

General Summary

Education

Ventura School for Girls—Continued

activities. We can find no basis for them not to continue their present functions.

We recommend disapproval of this position request, reducing salaries and wages in the amount of \$7,428.

Our analysis and recommendations pertaining to program augmentations that may be related to this facility including operating expenses and equipment are discussed in a preceding portion of this analysis.

EDUCATION

SUMMARY OF STATE EXPENDITURES FOR EDUCATION

In 1964-65, as in the past several years, state expenditures for education will continue to assume the largest and an increased share of the state budget dollar. Budget summaries indicate that in the budget year more than \$1.3 billion will be expended by the State of California from the General Fund for all functions of public education; this amount exceeds \$0.60 of every General Fund dollar estimated to be expended during the year. Included within this category of expenditures are support for the University and the state college system, support for the public schools through the State School Fund, debt service on public school bonds and capital outlay for the University, the state colleges and the state-operated special schools for handicapped children. Table I, shown below, indicates the amounts spent for the past year, as well as the estimated amounts for the current year and the proposed sums for 1964-65, for public education from the General Fund and from bond funds. During the budget year it is estimated that total state expenditures for education will increase by a total of \$103,931,000 over 1963-64.

Table I. State Expenditures for Education
(In Thousands)

	1962-63	1963-64	1964-65	Change from 1963-64	
	actual	estimated	proposed	Amount	Percent
STATE OPERATIONS:					
Department of Education	\$7,650	\$8,827	\$8,904	\$77	0.9
Special schools	5,172	5,393	5,526	133	2.5
University of California	147,623	154,408	171,497	17,089	11.1
California State Colleges ¹	90,026	103,265	118,554	15,289	14.8
Other ²	3,330	4,163	5,521	1,358	32.6
Totals, State Operations	\$253,801	\$276,056	\$310,002	\$33,946	12.3
CAPITAL OUTLAY:					
University of California					
General Fund	\$3,583	\$1,949	\$1,996	\$47	2.4
Bond funds	55,174	69,021	61,678	-7,343	-10.6
State Colleges					
General Fund	3,206	2,511	1,029	-1,482	-59.0
Bond fund	32,184	79,917	58,309	-21,608	-27.0
Special schools	72	142	23	-119	-83.8
Other ³					
General Fund	9	-	17	17	100.0
Bond funds	-	41	63	22	53.7
Totals, Capital Outlay	\$94,228	\$153,581	\$123,115	-\$30,466	-19.8
General Fund	6,870	4,602	3,065	-1,537	-33.4
Bond funds	87,358	148,979	120,050	-28,929	-19.4

Education

General Summary

Summary of State Expenditures for Education—Continued

Table I. State Expenditures for Education—Continued
(In Thousands)

	1962-63 actual	1963-64 estimated	1964-65 proposed	Change from 1963-64 Amount-Percent	
LOCAL ASSISTANCE:					
Public school support -----	\$762,964	\$837,022	\$923,163	\$86,141	10.3
Teachers' retirement -----	43,002	47,239	52,500	5,261	11.1
Debt service (General Fund) -----	36,770	38,126	42,615	4,489	11.8
Free Textbooks -----	8,700	10,846	15,000	4,154	38.3
Child care centers -----	5,882	5,818	6,224	406	7.0
Vocational education -----	230	230	230	-	0.0
Assistance to local libraries -----	-	800	800	-	0.0
Junior College Assistance -----	5,000	10,000	10,000	-	0.0
Totals, Local Assistance	\$862,548	\$950,081	\$1,050,532	\$100,451	10.8
General Fund -----	862,448	940,081	1,040,432	100,351	10.7
Bond funds -----	100	10,000	10,100	100	1.0
GRAND TOTALS	\$1,210,557	\$1,379,718	\$1,483,649	\$103,931	7.5
General Fund -----	1,123,119	1,220,739	1,353,499	132,760	10.9
Bond funds -----	87,458	158,979	130,150	-29,829	-18.8

¹ Includes salary increase funds.

² Includes Coordinating Council, Hastings, College of Medicine, Maritime Academy and State Scholarship Commission.

³ Includes Hastings, Maritime Academy, and College of Medicine.

Once again, state subventions for public education appear as the largest single segment of the total expended by the State for the education function. A summary of these subvention programs appears in Table II. It includes support for the public schools from within and without the State School Fund, assistance for child care center operation, support for the free textbook program, contributions to the teacher's retirement program, state vocational education aid, and state aid for local public libraries which is a new subvention under a program enacted by the 1963 Legislature. Federal subventions for a variety of special programs are also shown. All programs supported by General Fund moneys are discussed elsewhere in this analysis. During the 1964-65 budget year it is estimated that total federal funds allocated to school district will amount to \$24 million, while state subventions will total \$1.1 billion.

Table II. Subventions for Education: 1964-65

TOTAL APPORTIONMENTS FOR PUBLIC SCHOOLS

State School Fund apportionments—	
General Fund -----	\$908,299,274
State School Fund -----	3,500,000
California Water Fund ¹ -----	50,000
Driver Training Penalty Assessment Fund -----	7,000,000
Subtotal -----	\$918,849,274
Programs funded outside School Fund	
Compensatory education -----	\$319,000
Educational television -----	10,000
Educationally handicapped minors -----	900,000
New junior college districts -----	3,000,000
Grants to teachers of physically handicapped minors -----	60,000
English for foreign born -----	25,000
Subtotal, General Fund -----	\$4,314,000
Total -----	\$923,163,274
CHILD CARE CENTERS	
General Fund -----	\$6,223,688

General Summary

Education

Summary of State Expenditures for Education—Continued

Table II. Subventions for Education: 1964-65—Continued

CONTRIBUTIONS TO STATE TEACHERS' RETIREMENT FUND	
General Fund	\$52,500,000
FREE TEXTBOOKS	
General Fund	\$15,000,000
SCHOOL BUILDING CONSTRUCTION	
State School Construction Fund ¹	\$130,000
DEBT SERVICE ON PUBLIC SCHOOL BONDS	
General Fund	\$42,615,075
Public School Building Loan Fund ¹	13,138,000
State School Building Aid Fund ¹	12,950,000
State School Building Fund ¹	14,500
Total	\$68,717,575
JUNIOR COLLEGE ASSISTANCE	
State Construction Program Fund ¹	\$10,000,000
ASSISTANCE TO PUBLIC LIBRARIES	
General Fund	\$800,000
NATIONAL DEFENSE EDUCATION	
Title III ²	\$2,739,528
Title V ²	1,126,735
Total	\$3,866,263
SCHOOL LUNCH PROGRAM	
Federal funds ²	\$6,200,000
SPECIAL MILK PROGRAM	
Federal funds ²	\$8,000,000
VOCATIONAL EDUCATION: REIMBURSEMENTS TO SCHOOL DISTRICTS	
General Fund	\$230,271
Federal funds ²	5,754,034
Total	\$5,984,305
TOTAL SUBVENTIONS FOR EDUCATION, ALL SOURCES	\$1,100,585,105

SUBVENTION DETAIL

General Fund	\$1,029,982,308
State School Fund	3,500,000
California Water Fund ¹	50,000
Driver Training Penalty Assessment Fund	7,000,000
Public School Building Loan Fund ¹	13,138,000
State School Building Aid Fund ¹	12,950,000
State School Building Fund ¹	14,500
State School Construction Fund ¹	130,000
State Construction Program Fund ¹	10,000,000
Federal funds ²	23,820,297
TOTAL FEDERAL SUBVENTIONS FOR PUBLIC SCHOOLS	\$23,820,297
TOTAL STATE SUBVENTIONS FOR PUBLIC SCHOOLS	\$1,076,764,808

¹ Neither receipts nor expenditures of bond funds are included in overall budget totals.

² Neither receipts nor expenditures of federal funds are included in overall budget totals.

³ Total state subventions for education, including bond funds which are not included in budget totals.

