total Enrollment</i>	
1955-56	90,527	1959-60	143,544
1956-57	104,322	1964-65	212,049
1957-58	119,619	1969-70	276,233
1958-59	129,330		

¹ University of California, 45,027 (average annual enrollment). State colleges, 66,310 annual FTE (regular and limited students). Junior colleges, 143,544 (fall-graded enrollment).

² University of California, 97,150 (fall semester estimates). State colleges, 171,900 (annual FTE—regular students). Junior colleges, 276,233 (fall-graded enrollment).

Education

General Summary

Higher Education in California—Continued

Table II—Summary of Enrollment

Full-time Equivalent of Annual Regular and Annual Limited Students
California State Colleges

	1955-56	1956-57	1957-58	1958-59	1959-60	1964-65 ¹	1969-70 ¹
Alameda	---	---	---	---	---	2,600	6,200
Cal Poly (K-V.)	403	491	783	1,270	1,800	5,200	11,100
Cal Poly (S.L.O.)	3,430	4,092	4,389	4,469	4,940	7,000	9,800
Chico	1,944	2,363	2,699	2,920	3,200	4,200	5,600
Fresno	4,087	4,413	4,659	4,790	5,230	6,500	8,300
Humboldt	1,063	1,168	1,345	1,580	1,850	2,500	3,500
Long Beach	3,217	4,271	5,184	6,300	7,470	16,500	23,300
Los Angeles	4,351	4,713	5,416	6,710	7,970	15,200	27,000
Orange County	---	---	88	90	140	2,500	7,500
Sacramento	2,588	3,001	3,406	3,810	4,200	5,100	7,000
San Diego	5,429	6,121	6,458	6,720	7,200	11,500	16,100
San Fernando	---	646	1,308	1,960	3,000	10,000	17,400
San Francisco	5,543	6,220	6,640	7,500	8,050	7,800	9,000
San Jose	8,249	8,971	9,588	10,380	10,900	14,700	20,100
OCC Bakersfield	---	123	151	190	220	---	---
OCC Santa Rosa	---	71	128	130	140	---	---
Total	40,304	46,664	52,242	58,819	66,310	111,300	171,900

¹ Annual F.T.E. of regular students only.

Table III—Summary of Enrollment

Average of Fall and Spring Semester, University of California

	1955-56	1956-57	1957-58	1958-59	1959-60	1964-65 ²	1969-70 ²
Berkeley	16,715	17,395	18,470	18,950	19,550	28,950	37,500
Davis	1,881	2,105	2,280	2,350	2,634	4,350	5,550
La Jolla	31	32	45	57	78	650	1,400
Los Angeles	14,889	15,748	15,665	16,090	16,628	29,500	41,050
Riverside	679	697	814	977	1,387	2,750	3,800
San Francisco	1,257	1,275	1,328	1,497 ¹	1,615 ¹	1,900	2,200
Santa Barbara	1,966	2,150	2,380	2,683	3,315	4,200	5,600
Totals	37,418	39,402	40,982	42,604	45,027	72,350	97,150

¹ Includes first-year medical students enrolled at Berkeley prior to 1958-59.

² Fall semester estimates of full-time students.

Cost Per Student—State Colleges and University of California

Reference to the following table will show that state support for the state colleges' regular session has increased more than sixfold in the last 10 years. During this same period, enrollments have increased approximately two and one-half times and the cost per student has increased from \$323 to an estimated \$862.

Table IV—Regular Session Expenditures and Cost Per Student, State Colleges¹

	Enrollment	Expenditures for regular session	Expenditures per F.T.E. Student
1949-50	25,892	\$8,352,927	\$323
1951-52	24,620	13,141,009	534
1953-54	29,672	19,490,347	657
1955-56	40,304	26,211,155	650
1956-57	46,664	33,072,140	709
1957-58	52,242	41,818,820	800
1958-59	58,819	50,348,882	856
1959-60	66,310	57,176,345	862

¹ Excludes Maritime Academy.

Higher Education in California—Continued

In 1959-60 the University of California will spend over \$68 million for its regular session. Table V shows that although enrollments have increased only slightly since 1949-50, expenditures for regular session have more than doubled. This has resulted in an increase in the cost per student from \$800 in 1949-50 to an estimated \$1,514, in 1959-60.

Table V—Regular Session Expenditures and Cost Per Student, University of California

	Enrollment	Expenditures for regular session	Expenditures per student
1949-50 -----	41,794	\$33,414,042	\$800
1951-52 -----	33,581	38,233,952	1,140
1953-54 -----	32,452	36,728,726	1,111
1955-56 -----	37,418	44,401,305	1,188
1956-57 -----	39,402	50,773,239	1,290
1957-58 -----	40,982	59,045,970	1,442
1958-59 -----	42,604	66,898,025	1,573
1959-60 -----	45,027	68,180,288	1,514

STUDENT FEES

Introduction

The 1959 Legislature will be asked to appropriate \$178.1 million for support of higher education during the 1959-60 academic year. Approximately \$152.7 million will be for the university and state colleges and \$25.4 million will be public school apportionments for the junior colleges. This does not include the many millions of dollars of capital outlay which will be spent to house the 1959-60 and subsequent enrollments. It should be noted that only 10 years ago for the 1949-50 Budget, the Legislature appropriated a total of \$55 million for support of higher education in California. Ten years later, annual expenditures for these items have increased almost $3\frac{1}{2}$ times.

There are several ways in which the problems of financing higher education can be eased. Foremost among these are:

1. The practice of economical construction and operating procedures for all levels of higher education.

2. Higher admission requirements in the state colleges which would have the following effects:

- a. Reduce enrollments.

- b. Insure that the State is receiving the maximum return on the money appropriated to the state colleges by:

- (1) Admitting only students with proper academic background who can benefit from college level instruction.

- (2) Reducing the number of students who drop out of college because of inadequate academic preparation.

3. Differentiation between the functions to be performed by the different segments of higher education as recommended in the *Restudy of the Needs of California in Higher Education*. "... the junior colleges continue to take particular responsibility for technical curriculums, the state colleges for occupational curriculums, and the University of California for graduate and professional education and research."

Higher Education in California—Continued

4. Eliminating the duplication of high cost curricular offerings between the state colleges, the university and the junior colleges as a further implementation of the differentiation of functions concept.

5. Establishment of student fee charges which are commensurate with the high level of state expenditures for public higher education.

While we are giving continuing study to each of these proposals, this report deals with the subject of student fee charges in higher education.

Conclusions

1. California's system of public higher education is recognized as one of the finest in the country. In addition to a statewide university of national and international distinction, the State provides regional state colleges to bring a college education within commuting distance of the majority of our citizens. Not only are the facilities for higher education provided, but students are aided in obtaining a college education by a state scholarship program and construction of college dormitories.

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

3. The concept of low student fee charges in California's institutions of public higher education appears to be a philosophical and historical development.

4. Students pay approximately 9 to 10 percent of the total regular session support costs in the university and state colleges. Students at the university pay \$120 per year for incidental fees. Of this total, approximately \$70 is for direct support of student health services leaving \$50 for support of other university student services. In the state colleges, it is proposed that students pay \$65 a year of which \$23 is for a limited student health program. A total of \$42 is paid for support of other student services. With the exception of student health services, students pay approximately \$5 a month to attend a state college and \$5.50 a month for a university education.

5. Nationwide studies of student support of public higher education indicate that students contribute fees equal to approximately 15 to 18 percent of the cost of their education. Almost any type of direct school-by-school comparison of student fee charges will show that California's charges are far below other comparable institutions in other states.

6. There is no evidence to prove that enrollments have been curtailed by moderate fee increases which have taken place in other state institutions of higher education. However, student fee charges should not be used as an arbitrary method of restricting enrollments in higher education in California. It appears that student fees should be in some way proportionate to state expenditures for support of the university and state colleges.

Higher Education in California—Continued

Recommendations

In order to realistically approach the problem of financing higher education for the present and future; to make student fee charges in California more in accord with practices in other state institutions of higher education; and to establish a consistent statewide policy regarding student fee charges in public higher education, we recommend that state appropriations should be made consistent with the following policies:

1. The recent "National Defense Education Act of 1958," which provides federal funds for student loans in higher education, should be fully utilized by California's institutions of public higher education. If this federal loan program together with institutional loan funds proves inadequate to meet the needs of California's financially-needy students, consideration should be given to establishing a state self-supporting student loan fund.

2. Full student support for *noninstructional services* which are currently financed by the incidental fee at the University of California should be continued. This is in accord with the policy adopted by the University Board of Regents in 1953. (See Table VI.)

3. The state colleges' materials and service fee should be established at a level sufficient to support all *noninstructional services*. The definitions of the state colleges' noninstructional services should be similar to those established at the University of California. (See Table VI-A.)

4. The tuition fee established for all students attending the university and state colleges should be sufficient to cover approximately 10 percent of the regular session *instructional* expenditures for each budget year. For 1959-60, the university tuition for a full-time student would be \$150. The state college tuition for a student taking more than six units would be \$76. (See Tables VI and VI-A.)

5. On the basis of the above tuition fee at the university, the 1959-60 budget request should be reduced by \$6,754,050.

6. On the basis of the above tuition fee at the state colleges, their 1959-60 budget requests should be reduced by \$4,735,260.

7. Present statutes governing the nonresident tuition fee at the University of California (Section 20003 of the *Education Code*) should be amended to establish \$500 a year (\$250 a semester) as the minimum (rather than as a maximum) for nonresident tuition, in line with the 1959-60 budget for the university. This fee should be periodically adjusted to reflect approximately one-third of the average per student support costs for all instructional expenditures. (See Table VI.)

8. The present nonresident fee for the state colleges should be increased to equal approximately one-third of the average per student support costs. For 1950-60, the fee would be \$280. (See Table VI-A.)

9. By increasing the state college nonresident fee, an additional reduction of \$75,780 in their 1959-60 budget request is recommended.

10. University and state college extension courses should be supported entirely by student fees.

11. Professional school fees at the university should be increased in the Schools of Medicine, Dentistry, Pharmacy, and Law.

Table VI—Statutes Relating to Fees and Recommended Legislative Action, University of California

	<i>Current fee per year</i>	<i>Statutory limitations</i>	<i>Education code section</i>	<i>Recommended legislative action</i>
Tuition -----	None	Fixed by regents	20001	1. Decrease university appropriation by \$6,754,050 2. Request the regents to establish a tuition charge which will cover 10 percent of the regular session instructional expenditures (approximately \$150 per year)
Incidental -----	\$120	Fixed by regents	-----	1. Request the regents to continue to charge an incidental fee which covers the noninstructional expenses and to clarify the method of determining laboratory costs
Nonresident tuition -----		\$500 per year maximum	2003	1. Request the regents to establish a nonresident tuition charge equal to one-third of the regular session support cost per student (approximately \$500 per year) 2. Change present statutes to establish \$500 a year as minimum nonresident fee
a. Currently authorized by Board of Regents -----	\$400			
b. Included in 1959-60 university budget -----	\$500			

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Table VI-A—Statutes Relating to Fees and Recommended Legislative Action, State Colleges

	<i>Current fee per year</i>	<i>Statutory limitations</i>	<i>Education code section</i>	<i>Recommended legislative action</i>
Tuition -----	None	\$25 per year maximum	20345	1. Decrease state college appropriation by \$4,735,260 2. Establish a tuition charge which will cover ten percent of the regular session instructional expenses (for full-time students, \$76 per year)
Materials and service		Fixed by	20343	1. Direct the Department of Education to establish a materials and service fee which will cover the cost of noninstructional expenses similar to the budgetary definitions used by the university
a. Currently authorized by Director of Education -----	\$50	Director of Education		
b. Included in 1959-60 state college budget -----	\$65			
Nonresident tuition		\$180 per year minimum	20345.1	1. Decrease state college appropriation by \$75,780 2. Establish a nonresident tuition charge equal to one-third of the FTE regular session support cost per student (\$280 per year)
a. Present fee -----	\$180			
b. Included in 1959-60 state college budget -----	\$250			

General Summary

Education

Higher Education in California—Continued

Student Fee Support for Higher Education in California

A detailed examination of the total expenditure for support of the state colleges and the university shows in Table VII that the State's share of the support costs have been increasing each year for the last several years. This is primarily attributable to two factors: a less than proportionate rise in student fee charges for services rendered, and a decrease in federal payments for veterans' education.

Table VII—Regular Session Gross Expenditures Related to Fees

	<i>Regular session gross expenditures</i>	<i>Regular session student fees</i>	<i>Percent of student support</i>
State Colleges			
1949-50	\$11,630,961	\$3,278,034	28.18
1951-52	15,604,365	2,463,356	15.79
1955-56	28,835,721	2,624,566	9.10
1957-58	45,310,728	3,434,152	7.58
1958-59 (estimated)	53,893,797	3,694,579	6.86
1959-60 (proposed)	63,177,844	6,001,499	9.50
University of California			
1949-50	\$41,642,468	\$8,228,426	19.76
1951-52	42,887,830	4,653,878	10.85
1955-56	48,981,376	4,580,071	9.35
1957-58	67,653,397	5,637,236	8.33
1958-59 (estimated)	76,236,024	7,173,448	9.41
1959-60 (proposed)	76,284,913	8,104,625	10.62

Reference to Table VIII compiled by the University of Colorado shows that in 1957-58 the University of California ranked 67th out of 71 state universities and colleges in the level of fee charges. With the slight increase in 1958-59 which raised the university's incidental fees to \$120 a year, assuming no other fee changes were made, the university would still be far below other state universities and colleges.

The present fees charged by the state colleges are lower than the fees at the 71st ranking school on the list. The budget's proposed increase in fees to \$65 a year would not change this ranking.

Table VIII—Tuition and Required Fees for Academic Year 1957-58 for
71 Selected State Universities and Colleges for
Full-Time Undergraduate Students *

Compiled by
UNIVERSITY OF COLORADO
Office of Institutional Research

<i>Institution</i>	<i>Resident student</i>		<i>Nonresident student</i>	
	<i>Fee amount</i>	<i>Rank order— highest to lowest</i>	<i>Fee amount</i>	<i>Rank order— highest to lowest</i>
West				
University of Arizona	\$132	63	\$582	10
University of California	106	67	406	48
Colorado State University	210	31	510	20
University of Colorado	196	38	562	12
University of Idaho	119	64	369	56
Montana State College	221	23	371	55

* Data provided by U. S. Office of Education on request of Director of Institutional Research.

Education

General Summary

Higher Education in California—Continued

Table VIII—Tuition and Required Fees for Academic Year 1957-58 for
71 Selected State Universities and Colleges for
Full-Time Undergraduate Students*—Continued

<i>Institution</i>	<i>Resident student</i>		<i>Nonresident student</i>	
	<i>Fee amount</i>	<i>Rank order— highest to lowest</i>	<i>Fee amount</i>	<i>Rank order— highest to lowest</i>
West—Continued				
Montana State University-----	\$215	27	\$365	57
University of Nevada-----	100	68	250	69
New Mexico A. & M. College----	202	35	326	60
University of New Mexico-----	210	31	410	44
Oregon State College-----	213	28	438	37
University of Oregon-----	213	28	438	37
University of Utah-----	249	12	429	42
Utah State Agricultural College--	177	46	282	63
State College of Washington----	183	41	400	49
University of Washington-----	183	41	408	47
University of Wyoming-----	211	30	421	43
Northeast				
University of Connecticut-----	160	51	410	44
University of Maine-----	316	4	751	2
University of Massachusetts-----	180	44	300	61
University of New Hampshire----	317	3	617	5
Pennsylvania State University--	350	1	750	3
University of Rhode Island-----	248	13	548	17
University of Vermont-----	345	2	835	1
North Central				
University of Illinois-----	200	36	550	15
Indiana University-----	231	17	561	13
Purdue University-----	225	21	600	6
Iowa State College-----	231	17	501	21
State University of Iowa-----	220	24	500	22
Kansas State College-----	208	33	398	50
University of Kansas-----	206	34	396	51
Michigan State University-----	255	8	555	14
University of Michigan-----	250	10	600	6
Wayne State University-----	276	6	576	11
University of Minnesota-----	219	26	486	27
University of Missouri-----	160	51	385	53
University of Nebraska-----	240	16	480	29
North Dakota Agricultural College	150	55	270	64
University of North Dakota-----	146	60	266	67
Miami University (Ohio)-----	228	20	478	30
Ohio State University-----	225	21	600	6
Ohio University-----	220	24	470	31
South Dakota State College-----	188	40	260	68
University of South Dakota-----	195	39	267	66
University of Wisconsin-----	200	36	550	15
South				
Alabama Polytechnic Institute----	165	49	390	52
University of Alabama-----	180	44	530	19
University of Arkansas-----	150	55	200	71
University of Delaware-----	255	8	545	18
Florida A. & M. University-----	150	55	500	22
Florida State University-----	150	55	500	22
University of Florida-----	150	55	500	22
University of Georgia-----	183	41	483	28
University of Kentucky-----	160	51	360	59
Louisiana State University-----	70	71	270	64

* Data provided by U. S. Office of Education on request of Director of Institutional Research.

General Summary

Education

Higher Education in California—Continued

Table VIII—Tuition and Required Fees for Academic Year 1957-58 for
71 Selected State Universities and Colleges for
Full-Time Undergraduate Students *—Continued

Institution	Resident student		Nonresident student	
	Fee amount	Rank order— highest to lowest	Fee amount	Rank order— highest to lowest
University of Maryland.....	\$242	14	\$492	26
Mississippi State College.....	163	50	363	58
University of Mississippi.....	250	10	450	34
University of North Carolina....	242	14	592	9
Oklahoma State University.....	168	47	432	40
University of Oklahoma.....	168	47	432	40
Clemson Agricultural College.....	259	7	459	32
University of South Carolina.....	100	68	225	70
University of Tennessee.....	159	54	384	54
Texas A. & M. College.....	100	68	300	61
North Texas State College.....	138	62	438	37
Texas Technical College.....	139	61	439	36
University of Texas.....	110	65	410	44
University of Virginia.....	294	5	689	4
Virginia Polytechnic Institute....	231	17	459	32
West Virginia University.....	110	65	440	35

* Data provided by U. S. Office of Education on request of Director of Institutional Research.

Are California's Fees Too High?

An examination of the present fee charges at the university and state colleges should indicate that student fees for California residents are not acting as educational barriers to the majority of qualified students. Of the \$120 annual incidental fee at the university, approximately \$70 is for support of student health services. The remaining \$50 supports other noneducational services. If a student were not attending the university, he would be paying his local doctor and hospital for these services. It is proposed in the 1959-60 Budget that state college students pay \$23 a year for a minimum type of student health program. Any sickness or injury which requires hospitalization or continuing doctor's care must be borne by the student in addition to the health services fee. The remaining fee charges for state college students would therefore be \$42 a year as compared to approximately \$50 at the university.

Since a full-time student pays approximately \$50 a year at the University of California for noneducational services other than health services, he is paying about \$5.50 a month over a school term of nine months for support of his education. In the state colleges, it appears that a full-time student pays approximately \$5 a month for a college education. If these fees were doubled or even tripled to \$10 and \$15 a month respectively, they would still be less than the monthly gasoline bills of the majority of the car-owning students attending the university and state colleges. The average college student attending one of the State's institutions of higher education probably spends more money *per week* for personal expenses than he spends *per month* for support of his education. It would appear that in an attempt to provide higher education for all capable students, the State has established fee

Higher Education in California—Continued

expand and expenditures are increased, it is recommended that the Legislature enact legislation which will provide the following:

1. A resident tuition fee for students attending the state colleges and the University of California.

2. The income from these fees should equal approximately 10 percent of the total state support for educational services at both the state colleges and the University of California. Expenditures for organized research at the University of California would not be considered a part of normal state support expenditures for purposes of computing this figure.

Recommended Budget Reductions for 1959-60

By adopting the above recommended changes in the present student fee schedule, it would be possible to substantially reduce the amount of State General Fund support to the university and state colleges for 1959-60. Therefore, it is recommended that:

1. The General Fund appropriation to the University of California be reduced by \$6,754,050 in addition to any other recommended budget reductions.

2. The General Fund appropriation to the state colleges be reduced by \$4,735,260 in addition to any other recommended budget reductions.

Nonresident Tuition

Students who are not residents of this State and who enroll in the university or state colleges are charged a separate fee in addition to the regular charges made to all resident students. The 1959-60 budget for the university is established on the basis of a \$250 per semester nonresident fee. The university fee was raised this year from a previous charge of \$150 per semester to \$200 per semester in the Fall of 1958. In the state colleges it is proposed that the out-of-state tuition charge be \$125 a semester.

The exact amount of the nonresident fee for the University should be set by the Regents of the University. The Director of Education should, with approval of the State Board of Education, establish the exact fee to be charged in the state colleges. However, it appears that the Legislature as a basic fiscal policy should establish a *minimum* nonresident fee in some way proportionate to the state expenditures for instruction at the university and state colleges.

In order to keep California's nonresident fees approximately on a level with charges made in other state institutions of higher education and to maintain a relationship between state costs and student reimbursements, it is recommended that:

1. The Legislature enact legislation which will establish a minimum nonresident fee for the university and state colleges. The university minimum nonresident fee is recommended to be \$500 per year. For the state colleges the minimum fee is recommended to be \$280 per year.

2. The exact amount of this fee should be determined by the governing bodies of the university and the state colleges. We believe it would be appropriate that the fee should equal approximately one-third of the

Higher Education in California—Continued

state per pupil support cost for regular session instruction at each type of institution. As the per pupil support cost increases, the fee should periodically be adjusted.

3. The Department of Education should study the question of a non-resident fee for California's public junior colleges and submit a report to the 1960 Legislature.

Recommended Budget Reductions for 1959-60

The state college's budget request should be reduced by \$75,780 in addition to other reductions as a result of an increase in nonresident tuition.

Extension Courses

For the 1959-60 budget year, the university is planning to spend a total of \$7,281,614 for extension activities. The 1959-60 Governor's Budget contains no state moneys for university extension activities. We are in accord with this policy. University Extension Services are an extra educational offering and should be supported entirely by fee income. Although many individuals and groups profit from extension courses, they should not be considered as a part of the regular instructional program of the university to be supported by general tax funds.

State Colleges

The present policy of self-support for state college extension should be continued. As in the case of the university, this is an extra educational program which should not be borne by the general taxpayer.

Summer Sessions

The present policy in both the university and the state colleges is to support summer session activities almost entirely with student fees. With the exception of a few administrative personnel, all summer session activities are self-supporting.

Professional School Fees—University of California

The question of increasing the fees charged by the various professional schools of the university has been discussed by the Legislative Analyst in a report to the Legislature in February, 1958. Since that time, there has been no increase in the resident tuition charges in these schools. Nonresident tuition has been increased in line with the increase in other university departments.

In 1941-42, the resident tuition fee in the school of medicine was increased from \$100 a semester to \$125. This same tuition rate is still in effect for the 1959-60 academic year. Although no figures are available for student costs in medicine and dentistry in 1941-42, the average expenditure for all university students at that time was \$484. This should be compared with the 1959-60 estimated per student cost of \$1,575. There appears to be little justification for maintaining the 1941-42 level of tuition charges in view of the more than three-fold increase in the State's per pupil expenditure. Tuition charges in the schools of medicine, dentistry and pharmacy should be increased com-

Higher Education in California—Continued

mensurate with the current high rate of state expenditures for these facilities.

It is recommended that: *The special fees in the professional schools of medicine, dentistry, and pharmacy be increased in proportion to the increase in the cost per student and the price increases which have taken place since they were last changed.* This means that the present fee schedule for these professional schools should be approximately tripled.

The maintenance of a law school by a university is not an integral part of the regular instructional program. It is a separate service provided by a university apart from its regular course offerings quite similar to a school of medicine or dentistry. Students attending law school are in most cases not preparing for a teaching career. The large number of applications for entrance into law schools indicates that these students need little encouragement to continue their studies beyond the bachelor's degree.