State School Apportionments: The State School Fund

The largest single item of state expenditure for education is represented by transfers made from the General Fund into the State School Fund for apportionments to local school districts for a variety of state-assisted programs. As may be seen from Table II, it is proposed that approximately \$919 million be expended during the budget year for this purpose. Of this amount, some \$35 million is new program for which new legislation must be enacted this year, \$51 million represents the statutory addition to the fund not because of any new legislation

Summary of State Expenditures for Education—Continued

State School Apportionments: The State School Fund—Continued

but solely on account of growth, and the remainder, \$833 million may be identified as the continuing program. The average amount added to the School Fund because of enrollment growth for the last several years has approximated \$45 million per year. In preparing a series of budget projections, based upon Department of Finance enrollment estimates, we estimate that with no increases in appropriations other than those in current law the State School Fund by 1968-69 will be in excess of \$1.0 billion. This amount, it should be noted, does not include projected amounts for the various pilot programs and other newly implemented school aid activities which are funded outside the School Fund. These include the educational television pilot project, the pilot project to aid culturally disadvantaged pupils, the aid program for educationally handicapped students, the pilot child care centers for handicapped and retarded youngsters, the newly enacted public library assistance program, and several others. We have calculated that if all of these programs are continued, serve the eligible population, and if the unit amount appropriated does *not* increase, the total expenditures for all five programs by 1968-69 will call for approximately \$10 million in addition to the \$1.0 billion estimated above for state school apportionments in that year. In 1963-64, all five programs are estimated to cost approximately \$1.3 million. Several of these projections are discussed in more detail elsewhere in this analysis under the respective budget item.

The exact amounts transferred into the State School Fund in any year are determined through a formula which relates certain statutory and constitutional amounts per pupil in average daily attendance (ADA) to total statewide ADA during the preceding fiscal year. This actual transfer of moneys according to the formula may be referred to as the School Fund's derivation. Following the derivation of the school support moneys, the total fund is divided into various parts, each representing a program or activity specified by statute as being eligible for state support. These programs include special education, pupil transportation, programs for the mentally gifted and basic and equalization aid (the segments which go to make up each district's "foundation program"). This particular operation of the fund is known as the distribution phase. The derivation and distribution operations are shown in Table III; the table includes the estimated School Fund figures for the current fiscal year.

One final operation of the State School Fund remains to be discussed; this involves the actual apportionment of funds to school districts and offices of county superintendents, in accordance with an elaborate set of formulas set forth in the Education Code. This may be referred to as the allowance phase. In 1962-63, the last fully completed fiscal year, \$760,523,132 was apportioned as allowances to school districts and county offices in California. It should be borne in mind that this figure does not include funds allocated for various programs funded outside the school fund, funds supporting the free textbook program, or other funds used to support educational programs and activities at the state level.

Table III

**Summary of the Elements of Derivation and Distribution
of the State School Fund²
Estimated for 1963-64**

I. Elements of Derivation				
Item	Education Code section	Statutory unit rate	Preceding ¹ year's ADA	Total
Statutory minimum -----	17301 (a)	\$180.00	3,970,404	\$714,672,720
Plus additional funds, as needed --	17301 (b)	28.44 ⁴	3,970,404	112,918,290
Subtotal -----		\$208.44		\$827,591,010
Reimbursements				
Driver training -----	17305			6,608,363 ³
Project-connected pupils -----	17307			35,276 ³
TOTAL STATE SCHOOL FUND DERIVATION -----				\$834,234,649

II. Elements of Distribution				
Item	Education Code section	Statutory unit rate	ADA factor	Total
Distribution under Section 17303				
Basic and equalization aid -----	17303	\$180.00	3,970,404	\$714,672,720
Distribution under Section 17303.5			not to exceed	
County School Service Fund, di-				
rect services -----	17303.5 (a)	1.60	3,970,404	6,352,646
Pupil transportation -----	17303.5 (b)	4.00	3,970,404	15,881,616
Special education -----	17303.5 (c)	9.49	3,970,404	37,679,134
County School Service Fund, other				
pu poses -----	17303.5 (d)	3.06	3,970,404	12,149,437
Mentally gifted programs -----	17303.5 (e)	.80	3,970,404	3,176,323
Basic and equalization aid -----	17303.5 (f)	9.49	3,970,404	37,679,134
Subtotal -----		\$28.44		\$112,918,290
Total distribution under Sections				
17303 and 17303.5 -----		\$208.44		\$827,591,010
plus				
Driver training -----				6,608,363 ³
Project-connected pupils -----				35,276 ³
TOTAL STATE SCHOOL FUND DISTRIBUTION -----				\$834,234,649

¹ Actual 1962-63 ADA on which the 1963-64 fund is derived.

² As amended by SB 12, 1963 First Extraordinary Session.

³ Amounts actually apportioned, December 10, 1963.

⁴ Under Chapter 14, 1963 First Extraordinary Session, only as much more than \$180 per ADA as is needed will be transferred to meet computed apportionments, not to exceed \$28.44 per ADA.

Summary of State Expenditures for Education—Continued**Basic Problems in School Finance**

In our analysis of the 1963-64 Budget Bill we discussed several short-run recommendations on public school support dealing with the current system of state school apportionments. The majority of these were drawn from our experiences obtained during intensive hearings into the subject carried out by the education policy committees of both legislative houses during the 1961-1963 interim period. The majority of these were included in school support legislation introduced during the 1963 General Session of the Legislature and received extensive discussion. Several were included in the school finance measure eventually enacted at the close of the special session. We also devoted considerable time and space in last year's budget analysis to an examination of specific long-run recommendations dealing with a redefinition of the foundation program concept of school support. While we continue to believe that the short-run improvements suggested at that time are worthy of further consideration, we have devoted our attention during the 1963 interim to the long-run problem mentioned above dealing with the foundation program. In addition, our investigations into this area have led us to examine another far-reaching problem which is, we believe, at the root of many of the state's current problems in the field of public school finance: the seeming inequality of educational opportunity between school districts of California. The discussion which follows will be focused upon these two basic problem areas.

THE DEFINITION OF THE FOUNDATION PROGRAM

The foundation program has been defined as a statutory amount per pupil in average daily attendance, representing a partnership of state and local resources in guaranteeing a "minimum acceptable educational opportunity" for each pupil in the State. The basic problems in more specifically defining a foundation program, as we have discussed before, are:

- a. The absence of a relationship between actual expenditures and the "minimum acceptable educational opportunity" level of the foundation program.
- b. The absence of state control over school district expenditures.
- c. The open-ended nature of the school districts' expenditure desires.
- d. The absence of a definition of the State's responsibility and the local school district's responsibility for the "minimum acceptable educational opportunity" level of the foundation program.

Shortly after the close of the last legislative session we attempted to evaluate the results of the position and salary survey questionnaire. This survey originated during hearings conducted throughout the 1961-63 interim period by the Assembly Interim Committee on Education into the field of public school finance after considerable interest was expressed by committee members in finding how the funds received by districts actually were being spent. It was pointed out at that time that aside from total current expense of education figures published

Definition of the Foundation Program—Continued

by the State Department of Education and as reflected in the various general accounting breakdowns available in each district's yearly budget document, there existed no authoritative body of information relative to the manner in which funds were being expended by districts, nor was any valid information available concerning local district staffing patterns and the numbers of persons actually engaged in public education. In this framework the committee undertook, with the aid of the Office of the Legislative Analyst, the Office of the Auditor General and the Department of Education, to prepare and distribute a comprehensive questionnaire form to all school districts and county superintendents of schools in the State. The document was an attempt to cover as thoroughly as possible all relevant questions regarding staffing patterns, pupil/teacher and pupil/administrator ratios, salary schedules and ranges, and other related items. The aid and advice of professional educators and the Department of Education was sought in the preparation of the questionnaire. To our knowledge it was the first such survey of its kind to be made in this State.

The survey results, electronically tabulated under the supervision of representatives of the Department of Education, were made available early in 1963. Separate analyses of the data have been made since that time by the department and by this office; the results of the survey were presented to the Assembly committee on December 12, 1963, by the staffs of the Legislative Analyst and the Auditor General and mark the first phase of a two-year study of the foundation program and methods by which it may be more adequately defined. While the report containing the results indicates only how funds are being spent and offers no opinions as to how they should be spent, we believe that it should prove useful in making these judgments in the future. In addition, should the 1964 Legislature be called upon to consider school finance legislation the survey results should provide a guideline by which proposed increases in state aid may be considered. It should be kept in mind in the consideration of these findings that they are necessarily incomplete, as the second year of the study, which is to include actual field analyses of sample school districts, has not yet been begun.

The survey data from which we worked are broken into two major categories. Approximately one-half of the results pertain to the portion of the survey which deals with numbers of positions in school districts while the other half are applicable to salary matters. While we sought to break the data down into quartile and median ranges, we have not presented the detailed report in this analysis; rather, we will present here several of the tentative findings indicated by the results. These findings are as follows:

1. Larger districts appear to exhibit larger ADA:teacher ratios (pupil-teacher ratios) than do smaller districts. Further, poorer districts also, as a general rule, have larger ADA:teacher ratios than their wealthier neighbors.

2. In terms of assessed valuation per ADA, the generally accepted measure of school district wealth, wealthier districts seem to employ more certificated noninstructional personnel (administrators, business managers, administrative assistants, etc.) than do poorer districts.

Definition of the Foundation Program—Continued

3. Size very definitely influences the ratio of certificated noninstructional personnel to ADA within the district. As a district grows in size, this ratio also increases, indicating that smaller districts employ proportionately more of these individuals. This finding was not surprising. The State has long recognized the significantly greater cost per ADA of operating a small school district and has attempted to meet the problem on two fronts. One has been an increase or "bonus" in the foundation program for small districts; the other has been to encourage, through financial incentive and otherwise, the unification of districts. The extent to which both these approaches operate at cross-purposes has long been a matter of controversy. It has been contended that "bonus" foundation programs for small districts outweigh encouragements to unify and thus perpetuate the small districts with their inherently greater per unit cost and inefficiency.

4. A district's tax rate appears to have little effect upon its staffing patterns. Thus, whether the district maintains a high or a low rate, we could not discern any correlation between this factor and staffing ratios.

5. There seems to be little correlation between district size by ADA, its wealth or tax rate and the numbers of persons employed who are not certificated employees. In other words, the certificated class of employees is the most responsive to variations in size, wealth and tax rate. We believe this is true because of the necessity for employing certain numbers of noncertificated maintenance and plant operation personnel simply in order to keep the schools open, regardless of the above three indices.

6. One of the more surprising tendencies which became apparent through an examination of the survey results was that while poor districts generally have a larger ADA: teacher ratio than their wealthier counterparts, a similar increase in the ratio of ADA:certificated instructional nonclassroom personnel is lacking. This category comprises principals, vice principals, deans, counselors, supervisors and all others who "contribute" to the instructional program while not actually engaged in teaching children. This, of course, has raised the question as to the relative "impoverishment" of low wealth districts in California, particularly with regard to the staffing patterns of these districts.

7. Salaries were presented in the survey results as a percentage of the total salaries paid for teachers. It was found that generally districts with a lower assessed valuation per pupil paid more, as a percentage of what was paid to teachers, for certificated instructional nonclassroom salaries than did their wealthier neighbors. To some extent this was due to the fact that teachers' salaries in these poorer districts were lower; thus the percentage figure cited above was higher. Nevertheless, this phenomenon raises the question of why teachers' salaries are relatively so much more responsive to characteristics in district wealth than are the salaries of nonteachers. Again, a question is posed regarding the relative poverty of certain districts.

8. In connection with number 7 above, we noted from our survey tabulations a general lack of correlation between the wealth of a dis-

Definition of the Foundation Program—Continued

trict and the amount it pays for nonteaching positions. Whereas normally it might be assumed that the less wealthy district might pay less for, or do without, many types of nonclassroom auxiliary positions which a wealthier district might be better able to afford, the level of what is paid for such positions was found to be surprisingly stable in districts of varying wealth.

As we stated earlier, while the questionnaire results just summarized should prove extremely useful in providing guidelines for further investigation and while they should go a long way toward answering the oft-asked query of how the money is being spent, we do not believe that the questionnaire alone can provide the whole answer. Any sizable body of statistics drawn from a large group of respondents as was the case with the Position and Salary Survey Questionnaire of necessity overlooks many of the peculiar problems faced by individual school districts. Many of these problems cannot be expressed in terms of percentages and dollars per ADA alone, and many cannot be reflected in any statewide program of public school support. In addition, the distinction between what the questionnaire tells us and the heretofore "defined" state responsibility as a "*minimum* acceptable level" of school support must not be overlooked. While the questionnaire tells us how the money is being expended, the foundation program is intended as a measure of the minimal and necessary items which the State has undertaken to support. As we have attempted to point out, and as the questionnaire illustrates, the two are not necessarily identical.

Nevertheless, we uncovered two notable tendencies from our examination of this data which we intend to pursue during the next year. Both points have very definite implications with regard to existing state policies regarding the distribution of foundation program funds. The first has to do with our discovery that while elementary costs per ADA are not as far out of line with foundation programs for that level as might be suspected (the low quartile figure was quite close to the existing foundation program amount), secondary school per ADA costs are far in excess of foundation amounts. Undoubtedly part of this is due to the fact that the recent boom in public school enrollments has been felt largely at the high school level. This raises a question as to the advisability of continuing in future legislation the policy, embodied in school finance legislation of recent years, of granting equal foundation program increases at both the elementary and the secondary level.

The second tendency has been alluded to earlier and has to do with the relative differences in staffing patterns between districts defined by the Education Code as "impoverished" and other middle wealth or average wealth districts. As we indicated above, although there seems to be quite marked differences in the numbers of teachers hired and the salaries paid those teachers (generally, the poor districts hire fewer teachers per ADA and pay them at a lower rate), there is far less variation, and in some districts none at all, in the numbers of nonteachers hired and the salaries paid for their services. Thus, a fuller analysis of this implication may question the policy of placing the largest amount of new state funds in districts which are judged on the basis of assessed

Definition of the Foundation Program—Continued

valuation per ADA to be "impoverished." It may also lead to a concept of foundation program support, similar to that we have recommended in past years and continue to favor, which places the greatest emphasis in the computation of state support moneys upon the classroom unit and the average teacher's salary paid in the district. We continue to believe that such a plan represents the best approach to this problem.

Our examination of the survey results, while useful in itself, has led us to a fuller consideration of why there exist such wide differences in district programs, staffing patterns, salary scales, curricula and in the interpretation of a "minimum acceptable educational opportunity" among school districts of the State. This introduces a problem which we regard to be basic to any discussion which seeks to define the foundation program. This problem involves the question of inequality of educational resources and opportunity among school districts and, hence, equalization of these resources.

COUNTYWIDE SCHOOL DISTRICT REORGANIZATION

For the past several years various proposals have been urged as means of solving the fundamental problem in the California public school system of great inequalities of local tax resources, and hence of educational opportunity, among school districts of the State. From time to time interested governmental agencies, citizens' groups, and private professional organizations have demonstrated through exhaustive statistical reports the range of these differences as measured by assessed valuation per pupil in average daily attendance. Our investigations into the foundation program concept of school support have revealed to us an additional variable which perhaps illustrates even more clearly what these differences in local wealth actually mean in terms of the educational program offered to each student. This is the variation in the "current expense of education" per ADA, representing nearly all of the current operations expenses of the public schools, whether related to the foundation program or not. A tabulation of these figures, together with the assessed valuation per ADA in the particular districts is shown in Table IV. The districts listed represent the two highest and the two lowest districts in terms of current expense per ADA in their respective ADA ranges. It is significant to note that we selected these districts not as representing the extreme highs and lows of wealth, but representing their current expense of education. Although it is useful to show differences in wealth, from the point of view of equal educational opportunity it is perhaps just as significant to examine these extreme differences in amounts expended on educational program in each district.