The level of law school charges in other state universities appears to be somewhat higher than the regular graduate charges but not as high as the tuition in medicine or dentistry. It is therefore recommended that a special fee be charged to law students attending the university's schools of law at Berkeley and Los Angeles and at the Hastings College of Law in San Francisco. The level of this special tuition charge should be higher than the regular graduate student charge yet not as high as the tuition in the schools of medicine, dentistry or pharmacy.

UTILIZATION OF STATE COLLEGE AND UNIVERSITY FACILITIES

State Colleges

In 1956, the present formula governing utilization of state college facilities was adopted by the Department of Education. This standard is used to determine the building needs of all state college campuses.

At the beginning of each academic year, a plant capacity survey is made at each of the state colleges of the amount of instructional space which will be available four years in the future. Each type of instructional room—lecture, activity or laboratory is assigned a student station count. In a lecture-type classroom the number of student chairs which will actually fit into the room is determined. For an activity-type of course, such as some types of art, music, social science and business courses, the number of student desks or tables which will fit into the teaching area is determined. Each laboratory is assigned a student station count depending upon the number of actual student work areas which are in the room. All existing buildings are assigned a student station count as well as any buildings which will be constructed and ready for occupancy four years in the future. For example, the survey of December, 1957, is an estimate of enrollment capacity for the Fall of 1961.

After the total number of each type of student station is determined, an FTE conversion factor is applied to this data to determine the FTE enrollment capacity. The conversion factor is the result of a formula based upon three factors: The number of hours per week a room will be

Higher Education in California—Continued

used, the amount of utilization of the student stations in each room, and the FTE student credit hours for each type of instruction. The components of this formula are as follows:

State College Utilization Data					
Type of facility	Hours of room use per 45-hour week	Type of student station	Percent stations utilized	Student class hours per FTE	Conver- sion factor
Lecture classroom	30	Student desk or chair	75	15	1.5
Activity classroom	25	Student desk chair or table	85	30	.71
Laboratory	20	Student lab area	85	45	.38

According to this formula, lecture classrooms are to be used 30 hours during the normal 45-hour instructional week. Three-fourths of the student stations are to be utilized on the average. Since a student attends one hour of lecture per week for each unit of credit, a full-time student (15 credits) will be in class 15 hours. For an activity-type course, the rooms are to be used 25 hours during the normal 45-hour instructional week and 85 percent of the student stations are to be utilized. Each credit unit of a student activity course requires two hours in class. Therefore, it takes 30 student class hours for 15 credits or one FTE. Laboratories are to be used 20 hours during a 45-hour week and 85 percent of the student stations are to be utilized. Each lab course requires three hours in class for one unit of credit. Therefore, 15 credits requires 45 hours of laboratory classwork.

The actual formula is given below for each type of facility:

Formula for Conversion Factor

Lecture classroom	$\frac{30 \text{ hours} \times 75\%}{15 \text{ class hours per FTE}} = 1.5$
Activity classroom	$\frac{25 \text{ hours} \times 85\%}{30 \text{ class hours per FTE}} = .71$
Laboratory	$\frac{20 \text{ hours} \times 85\%}{45 \text{ class hours per FTE}} = .38$

The factors convert the number of each type of student station into a FTE enrollment capacity. For example, if the conversion factor were 2, a total of 30 student stations would have an enrollment capacity of 60 full-time equivalent students. Or conversely, 60 full-time equivalent students could be instructed by using 30 student stations. Each college takes its annual projection of each type of student station for four years in the future and converts this to FTE enrollment capacity by using the three conversion factors. This projected FTE capacity is either adequate or insufficient to house the estimated enrollment for the colleges. If it is insufficient, the college begins planning for construction of new buildings.

The significance of the three different conversion factors for planning college buildings is illustrated by Chart I, which follows. This chart

Higher Education in California—Continued

shows that in order to provide instructional facilities for 30 full-time equivalent lecture students, 20 student stations must be constructed. To provide for 30 full-time equivalent activity students, 42 student stations must be constructed. To provide for 30 full-time equivalent lab students, 79 student stations must be constructed.

Due to the lower utilization rate and the need to spend three hours in class for one unit of credit, many more laboratory spaces than lecture spaces must be provided for the same number of full-time students in each type of course work.

Not only are the state colleges facing a mushrooming of enrollments during the next 10 to 15 years, but the nature of the courses offered is also undergoing a change. In addition to the change to graduate course offerings, the emphasis in higher education is definitely toward more activity and laboratory-type classes. A few years ago, courses which were normally taught by the lecture method have been replaced by activity and partial laboratory instruction. The drive for more active participation among the students and familiarization with the actual operation of complex machines and principles has led to instruction in smaller groups where students can interact and perform many types of operations. This change in instructional programs is reflected in the need for more student stations per student in the college buildings planned for the future.

University of California

In planning the need for college buildings on campuses of the university, utilization standards somewhat similar to the state colleges are used. The university employs an additional factor in its utilization formula, the amount of floor area which is used. The exact effect of this additional factor and the resulting difference between the university and state college formulas requires further study.

The trend toward more laboratory-type of instruction and increasing graduate enrollments at the university will also result in the need to build more classroom spaces per student since this type of facility receives less utilization each week.

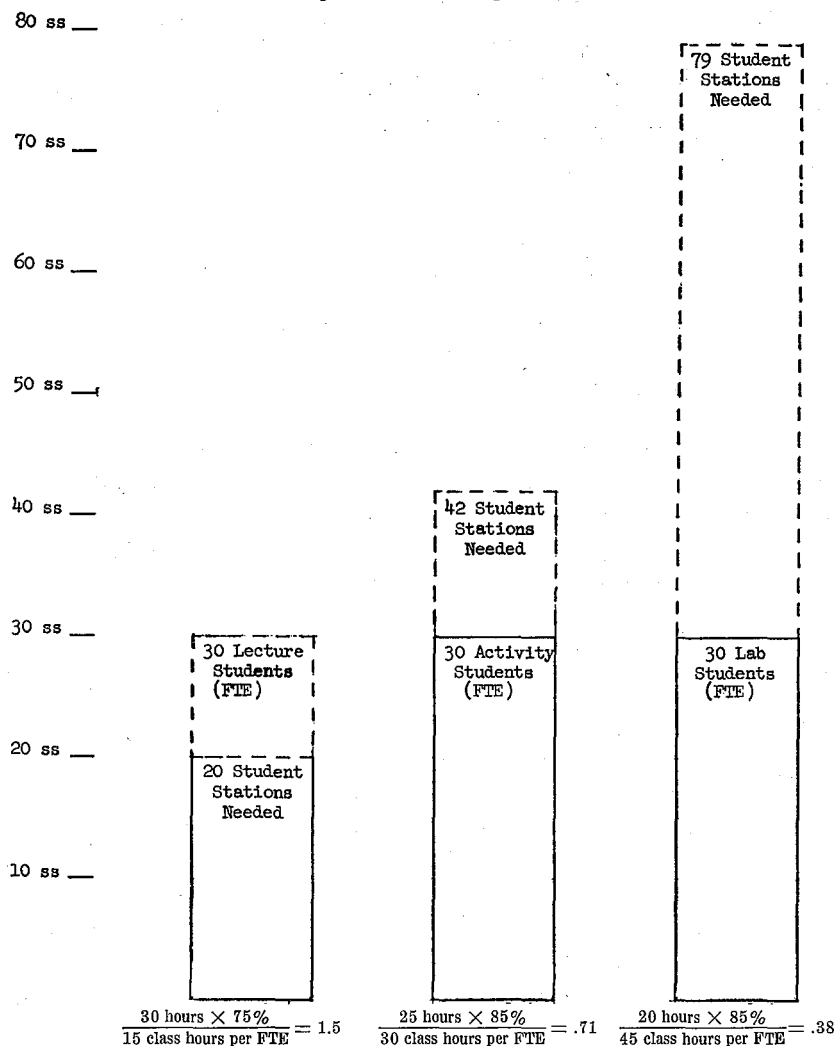
Recommendations

The state colleges, and the university to a lesser degree, are conducting a number of evening programs for part-time students. This is very desirable since it increases the utilization of campus buildings which are primarily planned for daytime use. However, as enrollments increase, the normal daytime program will at least double in size by 1970 as shown in Tables II and III on page 280. Since the planning for college buildings is based on this enrollment growth, it is obvious that vast amounts of capital outlay for new campus facilities will be required if the current utilization formulas are maintained. When state college and university campuses normally operate a 40 to 45 hour daytime instructional program, it does not seem realistic that expensive laboratory facilities should be planned for only 20 hours of use during the week. If campus laboratories were used 40 hours a week, twice as many students as are currently using the laboratories could be accom-

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Chart I

Planning for State College Facilities



modated in the existing facilities. State college and university officials have stated that problems of class scheduling are one of the main reasons why more complete utilization is not possible. An article written by the Dean of Crane and Wright Junior College in Chicago, in 1956, explains how almost 100 percent utilization of classroom facilities is being achieved at Wright Junior College by a complete revision of scheduling procedures. It appears that some of these same principles could be applied to California's institutions of higher education.

Higher Education in California—Continued

The amount of money involved in capital outlay for our higher education facilities is so sizable that every effort must be made to increase our present utilization standards. It is therefore recommended that:

1. The University of California and the State Department of Education, in co-operation with the Department of Finance and the Office of the Legislative Analyst, prepare a study of the entire subject of utilization of campus instructional facilities. Included in this report should be a discussion of the following:

- a. The justification for the present utilization rate of campus instructional facilities.
- b. The problems which are encountered in preparing class schedules.
- c. How is class scheduling done so as to achieve maximum utilization?
- d. The relation between size of an institution and maximum utilization.
- e. The possible scheduling of Saturday classes.
- f. The staggering of class schedules, e.g., three-credit hour courses meet on Monday, Tuesday, and Thursday, rather than the present Monday, Wednesday and Friday scheduling.
- g. The scheduling of classes during the noon hour.

2. The university and the Department of Education should submit their findings to the 1960 Legislature in a joint report.

MAINTENANCE AND OPERATION OF PHYSICAL PLANT

In the 1958-59 *Analysis of the Budget Bill*, we included a table showing maintenance cost data for the University of California. As a result of this inclusion, the Legislature requested that similar data for the state colleges be prepared by the Department of Education for the 1959-60 Budget Analysis.

Representatives of our office, the Department of Finance, and the Department of Education met with University of California representatives to obtain the necessary information for compilation of these statistics. After considerable discussion the following was ascertained:

1. The maintenance data listed for the university is the result of several years of continuing study of this subject. The first satisfactory data was produced after two and one-half years work on perfecting the methods of computing these costs.

2. The university maintains a detailed accounting system for determining the various maintenance cost factors for each department of the university. The state colleges have a different type of accounting system, which records these cost factors on a campus-wide basis.

3. Special services or costs attributable to administration, instruction, etc., are charged back to those activities by the university. The state colleges do not do this because of their present accounting system.

Since this is the first attempt by the state colleges to collect these cost figures, and due to the differences between the accounting system and techniques, the maintenance data produced by the state colleges for 1957-58 should not be considered as exactly comparable to the university.

General Summary

Education

Higher Education in California—Continued

The following table lists the cost per square foot for maintenance and operation of physical plant for the state colleges during the 1957-58 budget year.

State Colleges—1957-58

Outside gross square feet ----- 5,355,583

<i>Cost per square foot</i>	
Superintendence -----	3.7c
Janitorial and custodial -----	29.9
Maintenance and repair of buildings -----	16.9
Utilities and refuse disposal -----	19.4
Grounds, roads and walks -----	15.9
Security -----	3.3
Fire protection -----	.8
Miscellaneous -----	1.1
Major repairs and maintenance -----	2.6
Total cost -----	93.6c

University of California—1957-58

Outside gross square feet ----- 9,932,664

<i>Cost per square foot</i>	
Superintendence -----	3.5c
Building maintenance -----	12.7
Grounds maintenance -----	7.9
Janitorial -----	21.0
Police -----	5.5
Refuse disposal -----	1.5
Utilities -----	14.8
Miscellaneous -----	1.3
Major repairs and alterations -----	5.0
Total cost -----	73.2c

In addition to the differences between the university and state colleges mentioned above, the relative size of the campuses is another factor which must be considered. The Berkeley campus alone had almost 4,000,000 outside gross square feet in 1957-58. The largest state college campus in 1957-58, in terms of outside gross square feet, was San Jose State with less than 1,000,000. For the most part, higher square foot costs will be found at smaller campuses because of overhead factors.

During the 1959-60 academic year, over \$17 million will be spent by the university and state colleges for plant operation and maintenance. A considerable portion of these expenditures are controllable. As such, they should be subjected to continued review for possible budget savings.

The university has found that maintenance cost data has been a valuable guide for evaluating the maintenance and operating performances of their various campuses. While it appears that the Department of Education and the Department of Finance could also profit from similar data relative to the state colleges, any move to make the university and state colleges data exactly comparable would require a complete change in the state colleges' accounting system. It appears that the Division of Organization and Cost Control of the Department

Higher Education in California—Continued

of Finance in co-operation with the University of California should conduct a study of the value of this type of change. Until this determination is made, it appears desirable that the state colleges continue on their present basis to gather this data. At the present time the maintenance and operating cost data should be used only to compare one state college with another or one campus of the university with another. Direct comparisons of University with state college campuses should be avoided.

TEACHER TRAINING

Teacher Education in California

The subject of teacher education in California, and particularly in the state colleges, has been discussed by our office for a number of years. In the 1958-59 *Analysis of the Budget Bill*, we discussed this subject and presented a table which showed the semester unit requirements for the general elementary credential in the California state colleges, the University of California and selected California and out-of-state schools. This data showed that although the Department of Education requires 24 semester units of professional education courses, various state colleges require a minimum of 25 up to a maximum of 40 semester units in education courses before they recommend their students for a general elementary credential. It should also be noted that the University of California, as well as other private schools in California, require different programs for the preparation of teachers. This does not alter the fact, however, that the various state colleges are members of the state college system which has as one of its primary purposes the training of teachers. Adequate justification should be furnished as to the wide variance in the number of course units required at the various colleges and the reasons why these requirements are considerably above the current requirements of the State Board of Education.

As a result of our inquiry into this subject, the Subcommittee on Education of the Assembly Ways and Means Committee requested our office " . . . to further co-operate with the Department of Education to procure for the Ways and Means Committee a study designed to show whether or not there could be better uniformity among the state colleges in the requirements of professional units, attempting to adhere more closely to the minimum requirements of the State Board of Education's number of professional units as found in the Administrative Code." Subsequent to this request our office met with members of the Division of State Colleges and Teacher Education to discuss the general outline of the report which was to be made.

In October 1958 the Division of State Colleges and Teacher Education issued their study titled "A Second Report on Selected Aspects of Teacher Education in the State Colleges of California." The findings of their study were as follows:

1. "There is no evidence that the requirements established by teacher education institutions to the extent that they exceed minimum state credential requirements or that the assumed undue emphasis given to

Higher Education in California—Continued

methods and techniques for teaching act as serious deterrents to recruitment and retention of students in teacher education courses."

2. "In examining the question of the effect of the wide range of variations in state college teacher education programs, it was found that there was no relationship between the two variables of the amount of professional education required and the percentage of students in teacher education in the various state colleges."

It appears from these and other findings included in their report that the Division of State Colleges and Teacher Education is in accord with the present teacher education programs offered by the state colleges. The wide range in number of professional courses required at the different colleges is apparently justified by the colleges on the basis that this does not act as a serious deterrent to the recruitment and retention of students in teacher education programs.

Many of the state colleges are currently offering special teacher education programs which modify the pattern of courses required to obtain a teaching credential. The majority of these programs enable a person with a baccalaureate degree to secure his credential in one year. While these types of special teacher education programs are highly desirable, the majority of the students earning teaching credentials from the state colleges enroll in the regular teacher education programs. The basic question relative to teacher education courses in the state colleges remains unanswered. Why must a student attending one state college take 13 to 15 semester units more teacher education courses in order to secure a recommendation for a credential than a student attending a different state college? The recent report by the Division of State Colleges and Teacher Education fails to answer this question.

The University of California, while conducting the traditional type of teacher education programs, has been experimenting for the last few years with a special program for the preparation of secondary teachers. The persons selected for this program must have a baccalaureate degree but need not have any previous background in professional education. After a pre-internship program of nine weeks during the summer, students begin a program of internship teaching with a local school district. Following a year of teaching, students complete the requirements for a secondary school credential by taking a post-internship program of 10 weeks in length.

Funds for the financing of this program have come from a grant of the Rosenberg Foundation of San Francisco. At the present time, however, the university is providing one-half of the support for this program. University participation will increase to three-fourths in 1959-60 and it will pay for the complete program in 1960-61. This is an indication that the special internship program which was previously on an experimental basis will now become a regular program offering at the University and be used as an alternate method for preparation of secondary school teachers.

The university has recently received a grant from The Fund for the Advancement of Education, established by the Ford Foundation,

Higher Education in California—Continued

for a similar type of internship program for junior college teachers. The funds will provide partial support for a three-year program at the university. Students accepted into this program after completing a pre-internship period of eight weeks will be employed as full-time teachers by co-operating junior colleges in the area. After a year's experience in teaching, and the completion of the requirements for a junior college credential, candidates will be encouraged to pursue advance work in their subject field, either in work toward a Ph.D. or in courses designed to strengthen their preparation in the subjects being taught.

Another special project undertaken by the university with a grant from the Rosenberg Foundation is a study aimed toward improving the supervision of beginning elementary and secondary school teachers. The immediate purpose of this project is to increase the effectiveness of the supervision provided the interns in the university's special education programs. However, a more significant purpose of this project, and one with wide implications, will be an attempt to identify the typical problems of beginning teachers and the techniques and skills which are applicable to their effective supervision.

The Credential Structure in California

At the present time a variety of professional and lay groups have undertaken a study of the entire credentialing system of teachers. The need for this study has principally arisen because of the following factors:

1. A multiplicity in the number of teaching credentials.
2. A high degree of specificity in credential requirements.
3. The procedures connected with the issuance of credentials upon direct application of a candidate to the State Department of Education.

A report of the Committee on the Proposed Revision of the Credential Structure in California was issued on November 2, 1957. This report recommended a complete revision of the present credentialing system and a reduction in the number of credentials from what was then a total of 48 different types to four basic credentials.

The study of the credentialing system was begun on December 7, 1954, when a statewide committee was appointed by the Superintendent of Public Instruction and the president of the California Council on Teacher Education to study and recommend changes in the State's system of granting credentials.

Disapproval of this revision was expressed by the profession so that the Department of Education felt it was necessary to hold hearings in various parts of the State to seek a solution which would be acceptable to the majority of the people concerned. After these hearings, three additional reports were issued in November, 1958, by the Department of Education, the California Council on Teacher Education, and the California Teachers' Association. There is still disagreement, to the extent that four additional months of hearings are scheduled for this

Higher Education in California—Continued

spring before another proposal can be presented. Basically, the issue is between those who wish to revise the credential structure completely, so that there will be three or four general credentials, and those who believe that "the recommendations regarding changes in the credential structure called for changes that were too drastic" and wish only to reorganize the existing credential structure and to retain a greater number of special credentials.

It is to be hoped that when a report is acceptable it will contain a revision of substance rather than merely a rearrangement of the existing credential structure, accomplished through the establishment of a series of "subcredentials" under the title of a "master" credential.

The Teacher Shortage

For the past nine years, the Division of State Colleges and Teacher Education has carried on studies of supply and demand for certificated personnel in California's public schools. The 1957 study of this problem as listed in our *Analysis of the 1958-59 Budget* indicated that in 1957-58 there would be an estimated demand for almost 15,000 new teachers. Yet, only 5,800 would be prepared in California colleges and universities who could be expected to be employed during that year. By projecting the supply and demand for certificated personnel to 1970-71 the Department of Education estimated that the demand for new teachers in 1970-71 would exceed the supply from California's institutions by more than 3,000 teachers.

In August of 1958 the latest report of this situation was issued by the Department of Education. This report shows a substantially different supply and demand picture than had been estimated in 1957-58. Instead of a shortage of over 9,000 teachers in 1960-61, as shown in the 1957 study, the present estimate is that the actual supply of teachers from California teacher education institutions for 1960-61 will be only 4,000 short of the demand. By 1970-71 this latest report estimates that the supply from California's institutions of teacher education will exceed the demand by over 1,500 teachers.

It should be noted that these figures are related only to the supply of teachers from California's schools which offer teacher training courses. With the great numbers of people moving to California each year, it appears highly unrealistic not to include in this new population group an estimate of the number of teachers. The latest reports of the teacher employment situation in a number of cities throughout California indicate that the problem of a teacher shortage at the elementary and secondary school level may have been considerably overestimated.

ADMISSION STANDARDS

In keeping with the policy of differentiation of functions, the university, the state colleges and the junior colleges all have different admission requirements. All high school graduates are eligible for admission to the public junior colleges; approximately 43 percent of California's high school graduates meet state college admission standards; and 13 percent of the high school graduates qualify for admis-

Higher Education in California—Continued

sion to the University of California. Out of the number who qualify, approximately 24.6 percent of the high school graduates each year attend the public junior colleges; 9.4 percent attend the state colleges; and 4.4 percent attend the University of California.

The differences in requirements between the University and the state colleges are qualitative and quantitative. The state colleges require high school graduates to have 70 semester periods of A or B grade work during their last three years of high school. (A year's work in a subject equals 10 semester periods.) If they do not meet this requirement, they must have 50 semester periods of A or B grade work and obtain the 20th percentile on a standard college aptitude test. These requirements may be waived if an applicant gives promise of being able to succeed in college.

Although the University of California has several methods by which students may qualify for admission, it requires A or B grade work in certain course patterns, history, English, mathematics, laboratory science, etc., which is the chief difference between its requirements and those of the state colleges.

The university is presently conducting studies designed to refine and improve its admissions requirements. However, it feels that the proportion of students admitted should not be further restricted. Commencing with September, 1960, all applicants for admission to undergraduate standing will be required to take scholastic aptitude tests as well as meet the present admission requirements. How the results of these aptitude tests will be weighted depends upon the outcome of the admission studies and their experience over a period of years.

Evaluation of State College Admission Standards

The state colleges, to our knowledge, are not proposing any changes in the present level of admissions requirements. Our office has asked a number of questions concerning these admission requirements and their effect upon the student enrollment attending the state colleges. As a result, the Subcommittee on Education of the Assembly Ways and Means Committee on February 11, 1958, directed "... the Department of Education in co-operation with the Legislative Analyst and the Department of Finance, to study the establishment of academic subject requirement minimums and a mandatory aptitude test as factors to increasing enrollment requirements in the state colleges and to report back to the State Legislature at the beginning of the 1959 General Session."

Our concern over state college admission standards had arisen primarily because of the following which indicate that the State may be spending money on students who are not prepared for college level work:

1. All high school subjects, except physical education and military science, may be offered as qualifying courses for admission to a state college.
2. Only regular students (taking more than six-course units a semester) and students who file for a degree objective or credential

Higher Education in California—Continued

are subject to present admission standards. All other limited students (taking less than seven-course units) do not have to formally apply for admission and meet the admission requirements. In 1959-60 more than 33,000 students will be taking less than seven-course units each semester.

3. The latest data indicates that 13 percent of the entering freshmen and 11 percent of the state college graduates score *below* the 20th percentile on the college aptitude test.

We requested from the Department of Education data and an evaluation of these and other problems relating to state college admission requirements. The Department of Education stated that the present admission standards are satisfactory and that no changes should be made. The following statements were made in a letter sent to our office:

1. "It is *not* recommended that a certain basic pattern of high school subjects be required of all entering students."
2. "It is not recommended that a cutting score on a scholastic aptitude test be established as an admissions requirement for applicants whose previous academic records meet existing admissions standards."
3. "It is not recommended that the number of high school recommending units required for state college admission be increased beyond the present seven (or 70 semester periods)."

Their conclusions appear to be based on two basic premises:

1. Admissions standards should serve only to screen out those candidates who show little promise for success in state college programs.
2. Students who complete, in good standing, particular segments of baccalaureate degree programs should be regarded as successful admissions cases.

In defense of the present standards, the state colleges maintain that factors other than academic ability should be considered. They have pointed out that students with low aptitude test scores tend to cluster in particular majors, both as entering students and as graduating seniors, and that it is not disturbing to find that these nonintellectual majors graduate some students with lesser academic aptitude.

While we agree in principle that some college majors require more academic skill than others, it appears that all students enrolled in a college course should meet some minimum academic standards, regardless of their field of concentration. Only students with proper academic preparation for college level work should be enrolled. As the State attempts to provide classroom space for California's growing student enrollment, more adequate standards should be established to insure that students are profiting from the instruction offered to them, not just filling classroom seats. Full-time students who do not intend to pursue a normal four-year college program should enroll in local junior colleges. Part-time students, in addition to full-time students, should provide satisfactory evidence of their ability to do college level work.

Higher Education in California—Continued

State college admission requirements which would be based on these standards are directly opposed to the current admissions philosophy which measures success in college in terms of the completion of one semester or a year of college attendance. We feel that possession of a college degree and graduation from college should be a demonstration of the attainment of a minimum level of academic achievement—the ability to reason and some proficiency in basic communicative skills—regardless of a student's major, and that in turn admissions requirements and philosophy should be based on students' likelihood of success in attaining these goals.

We do not mean to imply that all state college graduates are academically inferior to other college graduates or that the necessary occupational type of training offered by the state colleges should be completely replaced by formal academic training. However, statistics do indicate that students with low academic ability are entering the state colleges and graduating; that approximately one-third of the students enrolled in the state colleges are not subject to any admission requirements unless they file for a degree or credential; that a student can qualify for admission to a state college with a very limited amount of academic subject preparation; that approximately 1 percent of the total state college teaching staff is engaged in conducting remedial classes, classes designed to make up deficiencies in college students that have occurred at the high school level; and that students can complete their state college education and receive a degree without having taken a high school or college course in mathematics or foreign language.

The state colleges are rapidly expanding their liberal arts, engineering, scientific and graduate-level course offerings. While they still are the leading supplier of the State's certificated personnel, the last few years has seen a steady decline in the percentage of students graduating from the state colleges with teaching credentials. With the change in emphasis in the state colleges' program have come increased requests for higher cost instructional laboratories and equipment, as well as requests for faculty research time. State Board of Education policies and statements indicate that this change in program emphasis is not temporary but part of a long-range program to gradually change some of the primary functions of the state colleges.

Recommendations

If the state colleges wish to continue to change the type and level of course offerings with their accompanying increases in expenditures, it becomes imperative to re-evaluate the existing admissions philosophy. Continued use of an admissions policy which emphasizes the education of a maximum number of students with less emphasis on the quality of the student body is not in keeping with the long-range demands for higher education in California. It is therefore recommended that:

1. All state college students, regular and limited, be required to formally apply for admission.

Higher Education in California—Continued

2. A minimum amount of high school preparation in the basic academic subjects, i.e., history, English, mathematics, a foreign language, science, etc., be required for admission to a state college.

3. Deficiencies in high school preparation be overcome by enrollment in junior college classes rather than in state college remedial courses.

STATE COLLEGES**General Summary of 1959-60 State College Budget Requests**

The state colleges are requesting a total of \$57,618,490 for support of their operations in 1959-60. Of this total, \$53,121,980 or 92.2 percent will come from the General Fund; \$3,786,439 or 6.6 percent will come from the Fair and Exposition Fund and 1.2 percent or \$710,071 will be derived from the State College Fund.

The expenditures at each state college are greater than last year primarily due to increasing enrollments. However, a significant portion of the increased expenditures at some state colleges is due to a shift in the level and type of courses offered by these schools. Increasing emphasis in the fields of liberal arts and sciences and a continuing increase in the number of masters degrees granted by the state colleges have resulted in increased instructional expenditures. It should be noted that new courses to be offered by the state colleges in 1959-60 require 126.5 new teachers for a cost of \$644,000.

The continuing growth of the state colleges has resulted in the need for additional administrative personnel. A number of new administrative positions have been requested for 1959-60 based on a recent survey of the organization of the state colleges. The requested amount for these new positions is \$129,000.

State College Fee Increases Included in the 1959-60 Budget and Recommended Changes in These Fees

The budget for each of the state colleges includes an increase made by the Department of Finance in the level of student fee charges. This is a higher fee schedule than originally proposed by the Department of Education for this budget. (See Table IX.) According to the Department of Finance, the increased fees are designed to cover the noninstructional expenses of state college students, such as medical services, counseling and testing services, placement services, and student activities. The present \$44 a year material and service fee charged to students taking more than six units has been increased to \$65 a year in the 1959-60 Budget. The fee for limited students taking from four to six units has been increased from \$30 to \$42 a year. Students taking less than four units will pay a fee of \$26 a year, an increase from \$18 a year. In addition, the 1959-60 Budget for the state colleges includes an increase in the nonresident tuition fee from its present level of \$180 to a proposed \$250 a year. The following table lists these increases and the changes we have recommended.

State Colleges—Continued

Table IX—Student Fee Changes—State Colleges, 1959-60

[Amounts Per Year]

	Semester units			Nonresident tuition
	Less than 4 units	4 to 6 units	Over 6 units	
1958-59 Fee				
Materials and services	\$18	\$30	\$44	
Nonresident tuition				\$180
Proposed by Department of Education for 1959-60 Budget				
Materials and services	20	32	50	
Nonresident tuition				180
Proposed by Department of Finance in 1959-60 Budget				
Materials and services	26	42	65	
Nonresident tuition				250
Recommended by Legislative Analyst				
Materials and services	20	32	50	
Resident tuition	30	48	76	
Total	\$50	\$80	\$126	
Nonresident tuition				\$280
Recommended Increase over Department of Finance proposal				
Total materials and services and resident tuition	\$24	\$38	\$61	
Nonresident tuition				\$30

Since we do not feel that adequate explanation has been made by the Department of Finance of the expenditure items which are included under noninstructional expenses, we would propose that the level of student material and service fees which was originally proposed for this budget by the Department of Education be adopted; that is, for students taking more than six-course units, \$50 a year; for students taking four to six course units, \$32 a year; for students taking less than four units, \$20 a year. By using the total number of course units which are estimated for 1959-60 in the state colleges in each of these fee categories, a total of \$3,900,780 would be derived from material and service fees. This amount of material and service fee income subtracted from the total gross state college expenditures of \$63,177,844 would give the revised level of net expenditures which should be used to determine the amount of resident student tuition.

One additional factor should be subtracted, the income of nonresident fees. We have recommended that nonresident students pay a fee equal to approximately one-third of the cost per student. For 1959-60, this would be \$280 a year, or an increase of \$100 a year over the present fee level. Since the Department of Finance in the 1959-60 budget of the state colleges is proposing a \$250 a year nonresident fee, our fee proposal would increase the level of fee income by \$30 per nonresident student. By subtracting the amount of this additional nonresident fee income, the remaining amount will be a true net cost which should be shared by the State and students attending the state colleges. For 1959-60, this net cost would be \$59,201,284. Ten percent of this amount, that is, the amount to be raised by student tuition, would be \$5,920,128.

State Colleges—Continued

The State would supply the remaining 90 percent of the total, or \$53,281,156.

To provide the necessary income which will equal approximately 10 percent of the net cost of the state college budgets for 1959-60, a state college tuition fee of the following rates will be necessary in addition to the regular material and service fees. For students taking more than six units, \$76 a year; for students taking four to six units, \$48 a year; for students taking less than four units, \$30 a year. This will mean that the normal full-time student attending our state colleges will pay total student fees of \$126 a year, or \$14 a month for his education. Reference to the table of fee charges on page 285 will indicate that state college students still pay fees which rank them among the lowest in rank of fees for state universities and colleges in the United States during the 1957-58 academic year.

Adoption of the recommended level of materials and service and resident tuition would mean a reduction in the state colleges budget for 1959-60 of \$4,735,260. An increase in the level of nonresident fees from \$250 to \$280 a year would yield an additional \$75,780 income, or a total reduction of \$4,811,040. *It is therefore recommended that the Legislature adopt the proposed level of student fees and make the necessary reductions in the individual budgets of the various state colleges as outlined in the following Table X.*

New State Colleges

The 1957 Legislature established new state colleges in Orange and Alameda Counties. The budget for 1958-59 included \$100,000 for each of these colleges, to provide funds for a nucleus planning staff. Although it was intended that these colleges would be ready for initial enrollments in the Fall of 1959, the 1959-60 budget of the state colleges includes only funds for a slightly augmented planning staff for these two schools. It appears that neither college will be ready for an opening in the Fall 1959 semester, due to lack of proper site locations and facilities.

Basis of Budget Evaluation

In evaluating the budget requests of the state colleges, we have established certain criteria which we feel are appropriate. Proposals for new staff positions must be based on one of the following to be considered a workload request:

1. An increase in total enrollment;
2. A shift of enrollment from one instructional area to another;
3. A shift in the level of enrollment, i.e., undergraduate to graduate;
4. The offering of new instructional courses;
5. The opening of new college buildings; or
6. A change in admissions policy.

If a staffing request is not based upon one of these factors, we are recommending against its approval unless some other unusual basis of justification exists.

Table X—Recapitulation of Recommended Reduction in State College Budget Requests Resulting From Fee Increases

<i>Enrollment by fee categories</i>					<i>Increase over Department of Finance</i>			<i>Total Tuition reduction</i>	<i>Nonresident fee increase \$30</i>	<i>Total rec- ommended reduction</i>
	<i>More than 6 units</i>	<i>4 to 6 units</i>	<i>Less than 4 units</i>	<i>Non- resident F.T.E.</i>	<i>Over 6 units</i>	<i>4 to 6 units</i>	<i>Less than 4 units</i>			
Chico -----	3,070	310	480	106	\$187,270	\$11,780	\$11,520	\$210,570	\$3,180	\$213,750
Fresno -----	5,200	640	1,230	170	317,200	24,320	29,520	371,040	5,100	376,140
Humboldt -----	1,860	180	230	42	113,460	6,840	5,520	125,820	1,260	127,080
Long Beach -----	7,000	2,460	2,770	235	427,000	93,480	66,480	586,960	7,050	594,010
Los Angeles -----	6,540	4,440	3,770	200	398,940	168,720	90,480	658,140	6,000	664,140
Sacramento -----	3,630	1,410	2,040	200	221,430	53,580	48,960	323,970	6,000	329,970
San Diego -----	6,880	1,160	1,660	300	419,680	44,080	39,840	503,600	9,000	512,600
San Fernando -----	2,760	1,350	1,440	80	168,360	51,300	34,560	254,220	2,400	256,620
San Francisco -----	7,620	1,700	2,790	306	464,820	64,600	66,960	596,380	9,180	605,560
San Jose -----	10,540	1,250	1,710	472	642,940	47,500	41,040	731,480	14,160	745,640
Cal Poly										
SLO -----	4,210	170	190	360	256,810	6,460	4,560	267,830	10,800	278,630
K-V -----	1,670	70	30	55	101,870	2,660	720	105,250	1,650	106,900
Total -----	60,980	15,140	18,340	2,526	\$3,719,780	\$575,320	\$440,160	\$4,735,260	\$75,780	\$4,811,040

State Colleges—Continued

To justify increases in operating expenditures, one of the following criteria must be met:

1. Increases in the level of prices;
2. Increased reimbursements offset increases in expenditures;
3. Expenditures are related to a new staff position or to the opening of new campus buildings; or
4. Increases in enrollment.

Increases in operating expenditures which are not based upon these criteria are recommended against.

Reception Expense

The 1959-60 budget for the state colleges includes a total of \$14,300 for reception expenses. These funds would be used by the state college presidents in carrying out their community relations responsibilities. Legislation adopted in 1957 permitted the use of such funds; however, until this time the Department of Finance has not included these allowances in the state college budget requests. Apparently, these funds are to be used for receptions that are traditionally a part of campus life or for the presidents membership in community organizations. While there may be some merit in each state college president having this type of funds, for the inclusion of this expense item in the 1959-60 budget is clearly an increase in the present level of services. There are outside sources of funds which have in the past been used for this purpose and which can continue to be used. In addition, the Board of Control has not issued any rules or regulations relating to the use of these funds. *It is therefore recommended that the entire amount of \$14,300 not be allowed, and that this item be deleted from each state college budget request.*

Special Lecture Services

Each college in its 1959-60 budget request is asking for an increase of \$1,000 in the expense item special lecture services. It should be noted that in the 1958-59 budget a total of \$1,000 was granted for this purpose at each school and that this year's request is a 100 percent increase over last year's allowance. The apparent justification for the increase is that the hiring of special lecturers is necessary in order to provide an intellectual stimulus to the various campuses.

The inclusion of additional funds in the 1959-60 budget for hiring of lecturers for this purpose is clearly an increase in the level of services. The present salary ranges for state college personnel have been set sufficiently high to attract competent, academic employees. State college officials have not furnished us with sufficient reasons why a 100 percent increase for this type of expenditure is necessary. *We therefore recommend that the increase of \$1,000 for each campus not be allowed.*

In addition to the increases mentioned above, the budget for San Jose State College includes an item of \$7,000 for instructional lecturer services. There does not appear to be any more justification for including this additional special allowance for San Jose State College than there is for providing special lecturer funds for any of the other colleges. *We*

State Colleges—Continued

therefore recommend that this item of \$7,000 for San Jose State College not be allowed.

**DEPARTMENT OF EDUCATION
ALAMEDA COUNTY STATE COLLEGE**

ITEM 75 of the Budget Bill

Budget page 171

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

Amount requested	\$134,301
Estimated to be expended in 1958-59 Fiscal Year	28,402

Increase (372.9 percent)	\$105,899
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TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

Alameda County State College is one of the two new state colleges authorized by the 1957 Legislature. The 1958-59 Budget for this college provided funds for a planning staff. The total appropriation for this function was \$100,000. It is estimated that only \$29,921 of this total will be expended during the 1958-59 year.

The 1959-60 Budget as proposed contains funds to maintain the present planning staff of five, and in addition provides funds for 18 new positions which would be effective January 1, 1960. The opening of this college has been deferred for one year and the augmented planning staff will prepare for the opening of this college for the 1960 fall semester.

We recommend approval of this budget as submitted.

**Department of Education
CHICO STATE COLLEGE**

ITEM 76 of the Budget Bill

Budget page 172

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

Amount requested	\$2,862,582
Estimated to be expended in 1958-59 Fiscal Year	2,603,282

Increase (10 percent)	\$259,300
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TOTAL RECOMMENDED REDUCTION	\$215,550
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GENERAL SUMMARY

Chico State College is the second oldest of California's state colleges. Although course offerings in several areas are being expanded, Chico's primary function is still the training of teachers. In 1957-58, 53.75 percent of the students graduating from the college secured teaching credentials.

ANALYSIS

Summary of Reductions

	Amount	Page	Budget Line
Reception expense	\$800	175	13
Special lecture services	1,000	175	16
Increase student fees	213,750	176	21
 Total recommended reduction	 \$215,550		

Chico State College—Continued

We recommend that student fees be increased by \$213,750. (See page 308.)

We recommend that \$800 for reception expenses be deleted and the item special lecture services be reduced by \$1,000. (A general discussion of these items appears on page 309.)

The college is requesting a total of 50.6 new positions. The bulk of these positions are in the instructional area. Significant increases in the health services and in instructional operating expenses have been offset by increases in student fees.

Although exact figures are not available, many students enroll at Chico State for a one- or two-year terminal program of study. Since no junior college is available to residents in the area, Chico State College is providing junior college services in addition to the regular four-year programs. The presence of these students has financial, as well as academic implications. The State is assuming the cost of educating these students which is borne in other parts of the State by local tax support. In addition, the junior college students are admitted under more liberal admission standards and tend to lower the general level of scholastic aptitude throughout the entire college.

We have questioned this policy in the past and it is our understanding that certain steps have been taken to limit the enrollment area from which junior college students may apply. However, we have not been able to ascertain the overall effect of this enrollment limitation. It appears that the basic question of state financial support for local junior college students and the depressing of academic standards remains unanswered. *It is therefore recommended that the Department of Education in co-operation with the Department of Finance and the Legislative Analyst make a complete study of this situation and report their findings to the 1960 Legislature.*

**Department of Education
CHICO STATE COLLEGE**

ITEM 77 of the Budget Bill

Budget page 172

**FOR ADDITIONAL SUPPORT OF CHICO STATE COLLEGE
FROM THE STATE COLLEGE FUND**

Amount requested	\$107,242
Estimated to be expended in 1958-59 Fiscal Year.....	96,991

Increase (10.6 percent)	\$10,251

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

The State College Fund is derived from horseracing revenues and supports the agricultural program at Chico State College. This program has been expanded to include a four-year degree program in agriculture. Significant expenditures in relation to building and equipping their college farm can be anticipated.

We recommend approval as budgeted.

**Department of Education
FRESNO STATE COLLEGE**

ITEM 78 of the Budget Bill

Budget page 177

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

Amount requested	\$4,218,048
Estimated to be expended in 1958-59 Fiscal Year	3,993,399
Increase (5.6 percent)	\$224,649
TOTAL RECOMMENDED REDUCTION	\$378,340

GENERAL SUMMARY

Fresno State College, now located on its new 1,100-acre site on the outskirts of the City of Fresno, offers courses in agriculture, occupational and preprofessional training, as well as its traditional function of teacher training. The college also operates an off-campus resident center in Bakersfield offering courses in teacher education for residents of that area.

ANALYSIS

Summary of Reductions

	Amount	Budget	
		Page	Line
Reception expense	\$1,200	180	12
Special lecture services	1,000	180	15
Increase student fees	376,140	181	28
Total recommended reductions	\$378,340		

We recommend that student fee reimbursements be increased by \$376,140. (See page 308.)

In keeping with the concept of no increases in existing levels of service, *we recommend deletion of the item reception expense and a decrease of \$1,000 in special lecture services.* (See page 309 for a discussion of these two items.)

Fresno State College is basing its 1959-60 budget request on an FTE enrollment of 5,450. Although the budget format shows an enrollment increase of 470 FTE, the college is actually enrolling only 120 more students than were estimated for the 1958-59 budget. The 1958-59 enrollments for the budget were overestimated by 350 FTE which explains the difference in enrollment figures.

A total of 34.2 new positions are proposed for Fresno State College in 1959-60. The new positions of Executive Dean and Dean of Instruction are based upon the college enrolling more than 5,000 regular student FTE. All other new positions are based upon accepted workload formulas.

We recommend approval of this budget reduced by \$378,340.

**Department of Education
FRESNO STATE COLLEGE**

ITEM 79 of the Budget Bill

Budget page 177

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

Amount requested	\$564,538
Estimated to be expended in 1958-59 Fiscal Year	559,976
Increase (0.8 percent)	\$4,562

TOTAL RECOMMENDED REDUCTION..... None

The State College Fund is derived from horseracing revenues and supports the agricultural program at Fresno State College.

We recommend approval.

**Department of Education
HUMBOLDT STATE COLLEGE**

ITEM 80 of the Budget Bill

Budget page 182

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

Amount requested	\$2,250,956
Estimated to be expended in 1958-59 Fiscal Year	1,984,281
Increase (13.4 percent)	\$266,675

TOTAL RECOMMENDED REDUCTION..... \$128,830

GENERAL SUMMARY

Humboldt State College is the smallest of the currently operating state colleges. In 1957-58, a total of 170 students were granted degrees. The primary function of this college is teacher training. In addition to the teacher education program, the college offers a five-year degree program in a number of other subjects.

ANALYSIS

Summary of Reductions

	<i>Amount</i>	<i>Budget Page</i>	<i>Line</i>
Reception expense	\$750	184	34
Special lecture service	1,000	184	40
Increase student fees	127,080	185	3

Total recommended reductions..... \$128,830

We recommend that student fee reimbursements be increased by \$127,080. (See page 308.)

In keeping with the policy of no increase in the level of services, we recommend that the item reception expense be deleted and the item special lecture service be reduced by \$1,000. (General discussion of these subjects appears on page 309.)

For the 1959-60 Budget Humboldt State College is anticipating an enrollment increase of 270 students or approximately 17 percent. Based on this increased enrollment and the completion of several new campus buildings, a total of 42.7 new positions are proposed. Since the staffing requirements for these positions are based on accepted workload standards we recommend that they be approved.

Humboldt State College—Continued

As mentioned earlier in the analysis of Chico State College, Humboldt State College also offers terminal programs for junior college students. The problem of state support for local junior college students and lowering of general academic standards are also applicable to Humboldt State College. It is therefore recommended that the Department of Education in co-operation with the Department of Finance and the Office of the Legislative Analyst undertake a complete study of this situation at Humboldt State College and report to the 1960 Session of the Legislature.

We recommend approval of this budget reduced by \$128,830.

**Department of Education
LONG BEACH STATE COLLEGE**

ITEM 81 of the Budget Bill

Budget page 185

**FOR SUPPORT OF LONG BEACH STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$5,177,346
Estimated to be expended in 1958-59 Fiscal Year	4,213,337
 Increase (22.9 percent)	 \$964,009
TOTAL RECOMMENDED REDUCTION	\$596,260

GENERAL SUMMARY

Long Beach State College is one of the fastest growing state colleges in California. In 1950 the college had an FTE enrollment of 695 students. For the 1959-60 budget year, it is estimated that a total of 7,470 FTE students will receive instruction at Long Beach and an additional 140 FTE at the off-campus center in Orange County. The 1959-60 budget request is based on an enrollment increase of 1,220 FTE or 19.1 percent more students than attended Long Beach State College in 1958-59.

The graduate level program at Long Beach has assumed significant proportions. In 1957-58 they granted 330 masters degrees. Only San Francisco State and Los Angeles State exceeded this number. With the growth in their graduate course offerings has come the need for specialized high-cost capital outlay buildings and equipment.

ANALYSIS

	Summary of Reductions	Budget	
		Amount	Page Line
Reception expense	\$1,250	188	27
Special lecture service	1,000	188	31
Increased student fees	594,010	188	74
 Total recommended reduction	 \$596,260		

We recommend that student fee reimbursements be increased by \$594,010. (See page 308.)

In keeping with the concept of no increase in level of services, *we recommend that \$1,250 for reception expenses be deleted and that the amount for special lecture services be reduced by \$1,000.* (For a general discussion of these subjects see page 309.)

Long Beach State College—Continued

Long Beach State College is requesting a total of 194.6 new positions. The majority of these positions, 126.5, are for the instructional area and are based upon accepted staffing formulas. A total of 24.1 positions are requested for plant operation, which is a reflection of the opening of several new buildings on the campus.

Increases in positions and operating expenses for health services are offset by an increase in student health fees.

We recommend approval of this budget reduced by \$596,260.

Department of Education

LOS ANGELES STATE COLLEGE OF APPLIED ARTS AND SCIENCES

ITEM 82 of the Budget Bill

Budget page 189

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

Amount requested	\$5,345,642
Estimated to be expended in 1958-59 Fiscal Year	4,624,725
Increase (15.6 percent)	\$720,917
TOTAL RECOMMENDED REDUCTION	\$666,390

GENERAL SUMMARY

Los Angeles State College has shown a consistent increase in enrollments since it was first established in 1947. For a number of years, classes were conducted in conjunction with Los Angeles City College. With the construction of new facilities, all of the instructional offerings of Los Angeles State College have been transferred to the new location, east of downtown Los Angeles. In 1959-60, a freshman class will be enrolling at Los Angeles State for the first time.

Although this college has the largest teacher training program of the state colleges, proportionately fewer teaching credentials were granted in 1957-58, in relation to total degrees, than in 1955-56. This is due to the increased emphasis in other instructional areas.