General Summary

Education

Countywide School District Reorganization—Continued

Table IV

Current Expense of Education 1961-62, Elementary School Districts
(Statewide average: \$367.61)

<i>ADA range</i>	<i>Two highest</i>	<i>Two lowest</i>	<i>AV per ADA</i>	<i>Current expense per ADA</i>
150-174	Big Creek (Fresno)	-----	\$297,999	\$1,261.82
	Sierra Union (Fresno)	-----	164,262	941.78
	-----	Cordua (Yuba)	14,533	269.51
	-----	Van Allen (San Joaquin)	20,964	268.79
200-249	Midway (Kern)	-----	156,233	954.05
	North Fork Union (Madera)	-----	101,634	815.38
	-----	Cinnabar (Sonoma)	7,145	286.03
	-----	Herber (Imperial)	9,065	278.22
350-399	El Tejon (Kern)	-----	94,546	738.07
	Fruitvale (Kern)	-----	72,406	700.11
	-----	Westport (Stanis.)	8,874	268.80
	-----	Barry (Sutter)	14,939	257.38
600-799	Portola Valley (San Mateo)	-----	14,764	510.48
	Hinkley (San Bernardino)	-----	17,851	468.34
	-----	Rio Dell (Humboldt)	3,932	268.27
	-----	Stanislaus (Stanis.)	9,045	259.18
1,000-1,499	Hillsborough (San Mateo)	-----	25,643	573.46
	Las Lomitas (San Mateo)	-----	14,037	553.76
	-----	Del Paso Heights (Sacramento)	2,935	281.36
	-----	Bellevue (Sonoma)	5,606	265.16
1,500-1,999	Coalinga-Huron (Fresno)	-----	60,510	654.67
	Richland (Kern)	-----	12,298	494.66
	-----	Linda (Yuba)	4,913	295.81
	-----	Enterprise (Shasta)	4,238	282.09

A more commonly expressed measure of inequality among districts is that of assessed valuation per child, coupled with comparative tax rates. Table V arrays selected districts in several counties in order to more clearly show these differences. It should be noted that the districts listed below are not necessarily the highest nor the lowest in their respective counties.

Education

General Summary

Countywide School District Reorganization—Continued

Table V
Assessed Valuation Per ADA and Tax Rate
1961-62
Selected Districts
(Statewide average: approximately \$11,700/ADA)

<i>Elementary or unified district</i>	<i>County</i>	<i>ADA</i>	<i>AV/ADA</i>	<i>Tax rate</i>
Emery	Alameda	388	\$134,289	\$1.68 ¹
Alameda	Alameda	7,486	9,393	3.57 ¹
Castro Valley	Alameda	6,084	5,404	1.26
Pittsburg	Contra Costa	4,498	28,198	2.38 ¹
Mt. Diablo	Contra Costa	24,710	6,496	4.28 ¹
Klamath	Del Norte	440	187,293	.96
Redwood	Del Norte	589	3,812	2.24
Coalinga-Huron	Fresno	1,958	60,510	.99
Oil King	Fresno	151	211,204	.42
Clovis	Fresno	4,426	6,779	2.34
Teague	Fresno	552	3,811	1.02
Calexico	Imperial	2,304	3,702	1.80
Westside	Imperial	82	49,948	.33
China Lake	Kern	2,280	2,206	4.25
Maricopa	Kern	257	72,670	2.30 ¹
Beverly Hills	Los Angeles	2,635	84,112	1.49 ¹
West Covina	Los Angeles	9,365	5,641	3.61 ¹
Winton	Merced	706	5,163	1.50
Gustine	Merced	498	27,682	.99
Laguna Beach	Orange	1,267	41,176	2.30 ¹
Garden Grove	Orange	20,116	5,515	1.68
Del Paso Heights	Sacramento	1,710	2,935	1.12
Isleton	Sacramento	381	57,685	.76
South Bay	San Diego	5,196	6,727	1.05
Rancho Santa Fe	San Diego	299	31,902	1.89
Indian Springs	Shasta	34	603,630	.80
Olinda	Shasta	154	3,529	1.28
West Sacramento	Yolo	551	6,291	1.84
Zamora	Yolo	57	54,697	.89

¹ Total tax rate for unified district; i.e., including high school and, if appropriate, junior college tax rate.

These disparities of wealth per pupil among the various districts are most evident when, for example, it is considered that an elementary student in Del Paso Heights (Sacramento County) has \$2,900 in assessed valuation behind him, while an elementary student in Indian Springs (Shasta County) has more than \$600,000 in assessed valuation supporting his education. The ratio of the low to the high wealth is 1:207. If the wealth within each county were equalized, but still retained within that particular county, the assessed valuation behind the Del Paso Heights student would increase to some \$8,000 and the local wealth supporting the Indian Springs student would be spread among other Shasta County elementary students so that each such student would represent an assessed valuation of \$10,700, a wealth ratio of just 1:1.33.

Recognizing this problem, various groups have from time to time in recent years formulated various proposals toward improved equalization of tax burden and educational opportunity. Among these proposals have been attempts to eliminate or reduce basic aid, the institu-

Countywide School District Reorganization—Continued

tion of a statewide property tax or the provision of tax relief through a very substantial increase by the State of its annual appropriations to the State School Fund. While some of these solutions are more defensible and feasible than others, perhaps the foremost such proposal is also the most practical: this involves a countywide equalization tax for the support of the foundation program, or minimum acceptable level, of the districts. Such a proposal would involve the imposition throughout each county of a minimum tax (\$0.50 and \$0.60 for high school and elementary purposes has been suggested) necessary to support the foundation program throughout the county. State aid would then be apportioned to fill the gap between the amounts which could be raised by this tax locally and the total of the foundation program. Districts would retain the option of levying their own district taxes above the countywide rates, if they so desired.

We have supported the countywide equalization plan in the past and continue to urge its adoption as a partial yet well-conceived step toward equalization of public school support. We believe it is important, from a long-range point of view, to examine the eventual benefits which will accrue to the State's school system through the adoption of this plan:

1. Local school tax burden will be equalized to a great extent within each county.
2. Financial barriers against improved district organization will be removed.
3. Basic aid will be measurably lessened as a factor which prevents better equalization.
4. Encouragement for small, wealthy and inefficient school districts to continue in existence will be greatly reduced.

At the same time that we urge serious consideration of the countywide tax plan, we find in the proposal several inherent difficulties which lead us to recommend that the proposal be considered basically as a sound first step in a long-range overhaul of the California school finance and school district structure. These problems may be summarized as follows:

1. The countywide tax plan will not completely equalize tax burden and educational opportunity throughout the county; it merely operates to the extent of the foundation program, thus leaving varying local district tax rates in effect.
2. The countywide tax plan, while it to some extent discourages small, inefficient districts to remain in existence, does not eliminate these numerous separate and outmoded school systems.

A PLAN FOR COUNTYWIDE SCHOOL DISTRICTS

It is our belief that the only long-range solution to the problem is a mandatory reorganization of the school districts of the State into countywide districts. We believe that, under existing district organization in California, comprising approximately 1,585 separate governing jurisdictions, it will be impossible now and in the future to get the most efficient use of the funds spent both locally and

A Plan for Countywide School Districts—Continued

at the state level on the public school system. We have noted that of the 1,585 school districts in the State approximately 605 maintain an educational program for 175 children or less. The very existence of districts of this size, each educating its children under the principle of maximum local control, makes it impossible to equalize educational opportunity throughout the State. As the State School Fund pushes closer to \$1 billion annually, and total taxpayer costs at both state and local levels approach \$2.5 billion, it becomes increasingly evident that we must obtain every available benefit for each dollar spent on our public school system. We believe that the present organization of school districts not only will not permit this, but is wasteful of the educational and financial resources available.

In partial recognition of the problem, the suggestion has been made in recent years that the State Legislature effect some reorganization plan which would reduce and strengthen the school districts of California. Several times statutes have been enacted which have established advisory county committees with the function of passing on and recommending to the State Board of Education all plans for district reorganization within their respective counties. The State Department of Education, seeing the problem and the need, has expressed itself often and vigorously in favor of increased consolidation and unification of smaller, inefficient districts. The latest district reorganization legislation was enacted by the Legislature in 1959 and again created county committees on school district organization which were to survey their counties and make recommendations for better district organization. While several of the committees have produced excellent results, the fact is that the majority of them remain embroiled in local controversy and unable to come to the state board with sound plans. The result of this situation was the passage of a new statute in 1963 which extended until September 1964 the deadline for submission to the state board of county reorganization proposals. While the law clearly states that after the deadline the State Board of Education shall mandatorily reorganize in areas where weak and inefficient organization remains, it is not clear what policing power the board has to effect this controversial plan.

We believe that the time has come for a major reassessment of the State's policies with regard to school district organization. Such a reexamination involves a realization that in order to promote uniformity of educational opportunity, in order to eliminate not only islands of wealth and poverty but also islands of administrative and educational inefficiency, the number of school districts in this state must be drastically reduced and placed on a unified basis.

To this end, we have set forth below the major points of a proposed plan for eventual countywide redistricting in California:

1. As of a particular future date (we suggest five years from the effective date of the proposed law), the Legislature, with the approval of the electorate through a constitutional amendment, if necessary, would declare that school district boundaries are to be contiguous with existing county lines.

A Plan for Countywide School Districts—Continued

2. As a first step in such a reorganization plan we again urge the adoption of a countywide equalization plan. We believe that this step would remove many of the most active opponents to countywide redistricting through a reduction of the financial motives for district organization. Additionally, such a plan would of necessity draw the districts of the county closer together in a common and acceptable foundation program level.

3. At the end of the proposed five-year waiting period the county district governing board would be the present elective county board of education. We would also propose a law change which would make the office of county superintendent of schools an appointive rather than an elective office, appointed by the county board of education. Thus, the board would be able, as individual district boards presently are, to appoint as their district superintendent the man they feel to be the most qualified.

4. During the five-year interim, we would propose a timetable which would include the creation of a permanent county advisory committee, to be comprised of one board representative from each of the existing school districts in the county, and augmented by the full membership of the county board of education. The purpose of such a committee would be to explore the ways in which the transition to a county system may be made smoothly and, following reorganization, to advise the county board with regard to special problems in their respective areas.

5. We would urge study of the possibility of placing additional surplus certificated administrators and other noninstructional employees back into the classroom as teachers, with no reduction in pay over the life of their existing contracts. Such a study should include the probable cost of this proposal to the State and to the counties.

6. During the five-year interim the State would continue to support existing school districts, through the countywide tax, at a reasonable level. Thorough study should be given during this period to methods of improving both state and local support systems. Upon countywide reorganization the State would then apportion its funds to equalize *among counties*. In terms of the resources available to the State we believe this would provide a far more practical system of school support.

7. The redefinition and reconstitution of the foundation program during this interim period is an integral part of this plan. Because this program level is presently expressed only as a number of dollars per student, it acts merely as a device for the apportioning of state moneys. Further, various groups of educators, the general public and the Legislature have varying ideas of what the foundation program should support. These conflicts should be resolved. We believe that such a reconstitution of the foundation program, to include a substantive definition, not only would complement countywide reorganization but that such reorganization can only be completely effective if such a quantitative and qualitative redefinition is established. In the past several proposals to this end have been presented to the Legislature and this office is continuing its study of the problem. The proposed five-year phase-in

A Plan for Countywide School Districts—Continued

period should provide the time necessary for complete and adequate consideration of these plans together with any new recommendations which may be advanced.

8. In order that the total reorganization not become effective at once, and in order to more smoothly phase the counties into the overall plan, we would propose the inclusion within the five-year period of:

- a. A date after which all special education programs (physically handicapped; mentally retarded, etc.) would be administered by the county board and superintendent;
- b. A date after which all course outline, study guide and similar research and curriculum coordination work would be performed by the county superintendent's office alone; and
- c. A date after which all pupil transportation programs would be administered by the county office.

Such a planned phase-in would, we believe, result in a more orderly transition to county administration.

9. Upon the final establishment of countywide districts the respective county school tax rates would be set at levels which would yield the identical revenues as the total tax rates of the former component districts.

10. The Bureau of School District Organization of the Department of Education would receive such additional staff assistance and funds as would be required to permit it to assist counties and school districts through the initial reorganization period.

We believe that this proposal, while it represents an approach too often neglected in discussions of equalizing educational resources and opportunities, offers several unique advantages which are missing in the more traditional proposals. In reducing the numbers of school districts of the State from 1,585 to 58 such a plan should go far in encouraging uniformity of educational opportunity and approach. While some of the aforementioned 605 small districts exist out of necessity because they are remotely located, many more have little logical reason to exist, other than for the benefits they bestow upon their residents as areas of low taxation. Many are inherently inefficient, and the State has implicitly encouraged their continued existence through a "bonus" in the foundation program for small schools. Further, our investigations into the foundation program and into expenditure patterns of school districts have revealed to us many areas of administration where efficiencies and cost reductions might be effected if district consolidations were to occur. Finally, under a plan such as we propose it could not logically be contended that taxpayers in wealthy districts would be supporting pupils residing in less wealthy districts. Rather, the taxpayers of the *county* would support the schools of the *county*, participating according to their ability in the financing of a countywide system of schools.

We recognize there are significant practical problems inherent in any proposal such as we have suggested. Foremost among these is the necessity that, because of the inclusion within the state-granted charters

A Plan for Countywide School Districts—Continued

of many California cities of provisions allowing the operation of a city school system, it may be necessary to submit a proposal to remedy this situation to the voters. Nonetheless, we are convinced that as the costs of public education continue to grow, at all levels of government, the county will become the only logical administrative agency to support this necessary activity, as it supports so many other essential governmental functions. Education, we submit, has no unusual characteristics which prohibit its execution at the county level, rather than in a loosely decentralized and inefficient system of school districts.

Our specific recommendations for legislative action in this area in 1964 may be summarized as follows:

1. We recommend that a system of countywide tax equalization be enacted at the earliest possible time.

2. We recommend that the Legislature enact a countywide district reorganization plan such as we have broadly outlined above, and submit the necessary constitutional issues to the State's electorate.

3. In addition, serious consideration should be given to the elimination, through constitutional and statutory amendment, of the State's guarantee of \$125 per student of basic aid. Because this aid is presently allocated to all districts regardless of wealth, its elimination coupled with conversion of these funds to equalization aid would provide improved equality of school support and some equalization of tax burden.

Summary

We believe that it has been rather conclusively shown, by long experience, that any reorganization plan without the mandatory feature on a wide scale is most difficult, if not impossible, to achieve. We are convinced that the long-range proposals presented here for eventual countywide reorganization of California's school system, for countywide equalization and for the elimination of basic aid represent approaches toward equalization deserving of legislative consideration at the earliest possible time.

Department of Education
GENERAL ACTIVITIES

ITEM 88 of the Budget Bill

Budget page 184

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

Amount requested	\$3,425,472
Estimated to be expended in 1963-64 fiscal year	3,477,219
Decrease (1.5 percent)	\$51,747 *

* Decrease largely due to transfer of rehabilitation activities to Department of Rehabilitation (Chapter 1747, Statutes of 1963).

General Activities—Continued

TOTAL RECOMMENDED REDUCTION _____ \$69,783

Summary of Recommended Reductions		Budget	
	Amount	Page	Line
Division of Departmental Administration			
1 Intermediate stenographer _____	\$4,500	185	10
1 Special investigator _____	6,432	185	9
Division of Higher Education			
2 Consultant in junior college education _____	20,880	186	52
1 Intermediate stenographer _____	4,344	186	53
Contractual services—Bureau of Junior College Education	3,000	187	10
Division of Instruction			
Consultant services—Curriculum Commission _____	3,000	188	46
Equipment _____	455	188	85
Division of Public School Administration			
1 Textbook consultant _____	10,440	189	54
1 General accountant II _____	7,080	189	55
2 Junior clerks _____	7,152	189	56
Equipment _____	2,500	190	26

ANALYSIS

The Department of Education is under the direction of the State Superintendent of Public Instruction and receives general policy guidance from the State Board of Education. It provides administrative, supervisory and advisory services to the State's public school system. The department also maintains direct responsibility for the five residential schools for handicapped minors and for the statewide program of vocational education. Departmental responsibility for vocational rehabilitation and various services for the blind was consolidated in a Department of Rehabilitation pursuant to S.B. 1023 (Chapter 1747) of the 1963 General Session of the Legislature. The Department of Education comprises five divisions in addition to the Division of Libraries which for budgetary purposes is treated as a separate budget item and is analyzed elsewhere. These divisions are:

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

The budget document also contains, as separate items, proposed expenditures for the State's activities in the areas of compensatory education, national defense education, vocational education and the special schools for the handicapped. These activities are also analyzed by us separately.

Proposed General Fund expenditures for the Department of Education in 1964-65 are set at \$3,425,472, a reduction of \$51,747 or 1.5 percent below the current year's level. A large part of this reduction may be explained from the fact that the department's rehabilitation functions have been transferred to the newly created Department of Rehabilitation, and thereby reduced departmental expenditures by \$383,512. Despite this fact, it is notable that total General Fund expenditures for this department are actually reduced by only \$51,747. Thus, a great part of this large reduction is offset by increases in services resulting

General Activities—Continued

either from special legislative appropriations to the department or because of requests for new expenditures contained in this budget. The Department of Finance has estimated that new items contained in special legislation enacted in 1963 added approximately \$115,000 to departmental expenditures.