In 1957-58, Los Angeles State graduated more students with masters degrees than any other state college. In addition, even though it is less than 13 years old, Los Angeles had the second largest graduating class in 1957-58 of all the state colleges.

ANALYSIS

Summary of Reductions

	Amount	Budget	
		Page	Line
Reception expense	\$1,250	191	70
Special lecture services	1,000	191	75
Increase student fees	664,140	192	41
Total recommended reductions	\$666,390		

We recommend that student fees be increased by \$664,140 (See page 308).

We recommend that \$1,250 for reception expenses be deleted and the item special lecture services be reduced by \$1,000. (See page 309 for general discussion of these items.)

Los Angeles State College of Applied Arts and Sciences—Continued

The proposed budget is based on an enrollment of 7,970, an increase of 1,260 FTE. The 1958-59 Budget provided support funds for an estimated student enrollment of 6,710. However, actual enrollments have exceeded these estimates by 540 which is an indication of the rapid growth of this college.

A total of 180 new positions are proposed for 1959-60. Staff increases in all areas are based upon accepted workload staffing formulas. An increased health services program and increased instructional operating expenses are financed by increased student fee income.

We recommend approval of this budget reduced by \$666,390.

**Department of Education
ORANGE COUNTY STATE COLLEGE**

ITEM 83 of the Budget Bill

Budget page 193

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

Amount requested -----	\$134,301
Estimated to be expended in 1958-59 Fiscal Year -----	28,402
	\$105,899

INcrease (372.9 percent) ----- **\$105,899**

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

ANALYSIS

Orange County State College is one of the new colleges established by Chapter 1681, Statutes of 1957. For the 1958-59 budget year, \$100,000 was appropriated for a planning staff to organize the college program. Originally, it was intended that the college should open in the fall of 1959 with an estimated enrollment of 500 FTE students. However, the Department of Finance has deferred the opening of this college for one year, and the 1959-60 budget as proposed includes only funds for an augmented planning staff. All of the proposed new positions would become effective on January 1, 1960, in order to prepare for the fall 1960 enrollment.

We recommend approval of this budget as submitted.

**Department of Education
SACRAMENTO STATE COLLEGE**

ITEM 84 of the Budget Bill

Budget page 194

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

Amount requested -----	\$3,275,629
Estimated to be expended in 1958-59 Fiscal Year -----	2,961,871
	\$313,758

INcrease (10.6 percent) ----- **\$313,758**

TOTAL RECOMMENDED REDUCTION ----- **\$331,970**

GENERAL SUMMARY

Sacramento State College offers five-year degree programs in the fields of teacher education, some occupational curriculums, and liberal

Sacramento State College—Continued

arts and sciences. Although the number of students securing credentials in relation to the number of students graduating each year from Sacramento State College has been declining, teacher training is still the primary function of Sacramento State College.

Several new campus buildings are under construction, including the cafeteria addition, college dormitories, and an addition to the existing library. These buildings are all scheduled for completion in the near future.

ANALYSIS**Summary of Reductions**

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Reception expense -----	\$1,000	196	30
Special lecturer service -----	1,000	196	37
Increased student fees -----	329,970	196	73
Total recommended reduction -----	\$331,970		

We recommend that student fees be increased by \$329,970. (See page 308.)

We recommend that \$1,000 for reception expenses be deleted, and that the item special lecturer service be reduced by \$1,000. (General discussion of these items appears on page 309.)

The 1959-60 budget for Sacramento State College is based on an enrollment increase of 390 students. The college is requesting a total of 60.3 new positions. All of these positions are based on accepted staffing formulas. Increased expenditures for health services and for instructional expense are offset by increases in student fees.

We recommend approval of this budget reduced by \$331,970.

**Department of Education
SAN DIEGO STATE COLLEGE**

ITEM 85 of the Budget Bill

Budget page 197

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

Amount requested -----	\$5,549,893
Estimated to be expended in 1958-59 Fiscal Year -----	5,278,669
Increase (5.1 percent) -----	\$271,224
TOTAL RECOMMENDED REDUCTION -----	\$680,766

GENERAL SUMMARY

San Diego State College serves the regional needs of the southern counties of the State by offering a variety of preprofessional and occupational programs in addition to teacher training. Of major importance in the 1959-60 budget is the opening of a new off-campus resident center to provide teacher education courses to residents of the Imperial Valley. An estimated 50 FTE will enroll in the center during its first year of operation. The estimated cost for 1959-60 is \$47,420.

San Diego State College—Continued
ANALYSIS

	Summary of Reductions		Budget	
	Amount	Page	Line	
Teaching				
Dean of instruction	\$10,860	199	16	
Division chairman	2,525	199	17	
Curriculum supervisor	2,525	199	18	
Teachers	108,950	199	19	
Equipment technician	4,980	199	20	
Senior stenographer-clerk	4,092	199	21	
Intermediate stenographer-clerk	3,630	199	22	
Technical assistant II	7,992	199	23	
Library				
Librarian IV	5,772	199	25	
Librarian II	4,740	199	26	
Student assistant	5,600	199	27	
Total salaries and wages	\$156,666			
Equipment (estimated)	9,000	200	32	
Reception expense	1,500	199	63	
Special lecture service	1,000	199	66	
Increase student fee reimbursements	512,600	200	46	
Total recommended reduction	\$680,766			

We recommend that student fees be increased by \$512,600. (See page 308.) In keeping with the concept of no increase in levels of service, *we recommend that the item reception expense be deleted and the item special lecture service be reduced by \$1,000.* (See page 309 for discussion of these subjects.)

For the 1959-60 budget year, San Diego State College is requesting a total of 60.3 new positions for a total estimated salary cost of \$251,880. The 1959-60 requested budget for their main campus is \$260,813, or 4.6 percent greater than their estimated 1958-59 budget. The proposed budget is based upon an enrollment of 7,200 FTE students and an enrollment increase of 7.1 percent or 480 FTE over the 1958-59 estimated enrollment. However, this is a misleading figure, even though it must be used in the budget format.

In the Department of Finance's general analysis of this budget on page 197 of the *Governor's Budget* the following appears:

"The 1958-59 Governor's Budget estimated an enrollment of 7,300 FTE in 1958-59. It now appears that the enrollment will approximate 6,720 FTE, a loss of 580. Ten teacher positions approved by the Legislature have been deleted in the current fiscal year and \$37,495 of the savings made at this school have been used to finance enrollments at other schools where enrollments exceeded original estimates. Based on the loss in enrollment a greater number of teaching positions would have been deleted except for the fact that most of the teachers had executed valid contracts for the 1958-59 school year."

San Diego State College is in a unique position for 1959-60. As mentioned above, estimated enrollments did not materialize and the 1959-60 budget is based on 100 less FTE than the 1958-59 budget. The reasons

San Diego State College—Continued

for this enrollment decline have been given by the college in a letter of budget justification.

“A number of factors contributed to this adjustment, chief of which was our decision to require full matriculation for extended day students and hence, an evaluation of their records before admission. While this move created a clerical burden and contributed to the cause of the enrollment decrease, we nevertheless are now on a sound educational basis and better able to predict enrollment in this area. Further, this requirement tends to have financial ramifications, in that state funds are not expended on students inclined to drop out or unable to benefit properly from collegiate instruction.”

The review of qualifications for admission of all state college students has been recommended by the Legislative Analyst for a number of years for the same reasons as stated by the president of the college. At the present time, only two-thirds of the state college students are required to go through this formal process of registration. The effect of this admissions policy on student enrollments is graphically illustrated by the sharp enrollment decline at San Diego.

Other colleges have maintained that an evaluation of admission records of all students would place an intolerable burden on the staff of the admissions office. In addition, many colleges have stated that their enrollments would be influenced only slightly by adoption of this policy. However, it appears that San Diego was able to admit all students with no increase in admissions office staff. If serious workload increases have been incurred because of the formal admission policy, the present staffing formula for this function may have to be re-evaluated.

Although San Diego is to be commended for adopting its new admissions policy, the budgetary effect of their enrollment decline should be examined. Since FTE enrollment is a major factor in budgeting staff and operating expenses; and since a total of only \$52,158 in savings appears to have been made in their budget for 1958-59, it is recommended that a complete re-evaluation be made of San Diego's 1959-60 budget request.

For San Diego, the 1958-59 budget was based on an estimated enrollment of 7,300 FTE students. The revised estimate of enrollment of 6,720 is taken from the actual enrollments for the 1958 fall semester. For the 1958-59 budget the Legislature appropriated \$5,330,827. Of this total, it is estimated that \$37,495 will be transferred to other schools and \$16,503 will not be spent due to salary savings and small savings in other areas. In other words, it is estimated that \$53,998 of the 1958-59 legislative appropriation will not be spent by San Diego State College during the 1958-59 academic year. It would appear that actual savings should have been far greater than the above amount.

If the number of faculty had been reduced in accordance with the drop in enrollments, salary savings for an estimated 32 teachers would have been possible. This is based upon a present student-teacher ratio of 17.8 students to one teacher. At a budgeted average starting salary

San Diego State College—Continued

of \$5,500, actual savings in teaching salaries should have approximated \$176,000. In addition to this, other staffing increases which are based on enrollments might have been unnecessary.

It is recognized that many teachers probably had signed contracts with the college for 1958-59 and therefore could not be released by the school. This means that the college was actually overbudgeted for 1958-59. Present budgetary data available to our office is insufficient to furnish us with the exact information as to the need for additional staff positions in some areas. When it is considered that San Diego State College is expecting to enroll *100 less FTE* students in 1959-60 than it was provided funds for in 1958-59, and it is requesting over \$260,000 more in support funds than in 1958-59, we must question the basis for their requested budget increase.

It is therefore recommended that the following positions which are based primarily on enrollment increases and the accompanying equipment be not approved by the Legislature until more complete justification is furnished by the Department of Finance and the Department of Education:

Teaching:

Dean of instruction	\$10,860
Division chairman	2,525
Curriculum supervisor	2,525
Teacher	103,950
Equipment technician I	4,980
Senior stenographer-clerk	4,092
Intermediate stenographer-clerk	3,630
Technical assistant II	7,992

Library:

Librarian IV	5,772
Librarian II	4,740
Student assistant	5,600

Total salaries and wages	\$156,666
Equipment (estimated)	9,000
	<hr/> \$165,666

Department of Education
SAN FERNANDO VALLEY STATE COLLEGE

ITEM 86 of the Budget Bill

Budget page 201

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

Amount requested	\$2,430,420
Estimated to be expended in 1958-59 Fiscal Year	1,479,609

Increase (64.3 percent)	\$950,811
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TOTAL RECOMMENDED REDUCTION **\$258,420**

GENERAL SUMMARY

July 1, 1959, will mark the beginning of the second full year of operation as a separate college for San Fernando Valley State College. Prior to July 1, 1958, the college was operated as a campus of Los Angeles

San Fernando Valley State College—Continued

State College of Applied Arts and Sciences. Teacher training, as well as the occupational and preprofessional programs, are offered by San Fernando Valley State College.

Summary of Reductions		Budget	
	Amount	Page	Line
Reception expense	\$800	203	30
Special lecture service	1,000	203	33
Increase student fees	256,620	203	58
Total recommended reduction	\$258,420		

We recommend that student fees be increased by \$256,620. (See page 308.)

In keeping with the policy of no increases in the level of service, *we recommend that the item reception expense be deleted and the item Special Lecture Service be reduced by \$1,000.* (General discussion of these subjects appears on page 309.)

The 1959-60 budget request for this college is based on a more than 50 percent estimated increase in enrollment. A total of 162.3 new positions are proposed. Due to the completion of many new college buildings, 39 positions are required for maintenance and operation of physical plant. All other staff increases are based on accepted workload formulas.

We recommend approval of this budget reduced by \$258,420.

Department of Education

SAN FRANCISCO STATE COLLEGE

ITEM 87 of the Budget Bill

Budget page 204

FOR SUPPORT OF SAN FRANCISCO STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$6,396,081
Estimated to be expended in 1958-59 Fiscal Year	5,650,143
Increase (13.2 percent)	\$745,938
TOTAL RECOMMENDED REDUCTION	\$608,260

GENERAL SUMMARY

San Francisco State College provides programs in teacher education, education for occupational competence, various fields of study in liberal arts and sciences, preprofessional education, and offers programs which meet the specific needs of its region. While it is similar to the other state colleges in these areas, it offers certain unique programs not available at other state colleges. One example of this type of unique course offering is their program for training of teachers of exceptional children. Since the School for Cerebral Palsied Children, Northern California, is adjacent to San Francisco State College, it conveniently serves as a demonstration laboratory school for training of these teachers. The federal government, recognizing the desirability of this type of program, has allocated \$100,000 to San Francisco State College for development of additional programs of this type.

San Francisco State College—Continued

Other programs conducted by San Francisco State College, not common to all other state colleges, are its off-campus center program in Santa Rosa for the training of teachers and a downtown San Francisco center for its school of world business.

ANALYSIS

Summary of Reductions

	Amount	Budget	
		Page	Line
Reception expense -----	\$1,700	207	9
Special lecture service -----	1,000	207	15
Increase student fees -----	605,560	208	3
Total recommended reduction -----	\$608,260		

We recommend that student fees be increased by \$605,560. (See page 308.)

In keeping with the policy of no increases in the level of service, *we recommend that the item reception expense in the amount of \$1,700 be deleted and the item special lecture service be reduced by \$1,000.* (A complete description of these two items appears on page 309.)

The proposed budget for San Francisco State College is based on an enrollment increase of 560 students at the main San Francisco campus and 10 additional students for the off-campus center at Santa Rosa. The budget proposes a total of 124.2 new positions for the 1959-60 Fiscal Year. All of these positions are based on accepted staffing formulas. The increased expenditures for student health services and instructional operating costs will be reimbursed by an increased level of student fees.

We recommend approval of this budget reduced by \$608,260.

**Department of Education
SAN JOSE STATE COLLEGE**

ITEM 88 of the Budget Bill

Budget page 208

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

Amount requested -----	\$8,729,517
Estimated to be expended in 1958-59 Fiscal Year -----	7,929,298
Increase (10.1 percent) -----	\$800,219
TOTAL RECOMMENDED REDUCTION -----	\$755,390

GENERAL SUMMARY

San Jose State College established in 1862 is the oldest and largest state college in the California State College System. While still conducting extensive programs in teacher education, San Jose State College offers four-year and five-year degree programs in a wide variety of different subject fields.

San Jose State College—Continued

ANALYSIS

Summary of Reductions

	Amount	Budget	
		Page	Line
Reception expense -----	\$1,750	210	62
Special lecture service -----	1,000	210	68
Instructional lecturers -----	7,000	210	72
Increase student fees -----	745,640	211	27
Total recommended reduction -----	\$755,390		

We recommend that student fees be increased by \$745,640. (See page 308.)

In keeping with the policy of no increases in level of service, *we recommend that the item reception expense be deleted and the item Special Lecture Services be reduced by \$1,000. In addition, we recommend that the item instructional lecturers be deleted.* (General discussion of these subjects appears on page 309.)

The 1959-60 Budget request for San Jose State College is based on an estimated enrollment increase of 520 students. In order to carry out the college's program a total of 152.8 new positions is proposed. Although all positions are based on the accepted staffing formula, the the increase in instructional area deserves special mention.

Of the 152.8 proposed new positions, 75.1 are teachers. Twenty of these teachers are required for newly-approved masters of arts curricula in several subject fields. The need for a total of 75.1 teachers for an increased enrollment of only 520 students is an indication of the increased expenditures involved as the state colleges move to more graduate course offerings.

The faculty staffing formula considers shifts in enrollments from one subject field to another, as well as shifts in enrollment from undergraduate to graduate levels of enrollment. Although student faculty ratios are not the basis for the faculty staffing formula, they can be considered as a general guide for evaluating the faculty staff load. For an expected enrollment increase of 520 students, San Jose is requesting 75.1 teaching positions or a student-teacher ratio of 6.92 students per teacher. By way of comparison, the 1959-60 budget for San Francisco State College requests a total of 58.6 teacher positions for an anticipated enrollment increase of 560 students or a student-teacher ratio of 9.56 students for each teacher. A further comparison shows that although San Fernando Valley State College is increasing its enrollment by 1,040 students, it is requesting only 73.4 teachers, which would mean the student-teacher ratio is 14.17 students for each teacher. The primary differences between these three requests for new teaching positions is the level and type of course offerings given at each institution. The reduction in teaching load and the corresponding need for increased state expenditures can be expected as more and more state colleges offer additional masters degree programs.

Another indication of the high level expenditures connected with the masters degree programs which have been authorized by the State Board of Education for the state colleges is found at San Jose State College. Included under the capital outlay section for San Jose State College is a minor construction expenditure for instructional equipment.

San Jose State College—Continued

The need for this new equipment is a result of the college's offering a Master of Science Degree in the field of chemistry. Authorization to offer this masters level program was recently given by the State Board of Education. The original request of the college for instructional equipment for this one program totaled \$204,053. This original request was subsequently reduced by the Department of Finance to the present level of \$97,600.

The budgetary effect of the state colleges offering masters degrees in a variety of liberal arts and science fields is significant. Future requests for extensive capital outlay for instructional equipment can be anticipated if the request of San Jose State College is at all typical.

We recommend approval of this budget reduced by \$755,390.

**Department of Education
CALIFORNIA STATE POLYTECHNIC COLLEGE**

ITEM 89 of the Budget Bill

Budget page 211

**FOR SUPPORT OF CALIFORNIA STATE POLYTECHNIC COLLEGE
FROM THE FAIR AND EXPOSITION FUND**

Amount requested	\$3,380,218
Estimated to be expended in 1958-59 Fiscal Year	3,170,254
 Increase (6.6 percent)	 \$209,964
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

This item represents that part of the expenditure program of California State Polytechnic College financed from the Fair and Exposition Fund.

We recommend approval.

**Department of Education
CALIFORNIA STATE POLYTECHNIC COLLEGE**

ITEM 90 of the Budget Bill

Budget page 211

**FOR SUPPORT OF CALIFORNIA STATE POLYTECHNIC COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$3,008,942
Estimated to be expended in 1958-59 Fiscal Year	2,005,021
 Increase (20.4 percent)	 \$508,921
TOTAL RECOMMENDED REDUCTION	\$472,430

GENERAL SUMMARY

California State Polytechnic College maintains two separate campuses. One is located at San Luis Obispo and the other, the Kellogg-Voorhis Campus, is located in San Dimas and Pomona. Because of the two campus locations and because of the unique course offerings available at California State Polytechnic College, their enrollment is drawn from all parts of the State.

California State Polytechnic College—Continued

Due to its primary emphasis on occupational and agricultural curriculums, California State Polytechnic emphasizes the "learn-by-doing" process and the "upside-down" method of instruction. The "learn-by-doing" process involves student training in production type facilities. In the "upside-down" instructional method students begin their work in their major department in their freshman year and are given instruction in the practical aspects of their field of specialization. More general theory courses are reserved for the last two years of the student's college program. Throughout the student's college career at California State Polytechnic College, the "doing" part of the student's learning is accomplished by on-the-job type of instructional facilities. As an example, in order to learn the principles of different types of machinery, California State Polytechnic maintains a full-scale machine shop where students spend a considerable amount of time actually working on large-scale lathes. In the printing-engineering curriculum, students must become proficient in the operation of several different types of equipment which is used in the printing industry.

There is no question that the learn-by-doing philosophy is a successful teaching method. There has been a constant demand for California State Polytechnic's graduates in almost all fields where the learn-by-doing approach is emphasized. However, even though this is a successful teaching method, it is considerably more expensive than the normal type of instructional techniques.

Two factors are involved in the increased instructional expenditures. First, expensive capital outlay facilities are planned for a proportionately larger number of students at California State Polytechnic than at other schools. This is a result of their "upside-down" teaching method which emphasizes practical instruction, i.e., operation of printing presses or lathes, during the first two years of the students' college work, when enrollments are greatest, rather than during the last two years of college when many students have dropped out of school. Secondly, full-scale production facilities are required by California State Polytechnic so that students can become accomplished operators of the various types of machinery.

With the increasing demands on the higher education dollar, this type of high cost instructional program must be continually reviewed.

ANALYSIS

	Summary of Reductions		Budget	
	Amount	Page	Line	
SAN LUIS OBISPO CAMPUS				
Reception expense	\$1,000	214	30	
Increase summer session fees.....	85,200	214	64	
Increase regular session fees.....	278,630	214	64	
KELLOGG-VOORHIS CAMPUS				
Reception expense	700	216	35	
Increase regular session fees.....	106,900	216	72	
Total recommended reduction.....	\$472,430			

We recommend that regular session student fees be increased by \$278,630 at San Luis Obispo and \$106,900 at the Kellogg-Voorhis

California State Polytechnic College—Continued

campus. (See page 308.) *We recommend that the item reception expense be deleted.* (See page 309.)

For the 1959-60 Budget, California State Polytechnic College is requesting a total of \$6,795,381 for support of its two major campuses in San Luis Obispo and at the Kellogg-Voorhis location. Of this total, \$3,008,942 will be obtained from the General Fund and \$3,786,439 from the Fair and Exposition Fund including retirement.

An examination of Table I will indicate that only four years ago the entire support for the operation of California State Polytechnic was derived from the Fair and Exposition Fund. The amount of this fund, which is obtained from parimutuel horse racing revenues, has varied only slightly during the last few years. California State Polytechnic receives a fixed percentage of a part of this fund each year. With the considerable increase in the total instructional program at California State Polytechnic, the General Fund has had to assume a constantly increasing share of support costs. In 1959-60 the General Fund is estimated to support 44.28 percent of the total support costs.

Table I—California State Polytechnic College—Source of Funds, 1955-56-1959-60

	<i>General Fund</i>		<i>Fair and Exposition Fund</i>		<i>Total for support</i>
	<i>Amount</i>	<i>Percent of total</i>	<i>Amount</i>	<i>Percent of total</i>	
1955-56-----	--	--	\$3,206,392	100.00	\$3,206,392
1956-57-----	\$260,527	6.59	3,691,512	93.41	3,952,039
1957-58-----	1,133,565	22.89	3,818,743	77.11	4,952,308
1958-59 (est.)-----	2,500,021	41.53	3,518,775	58.47	6,018,796
1959-60 (est.)-----	3,008,942	44.28	3,786,439	55.72	6,795,381

Enrollments at the San Luis Obispo campus in 1958-59 were 411 less than the budget estimate. Ordinarily this should have produced considerable budgetary savings; however, any possible savings were offset by a decrease of \$141,643 in revenues from the Fair and Exposition Fund. This decrease had to be absorbed by the General Fund contribution. Consequently, instead of a reduction in General Fund expenditures, General Fund support for the school increased by \$27,872.

Since 1958-59 enrollments failed to materialize by 411 FTE at San Luis Obispo, their 1959-60 Budget request should be based upon an enrollment increase of only 60 FTE rather than 471 as shown in the Governor's Budget.

The requested positions are based upon current staffing formulas. An expanded health service program will be financed by an increase in student fees for the services above the minimum provided by the State.

Summer Session Support

Included in San Luis Obispo's total estimated enrollment for 1959-60 are 340 FTE which are summer session students. The 340 FTE represents an estimated 10,200 semester units of instruction. (Semester units divided by 30 equals annual FTE.) It should be noted that only California State Polytechnic College at San Luis Obispo includes its sum-

California State Polytechnic College—Continued

mer session enrollment as a part of its enrollment estimate for budgetary purposes. In other words, California State Polytechnic receives support funds for its summer session in the same way it is budgeted for its regular session. All other colleges budget their summer sessions as separate budgetary categories, completely financed from summer session fees.

The 1958-59 *Catalog* for California State Polytechnic College explains their summer quarter program.

"The college offers a summer quarter for old and new students. Summer quarter offerings make it possible for a student to shorten the overall length of time necessary to complete a prescribed curriculum.

"Admission requirements, fees and deposits, and other regulations are the same for the summer quarters as for the other three quarters of the school year."

Students at San Luis Obispo pay the regular session materials and service fee instead of a much higher summer session fee which is required at all other state colleges. This practice was originally justified on the basis that the agriculture program required a full 12 months of operation. At the present time, a complete range of courses is offered by California State Polytechnic and its summer session fee should be equal to the other state colleges.

Although the Department of Finance has questioned the method of financing California State Polytechnic's summer quarter, no changes have been initiated in the existing fee procedure for the requested 1959-60 Budget at San Luis Obispo. It is therefore recommended that the Legislature reduce the appropriation to the San Luis Obispo campus by \$85,200. This is equal to the estimated reimbursements from the summer session program at the standard fee rate of \$9.50 per credit unit, less \$11,700 of current anticipated revenue which is included in their budget.

We recommend approval of this budget reduced by \$472,430.

**Department of Education
CALIFORNIA MARITIME ACADEMY**

ITEM 91 of the Budget Bill

Budget page 217

**FOR SUPPORT OF CALIFORNIA MARITIME ACADEMY
FROM THE GENERAL FUND**

Amount requested	\$410,866
Estimated to be expended in 1958-59 Fiscal Year	377,766

Increase (8.8 percent)	\$33,100
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TOTAL RECOMMENDED REDUCTION	\$10,902
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GENERAL SUMMARY

The California Maritime Academy is considered as a part of the state college system, even though it differs considerably in its instructional purposes. The academy conducts a three-year program to train young

California Maritime Academy—Continued

men to become licensed officers in the Merchant Marine. Instead of the typical semester system of college operation, the academy conducts three equal periods, or tri-mesters, of instruction during the year. Under this system of limited vacation periods, students attending the Maritime Academy are able to complete the normal four years of college work in three year's time.

In addition to the instructional program which is conducted at the academy in Vallejo, all students take a three-month training cruise aboard a fullsize merchant ship loaned to the State by the Federal Maritime Administration. The cruises are considered to be a normal part of the academy's instructional program.

ANALYSIS**Summary of Reductions**

	Amount	Budget	
		Page	Line
Substitute instructor -----	\$3,180	218	69
Senior stenographer-clerk -----	4,092	218	70
Intermediate stenographer-clerk -----	3,630	218	71
Total -----	\$10,902		

The 1959-60 budget of the California Maritime Academy is based on an enrollment of 210 students. There is no expected increase in enrollments over the 1958-59 budget year.

The 1959-60 budget proposes 2.5 new positions. The equivalent of $\frac{1}{2}$ of a teaching position is proposed for a substitute instructor. In addition two clerical positions are requested, a senior stenographer-clerk and an intermediate stenographer-clerk. Since the 1959-60 budget as proposed is based on the same student enrollment as the 1958-59 budget, these positions must be considered as increases in the level of service. We therefore do not recommend this inclusion in the 1959-60 budget of the Maritime Academy. *We recommend approval of the California Maritime Academy's budget with a reduction of \$10,902.*

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

ITEM 92 of the Budget Bill

Budget page 221

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

Amount requested -----	\$520,840
Estimated to be expended in 1958-59 Fiscal Year -----	501,585
Increase (3.8 percent) -----	\$19,255

TOTAL RECOMMENDED REDUCTION ----- None

GENERAL SUMMARY

The California School for the Blind is located at Berkeley and is a residential school which offers elementary and high school educational programs for blind, partially blind, and deaf-blind children. Besides the special methods and techniques which are necessary in the teaching of blind children, extensive utilization is made of specialized equipment

California School for the Blind—Continued

such as Braille writers, Braille books, models and various types of apparatus.

In addition to the residential educational activities, the school provides guidance services for preschool blind children, graduates, and ex-pupils and administers reader services for blind college students.

ANALYSIS

The budget request of \$520,840 is \$19,255 greater than the estimated expenditures of \$501,585 for the current fiscal year.

The level of service at this school is expected to remain the same, with a slight increase in enrollment from 160 in 1958-59 to 166 in 1959-60.

Salaries and Wages

One building maintenance position (\$4,404) is requested in 1959-60 to help properly maintain the eight buildings which are located at the school. Those positions which are authorized for 1959-60 at this school for plant operation are as follows:

1	Carpenter
6	Janitors
0.1	Temporary help
<hr/>	
7.1	Total positions for plant operation

This new position will bring the total plant operation staff to 8.1 positions. We believe this position is justified based on the age and number of buildings plus the fact that four of the buildings are dormitories and school buildings which receive considerable usage.

Operating Expenses

Included under operating expenses is \$5,000 which is to be used for necessary interior and exterior painting. We are not recommending that the amount for this purpose be deleted, but rather that a painting formula and schedule be developed which will permit this necessary function to be completed over a given number of years as a recurring maintenance cost. It appears that this is an area in which maintenance standards should be developed, not only for this institution, nor for all the special schools, but for all state agencies.

**Department of Education
CALIFORNIA SCHOOLS FOR THE DEAF**

GENERAL SUMMARY

The General Fund supports two residential schools for deaf children. These schools are located at Riverside and Berkeley and provide a general elementary and high school educational program similar to that found in the public schools for mentally normal deaf, and hard-of-hearing children between 5½ and 21 years of age, who have a hearing loss of such a degree that they cannot progress satisfactorily in a regular public school class. Children are maintained at the school free of charge, but parents are expected to pay the costs of clothing, trans-

California Schools for the Deaf—Continued

portation, medical and dental expenses, and personal needs. In addition to the general educational program offered, both schools emphasize speech development as well as lip reading and finger spelling.

A vital phase of the curricula at the two schools is the vocational education program. After a general orientation into the various vocational fields, the student is given a choice as to the field or fields in which he desires to specialize. Employment records of graduates of these two schools compare favorably with students graduating from technical schools.

In addition to the academic and vocational programs, each school offers a college preparatory course for students to compete for entrance to Gallaudet College in Washington, D. C., the only college in the United States whose principal emphasis is collegiate instruction for deaf persons.

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

ITEM 93 of the Budget Bill

Budget page 223

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

Amount requested	\$1,304,886
Estimated to be expended in 1958-59 Fiscal Year	1,279,584
Increase (2.0 percent)	\$25,302

TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

The budget request of \$1,304,886 is \$25,302 or 2.0 percent greater than the estimated expenditures of \$1,279,584 for the current fiscal year.

Salaries and Wages

One new vocational teaching position at a cost of \$6,440 is requested for the new metal shop which is scheduled to be completed in August, 1959.

Operating Expenses

The expenses for students attending Gallaudet College, which previously appeared in the operating expenses of this budget, have been transferred to the budget of Vocational Rehabilitation where applicants wishing to attend Gallaudet College will be screened for the possibility of using matching federal funds.

Included in the \$18,663 proposed for recurring maintenance of structures, is \$10,000 which is to be used for necessary repainting. We are not recommending that the amount for the purpose be deleted, but rather that a painting formula and schedule be developed which will permit this necessary function to be completed over a given number of years as a recurring maintenance cost. It appears that this is an area in which maintenance standards should be developed, not only for this institution, nor for all the special schools, but for all state agencies.

We recommend approval of the budget as submitted.

Department of Education
CALIFORNIA SCHOOL FOR THE DEAF, RIVERSIDE

ITEM 94 of the Budget Bill

Budget page 225

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

Amount requested	\$1,505,191
Estimated to be expended in 1958-59 Fiscal Year	1,421,213
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Increase (5.9 percent)	\$83,978

TOTAL RECOMMENDED REDUCTION	\$14,712
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ANALYSIS

	Summary of Reductions	Amount	Budget Page	Line
Temporary help		\$1,512	225	75
Equipment		14,200	226	34
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Total recommended reduction		\$15,712		

The budget request of \$1,505,191 is \$83,978 or 5.9 percent greater than the estimated expenditures for the current year of \$1,421,213.

Salaries and Wages

The budget includes the addition of 0.5 man-year of clerical temporary help for the administrative unit. Although the enrollment increased from 431 in 1957-58 to 500 in 1958-59, no additional clerical help was provided at that time. We feel this request is justified on a workload basis.

It is proposed that 0.7 of a man-year in temporary help be added for plant operation. The amount of 0.4 of a man-year is proposed to aid the present full-time painter. We feel the additional temporary help for painting assistance is justified. However, we do not recommend the additional 0.3 of a man-year of a carpenter. Although this additional temporary help was requested by the school, it was not approved by the Division of Special Schools and Services in the Department of Education.

Therefore, we recommend the deletion of 0.3 of a man-year of temporary help under plant operation at a savings of \$1,512.

Operating Expenses

The expenses of students attending Gallaudet College, which previously appeared in the operating expenses of this budget, have been transferred to the budget of Vocational Rehabilitation where applicants wishing to attend Gallaudet will be screened for the possibility of using matching federal funds.

Equipment

Included in the \$18,608 proposed for equipment is one piece of printing equipment costing \$14,200 for the vocational printing program. The request for this item raises serious educational policy questions which we feel need legislative review.

First, at the Riverside School there are 38 pupils between the ages of 14 and 20 enrolled in the vocational printing program. This program enrolls both girls and boys, and it appears the total number of

California School for the Deaf, Riverside—Continued

girls enrolled in the program often approaches 33 percent. The justification for the new piece of equipment is based on total enrollment. We seriously question the advisability of enrolling girls in this program.

The Industrial Welfare Commission has established stringent regulations relating to the hiring of women in industry. One of the most applicable regulations states that women should lift no more than 25 pounds. The operation of an automatic typesetting machine not only entails the setting speed, but also includes the lifting of mats and the like which most often weigh in excess of 25 pounds. It is our understanding that because of the Industrial Welfare Commission regulations, as well as the compact nature of the printing unions, the hiring of women in the printing trade is not a normal practice.

Second, with the availability of practice keyboards and other printing stations at the school, we question the advisability of allowing children between the ages of 14 and 16 to operate such expensive pieces of equipment. It seems to us that the automatic typesetting equipment should be reserved for those older boys who desire and need the practice to attain an employable setting speed.

If only boys between the ages of 16 and 20 were allowed to operate the automatic typesetting equipment, we believe an additional automatic typesetter would not be necessary.

Therefore, we recommend that the amount budgeted for equipment be reduced \$14,200.

Department of Education**SCHOOLS FOR CEREBRAL PALSID CHILDREN****GENERAL SUMMARY**

Two residential schools for children with cerebral palsy and similar handicaps are supported by the General Fund. The prime functions of these schools are diagnosis, treatment, the determination of a possible educational program for physically handicapped children between 3 and 21 years of age, and to assist with the training of teachers and other professional groups in the field of physically handicapped.

The School for Cerebral Palsied Children, Northern California, is located on the campus of San Francisco State College. This school has a bed capacity for 32 children, and during the 1957-58 Fiscal Year the school served a total of 116 children.

The School for Cerebral Palsied Children, Southern California, is located in rented quarters at Altadena. This school has a bed capacity for 30 children, and during the 1957-58 Fiscal Year 65 children were enrolled, a 14 percent increase over the 1956-57 Fiscal Year.

In past analyses, we have been critical of such basic policy questions as admission practices, length of enrollment, the general role these schools are to play in the state education program for physically handicapped children, and the type of teacher training programs offered by the schools. There are several reasons, many of which are interdependent, for the wide variations between the operations of the northern and

Schools for Cerebral Palsied Children—Continued

the southern schools. The basic differences are discussed in the following paragraphs.

The wide variation in physical facilities between the two schools has made it difficult to offer completely comparable programs. The northern school is housed in a modern new school on the campus of San Francisco State College, while the school in the south is in antiquated facilities removed from teacher-education institutions and hospitals. This is a prime factor in the type of professional training that is able to be offered in each school. At the school in San Francisco professional personnel training is emphasized the year round, while in the south it is offered primarily in the summer months due to difficulty in scheduling classes because of the distance factor.

The type of handicapped child each school receives is dependent, to a large extent, upon the source used for referrals. The northern school receives referrals directly from public schools as well as from hospitals and the Crippled Children's Service. The southern school, by way of contrast, receives most of its referrals from hospital clinics and a few directly from the public schools. Experience has indicated that hospitals are more inclined to refer severely involved children. This partially explains one of the major criticisms of the program in the south, the average length of enrollment. In the northern school, the average length of enrollment is relatively short. A considerable number of children have mild physical involvements, and the intelligence level of children is higher on the average. In the southern school, primarily as a result of the referral system, pupils more seriously involved physically and pupils with a lower intelligence level are admitted and retained for longer periods.

Another factor which has a bearing on the type of program offered at each school is the extent to which the special public school programs have been developed for orthopedically handicapped children. As an indication of the wide variation in the number and enrollment of special public school programs for the 1956-57 Fiscal Year the following table is presented:

	<i>Northern California (Kings County North)</i>	<i>Southern California (Kern County South)</i>
Total square miles -----	99,406	57,334
Total population -----	5,799,300	8,390,700
Total number of special public school programs -----	25	58
Total enrollment in these schools -----	830	2,812

As the table above clearly indicates, in the southern sector of the State a large population is located in a smaller total area. Within the large population centers are many special day programs. In the north, a smaller total population is living in a large area with fewer special programs disseminated over the larger area. Because there are fewer special programs in the north, in many cases when a small district does not have a program, the handicapped child is directly referred to the residential school in San Francisco. This in part explains again a reason for the enrollment difference.

Schools for Cerebral Palsied Children—Continued

In January 1958, representatives of the Department of Education met with representatives of 17 school districts in Southern California to ascertain the extent to which the state residential school is meeting their needs, and to get their recommendations regarding the future roles the school might play. Those areas where it was felt improvement was needed were as follows:

1. Co-ordination between residential and day school.
2. Admission policies and referral procedures.
3. Type of report on individual pupils and the length of time for the school to prepare such a report.

In May 1958, another meeting was held with the same group of school representatives, and it was the feeling of the group at this time that in addition to a primary function of the residential school to determine the educability of a pupil for an educational program or for institutional placement, the following other types of pupils and problems should be included in a residential diagnostic and treatment center program.

1. Children with multiple handicapping conditions, one handicap of which may or may not be cerebral palsy.
2. Children with no speech or severe speech problems.
3. Children for whom malnutrition is a factor in the educability of the pupil.
4. Those with poor home conditions for whom temporary residential care could be provided until local resources could properly help solve the problem.
5. Those who are becoming accustomed to new appliances.
6. Those severely involved athetoid children.
7. Children with severe involvements from polio, muscular dystrophy, spina bifida, etc.
8. Those for whom it is difficult to determine whether or not a cerebral palsy condition exists, and the borderline mentally retarded.

After briefly reviewing the present programs at the two schools and the suggestions made regarding the future role of these residential schools, it appears a trend clearly is evident. As population continues to grow and additional special educational programs for the orthopedically handicapped are developed in the public schools to meet the needs for which the residential schools were originally established, the original role of these two schools could be altered considerably. If the primary function of the two schools presently is to assist with the determination of educability in an education program or for institutional placement, then it would appear that the future roles of these schools may well be confined to a smaller number of children with a greater variety of handicaps.

After reviewing the existing programs at the two schools and their apparent future role in the total state educational program, there are

Schools for Cerebral Palsied Children—Continued

several basic questions which we feel should be posed for legislative consideration:

1. Is there a point where the benefit derived from this program makes it financially impractical to continue the program? We feel this approach should be seriously considered in view of the present cost of between \$3,300 and \$5,500 per child enrolled in these schools, and with a trend toward providing additional services for the more handicapped, the cost will undoubtedly increase.
2. Is the future role of these schools to be primarily one of education with the prime purpose of returning the child to his community, or one of short-term and long-term custodial care? If the latter is the case, we raise the question as to the advisability of having these institutions under the direction of the Department of Education. The Legislature should understand the changing scope of the programs at these schools to better evaluate future support requirements.

Department of Education**SCHOOL FOR CEREBRAL PALSIED CHILDREN, NORTHERN CALIFORNIA**

ITEM 95 of the Budget Bill

Budget page 227

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

Amount requested	\$400,871
Estimated to be expended in 1958-59 Fiscal Year	393,098
Increase (2.0 percent)	\$7,773
TOTAL RECOMMENDED REDUCTION	\$2,060

ANALYSIS

The budget request of \$400,871 is \$7,773 or 2.0 percent greater than the estimated expenditures of \$393,098 for the current fiscal year.

Salaries and Wages

The increase of \$12,758 in salaries and wages is primarily attributable to the request for a new position, that being an accounting officer II at a yearly salary of \$6,060. At the present time, this school contracts for accounting services with the Accounting Services Unit of the Department of Finance. Presently, 50 percent of a man-year of a state financial examiner III has been spent at this school at a cost approaching \$5,000. Although the granting of this position would give the agency an additional one-half year of staff time at an expense of only \$1,060, the workload data presented by the agency does not indicate that the additional one-half year is needed since an enrollment increase is not anticipated.

We therefore recommend that the requested position of accounting officer II not be allowed, but that \$5,000 be added to the operating expense budget to allow the school to continue its present level of service by contracting with the Department of Finance for its accounting functions.

School for the Cerebral Palsied Children, Northern California—Continued
Operating Expenses

The proposed operating expense budget of this school for the 1959-60 Fiscal Year contains two items which we feel need review. These items are as follows:

Medical Expense

During the current fiscal year, \$1,000 was taken from operating expense savings and added to the medical expense item to begin a new program. The Legislature was not informed of the scope and desirability of the program nor was it given the opportunity to review the expenditure. Since we have received no information from the agency regarding the nature and justification of the proposed new program, *we cannot recommend the amount of \$1,000 which is in addition to the \$1,429 which was requested by the agency for medical expenses for the 1959-60 Fiscal Year.*

Recurring Maintenance

Included in the \$4,795 amount proposed for recurring maintenance, is \$1,500 which is to be used for necessary repainting. This school plant will be five years old in the budget year, and painting will become an important yearly consideration as the school plant ages. We are not recommending that the amount for this purpose be deleted, but rather that a painting formula and schedule be developed which will permit this necessary function to be completed over a given number of years as a recurring maintenance cost. It appears that this is an area in which maintenance standards should be developed, not only for this institution, nor for all the special schools, but for all state agencies.

Department of Education

SCHOOL FOR CEREBRAL PALSID CHILDREN, SOUTHERN CALIFORNIA

ITEM 96 of the Budget Bill

Budget page 229

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

Amount requested	\$334,696
Estimated to be expended in 1958-59 Fiscal Year	328,158

Increase (2.0 percent)	\$6,538
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TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

The budget request of \$334,696 is \$6,538 or 2.0 percent greater than the estimated expenditures of \$328,158 for the current fiscal year. One new position, school psychologist, is requested for the budget year at a cost of \$6,672. In the past, psychological services have been provided for on a contractual basis. It is proposed in the budget request that the cost for this new position be offset by the deletion of a position of medical social worker, which has been authorized but unfilled for some time, and the existing contract arrangements for the psychological services.

School for Cerebral Palsied Children, Southern California—Continued

We believe that the psychological services are essential to the operation of the program. However, the method by which the requested psychological position is to be financed raises a serious question. In the northern school, much of the family background material is obtained through the use of a medical social worker. The use of the medical social worker for this purpose relieves the teaching and professional staffs of much of this activity and allows them additional time for their other professional duties. In the southern school the background information is not obtained through a medical social worker, but primarily through the teaching staff. It would appear that in the southern school this function is being performed by personnel in higher salary ranges than is necessary.

After reviewing the budget request of this school, we make the following recommendations: (a) since there is no anticipated enrollment increase in the budget year over 1958-59, we recommend the school psychologist position should be deleted (\$6,672), and the operating expense budget of the school be increased for contractual psychological services (\$3,375); (b) since functions are being performed by the teaching staff which it appears should be performed by a medical social worker, we recommend that the position of medical social worker be continued (\$4,980), and that the salaries and wages for instructional temporary help be reduced (\$1,683). The recommended changes above do not change the amount of the budget request as they offset each other. We believe, however, that these changes result in more effective use of the personnel involved.

**Department of Education
OAKLAND ORIENTATION CENTER**

ITEM 97 of the Budget Bill

Budget page 231

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

Amount requested	\$306,523
Estimated to be expended in 1958-59 Fiscal Year	308,771
<hr/>	
Decrease (0.7 percent)	\$2,248

TOTAL RECOMMENDED REDUCTION None

GENERAL SUMMARY

The Oakland Orientation Center for the Blind serves two purposes, which are as follows:

1. To offer a program assisting newly blinded persons in overcoming problems arising from blindness. This program consists of teaching these blind persons new techniques of travel, communication, and daily living habits. During the 1957-58 Fiscal Year, those blind persons who were admitted or terminated in this program numbered 85.

2. To provide residential facilities and custodial assistance for those blind persons who were residents in the old training center prior to September 1951. Such blind persons now residing at the center number 45.

**Oakland Orientation Center—Continued
ANALYSIS**

The budget request of \$306,523 is \$2,248 or 0.7 percent less than the total expenditures of \$308,771 for the current fiscal year. No new positions are requested, and the budget proposal continues the program at the same general level.

We recommend approval of the budget as submitted.

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

GENERAL SUMMARY

Three workshops for the blind, visually blind, and physically handicapped men and women located in Oakland, Los Angeles and San Diego, and a central office for co-ordination located in Sacramento comprise the California Industries for the Blind. The three centers provide sheltered employment to those not able to obtain employment in private industry.

The largest of the three centers is located in Los Angeles, and it has the most diversified manufacturing program. Included in the items manufactured are mattresses, box springs, pillow cases, and ironing board pads and covers. In addition, this center operates a contract department where subassembly work is done for local industrial concerns.

The Oakland Center, in addition to specializing in the manufacturing of domestic and industrial corn brooms, also manufactures such items as sanitary brushes, rubber mats, and items for the Federal Government.

The smallest of the three centers is located in San Diego, where wet and dry mops and related janitorial supplies are the specialty. The prime outlet for the goods manufactured at this center is through Federal Government contracts.

Summarization of the California Industries for the Blind Program

A Citizens' Advisory Committee, which had been appointed by the Joint Budget Committee to review the operations of the California Industries for the Blind, reported to the Legislature in 1955 with two major policy recommendations. First, it was recommended that the Industries should be dissolved as production centers, and second, it was recommended that the assets and competent personnel of the shops be integrated into an orientation and training program with the goal of placing the blind in industry.

After the report of the Citizens' Advisory Committee had been presented to the Legislature, a Co-ordinating Council on State Programs for the Blind, composed of representatives from the Departments of Education, Social Welfare and Public Health, reviewed the operations of the California Industries for the Blind and reported to the Legislature in 1957. The general observations of the Co-ordinating Council were that the Industries were not successfully performing either the purpose of a training center or of an industry in which blind persons

California Industries for the Blind—Continued

might find full self-support. The Coordinating Council gave the following reasons for the failure of the Industries to serve either as a training center or as an efficient production shop:

1. Lack of proper training equipment and facilities.
2. The inability of the Industries to successfully compete with private industry.
3. The varying degrees of mental and physical abilities of the workers.
4. The effect of state aid on individual incentive.

It was the recommendation of the Co-ordinating Council that the California Industries for the Blind be reorganized into more efficient production centers so as to promote the workers toward the ultimate goal of self-support.

Although the Industries have been operating in a similar fashion for several years, the findings and resultant recommendations of the Citizens' Advisory Committee and the Co-ordinating Council were diametrically opposed. The Citizens' Advisory Committee recommended that the Industries be dissolved as a production shop and that an orientation and training program be developed. In contrast, the primary recommendation of the Co-ordinating Council was that the Industries be reorganized into a more efficient production shop operation.