In 1964-65 the Department of Education requests an additional 25.3 permanent positions, partially offset by the reduction of some 5.0 positions of temporary help. The positions requested are as follows:

Division of Departmental Administration:

- 1.5 Intermediate stenographer
- 1 Special investigator
- 1 Accounting officer II *

3.5 subtotal

Division of Higher Education:

- 1 Senior credentials technician
- 1 Senior clerk
- 4.7 Junior-intermediate clerks
- 2 Consultants in junior college education
- 1 Intermediate stenographer

9.7 subtotal

Division of Instruction:

- 4 Education research project consultants *
- 1 Intermediate stenographer *
- 1.6 Temporary help *
- 1 Intermediate stenographer

7.6 subtotal

Division of Public School Administration:

- 1 Textbook consultant
- 1 General accountant II
- 2 Junior clerks

4.0 subtotal

Division of Special Schools and Services:

- 0.5 Intermediate typist-clerk

0.5 subtotal

Total Positions Requested: 25.3

* Fully financed by federal funds or special federal grants.

We recommend the deletion of nine of these position requests, totaling \$60,828, together with a reduction in operating expenses and equipment of \$8,955, for a total reduction in the department's budget of \$69,783.

DIVISION OF DEPARTMENTAL ADMINISTRATION

This division is headed by the Superintendent of Public Instruction's chief deputy and encompasses several areas of departmentwide concern. The units comprising the division are as follows:

- Bureau of Education Research
- Fiscal Office
- Office of the Administrative Adviser
- Investigations Office
- Personnel Office

Division of Departmental Administration—Continued

In addition to the above functions, the budget requests for the various expenses of the State Board of Education, the several other boards and commissions which assist the state board and the superintendent's office may be found within the budget of the Division of Departmental Administration.

The amount requested is \$904,751, a decrease from the current level of \$40,877. Although proposed operating and equipment expenditures show a sizable reduction, the amount requested for personal services increases \$41,802 over the current level. This is true despite the transfer from the division of 10.5 positions to the Department of Rehabilitation. Part of the increase consists of 3.5 proposed new positions to the division staff. These are:

Executive:

- 1.5 Intermediate stenographer
- 1 Special investigator

Fiscal:

- 1 Accounting officer II

Salaries and wages for these positions will add \$20,238 to the division's budget.

The summary of 1963-64 departmental expenditures shows total Emergency Fund grants of \$120,847, an increase of \$99,366 over 1962-63 emergency allocations. These grants are comprised of the following expenditures:

To replace amounts of interdepartmental reimbursements lost due to transfer of rehabilitation activities	\$55,847
Special departmental study undertaken at the request of the superintendent	15,000
Survey of educational needs undertaken at the request of the State Board of Education	50,000
Total, Emergency Fund	\$120,847

The study mentioned above as requested by the superintendent consisted of an internal survey of immediate problems of the Department of Education, to include its staffing, the space available and existing interdepartmental communications. We have reviewed the findings arrived at through this study and find that they are directed largely at the alleged present inadequacy of the Department of Education and the alleged inadequacy of the superintendent's staff. The sum of \$15,000 for this study includes only the consultant fees; publications and other necessary costs were borne by the budget of the Division of Departmental Administration.

The \$50,000 study has been requested by the State Board of Education and will be performed by the Arthur Little Company, an organization of management consultants. We understand that this study will be directed toward "identifying the needs of school districts and offices of county superintendents." This, apparently, will include an enumeration of the needs at the local level which the department should, or should not, satisfy. Much of the value of such a study would in our opinion depend on whether "needs" is interpreted to include a complete inventory of the Department of Education and its proper rela-

Division of Departmental Administration—Continued

tionship to the county superintendents and local school districts. In our opinion, a study based upon the varying opinions of local school officials might not form the basis for the most objective type of study, and we would hope that the interpretation of "needs" might not be derived in that manner.

One intermediate typist-clerk is requested for the executive unit. *We recommend deletion of this request for a saving of \$4,500.*

This position is requested to work in the office of the superintendent, located in Los Angeles. The department has stated that this is necessary due to "requests for information" and "the number of requests requiring some research" which have increased in recent years. However, no supporting workload data have been submitted. Department of Education staff in Los Angeles presently totals 34 full-time positions, many of whom are located in the state office building adjacent to the superintendent's offices. These positions are:

Division of Departmental Administration.....	4
Division of Higher Education.....	10
Division of Instruction.....	0
Division of Public School Administration.....	13
Division of Special Schools and Services.....	3
Adult Education for Civil Defense.....	4
Total.....	34

In addition, the Vocational Education Section employs approximately 20 individuals in the Los Angeles area.

Because many of the requests received from the public deal with specialized areas which could not be answered by a clerical person, such queries are of necessity transferred to personnel in the appropriate division. From the above figures, it appears that sufficient departmental personnel are already located in the Los Angeles offices to answer such inquiries. In addition, we would point out that within the superintendent's Los Angeles office current staff includes one exempt assistant to the superintendent and one clerical position. We have seen no evidence to show that this staffing is not sufficient to handle incoming requests, provided that calls of a technical nature are directed to existing division personnel. We recommend disapproval of the request.

We recommend disapproval of the request for an additional special investigator for the executive unit for a saving of \$6,432.

The investigative unit within the Division of Departmental Administration has responsibility for investigating legitimate complaints, most of which stem from reports made to the department by the State's Criminal Investigation Division, Department of Justice, concerning alleged teacher misconduct. It is estimated that more than 80 percent of the complaints or "cases" received come to the attention of the departmental investigators in the form of "rap sheets," or reports of arrest which are first received by the fingerprinting section of the C.I.D. and then forwarded to the Department of Education. The requirement for statewide fingerprinting of all teacher applicants has made this liaison between the two agencies possible. The remaining 20 percent of the "cases" emanate from school administrators, teachers, other

Division of Departmental Administration—Continued

local officials and parents. In the past the investigations office has given each of these complaints equal attention, with the exception that all possible sex offense cases are always investigated first.

It has been alleged that in 1962-63 a total of 1,818 "cases" were investigated by the department; approximately 2,575 complaints were received, leaving some 757 which were not thought of sufficient importance to be gone into as full-fledged cases. Presently, three investigators are employed by the department; the caseload per investigator in 1962-63 was approximately 51 cases per month. The department, however, claims that this workload figure should be brought closer to 20 cases per month, but no justification has been presented for this particular figure.

The department has submitted figures showing that in 1962-63 some 655 of the total 1,818 cases dealt either with offenses involving moral turpitude or other serious felonies. The remaining 1,163 cases were classified as follows:

Miscellaneous	1,117
Unprofessional conduct	31
Special investigations	15
	<hr/>
	1,163

While we have been unable to obtain from the department a clear description of cases in the latter two categories, the "miscellaneous" category is said to include cases of "trespassing, failure to support a minor . . . violations of the Alcoholic Beverage Control Act, Professional and Vocational Standards Code, Fish and Game Act, etc." In our opinion there is serious question as to the emphasis given to special investigations of teachers involved in such offenses such as these, beyond those made by the agencies which are directly concerned with the individual as a citizen. The Education Code specifies investigations only in the case of alleged offenses involving moral turpitude; mandatory credential revocations are required in the case of sex offenses.

Measuring the existing three departmental investigators against the 655 cases of moral turpitude or felony occurring in 1962-63, we have a caseload per man-month of 18, well below even the "maximum" desired by the department. Until the department can justify more clearly the need for numerous and full investigations in the areas of doubt mentioned above, we cannot recommend increases in departmental staff.

One half-time stenographer position is requested for the investigations office. *We recommend approval of this request.* The recordkeeping problem in the Sacramento office is a significant one which requires some clerical assistance on a full-time basis. While the professional-to-clerical ratio currently stands at 2:1, unusual problems, which include the preparation of Credential Committee agenda and a large volume of correspondence to both teachers and complainants, require that much necessary filing and record-maintenance is left undone. The addition of a half-time position, at a cost to the State of \$2,226, should correct this situation; consequently, we recommend its inclusion in the 1964-65 budget.