As mentioned on page 26 of this analysis under suggested changes requiring legislation, we believe that the basic problem of the California Industries for the Blind, is whether the philosophy is expressly a subsidy plan, a training program, or an efficient production workshop plan. It seems clear that the success of either one of the latter two programs is impossible as long as aid, training and production are interdependent. It appears that the Legislature has three alternative proposals to consider in determining the future of the California Industries for the Blind. These are as follows:

1. Abolish the shops.

The Legislature should be aware that the abolishment of the shops would have several adverse effects. First, those blind workers now spending time in the shops, who are enlarging their economic opportunities, regardless of the extent of this enlargement, would not only lose the wages they are now receiving, but would have additional time on their hands. It seems evident that the additional time, with no place to use it, would generally be a morale-depressing feature. Second, it appears that the investment which might be recovered by a sale of the equipment and supplies would be limited because of the small demand for these items.

2. The emphasis could be changed toward developing an orientation and training program with its goal the placement of blind people in industry.

The Legislature should be aware that if this is the type of program desired, costly changes in the present program will be necessary. First, the existing facilities and equipment are inadequate for any reasonable

California Industries for the Blind—Continued

training program. Second, a training program would necessitate an adequate instructional staff which is not presently available at the centers. Third, and probably the most important, private industry, with very few exceptions, is not prone to the hiring of blind workers when capable sighted workers are available. It would seem that emphasizing a training program would be an unwise gamble, unless assurances were made with private industry that those blind persons trained would be readily placed in private employment.

3. The Legislature could direct the shops to establish a sound competitive production and sales program. This program could be implemented in one of two ways.

First, if it is felt blind persons should be subsidized because of their handicap, then a clearly defined amount could be provided, and the blind worker could be paid over and above that subsidy for this production on an incentive basis. If this was the program desired, the Legislature should clearly state that the amount received by the blind worker in the production shop would in no way endanger his basic subsidy. Presently, those blind persons on aid are allowed to receive a certain amount of outside income. When this outside income reaches a definite level, it materially affects the amount of aid received. It is only natural that the worker on aid will not attend or will not put in a full day's work if the amount of his aid is in jeopardy because of his earnings. It is clearly evident that the existing aid program makes it virtually impossible to establish a sound and competitive production and sales program at the centers.

The second method by which these shops could be put on a sound competitive production and sales basis would be to permit only productive workers not on aid to participate in the work of the shops. It was the suggestion of the Coordinating Council that only those persons who are efficient workers or those who can become efficient workers be selected for employment in the production centers. For those workers who have no plan for self-support, but who can participate in a nonstandardized type of production, giving them some remuneration, it was proposed that an opportunity center would probably serve this purpose. It was therefore recommended that opportunity centers be established in the cities in which production centers are now located and in other communities as needed.

We support the general recommendations of the Co-ordinating Council, namely, to put the shops on a sound, purposeful basis and to carefully screen the workers and evaluate their potential for self-support. As we have previously mentioned, it is our belief that the development of a sound incentive program is impossible as long as aid is paid employees. However, we do not feel that the sole factor in the determination of the worker to be employed in the production shops is whether or not the person is on aid. Undoubtedly, there are some capable blind persons now on aid who would gladly relinquish this aid if a program was developed which would allow them a reasonable standard of living. It would be our recommendation that for those persons who are con-

California Industries for the Blind—Continued

sidered to have a potential for self-support, but who are on aid, a definite probationary time schedule be developed, one year for example, for the blind person to earn sufficient wages to place him off blind aid.

We are of the opinion that the California Industries for the Blind could be developed into a type of operation which would be profitable and beneficial to the blind persons employed. As an example of the type of successful operation possible, let us briefly examine the operation of the mattress department in the Los Angeles Center.

Since May 1957, several effective production improvements have been made in the manufacturing of mattresses which are as follows:

1. Production has increased 400 percent.
2. Contract deadline dates have been met on time.
3. The number of rejections has been negligible.
4. Profits have grown from zero to \$12,000 a month.
5. Average hourly earnings paid workers has increased from 82 cents to \$1.80.

It seems apparent that the success of the production shop program is to a great extent dependent upon the opportunity center facilities in the same communities where production centers are located. If it is determined that some blind persons have no plan for self-support or are unable to achieve such a plan because of the varying degrees of mental and physical capabilities, a center should be available to them where they would have the opportunity to use their time participating in the types of programs offered, which include certain craft activities and subassembly and sorting contracts which are not in conflict with the work of the production centers.

In reviewing the need for the establishment in cities where production shops are located, we would recommend that the Department of Education carefully review the opportunity centers presently established and determine if the staff and equipment might be better utilized if they were transferred to those cities where production centers are located.

California Industries for the Blind Manufacturing Fund

The administrative and related expenses of the California Industries for the Blind are a direct charge against the General Fund. Manufacturing costs are financed from working capital supplied by the California Industries for the Blind for the Blind Manufacturing Fund into which the proceeds from the sale of products are deposited.

During the 1957-58 Fiscal Year, 242 full-time equivalent workers were employed in the three centers, and the payroll was \$540,177. Sales for the three centers during this same period amounted to \$2,549,908, and the cost of goods sold, including salaries and wages, amounted to \$2,481,619, producing a profit of \$68,289.

The table which follows shows the General Fund support costs, the Manufacturing Fund profits, the Manufacturing Fund surplus, and the percentage relationship between the profits and the General Fund support costs from 1950-51 through 1957-58:

California Industries for the Blind—Continued

Year	Manufacturing Fund surplus	Manufacturing Fund profits	General Fund support costs	Percentage of Manufacturing Fund profits to General Fund support costs
1950-51-----	\$359,980	\$111,627	\$468,502	23.8
1951-52-----	577,159	252,962	335,382	75.4
1952-53-----	751,893	183,240	201,610	90.9
1953-54-----	760,833	27,356	247,646	11.0
1954-55-----	831,976	64,729	254,302	25.5
1955-56-----	949,419	116,085	269,199	43.1
1956-57-----	1,061,934	132,988	285,807	46.5
1957-58-----	1,128,032	68,289	302,334	22.6
Total-----		\$957,276	\$2,364,782	40.5

It is our understanding that one of the primary purposes in providing General Fund support to the California Industries for the Blind program is to allow the Manufacturing Fund to be self-sufficient. As the table above indicates, the yearly surplus and profits have enabled the Manufacturing Fund to be self-sufficient, and it would appear that the General Fund contributions have indirectly provided the Manufacturing Fund profits. We believe that the California Industries for the Blind not only has the potential of providing a program whereby those blind persons employed can become self-supporting citizens, but furthermore this can be accomplished without General Fund support.

It is our recommendation that profits from the Manufacturing Fund up to the amount of the General Fund contributions become a retro-active reimbursement for General Fund support costs.

Department of Education

LOS ANGELES CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 98 of the Budget Bill

Budget page 233

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

Amount requested	\$114,871
Estimated to be expended in 1958-59 Fiscal Year.....	113,640
Increase (1.1 percent)	\$1,231

TOTAL RECOMMENDED REDUCTION..... None

GENERAL ANALYSIS

The budget request of \$114,871 is \$1,231 or 1.1 percent greater than the estimated expenditures for the current fiscal year of \$113,640.

Subject to a legislative review of the alternative proposals regarding the future of the California Industries for the Blind program presented on page 26 of this analysis, we recommend approval of the budget request as submitted.

Department of Education

OAKLAND CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 99 of the Budget Bill

Budget page 234

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

Amount requested -----	\$90,034
Estimated to be expended in 1958-59 Fiscal Year -----	84,446
Increase (6.6 percent) -----	\$5,588
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL ANALYSIS

The budget request of \$90,034 is \$5,588 or 6.6 percent greater than the estimated expenditures for the current fiscal year of \$84,446. No new positions are requested and the level of service is to remain the same as in 1957-58.

Subject to a legislative review of the alternative proposals regarding the future of the California Industries for the Blind program presented on page 26 of this analysis, we recommend approval of the budget as submitted.

Department of Education

SAN DIEGO CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 100 of the Budget Bill

Budget page 235

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

Amount requested -----	\$48,166
Estimated to be expended in 1958-59 Fiscal Year -----	48,845
Decrease (1.4 percent) -----	\$679
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL ANALYSIS

The budget request of \$48,166 is \$679 or 1.4 percent less than the estimated expenditures for the current fiscal year of \$48,845.

Subject to a legislative review of the alternative proposals regarding the future of the California Industries for the Blind program presented on page 26 of this analysis, we recommend approval of the budget request as submitted.

Department of Education

STATE TEACHERS RETIREMENT SYSTEM

ITEM 101 of the Budget Bill

Budget page 238

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

Amount requested -----	\$342,686
Estimated to be expended in 1958-59 Fiscal Year -----	294,486
Increase (16.4 percent) -----	48,200
TOTAL RECOMMENDED REDUCTION -----	\$1,260

State Teachers Retirement System—Continued

GENERAL SUMMARY

The State Teachers Retirement System provides pension benefits for certificated teachers and administrative personnel. The first statewide system was created by the Legislature in 1913. Teachers' contributions were \$1 a month; the State's contribution was 5 percent of inheritance tax revenues; the basic pension was \$500 a year for a teacher who had taught for 30 years, 15 of which must have been in California. The present retirement law furnishes a basic retirement allowance of one-half the highest average salary over any three-year period for members retiring with 30 years' service at age 60.

Although comparable in benefits to the State Employees Retirement System, the administration of the teachers' system is entirely different. Among the principal differences are:

1. Local districts report through the county unit;
2. The county superintendent of schools sends in a monthly remittance, but reports individual members' contributions annually;
3. Annual workload peaks are sharper, due to concentration of annual reports in August and September, and of members' retirements in June.

It should also be pointed out that the teachers retirement system is only partially funded and the State has a growing obligation to pay retirement payments which is well over one billion dollars at the present time.

ANALYSIS	Summary of Reductions	Budget		
		Amount	Page	Line
Files, five-drawer metal, letter		\$1,260	238	71

A reduction of \$1,260 is recommended in equipment. This represents a reduction in letter-size files from 14 to 4. It has been determined that the files of persons who withdraw from the system are held in place indefinitely. It is recommended that all files of former members be withdrawn and placed in the Central Record Depository, with a retention period of not more than 30 years.

Increase in Costs Over the Current Year			
Salaries			
Present positions		\$11,778	
Proposed positions, less salary savings		30,264	
			\$42,042
Operating expense			
General expense		\$1,620	
Communications		950	
Travel in State		350	
Tabulating machine operation		7,814	
Examinations, physical		600	
Agency manual, printing cost		3,000	
			14,334
Equipment		—\$8,176	—8,176
Net increase			\$48,200

State Teachers Retirement System—Continued

Three items in the above table deserve examination, as representing substantial increases in cost above the current year.

Proposed positions, less salary savings, represent an increase of \$30,264. Of the 8.9 new positions proposed, 4.9 are justified on the basis of workload. The additional four positions are designated for verification of service of teachers in two special groups. These are the teachers with experience in California prior to 1935 and the teachers with service outside California prior to 1944. Present retirement records do not cover this experience. Heretofore, employers' verification of claimed service has awaited the teachers' applications for retirement. With the passage of each year, verification becomes more difficult, decreasing its accuracy and increasing the expense of the operation.

Approximately 50,000 members are involved, all of whose files are among the first 130,000 serially. This will require the sending of 100,000 to 150,000 form letters with individual notations on each. Staff required is estimated at four intermediate clerks for three years. With overhead, this will amount to around \$50,000, or one dollar (\$1) per member, distributed over three years. This is not an added cost or service, but accelerates a regular routine in the interest of economy and accuracy.

The total sum required for this verification is less than the amount involved if 20 persons out of the 50,000 claimed 10 percent more experience than their true amount—say two years apiece. As a matter of overall economy, we recommend that these verifications be completed without delay.

The principal increase in *Operating Expense* is for accounting machine rental. A larger capacity tabulator at an increase of \$6,840 and a second collator at \$2,580 are requested. As explained further on, we are recommending a study of the possibility of combining this machine accounting operation with that of the Employees' Retirement System. It would be desirable to complete this study before the beginning of the budget year in order to decrease or eliminate this item.

Equipment cost estimates are substantially lower than in the current year. This is due to the system's having taken advantage of a unique opportunity to purchase a portion of its tabulating machine equipment on the basis of long-term cost comparisons prepared by the Department of Finance. In the budget year, \$4,829 has been allotted for tabulating machine control panels and other auxiliary equipment. Reduction of the item for files has been discussed above. Please note below the general discussion of tabulating machine operation.

Management Analysis of Teachers Retirement System. The Organization and Cost Control Division of the Department of Finance was asked by the Superintendent of Public Instruction to make a survey of the organization, policy and staffing of this system. The report was submitted to him on March 6, 1958. A number of the recommendations that did not involve legislation or additional finances have been carried out.

The Teachers Retirement System has enjoyed an enviable reputation for efficient administration and control of costs in the face of a rapidly

State Teachers Retirement System—Continued

rising workload. In the next decade, its membership is expected to double. In order to care for this workload while offering its members, particularly those teachers on the point of retirement, service comparable to that of other state retirement systems, it is necessary to review and reorganize procedures. One of the principal problems will be integration of the system's reporting requirements with punchcard accounting systems which the larger county school offices have installed or will install. This will be particularly important to Los Angeles County, where approximately 40 percent of the membership resides. We recommend:

1. That the Organization and Cost Control Division of the Department of Finance conduct a pilot study of punchcard reporting by the larger county districts.
2. That the two accounting systems be consolidated.

Immediate savings in machine accounting should be realizable through consolidation of certain machine operations with those of the Employees Retirement System. Where a joint operation will assist in caring for peak loads we recommend physical transfer of machines and personnel to the Employees Retirement tabulating machine rooms. We recommend:

3. That serious consideration be given by the department to deferring rental of additional machines until such a study determines what additional workload can be absorbed by a joint operation.

The executive officer and his administrative assistant do not have the time to review and revise procedures. An internal operating manual has been recommended in the management survey. Broader inservice training of the staff would possibly produce substantial reductions in requested staff increases in the future. A manual for co-operating agencies, recommended by the survey, has been in rough draft form for a year without having been brought to completion. We recommend approval of the \$3,000 budgeted for this item.

We recommend approval of the State Teachers Retirement System budget with a reduction of \$1,260 for equipment.

STATE SCHOLARSHIP COMMISSION

ITEM 102 of the Budget Bill

Budget page 237

**FOR SUPPORT OF STATE SCHOLARSHIP COMMISSION
FROM THE GENERAL FUND**

Amount requested	\$1,222,294
Estimated to be expended in 1958-59 Fiscal Year	883,097
Increase (38.4 percent)	\$339,197

TOTAL RECOMMENDED REDUCTION	None
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GENERAL SUMMARY

Chapter 1846, Statutes of 1955, established the State Scholarship Commission and provided for a series of competitive undergraduate

State Scholarship Commission—Continued

scholarships, each to be used for payment of tuition and fees not to exceed \$600 for one academic year. The law provided that the awards were to be granted on the basis of a competitive examination given all applicants, demonstrated financial need, and additional requirements pertaining to residence, demonstration of good citizenship and the like. The number of scholarships were to increase from 640 in 1955-56 to a maximum of 2,560 awards in 1958-59. The scholarships are annual awards and may be renewed not to exceed a maximum of four years or until completion of the undergraduate program. The award winner may use the scholarship at any collegiate institution within the State which has been accredited by the Western College Association.

During the 1957 Legislative Session the termination date of the State Scholarship Commission was extended from June 30, 1959, to July 1, 1962, through the passage of Chapter 787, Statutes of 1957.

Review of the State Scholarship Program

The state-supported scholarship program has been in operation three full years, and a review of all phases of the program during this period is presented on the following pages.

The table below shows the number of persons who applied for a state scholarship in each of the three years the program has been in operation. As the number of awards has been increased and the program has become more widely known, the number of applicants has continually increased.

<i>Year</i>	<i>Number of applicants</i>
1955-56 -----	2,443
1956-57 -----	5,260
1957-58 -----	7,944

After the individual applies for a scholarship, a Scholastic Aptitude Test is given the applicant. In each of the three years, the maximum attainable score on the aptitude test was 1,600. The cutoff score for applicants by grade-level has been raised each year. The reason for this raise is due primarily to more people being aware of the scholarship program, which has resulted in increased competition for the award. The cutoff scores for applicants by grade-level are shown below:

<i>Class</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>
High school seniors -----	1,050	1,067	1,085
Freshmen -----	1,084	1,127	1,155
Sophomores -----	1,101	1,117	1,158
Juniors -----	1,181	1,215	1,219

The number of people who applied for an award and were successful in passing the aptitude test became semifinalists and were as follows:

<i>Year</i>	<i>Number of applicants</i>	<i>Number of applicants passing aptitude test</i>	<i>Percentage passing aptitude test</i>
1955-56 -----	2,443	1,074	44
1956-57 -----	5,260	1,906	36
1957-58 -----	7,944	2,500	32

Their academic ability having been tested, the semifinalists were then screened for determination of financial need by the College Scholarship Service, a private nonprofit organization, contracted for by the

State Scholarship Commission—Continued

Scholarship Commission. The following table indicates the number of semifinalists who showed financial need as based upon the cost of attending the institution of preference:

Year	Semifinalists	Semifinalists showing financial need	Percentage showing financial need
1955-56	1,074	704	66
1956-57	1,906	1,075	56
1957-58	2,500	1,420	57

In September, 1958, 1,960 scholarship recipients, 946 renewals of scholarships issued in 1955-56 and 1956-57 plus 974 new awards, entered institutions of higher education in California. The distribution of award winners by institution was as follows:

	Renewed		New awards	Total
	1956	1957	1958	awards
Stanford	75	88	148	311
U. C., Berkeley	33	87	183	303
U. C. L. A.	18	40	69	127
U. S. C.	19	55	46	120
Pomona	24	39	57	120
Occidental	16	44	52	112
C. I. T.	17	35	33	85
Santa Clara	8	26	30	64
Redlands	11	22	29	62
Others	94	195	327	616
Totals	315	631	974	1,920

The average cost per student who received a state scholarship has been continually increasing. This is primarily due to the constant raising of tuition at private institutions. The average cost per award was as follows:

Year	Cost per award
1956-57	\$398
1957-58	416
1958-59	426

The distribution of scholarships by class level of enrollment was as follows:

Class	Percent 1956-57	Percent 1957-58	Percent 1958-59
Freshmen	85	60	44
Sophomores	6	32	33
Juniors	7	5	19
Seniors	2	3	4
	100	100	100

The major fields of concentration designated by the award winner at the time of enrollment in college were as follows:

Field	Percent 1956-57	Percent 1957-58	Percent 1958-59
Science	17	13	24
Engineering	28	24	22
Education	18	21	22
Preprofessional	16	14	9
Other	21	28	23
	100	100	100

State Scholarship Commission—Continued

One of the primary objects of the Legislature in establishing the state-supported scholarship program was to offer incentives for students to attend the private institutions in the State and thereby relieve the construction and support costs at the state colleges and the University of California. The extent to which this is being accomplished is shown in the following table:

Type of institution	Number of campuses	Awards		New 1958	Total	Total cost	Percent of total cost
		Renewed 1956	1957				
Independent colleges -----	35	226	436	610	1,272	\$740,034	90
University of California ---	6	71	166	296	533	71,839	9
State colleges --	11	18	29	66	113	6,892	1
Military leave --	--	--	--	2	2	--	--
Totals -----	52	315	631	974	1,920	\$818,765	100

It seems apparent after reviewing the scholarship program that state-supported awards are providing educational opportunities to many capable students who might not otherwise be able to attend college. The extent to which this program is relieving the burden on the state colleges and the University is difficult to measure. The factors which do appear evident and should be brought to the attention of the Legislature are as follows:

1. The total number of awards granted in 1958-59 numbered 1,920. Of this total, 1,272 were for students who use the award to attend a private institution. These 1,272 students number less than 1 percent of the total enrollment of the state colleges and the university, and as a result there is no visible effect on the support or capital outlay budgets of the state-supported institutions.

2. As ceilings are placed on enrollment at many private institutions, scholarship winners with their proven academic ability are likely to replace many students who originally planned, and could financially afford, to attend these private institutions. Where these "displaced" persons enroll is an unknown factor. Perhaps they enter other private schools either in or out of California, or they may enter the state colleges and the university. If the latter is the case, perhaps the scholarship program is doing little to relieve the state-supported educational institutions of capital outlay and support costs.

3. The Education Code, Section 21710, provides that the scholarships may be annually renewed without an additional competitive examination until the award winner has received four annual awards or until he has graduated from an institution in an undergraduate course.

Conceivably, if an institution offered a five-, six- and possible a seven-year course in which the student was considered an undergraduate until completion, it would appear that under the present law provisions the award winner could use the state award to finance his training, even though part of this time might be in specialized professional preparation.

State Scholarship Commission—Continued

If it is the intent of the Legislature that the state-supported scholarship awards should be granted for a maximum of four years, then the Education Code should be clarified as to legislative intent.

ANALYSIS

The budget request of \$1,222,294 is \$339,197 or 38.4 percent greater than the estimated expenditures of \$883,097 for the current fiscal year.

The increase in the number of scholarship awards from 1,920 to the maximum of 2,560 in the budget year is the primary reason for the increase in the budget request.

We recommend approval of the budget as submitted.

UNIVERSITY OF CALIFORNIA

ITEM 103 of the Budget Bill

Budget page 240

FOR SUPPORT OF UNIVERSITY OF CALIFORNIA
FROM THE GENERAL FUND

Amount requested	\$88,664,652
Estimated to be expended in 1958-59 Fiscal Year	88,565,748

Decrease (1.0 percent)	\$901,096
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TOTAL RECOMMENDED REDUCTION	\$7,527,550
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GENERAL SUMMARY

The University of California was founded March 23, 1868, by act of the State Legislature. Within 91 years it has grown from a small college to a statewide university system with eight campuses and numerous stations scattered throughout California.

A statement of the principles and functions of the university follows which will assist in determining the role of the university in relation to the state colleges and the junior colleges. The university states that the functions of the university shall continue to be those stated in the *Re-study of the Needs of California in Higher Education*, namely:

“(a) Research directed toward advancing the understanding of the natural world and the interpretation of human history and of the great creations of human insight and imagination;

“(b) Instruction of able young people, not merely by transmitting to them established knowledge and skills, but by helping them to experience with their teachers the actual processes of developing and testing new hypotheses and fresh interpretations in many fields;

“(c) Training for professional careers—a training not merely routine, but grounded in understanding of relevant sciences and literatures, and enlightened by some experience of the methods by which the boundaries of knowledge are pushed back; and

“(d) Various sorts of expert public service.”

Also, in order that it may perform these functions at the highest level possible, fulfilling its obligations and constantly improving the quality in each of its services, the university states that it shall:

“(a) Continue to be a statewide institution presenting on its several campuses a comprehensive and balanced program at a high level of quality, involving only such duplication of offerings among campuses

University of California—Continued

and within the tripartite system of public education in California, as may be fully justified by need and demand—a program comprising lower, upper and graduate division instruction in proper proportions with emphasis on the latter two;

“(b) Constantly seek to improve the quality of its faculty and students by setting standards more scientifically, devising better methods of selection, and identifying, encouraging and rewarding superior performance; and

“(c) Strive to create a campus environment and atmosphere conducive to the development of a community of scholars in which both faculty and students share; and through University Extension and Agricultural Extension to spread into areas beyond the campuses opportunities for lifelong learning on a high qualitative level.”

Higher Education in California

Discussion of the University of California as a segment of higher education in California appears on pages 276 through 305 of this analysis. The subjects covered are definition and scope, enrollments, costs per student, student fees, space utilization, plant operation and maintenance, teacher training and admission standards.

Faculty Classroom Time and Research Time

It is essential that the Legislature, as the appropriating body, be given the data to intelligently determine the level of service at which the University of California is to operate and to establish this amount as a fiscal judgment. Within the amount appropriated, it is the responsibility of the university to manage these funds and to vary the programs and assignments as its judgment dictates. The only way the Legislature can fulfill its responsibility is to know the manpower assignments in terms of the faculty's classroom instruction hours and the hours spent in other activities. We have asked the university for this information and they have been able to supply data in terms of numbers of full-time-equivalent faculty, but not in terms of hours spent in the various activities.