Division of Departmental Administration—Continued

Assistance to the department's fiscal office is proposed in terms of the addition of one accounting officer II to the staff. *We recommend approval of this request.*

This position is requested to work solely with federal vocational education funds received by California and administered by the State Department of Education. As such, it will be supported entirely from federal moneys allocated for support of this program; this amount is reflected in the pro rata charges made by the Division of Departmental Administration to the Vocational Education Section for various administrative services performed by the division for the vocational education unit. Various federal vocational education programs provide California school districts, county offices and the Department of Education with approximately \$7 million per year. The largest part of this amount is subvended back to local school districts by the state department as reimbursements for various vocational programs conducted at the local level. A fuller discussion of these programs is included elsewhere in this analysis under the discussion of the Vocational Education Section.

The amounts available, together with the increasing complexity of the laws governing them, require special knowledge coupled with accounting skill. Although the tasks involved here are presently accomplished by existing accounting staff within the fiscal office, the department has stated that it is presently impossible to assign one accounting officer to work full time with vocational education funds; at the present time there are three accounting officers within this office. The loss of vocational rehabilitation to the new Department of Rehabilitation resulted in the loss of one additional accounting officer who was assigned solely to those activities. In additional justification, the department has submitted the following statistics showing that since 1960-61 vocational education funds allocated to California have more than doubled.

Federal Vocational Education Subventions to California

Programs	1960-61	1961-62	1962-63	1963-64	1964-65
Vocational education -----	\$3,045,119	\$3,013,323	\$3,283,030	\$2,929,866	\$2,002,029
Area vocational education (Title VIII, NDEA)-----	680,032	1,252,441	1,442,084	1,107,375	1,095,686
Manpower Development and Training Act -----	--	--	2,724,596	3,765,402	3,765,479
Totals -----	\$3,725,151	\$4,265,764	\$7,449,710	\$7,802,643	\$6,863,194

We believe that the amounts of these funds and the technicalities inherent in new vocational education legislation recently enacted by Congress (requiring rather complicated and frequent reports to the U.S. Office of Education) fully justify this position.

DIVISION OF HIGHER EDUCATION

Following the establishment of a separate and independent governing board for the state college system in 1961 this division was established to consolidate the remaining departmental responsibilities in the fields of adult and junior college education. Its components are the following:

- Division administration
- Bureau of Junior College Education
- Bureau of Adult Education
- Bureau of Readjustment Education
- Teacher Education and Certification
- Credentials Office
- Commission on Intergroup Relations

This division is supported completely from the General Fund.

The passage of S.B. 170 (Chapter 1799, Statutes of 1963) enlarged the area of responsibility of the Commission on Intergroup Relations to include assisting local school districts, when requested, in problems of *de facto* segregation. Two positions were added to the commission staff for this purpose.

The expenditure level for the Division of Higher Education in the budget year is proposed at \$269,237, an increase of \$10,684 over 1963-64. This increase is almost entirely due to merit salary increases and to requested staff adjustments in the Bureau of Junior Colleges. Requested staff increases in the Certifications Office will result in no net increase in the division budget due to an increase in expected reimbursements from credential fees of \$85,000, for a fee reimbursement total of \$900,000. In this way it is proposed to maintain a self-sufficient status for this office.

The following new positions are requested for this division:

Certifications Office:

- 1 Senior credentials technician
- 1 Senior clerk
- 4.7 Junior-intermediate clerks

Bureau of Junior College Education:

- 2 Consultants in junior college education
- 1 Intermediate stenographer

It is proposed that the additional positions for the Certifications Office be partially offset by a reduction of two man-years of temporary help. Total new cost stemming from the 9.7 proposed new positions is placed at \$58,074.

We recommend approval of the 6.7 positions requested for the Certifications Office. The addition of these positions, as mentioned earlier, is proposed concurrent with a reduction of two existing positions in this office.

This proposal stems directly from several of the recommendations made by the Department of Finance in survey number 1378, prepared by the Organization and Cost Control Division. This study was made at the joint request of the Superintendent of Public Instruction and

Division of Higher Education—Continued

the State Board of Education upon their realization that in some cases the time period between the receipt of a credential application and notification of final action taken was approaching six months.

We have reviewed the management survey upon which this staffing request is based. In our opinion it should result, through decreased lag between the time an application is made and a reply received, in improved service to the public. Recently the State Board of Education adopted administrative regulations regarding the credential fee structure which are substantially along the lines recommended by the survey. In addition, the organizational changes recommended have been effected in the Certifications Office. Finally, we note that the amount estimated as credential fee reimbursements to the Department of Education in 1964-65, \$900,000, is sufficient to cover the increased cost due to the new staffing proposed. In the budget year, total operating costs of the Certifications Office will approximate \$850,000; thus, the approval of these positions should not affect the self-sufficient status of the credential issuance operation. *Consequently, we recommend approval of this request for 6.7 new positions for the Certifications Office.*

The budget for the Division of Higher Education includes a request for authorization of two additional consultant positions and one clerical position in the Bureau of Junior College Education. *We recommend disapproval of this request.* The deletion of these positions from the budget will result in a reduction of \$25,224 from the amount proposed for personal services.

For the past several years we have been unable to find in the operations of the Department of Education, as they pertain to junior colleges, any thread of continuity. At various times the department has requested assistance for its Bureau of Junior College Education; often these requests have been denied because they represented piecemeal augmentation of that bureau. In the 1963-64 budget the department requested a sum to be used in order to hire special part-time assistants to accomplish various special projects; although these funds were allowed in the budget, there was no overall plan as to how they should be used. Halfway through the current fiscal year this money still had not been used.

In recent months there has been increasing discussion of the proper state-local relationship with respect to the supervision of the junior college system and the desirability of establishing a separate statewide governing board for the junior colleges, thus removing them from the direct control of the State Board of Education and the Department of Education. This proposal has been made, we suggest, because of the failure to demonstrate, either by the State Board of Education or the department, what positive and effective role the board and the department should or, as a practical matter because of other heavy duties, can play in supervising, assisting and representing the junior colleges.

The department has often stated that it cannot provide this leadership without additional staffing in the Bureau of Junior Colleges. This bureau is presently staffed with a bureau chief and two professional junior college consultants and the accompanying clerical assistance.

Division of Higher Education—Continued

Additionally, as we pointed out above, some money has been available for the hiring of part-time consultative help. We are informed that the existing staff is almost wholly occupied with the task of approving local junior college courses. While the Department of Education is charged by statute with the course approval function, we question whether increased activity in the performance of this duty is more vital or more pressing than (1) the formulation of departmental policy with regard to junior college leadership; (2) assistance to the board in developing policy as to the supervision and guidance of junior college development; (3) adequate advisory assistance to individual junior college districts.

There is little evidence that the department intends to undertake these primary responsibilities with the addition of the two proposed new positions. It appears rather, that the new positions are to be used merely to expand the bureau's present activities. According to the department's justification, one of the new positions would be employed to advise junior colleges and conduct course approval in the fields of engineering, and other similar technical fields, and the other to advise junior colleges in the areas of pupil guidance and counseling. One of these new professional positions will also specialize in the area of junior college construction planning, although the Bureau of School Planning has the prime responsibility in this field.

Consequently, we recommend the deletion of the two proposed new consultant positions and one related clerical position, together with the accompanying expenses, from the 1964-65 budget. We also recommend that the department be instructed to prepare for presentation at the 1965 General Session a full and complete plan outlining the proposed role of the Department of Education, the Bureau of Junior College Education, and the State Board of Education in providing leadership in the development of the public junior colleges. Such a plan should include the functions to be performed by each agency and any recommendations as to changes in legislation which would be necessary to enable them to provide such leadership.

The 1964-65 budget also includes an amount of \$3,000, granted last year by the Legislature, for special consultative assistance to the Bureau of Junior Colleges. *We recommend the deletion of this amount.*

As stated earlier, no justification was presented for this request in 1963, other than the fact that it was to be used "as payment for contractual services to assist the Coordinating Council on Higher Education on special questions and problems on which they require professional advice." As of January 1 of this year the money had not been used.

Division of Higher Education—Continued

Late in 1963 the Department of Education informed us that the funds were to be used for a different series of contemplated special projects. A partial list of these follows:

1. A Guide to California Junior Colleges (basically an inventory of courses and special programs conducted in the State's junior colleges).
2. The Organization of Junior Colleges in California.
3. The Administration of Junior Colleges in California.
4. Costs of Junior College Instruction.
5. Coordinating Council for Higher Education Surveys.