The university was also able to supply data on the distribution of total full-time-equivalent staff working in and/or paid by instructional departments by academic rank by campus for the 1954-55 academic year, from a survey made at that time. For example, the teaching function, which includes class preparation time, for the Berkeley campus was as follows:

Teaching Function—Including Preparation, Berkeley Campus, 1954-55

	<i>Number of FTE academic positions by rank</i>	<i>Percent in each rank</i>	<i>Percent of rank in teaching function</i>
Professor	174	19.3%	43.8%
Associate professor	146	16.3	51.6
Assistant professor	179	19.9	56.6
Instructor	101	11.3	66.2
Teaching assistant	300	33.3	98.3
All ranks	901	100.0%	61.8%

University of California—Continued

effectively evaluate the use of faculty time at the university, we recommend that the Legislature request the university to study and report upon the following seven areas in time for the data to be used in the preparation of the 1960-61 budget:

1. *Definitions.* Adequate definitions of the various functions (a) through (g) listed on page 352 should be supplied. For example, no one seems to be able to give a clear definition of research. It appears that there are at least four principal concepts of research.
 - a. Organized research in which an individual's activity is spent in researching a specific subject. In many instances, specific funds are allocated for organized research from grants for only this purpose.
 - b. Professional research in which a professor is allowed to continue research that is important to his professional development and to the growth and progress of his field.
 - c. The type of research which is carried on directly with the students and is important to their development. This research appears to be an integral and important part of the teaching function.
 - d. The use of the word "research" as it refers to the function of keeping up with the latest developments in a given field. This type of research is a part of classroom preparation and a certain amount of this type of work is required by every professional man, in and out of the teaching field, in the development of proficiency in his field.
2. *The Actual Hours Spent in Various Areas of Academic Endeavor.* The actual hours spent per week by rank and by department should be supplied for these same functions:
 - a. Classroom instruction
 - b. Classroom preparation
 - c. General counseling
 - d. Faculty research
 - e. Organized research
 - f. University and academic committee activities
 - g. Other miscellaneous academic activities
3. *The Establishment of Criteria for Judgment.* Criteria for judgment of these functions are necessary in order to judge the academic development of students and the professional development of the faculty.
4. *Proper Balance.* Only after these three steps have been taken can a determination be made as to what is a proper balance of these functions.
5. *Controls.* An evaluation must be made of existing controls and of the need for additional controls which may be required to insure that these elements are kept in proper balance. At the present time, academic staffing needs and the time to be allotted for re-

University of California—Continued

search is built up from departmental requests which, although reviewed as part of the budget process, are not judged against true standards. Departmental staffing ratios have not been developed although the university was able to assemble for us ratios of selected departments in Table I which follows. The wide range of the ratios among campuses and among departments is most apparent. The number of graduate students enrolled at a campus obviously has an effect on these ratios because of smaller class size in advanced work, and this fact must be taken into consideration.

Table I—University of California
Ratio of Full-time Equivalent Students¹ to Full-time Equivalent Teachers
in Selected Departments

	Fall 1957				
	Berkeley	Los Angeles	Santa Barbara	Davis	Riverside
Humanities					
English	13.2	21.6 ²	13.8	9.7 ³	16.2
Speech	12.7	--	10.2	--	--
French	12.0	10.4	--	16.6	8.2
Foreign languages	--	--	15.4 ⁴	--	--
Life sciences	--	--	--	--	9.4
Zoology	13.2	10.5	14.3 ⁵	8.7	--
Physical sciences	--	--	9.9	--	--
Mathematics	16.4	18.3	12.9	9.6	18.7
Physics	13.2	11.7	--	6.7	19.0
Social sciences	--	--	20.9 ⁶	--	7.0
Economics	13.4	16.2	--	14.2	--
History	20.0	22.2	--	--	--
Political sciences	18.1	16.1	--	15.0 ⁷	--
Psychology	13.3	24.5	12.7	12.7	--
Professional schools					
Business administration	14.8	18.8	--	--	--
Education ⁸	16.3	21.0	16.3	13.1	5.2
Law ⁹	20.4	24.1	--	--	--

¹ Undergraduate student credit hours have been divided by 15 and graduate student credit hours by 6, except in Law, where a head count of majors has been used.

² English and speech combined.

³ Includes speech and drama.

⁴ Ratio for foreign languages department.

⁵ Ratio for biological sciences department.

⁶ Combined department of economics, history, political science, sociology and philosophy.

⁷ History and political science combined departments.

⁸ Excludes supervised teaching.

⁹ Head count of law students majors.

6. *Over-researched Fields.* It is our belief that if this data were made available, some fields would be evaluated as over-researched when compared against standards and results of the research. Many fields would also undoubtedly be under-researched if this were done. It would appear that the field and its potential should be the major criteria for judgement rather than the number of students who enroll in the department.

7. *Use of Other Personnel to Relieve Professors.* The University appears to have made good use of associates and teaching assistants, and of special laboratories, such as language laboratories, to

University of California—Continued

relieve professors of some of the routine teaching load which allows them to devote more of their time to upper division and graduate teaching, and to research. Although proper use of this class of instructors is desirable, care must be exercised to insure that they are not used too extensively as a substitute for full-ranked teaching positions in actual classroom instruction. The extent of the use of teaching assistants is shown in Table II which follows. It should be noted that at Berkeley as many as 24.6 percent of the total FTE teaching staff are teaching assistants.

Table II—University of California
Use of Teaching Assistants, 1958-59

<i>Campus</i>	<i>Total teaching staff¹ (FTE)</i>	<i>Number teaching assistants (FTE)</i>	<i>Percent of total teaching staff</i>	<i>Number of departments using teaching assistants</i>
Berkeley -----	1,589.84	390.49	24.6%	57
Los Angeles (excluding Medical Center) --	1,123.78	239.00	21.3	34
Davis -----	217.21 ²	30.00	13.8	18
Santa Barbara -----		None		
Riverside -----		None		

¹ Includes professors, instructors and lecturers (including equivalent acting and visiting titles), associates, assistants, physical education supervisors and teaching assistants in departments of instruction and research.

² Research personnel in the Experiment Station at Davis who also teach classes are included at 30 percent of full time.

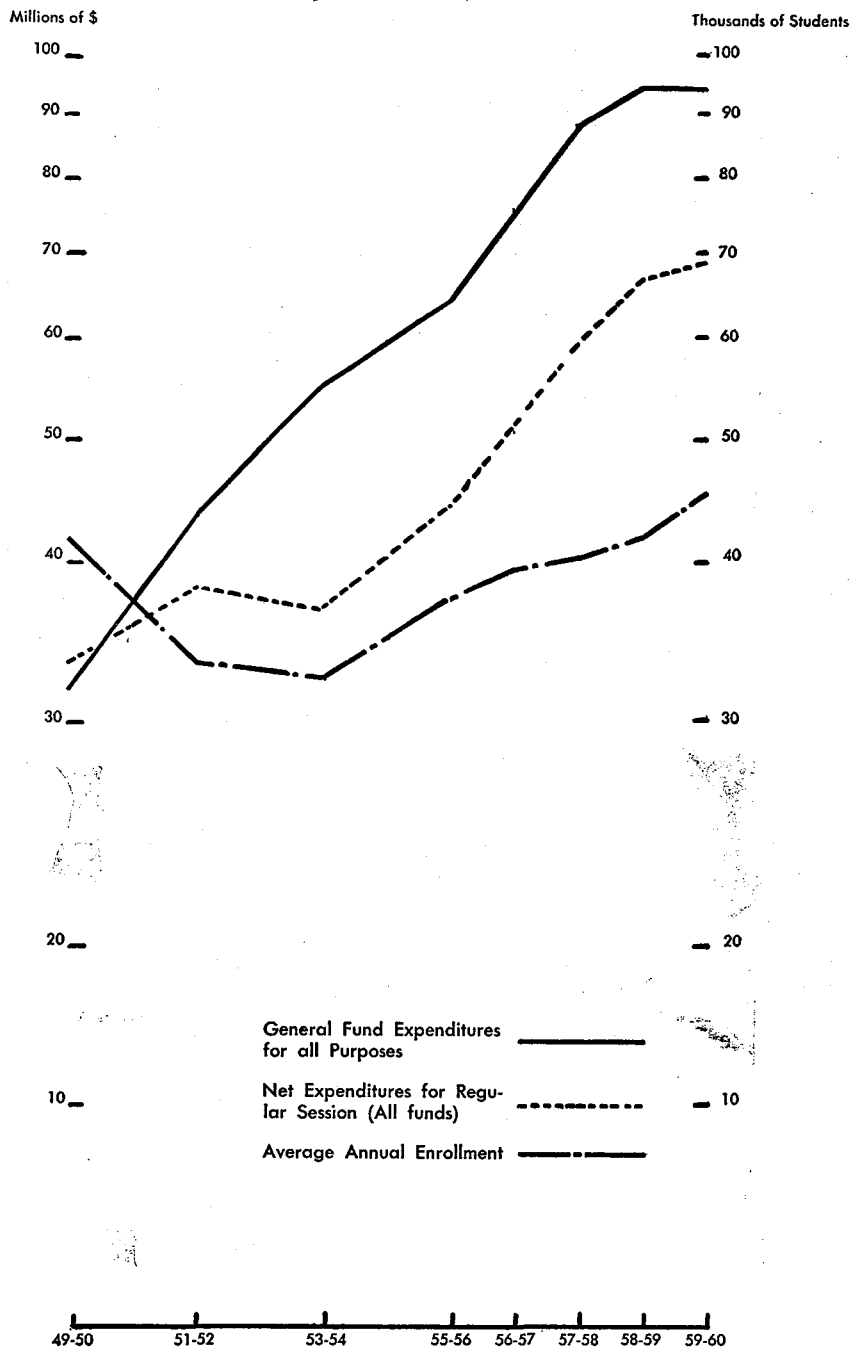
Enrollment and the Relationship Between the General Fund and
University Funds

The number of students at the University of California has been increasing since 1953-54 but the present budget year, 1959-60, is the first year that enrollment has surpassed the 1948-49 and 1949-50 peak. This is shown in Chart I on the following page. This logarithmic chart also shows that the rate of increase of General Fund expenditures has increased 197 percent during this period although enrollment has actually increased only eight percent from the 1949-50 level. Approximately 50 percent of the increased cost of expenditures is attributable to price increases as estimated by the Department of Finance's price index for state operations for the University of California. A small percent of the increased cost of expenditures is attributable to the increasing proportion of upper division and graduate students who cost more to educate than lower division students. The balance of the increased cost of expenditures is attributable to a richer program at the university.

Chart I also shows that net expenditures for regular session students is increasing at a less accelerated rate than General Fund expenditures for all purposes. In 1949-50, the General Fund was used entirely for regular session purposes and some university funds were required to be used for the regular sessions. Since that time, the General Fund has covered not only net expenditures for regular session,

University of California—Continued

Chart I—University of California, 1949-50 Through 1959-60



University of California—Continued

but is contributing to an increasing proportion of noninstructional activities. We submit that this is evidence that the General Fund is bearing more of the costs of the university than it should.

Another method of presenting this factor is given in Chart II. This chart shows that although the General Fund contributed 50 percent of total university support expenditures in 1946-47, in 1958-59 it contributed 72 percent of the support. The General Fund contribution has dropped to 66 percent in 1959-60 largely as a result of budgetary savings being designated as coming from university funds in 1959-60. In the past university funds have been treated as a base level of expenditures and the General Fund has picked up all requirements above this base. When university funds were decreased, the General Fund contribution was increased to maintain the same level of service. For example, since student fees are considered as university funds and enrollment was in a valley from 1951 through 1955, General Fund contributions were as high as 78 percent of total university expenditures for this period as shown in Chart II.

We recommend that every effort be made to reduce the General Fund contribution to approximately the 50 percent level of 1946-48.

ANALYSIS

Summary of Reductions

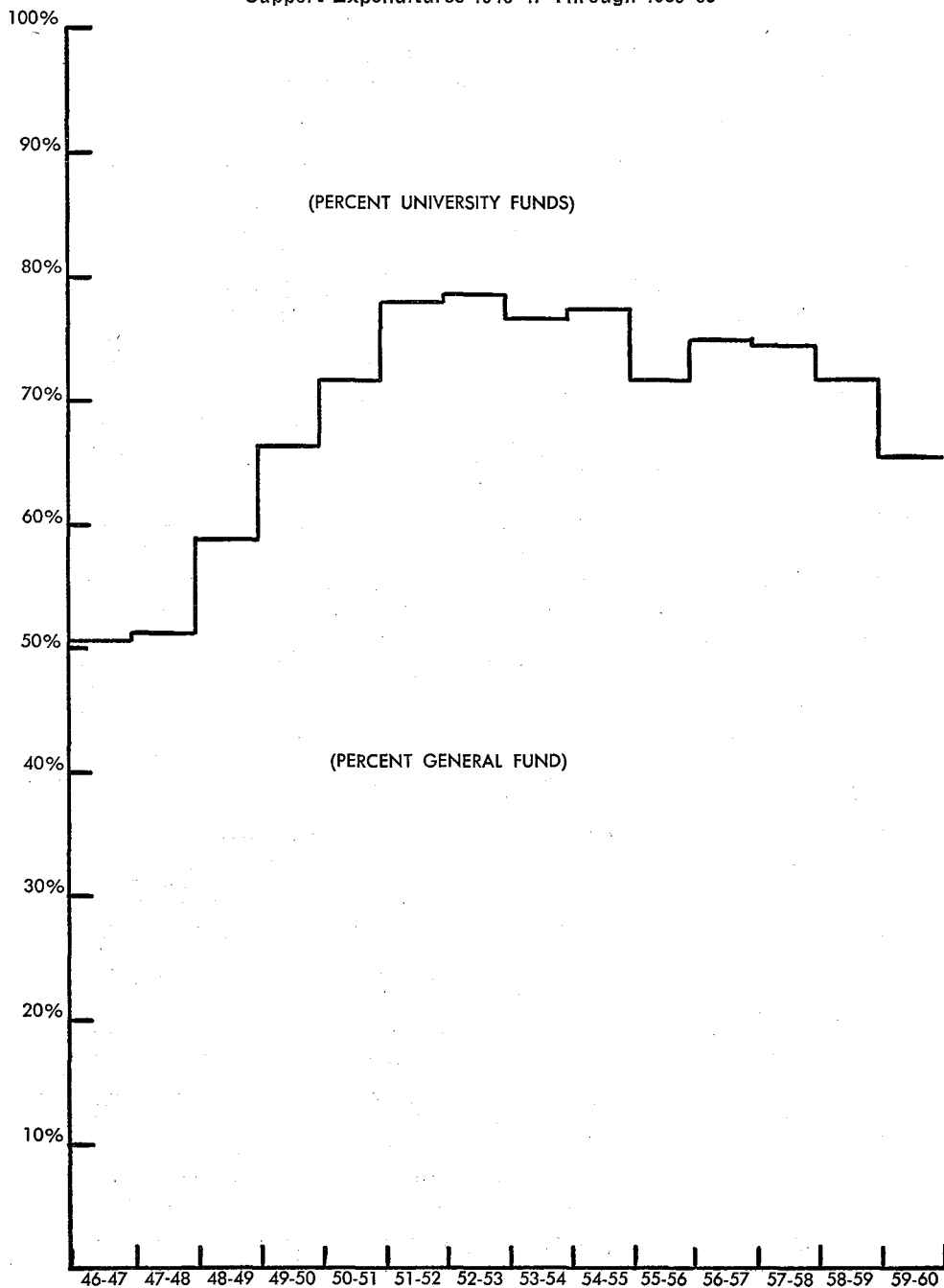
	Amount	Budget	
		Page	Line
Provision for contingencies-----	\$597,000	241	15
Increase student fee reimbursements—resident tuition-----	6,754,050	251	37
Provision for removal expenses—Department of Instruction and Research-----	130,000	241	38
Provision for special items—contingent fund—general administration -----	46,500	241	31
Total -----	\$7,527,550		

The University of California is requesting General Fund support in the amount of \$88,664,652, a decrease of \$901,096, or 1.0 percent, from the 1958-59 level.

The total proposed budget of the university for 1959-60 is \$143,761,378, an increase of 9.1 percent over the preceding year. The reason for the decrease in the General Fund support and the increase in the total university funds is that university funds include \$2,000,000 estimated budgetary savings and the General Fund reflects an anticipated budgetary savings of \$2,725,000 in 1959-60. An explanation of the changes in funding is in the following section entitled "Disposition of General Fund Moneys Not Expended."

University of California—Continued

Chart II—University of California
Percent General Fund Support Expenditures to Total University
Support Expenditures 1946-47 Through 1959-60



University of California—Continued

The source of funds for support and the percent of distribution is shown in Table III as follows:

Table III—University of California
Distribution of Fund Support, 1959-60

<i>Fund</i>	<i>Amount</i>	<i>Percent distribution</i>
State funds		
General Fund	\$94,269,652	65.6
Investment Fund	334,900	.2
Accounting Fund	40,000	—
Real Estate Education and Research Fund	255,000	.2
Fair and Exposition Fund	139,371	.1
Total state funds	\$95,038,923	66.1
University funds	48,722,455	33.9
Total all funds	\$143,761,378	100.0

The breakdown of total expenditures for support by campus appears in Table IV. This table reflects the growth of the two small campuses, Riverside and Santa Barbara, 18.8 percent increase and 20.3 percent increase, respectively, and the uniform growth of the remaining campuses.

Table V shows university expenditures by function. Expenditures for the departments of instruction and research account for 43.8 percent of total expenditures. Miscellaneous provisions showed a large percentage increase of 131.7 percent largely as a result of the granting of promotions and merit increases within established salary scales.

The budget is presented as a continuation of the existing level of service. One exception is the request for \$28,224 in the radio astronomy laboratory as the university's portion for operation and maintenance of a \$368,000 radio telescope financed by the Office of Naval Research. This radio telescope is for work in a relatively new field of discovery beyond the limits of visual observation.

Table IV—Total Expenditures for Support by Campus

	<i>1958-59</i>	<i>1959-60</i>	<i>Percent distribution</i>	<i>Increase 1958-59 to 1959-60</i>	<i>Percent increase</i>
Statewide	\$23,595,615	\$25,901,387	18.7	\$2,305,772	9.8
Berkeley	33,987,027	36,619,134	26.5	2,632,107	7.7
Davis	11,669,255	12,234,115	8.9	564,860	4.8
La Jolla	1,943,646	2,130,271	1.5	186,625	9.6
Los Angeles:					
General Campus	21,365,639	23,227,747	16.8	1,862,108	8.7
Medical Center	9,200,939	9,537,312	6.9	336,373	3.7
Totals, Los Angeles	\$30,566,578	\$32,765,059	23.7	\$2,198,481	7.2
Mount Hamilton	328,889	361,890	.3	33,001	10.0
Riverside	5,043,644	5,992,763	4.4	949,119	18.8
San Francisco Medical Center	15,338,048	17,042,608	12.3	1,704,560	11.1
Santa Barbara	4,248,672	5,109,151	3.7	860,479	20.3
Totals	\$126,721,374	\$138,156,378	100.0	\$11,435,004	9.4

University of California—Continued

Table V—University Expenditures by Function

	1958-59	1959-60	Percent distri- bution	Increase 1958-59 to 1959-60	Percent increase
Educational and General					
General administration	\$5,202,387	\$5,553,852	4.2	\$351,465	6.8
Student services	5,478,595	5,754,823	4.4	276,228	5.0
Staff benefits	2,864,580	3,152,830	2.4	288,250	10.1
General institutional services and expense	2,132,361	2,252,535	1.7	120,174	5.6
Maintenance and opera- tion of plant	8,302,290	8,856,982	6.7	554,692	6.7
Department of instruc- tion and research	55,522,510	57,539,605	43.8	2,017,095	3.6
Summer sessions	1,171,200	1,301,862	1.0	130,662	11.2
Organized research	8,312,672	8,706,181	6.6	393,509	4.7
Extension and public service	12,264,513	13,301,800	10.1	1,037,287	8.5
Libraries	5,269,900	5,600,236	4.3	330,336	6.3
Organized activities— educational depart- ments	15,403,209	17,208,766	13.1	1,805,557	11.7
Miscellaneous provisions	924,568	2,142,385	1.7	1,217,817	131.7
Totals, Educational and General	\$122,848,785	\$131,371,857	100.0	\$8,523,072	6.9
Auxiliary and service enterprises	5,092,357	8,729,273		3,636,916	
Student aid	780,232	780,248		16	
Estimated budgetary savings	-2,000,000	-2,725,000		-725,000	
Contributions to State Employees' Retirement Fund	5,080,000	5,605,000		525,000	
Total expenditures	\$131,801,374	\$143,761,378		\$11,960,004	

Disposition of General Fund Moneys Not Expended

The General Fund moneys not expended each year, which are identified as savings, or the amount by which appropriations and income exceed expenditures, are applied to specific purposes or are carried forward each year to fund subsequent budgets. These amounts for the past several year have been:

1952-53	\$2,490,446
1953-54	2,777,880
1954-55	2,841,214
1955-56	2,232,603
1956-57	2,818,387
1957-58	2,843,674

This year, the university initially budgeted only \$724,765¹ anticipated savings from the 1958-59 Budget to be assigned for financing the

¹ This \$724,765 is a nonrecurring item resulting from incidental fees collected above items to be covered by the fees. This increase was anticipated for 1958-59 when the fee was raised \$10 (from \$50 to \$60 per semester effective for the fall of 1958). Increased fees are expected to meet increased expenditures chargeable against the incidental fees in 1959-60. The policy of the regents was directed toward increasing the fee to an amount which would be sufficient for several years rather than to increase it in several smaller increments.

University of California—Continued

1959-60 Budget and showed no savings for the 1959-60 Budget. The Department of Finance believed that these estimates of no savings were unrealistic and has included in the 1958-59 Budget estimated savings of an additional two million dollars. This reduction is applied to "university funds" decreasing them from \$38,430,917 to \$36,430,917 and thereby releasing the two million dollars for financing the 1959-60 Budget. This in turn increases the share from university funds for 1959-60 by two million dollars (from \$46,722,455 to \$48,722,455). Also included in the 1959-60 Budget is an anticipated reduction in expenditures of another \$2,725,000 (two million dollars from budgetary savings and \$725,000 from the increased incidental fee). This has the effect of reducing the General Fund participation for 1959-60 by \$2,725,000 (from \$96,994,652 to \$94,269,652). The General Fund budgeted expenditure figure of \$94,269,652 for 1959-60 is a net figure after deduction of: (1) \$1,178,000 to be derived from increased University Extension fees on the basis that the total extension program cost will be put on a fully self-supporting basis, and (2) \$550,000 to be derived from increased nonresident fees on the basis that the nonresident fee will be increased from \$400 to \$500, and (3) \$103,052 reduction from provisions for contingencies.

We are in agreement with the budget revisions which increases the support of the university from fee increases. However, we believe that future fee adjustments should be made in direct relation to the cost of regular session instructional expenditures as described on page 281 of this analysis which deals with the entire fee problem of both the university and the state colleges.

We also agree with anticipating a budgetary savings level of \$2,725,000, which has been accomplished for the past several years as shown in the above table. However, it appears that in future years, it will be essential to establish tighter budgeting practices in the first instance, as the category of budgetary savings will tend to be absorbed and a new baseline for expenditures established.

We do not criticize the handling of these funds in the past nor the particular uses made of the specific assignments of balances, but we believe it is pertinent to show how these funds were used. For example, we have traced the use of the General Fund balance for 1957-58 which was \$2,843,674 as shown in the table above. This amount was assigned in the following manner: A total of \$768,600 was assigned for specific purposes in 1958-59, \$500,000 was assigned for financing the 1958-59 Budget, and \$1,575,074 was assigned for financing the 1959-60 Budget.

The \$768,600 assigned for specific purposes for use in 1958-59 from 1957-58 savings are itemized as follows:

University of California—Continued

Repair flood damage to Strawberry Canyon Road and International House	\$53,600
Provision for administrative reorganization	40,000
Provision for price increase	200,000
Provision for special academic merit increase—upper ranks, effective July 1, 1958	375,000
Preparation of Administrative Manual	50,000
Reimburse regents provision for contingencies for appropriations authorized by the regents April 18, 1958, to cover expenses in connection with inauguration of President Kerr and retirement of President Sproul	50,000
	<hr/>
	\$768,600

It is our belief that when there is surplus money in a budget, there is a tendency to find uses for it before showing it as a surplus. This is true at departmental levels and at all administrative levels at each campus. An emphasis is put on the amounts granted since they serve as the base for the following year's budget requests and there is a tendency to overstate these amounts to be on the safe side. The budget itself states that this addition is "... based on the premise that this budget was prepared on the same basis as previous budgets and such savings will undoubtedly accrue." The answer to this is of course more exact budget standards against which performances can be judged.

Provision for Contingencies

We recommend a reduction in provision for contingencies in the amount of \$597,000.

The university has an account entitled provision for contingencies. In 1957-58, the same year we used for tracing the disposition of the balances in the section above, a total of \$987,378 was budgeted for this purpose. A breakdown of this amount follows:

Regents	\$343,910
President	225,000
Vice President—Agricultural Sciences	82,000
Vice President—Business Affairs	42,000
Chancellor	
Berkeley	101,000
Davis	9,300
Los Angeles	85,000
Riverside	6,000
Santa Barbara	10,500
Provost—San Francisco	24,900
Controller	8,900
Director—La Jolla	5,750
Summer sessions	43,118
	<hr/>
Total	\$987,378

In order to determine the type of allocations made against these provisions for contingencies, we include a list of all the amounts which were \$15,000 or more in 1957-58:

Regents' Provision for Contingencies

General Administration	
Architects and Engineers	\$28,000
To accelerate the university building program by augmenting provision for general professional services	

University of California—Continued

General Institutional Services and Expense

Administrative Organization Survey	75,000
To provide for administrative organizational survey of the university	

Instruction and Research

Provision for Removal Expense	40,000
To meet increased level of expenditures experienced during 1957-58	

Libraries

Libraries, university-wide basis	104,000
To appropriate funds to be used to purchase a 60,000 volume library of C. K. Ogden, England	

Miscellaneous Provisions

Miscellaneous provisions, Los Angeles special items	18,500
To appropriate funds for support of a summer program (1958) for the training of high school science teachers, Los Angeles campus	

President's Provision for Contingencies

Instruction and Research

Anthropology, Los Angeles	18,612
To provide one associate professor and two assistant professors in 1957-58 to meet unforeseen enrollment increases	

Miscellaneous provisions

Nonacademic periodic pay increases	15,080
To augment the appropriation of \$100,000 provided for the special merit increase program for nonacademic employees	

The balance of the account, more than \$700,000, is composed of allocations of less than \$15,000 each. The greatest single category of expenditures from this account, \$138,370 for Instruction and Research, is for adding individual faculty positions for unanticipated increased student enrollment in specific departments. There are no offsetting decreases shown for other departments where unanticipated decreases in student enrollment materialized. It should be noted that immediate decreases in the number of faculty often cannot be effected because of advanced contract agreements with the new faculty. Also, it should be noted that a complete review is given to the staffing increases in preparation for the ensuing budget which tends to correct this condition in the following year. However, it appears that some offsetting amounts should appear within the contingency provisions. This is particularly true since enrollments have been overestimated in the preparation of the past three budgets. The effect of this factor is shown in the difference between the budget ratios, in parenthesis, and the adjusted ratios in the following table.

Student-Teaching Staff¹ Ratios—Years 1955-56 to 1959-60

		<i>Berkeley</i>	<i>Los Angeles</i>	<i>Santa Barbara</i>	<i>Davis</i> ²	<i>Riverside</i>
1955-56	Actual	12.76	15.69	12.77	11.62	7.93
1956-57	Actual	12.47	15.33	12.13	12.11	7.37
1957-58	Actual	12.22	14.02	12.65	11.60	8.18
	Budget	(12.31)	(15.13)	(13.18)	(11.85)	(7.14)
1958-59	Adjusted	11.92	13.76	13.09	10.82	9.15
	Budget	(12.22)	(14.08)	(13.11)	(11.70)	(8.27)
1959-60	Budget	11.78	13.47	13.00	11.72	11.28

¹ Includes professors, instructors and lecturers (including equivalent acting and visiting titles), associates, assistants, physical education supervisors and teaching assistants in departments of instruction and research.

² Research personnel in the Experiment Station at Davis who also teach classes are included at 30 percent of full time.

University of California—Continued

In this instance also, we do not criticize the handling of these funds but we believe that this is another example of over-appropriation. The 1959-60 budget contains \$1,000,000 for Provisions for Contingencies; the 1958-59 budget was \$1,016,292, and as traced above, the 1957-58 budget was \$987,378. We believe a comparison should be made with the reserve for contingencies for the entire state operations budget.

The General Fund support in 1959-60 for all state operations, exclusive of bond interest and redemption and the University of California is approximately \$364 million. An "emergency fund" or Reserve for Contingencies for these General Fund operations has been established. In 1959-60, it is \$1,000,000 or approximately 0.28 percent of these General Fund expenditures.

The University of California is proposing a total spending program of approximately \$144 million. For this program, they have requested a Reserve for Contingencies of \$1,000,000 or 0.69 percent of their total expenditures.

We do not feel that there is any justification for providing proportionately more reserve funds for university operations than for other state operations. If the total emergency fund for state operations were the same percentage of total expenditures as the university's reserve account, the provision for state contingencies would be approximately \$2.5 million. Since this is not the case, we recommend that the University be provided with a Reserve for Contingencies of approximately the same relative size as is provided for total General Fund operations.

We therefore recommend that the University of California be provided with a Reserve for Contingencies equal to approximately 0.28 percent of their total operating budget. For 1959-60, this would equal approximately \$403,000. *We therefore recommend a reduction in the University of California's Provisions for Contingencies account and their budget of \$597,000.*

Student Fees

In accordance with the recommendations concerning tuition fees, incidental fees and nonresident fees covered in pages 281 through 292 of this analysis, we recommend that the university students pay fees commensurate with the level of services they are receiving.

The full student support of the noninstructional services covered by the incidental fee, currently \$120 per year, should be continued but with clarification of the method used in determining the laboratory costs to insure that the fee covers the current cost of all these services.

The increase in the 1959-60 budget for nonresidential fees from \$400 to \$500 per year makes this fee equal to approximately one-third of the regular session support cost and we support this increase. However, we believe the statutes should be changed so that the \$500 nonresident fee in the Education Code is expressed as a minimum rather than a maximum so that the regents may continue to follow this policy.

If the policy is followed which would make it necessary for the students to pay approximately 10 percent of the regular session instructional costs, a tuition fee of \$150 per year will be required. The com-

University of California—Continued

bined tuition and incidental fee would be \$270 per year (\$620 for out-of-state students).

We recommend that \$6,754,050 be deducted from the budget of the University of California, and that this amount be made up from the establishment of a tuition fee of approximately 10 percent of the instructional costs of regular session, currently \$150 per year.

Provision for Removal Expenses

The university is requesting \$130,000 to provide for one-half the cost of moving household goods of new staff members who are hired. The \$130,000 represents a \$40,000 increase from 1958-59. Also, there was a contingency item of \$40,000 in 1957-58 to meet the increased level of expenditures which were experienced for that purpose in that year.

The university looks upon this as partial compensation of new staff members and as an aid in recruitment. Money for this purpose was requested by the state colleges in the 1958-59 budget and was disapproved by the Legislature due to the lack of evidence that the expense of moving is a factor in the hiring of qualified faculty members. It was requested by the state colleges again this year but was not included in the 1959-60 budget as no additional justification had been presented.

As a matter of consistency, we believe that the amount used for this purpose at the university should be disallowed until such time as the real need for this expenditure is determined and a co-ordinated program is presented which will treat the state colleges and the university in a similar manner.

We therefore recommend that \$130,000 be deleted from the budget of the university for the item of provision for removal expenses.

Provision for Special Items—Contingent Fund

At each campus under general administration, there appears an account entitled Special Items—Contingent Fund. The total 1959-60 request of all the campuses under this account is \$46,500, a decrease from the 1958-59 figure of \$50,620. This item provides for contingent funds which are used by the chief administrators for the type of expenditure similar to the requested Presidents' Community Relations Fund at the state colleges. We have recommended the deletion of this fund at the state colleges on the grounds that it is a new level of service, that there are not adequate rules for determining the amounts and administration of this money, and that outside funds should be used for this purpose.

At the university this is not a new level of service and we cannot state that this money is not adequately administered. However, we believe that this type of expenditure can be handled from university funds. Also, as a matter of consistency, we believe that the amount used for this purpose at the university should be disallowed until such a time as a co-ordinated program for determining the proper level and administration of this expenditure is presented which will treat the state colleges and the university in a similar manner.

We therefore recommend that \$46,500 be deleted from the budget of the university for Special Items—Contingent Fund.

UNIVERSITY OF CALIFORNIA

ITEM 104 of the Budget Bill

Budget page 250

FOR SUPPORT OF RESEARCH IN THE CONVERSION OF SEA WATER TO FRESH WATER FROM THE INVESTMENT FUND

Amount requested	\$334,900
Estimated to be expended in 1958-59 Fiscal Year	334,900

Increase	None
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TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

The budget request for 1959-60 is for \$334,900, the same level as contained in the 1958-59 Budget. This request to be financed from the Investment Fund, is to continue research in the conversion of sea water to fresh water. The above amount was added to the Budget Act for 1958 as Item No. 105.5 and it is proposed that the same level of expenditure be continued this year.

This work relates largely to research in the various methods of converting sea water. The work is co-ordinated with that of the Department of Water Resources and that of the U. S. Department of Interior. For a discussion of the relationship of this project to the entire water problem, see the section of this analysis on the Department of Water Resources—Capital Outlay.

We recommend approval of this item.

UNIVERSITY OF CALIFORNIA

ITEM 105 of the Budget Bill

Budget page 250

FOR SUPPORT OF RESEARCH IN THE FIELD OF PUBLIC ACCOUNTING FROM THE ACCOUNTANCY FUND

Amount requested	\$40,000
Estimated to be expended in 1958-59 Fiscal Year	32,088

Increase (24.7 percent)	\$7,912
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TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

The budget requested is for \$40,000, an increase of \$7,912 or 24.7 percent over the previous year. Support for this item is from the Accountancy Fund for continuation of the research study of accounting practices, curricula and professional standards.

The 1955-56 budget appropriated \$90,000 for this work for the accounting profession. Actual expenditures were \$10,497 for 1956-57, \$25,327 for 1957-58, and \$32,088 for 1958-59 which left a balance of \$22,088. The advisory committee of the accounting profession wishes to continue this work at the university, hence the \$40,000 requested appropriation. The full amount of this appropriation is made from the fees collected by the Board of Accountancy.

For further discussion of this program, see the section of this analysis concerning the Board of Accountancy, Department of Professional and Vocational Standards.

We recommend approval of this item.

UNIVERSITY OF CALIFORNIA

ITEM 106 of the Budget Bill

Budget page 250

FOR SUPPORT OF RESEARCH IN SPOTTED ALFALFA APHID
CONTROL FROM THE FAIR AND EXPOSITION FUND

Amount requested -----	\$53,792
Estimated to be expended in 1958-59 Fiscal Year -----	53,792

Increase -----	None
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TOTAL RECOMMENDED REDUCTION -----	None
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GENERAL SUMMARY

The alfalfa aphid was one of the potentially most destructive crop insect scourges that has descended on California. In the short span of four years, a co-operative effort by University entomologists in Northern and Southern California has produced a successful integrated control program for the spotted alfalfa aphid. This program utilizes both chemical and biological methods of control and was widely employed by farmers during the 1958 growing season. Consequently, the estimated cost of control and damage caused by the spotted alfalfa aphid was reduced from over thirteen million dollars a year to less than five million dollars. The spotted alfalfa aphid no longer threatens to destroy the alfalfa industry of California.

ANALYSIS

The University of California is requesting an appropriation of \$53,792 from the Fair and Exposition Fund for research in spotted alfalfa aphid control. This is the same amount as requested last year.

This program has been financed practically exclusively from the Fair and Exposition Fund since 1956-57. During this period, from 1956-57 through 1958-59, a total of \$165,488 has been spent on this research.

The following justification is given to show the need for additional research in this field:

1. Investigation of the population dynamics of alfalfa aphids should be continued so that predictions of population trends and outbreaks may be made.

2. The impact of insecticidal treatments should be explored intensively so that we may better understand man's influence on the "balance of nature" and how we may manipulate it to our advantage.

3. The development of varieties of alfalfa which are locally adapted and resistant to the attacks of the spotted alfalfa aphid should be continued.

4. Investigations of cultural practices favorable to survival of the aphid's natural enemies should be determined.

We recommend approval of this item.

UNIVERSITY OF CALIFORNIA

ITEM 107 of the Budget Bill

Budget page 250

FOR SUPPORT OF RESEARCH IN KHAPRA BEETLE CONTROL
FROM THE FAIR AND EXPOSITION FUND

Amount requested	\$43,812
Estimated to be expended in 1958-59 Fiscal Year	43,812

Increase	None
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TOTAL RECOMMENDED REDUCTION	None
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GENERAL SUMMARY

Since this very serious pest of stored products was found in California in 1953, a thorough investigation has been conducted upon the biological control method.

The complete biology of the Khapra Beetle has been determined under a wide variety of environmental conditions. These studies indicate that the insect may become a serious pest in many portions of the United States. Several hundred foods were tested to determine the degree of damage caused under various conditions. The effect of this insect on its environment, such as increasing the temperature and moisture content of stored products, with the possibility of initiating spoilage in grain, has been determined. Fumigation studies involving many kinds of gases have been evaluated.

ANALYSIS

The University of California is requesting an appropriation of \$43,812 from the Fair and Exposition Fund for research in Khapra Beetle control. This is the same amount as requested last year.

This program is being financed exclusively from the Fair and Exposition Fund in 1958-59 and 1959-60, although in 1956-57 approximately 35 percent was financed from this fund and 65 percent was financed from university funds. During the period from 1955-56 through 1958-59, a total of \$173,167 has been spent on this research.

The justification given to show the need for additional research in this field is that studies are in progress which involve research and testing of new fumigants, contact insecticides, attractants and repellants, and improved methods of application to determine their effectiveness in the eradication and/or control of the Khapra Beetle.

We recommend approval of this item.

UNIVERSITY OF CALIFORNIA

ITEM 108 of the Budget Bill

Budget page 250

FOR SUPPORT OF FRUIT FLY INVESTIGATIONS FROM
THE FAIR AND EXPOSITION FUND

Amount requested	\$41,767
Estimated to be expended in 1958-59 Fiscal Year	41,767

Increase	None
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TOTAL RECOMMENDED REDUCTION	None
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GENERAL SUMMARY

With the establishment of the Oriental fruit fly in the Hawaiian Islands, a serious potential threat to California agriculture was appar-

University of California—Continued

ent if it should be accidentally introduced into this State. From July, 1949, to July, 1955, emphasis was placed on the effectiveness of the available methods of sterilizing California's fresh fruits and vegetables against eggs and larvae of fruit fly, and to determine new and improved methods of sterilization.

Investigations on the Mexican and Mediterranean fruit flies were included in this project with the finding of the Mexican fruit fly in San Diego County near the Mexican border and its annual occurrence in the citrus areas of Texas. The Mediterranean fruit fly was established in Florida in 1957. These fruit flies are potentially as serious to California agriculture as the Oriental fruit fly. The title and scope of the project therefore was expanded from "Oriental" to "fruit fly" investigations.

ANALYSIS

The University of California is requesting an appropriation of \$41,767 from the Fair and Exposition Fund for fruit fly investigations. This is the same amount as requested last year.

This program was originally (1949-50) financed from the Fair and Exposition Fund. From 1950-51 through 1956-57 the program was financed from University funds. In 1957-58 the support shifted back to state funds. During this period, from 1949-50 through 1958-59, a total of \$609,877 has been spent on these investigations.

The justification given to show the need for additional research in this field is that the fumigation method devised for citrus fruit is not satisfactory for avocados. Therefore it is considered necessary to continue these studies in order to find a method suitable for sterilizing avocados against fruit flies.

We recommend approval of this item.

REAL ESTATE EDUCATION AND RESEARCH

ITEM 109 of the Budget Bill

Budget pages 250 and 507

FOR SUPPORT OF EDUCATION AND RESEARCH NEEDS OF THE REAL ESTATE INDUSTRY IN CALIFORNIA FROM THE REAL ESTATE EDUCATION AND RESEARCH FUND

Amount requested	\$396,770
Estimated to be expended in 1958-59 Fiscal Year.....	359,833
Increase (10.3 percent)	\$36,937

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

Section 10450.6 was added to the Business and Professions Code in 1956 and provided for the creation of the Real Estate Education and Research Fund, in which is to be deposited one-fourth of the amount of license fees collected by the Division of Real Estate.

Section 10451.5 was added at the same time to provide that money in the fund is available for appropriation by the Legislature " * * * to be used by the commissioner in carrying out the provisions of * * *" the

Real Estate Education and Research—Continued

Real Estate Law (Sections 10000 to 10602 of the Business and Professions Code) and Sections 11000 to 11021 of the Business and Professions Code relating to subdivided lands “* * * in the advancement of education and research in real estate at the University of California, state colleges and junior colleges.”

A summary of the Real Estate Education and Research Fund is as follows:

	<i>Actual</i> 1956-57	<i>Actual</i> 1957-58	<i>Estimated</i> 1958-59	<i>Estimated</i> 1959-60	<i>Total</i> 1956-60
Beginning surplus ---	----	\$644,841	\$945,765	\$1,011,860	----
Revenues:					
License fees -----	\$644,841	321,815	417,928	438,824	\$1,823,408
Interest -----	-----	7,205	8,000	9,000	24,205
Total Revenues	\$644,841	\$329,020	\$425,928	\$447,824	\$1,847,613
Expenditures:					
Division of Real Estate -----	-----	-----	\$141,483	\$141,770	\$283,253
University of California -----	-----	\$28,096	218,350	255,000	501,446
Total Expenditures -----	-----	\$28,096	\$359,833	\$396,770	\$784,699
Ending surplus -----	\$644,841	\$945,765	\$1,011,860	\$1,062,914	\$1,062,914

This request for \$396,770 is to be allocated by the Department of Finance in amounts as it finds necessary to the University of California and to the Division of Real Estate, Department of Investment.

In 1959-60 a total of \$255,000 is budgeted to be allocated to the University of California and a total of \$141,770 is budgeted for allocation to the Division of Real Estate to be used for such educational purposes as it determines to be necessary.

The objective of the program is to develop and pursue a statewide plan for education and research in the field of real estate on the university, state college and junior college levels. The program aims at overall encouragement of the real estate industry of the State and at raising its standards. The commissioner is to administer the program with the advice and counsel of an advisory committee composed of seven members including the commissioner.

To co-ordinate the program with and between the respective institutions, the division has a deputy who acts as a co-ordinator to carry out the policies announced by the commissioner. The principal duties appear to be the preparation of the annual budget for the program, develop and recommend policies for consideration of the Real Estate Commission, develop procedures for improving the dissemination of research results to the real estate industry through educational offerings, conduct a continuing study of real estate education and research needs in California, and preparation of teaching material and aids to the participating educational institutes.

Funds will be allocated to the University of California by the Department of Finance to carry on its program as has been the policy

Real Estate Education and Research—Continued

for several years with direct appropriations from the Real Estate Fund. Funds which are allocated for the state and junior colleges are administered by the commissioner on a service contract basis. It is our understanding that the program is being formulated and that funds requested at the state and junior college levels are to be used for planning, research, travel expenses of faculty members and for fellowships.

In addition to the co-ordinator and a clerk, there is another deputy position and clerk to handle the preparation of information for dissemination purposes.

The extent to which this program may expand is not definitely known. Courses in real estate and related subjects are presently offered at many of the educational institutions of the State, although many are limited in scope and purpose, and just how many at the state and junior college levels may wish to participate in the program will govern in some degree the total amount of money which may be required to meet the demands.

Although the real estate education program would be designed to benefit the real estate industry, there would appear to be a question of higher education policy involving the extent to which a state licensing agency can, or should, undertake to design and to administer the teaching phases of an educational program of this kind, beyond allocating funds for this purpose, and the determination of broad guidelines as to objectives.

If the agency is to continue this program, an appropriation for its support would be required; however, inasmuch as the program is still in its formative stage, we are without sufficient experience and relative data to evaluate the operation at this time.

**University of California
HASTINGS COLLEGE OF LAW**

ITEM 110 of the Budget Bill

Budget page 252

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

Amount requested	\$292,802
Estimated to be expended in 1958-59 Fiscal Year	271,892
 Increase (7.7 percent)	 \$20,910

TOTAL RECOMMENDED REDUCTION	None
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GENERAL SUMMARY

The Hastings College of Law was founded in 1878 by S. E. Hastings with a grant of \$100,000 to the State of California through the Regents of the University of California. In the original agreement, it was stated that the State of California had to pay the sum of 7 percent interest on the grant or repay the \$100,000 in full to a Hastings heir. The college was able to finance its operations through student fees and through surpluses built up in the immediate postwar period because veteran students were required to pay on the basis of nonresident students. However, in the last few years, the surplus decreased and the

Hastings College of Law—Continued

State General Fund has appropriated additional moneys for the maintenance and operation of the plant.

Since 1954, the Legislature has appropriated \$49,000 annually to the support of Hastings College of Law. An amount of \$42,000 has been appropriated to cover the cost of operating and maintaining the college building and \$7,000 has been appropriated to meet the original agreement with the founder to pay the 7 percent on the grant of \$100,000. In 1958-59, the entire support of the college was assumed by the State in the amount of \$271,892.

ANALYSIS

The 1959-60 budget request is \$292,802, or 7.7 percent more than was expended last year. This increase is largely the result of an anticipated enrollment increase of 30 students, an expenditure of \$3,000 in library expense to purchase revised editions of some of the codes, and a provision for \$21,751 for a 5 percent salary adjustment. There is no merit salary adjustment procedure at the college and this increase is in line with general state policy.

Although the Hastings College of Law is a part of the University of California, it has its own governing board, which sets the level of student fees.

Until the 1952-53 academic year, Hastings charged a higher student fee than did the university in its Berkeley and Los Angeles law schools. However, public criticism of this differential in fee charges and the loss of some San Francisco residents to the school of law at Berkeley forced the Hastings governing board to reduce their fee from \$75 a semester to the \$37 a semester incidental fee which was being charged in the other branches of the university. Since that time increases in the university's incidental fee have been accompanied by similar increases in the fee charge at Hastings. The present fee charge is at the same level as the University of California, with the exception that Hastings students contract for their medical service separately.

It is our belief that the present law school fees at Hastings and the other university law schools are unrealistic and should be increased. For a discussion of the entire problem of student fees see page 281.

We recommend approval of the budget as submitted.

109	
BOARD OF CONTROL	
ITEM 111 of the Budget Bill	Budget page 254
FOR SUPPORT OF THE BOARD OF CONTROL FROM THE GENERAL FUND	
Amount requested -----	\$14,023
Estimated to be expended in 1958-59 Fiscal Year -----	13,557
	<hr/>
Increase (3.4 percent) -----	\$466
TOTAL RECOMMENDED REDUCTION -----	None
GENERAL SUMMARY	

In accordance with provisions of the Government Code, the board is composed of the State Controller, the Director of Finance, both acting