Upon examination of this list we discovered that nearly every one of these contemplated "projects" fell into the following categories:

1. Already completed and published in recent years;
2. Consists of an existing departmental responsibility; or
3. Has been budgeted for by the Coordinating Council itself.

We feel that it would be unwise for this item to remain in the budget for this bureau until some adequate justification is presented by the Department of Education. The presentation of a complete report such as we have recommended above may go farther in spelling out the need for funds of this sort.

DIVISION OF INSTRUCTION

The Division of Instruction contains the bureaus and activities which bear the responsibility for coordinating and supervising public school instruction in California. In addition to his duties as Division Chief and Deputy Superintendent of Public Instruction, the chief of this division serves as the Executive Secretary of the State Curriculum Commission, the body charged with primary responsibility in advising the State Board of Education in matters of public school curriculum and educational materials. The division is comprised of the following activities:

Division administration
 Bureau of Elementary Education
 Bureau of Secondary Education
 Bureau of Audio-visual and School Library Education
 Bureau of Pupil Personnel Services
 Bureau of Health and Physical Education and Recreation
 Bureau of National Defense Education Act Administration
 Vocational Education Section

The budget requests for Vocational Education and for National Defense Education are discussed elsewhere in this analysis. Each bureau within this division is supported, in whole or in part, by the General Fund. Two positions authorized in 1963 are continued for the 1964-65 year only as a result of A.B. 2259 (Chapter 1650, Statutes of 1963), which prescribed a two-year study of public school library needs. A report will be rendered on the results of this study at the 1965 General Session of the Legislature.

Division of Instruction—Continued

In 1964-65 support expenditures for the Division of Instruction are placed at \$775,912, an increase over the current level of \$22,632. The large portion of this increase is due to merit salary adjustments, as well as additions made to the division staff as a result of 1963 legislation mentioned above. Various amounts of operating expense also show increases; notable among these is a new item of \$3,000 for consultative assistance for the State Curriculum Commission. Reimbursements to the division, comprised largely of federal funds stemming from the Talent Development Project, also show a slight increase.

The 1964-65 budget for this division proposes the addition of the position of intermediate stenographer in the Bureau of Physical and Health Education, to be partially offset by the reduction in that bureau of one man-year of temporary help. The net cost to the State of this position is \$1,210. *We recommend approval of this request.*

The department contends that the existing position of temporary help is currently occupied by a stenographer on a full-time basis. In order to fund the position for a full year, the additional amount over that included in the budget is made up through salary savings (i.e., authorized positions left unoccupied during the year). In 1962-63 the Legislature authorized two additional full-time secretarial positions; one of these was designated to be funded with temporary help money. Because this individual is now employed for a full 12 months, and because under this proposal the staffing ratio in this bureau will remain unchanged, we recommend approval of this position request, together with the proposed reduction in temporary help.

Narcotics Education Project

The 1963 Legislature approved an amount of \$8,050 in the budget of the Bureau of Physical and Health Education to develop brochures and audio-visual instructional aids to be used by local school districts in strengthening programs of narcotics education. During the present fiscal year these funds have been and are being used to prepare for distribution to teachers a bibliography on the evils of narcotics, a comprehensive manual on drug abuse for statewide distribution, and for in-state travel in connection with conferences and seminars with teachers regarding this subject. Plans for the use of this money for 1964-65 include its use for special consultant assistance in the preparation and conduct of workshops throughout the State for teachers and final work on the above-mentioned manual. An amount of \$10,000 is included in the department's printing budget for 1964-65 for the printing of this publication. The Narcotics Education Project is budgeted for the coming year at \$8,050, representing no increase over the current level.

Talent Development Project

During hearings on the 1963-64 budget bill, the Department of Finance informed the Legislature of a federal grant received by California for a special three-year project aimed at developing special methods of identifying and motivating exceptionally bright school children. This grant, entitled the Talent Development Project, was made available by the U.S. Office of Education and in 1964-65 totals

Division of Instruction—Continued

\$77,000. This amount is shown as a reimbursement to the Division of Instruction and covers all costs attributable to the project. The purposes of the project, as we understand it, are as follows:

1. The development, refinement and dissemination of curriculum materials for each of the four types of programs;
2. The emergence of six school district centers within California as foci of educational innovations in such programs;
3. The development of evaluation procedures for each of the four types of programs demonstrated;
4. The opening of lines of communication among school districts, colleges, state and national agencies, and professional staffs;
5. The development of unique educational materials, pupil projects and methodology; and
6. The emergence of a new cadre of professional workers for educating the gifted.

Six school districts are participating in the demonstration projects; these districts receive federal reimbursements for project expenses incurred. The districts are:

1. Davis Unified School District (Solano County)
2. Lompoc Unified School District (Santa Barbara County)
3. Los Angeles City Schools (Los Angeles County)
4. Ravenswood Elementary School District (Los Angeles County)
5. San Juan Unified School District (Sacramento County)

In order to implement this program in the current year, the Department of Finance administratively established in 1963-64 four professional and 2.6 clerical positions. These 6.6 positions are requested permanently in this budget. *We recommend approval of these positions, with the limitation that this approval extend to no later than June 30, 1967.*

These positions entail no additional state cost and are connected with a three-year project with a definite expiration date. However, we have noted that the Department of Finance has not recommended placing a permanent expiration date on budgetary authorization for these positions. In order that legislative authorization for them expire at the same time that federal funds for this purpose are exhausted, thus avoiding any question of possible state assumption of the salary costs without further legislative review we recommend that an expiration date of June 30, 1967, be placed upon these 6.6 positions. We understand that by this date the Talent Development Project will be completed and the final report will have been rendered.

The 1964-65 budget request for the Division of Instruction includes an amount of \$3,000 in contractual services for specialized help to assist the Curriculum Commission. *We recommend disapproval of this request.*

This proposal is similar to requests put forth in the previous two departmental budgets; both were denied by the Legislature. In 1963, the department's justification for a sum of \$2,000 for this purpose stated merely that "a need for various specialists to give assistance to the Curriculum Commission has been expressed at state board meet-

Division of Instruction—Continued

ings." This justification is applicable to the 1964-65 proposal for \$3,000. However, it is supplemented this year by the department's statement that this assistance is necessary to make necessary corrections in newly adopted state textbooks. We are informed that this task of making corrections is the chief area which will be serviced if this request is approved.

The task of correcting state textbooks prior to final printing has historically been done by the staffs of the Division of Instruction and the Bureau of Textbooks and Publications and by free professional assistance. The departmental staff is, in fact, legally the staff of the Curriculum Commission; the Chief of the Division of Instruction serves as the commission's executive secretary. We would point out, as we did in last year's analysis of the budget bill, that if additional professional assistance is desired by the commission, reliance should be placed upon obtaining such aid without charge from universities, state colleges and other such educational institutions. In the past this assistance has always been available, when necessary, at no cost. In our opinion, the authorization of this request would set an unfortunate precedent in that professional staff would be established for a purely advisory state educational commission. We believe that the Department of Education should continue to act as the staff for the Curriculum Commission whenever possible.

Included within the amount of \$8,445 requested for equipment for the Division of Instruction is the sum of \$455 for additional photographic equipment for the Bureau of Audio-visual Education. *We recommend the deletion of this amount (\$455) from the equipment budget of this division.*

This sum is requested in order to purchase one Rolleiflex camera, complete with attachments, together with a special wide-angle lens which alone costs \$176, to be used primarily by the Bureau of School Planning. We do not dispute the necessity for personnel of this bureau to take pictures of state-aided school district facilities as part of their job. However, this request is for one of the most expensive types of twin reflex camera equipment on the market. Additionally, the request for a costly wide-angle lens has not, in our opinion, been at all justified by the bureau. In recommending this deletion, we note that the Bureau of Audio-visual Education presently has a total of seven reflex cameras, two of which are Rolleiflexes. In our opinion this existing equipment should be made available to and is adequate for the needs of the department's school planning personnel.

DIVISION OF PUBLIC SCHOOL ADMINISTRATION

This division has the responsibility for various noninstructional areas and subject matter within the jurisdiction of the Department of Education. The following units comprise the division:

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

No General Fund support is required for the school lunch and special milk programs which are entirely federally funded. Additionally, the Educational Agency for Surplus Property, which makes available surplus federal property to school districts at considerable savings, is supported by the Surplus Property Revolving Fund.

The remaining bureaus and activities within the Division of Public School Administration are supported almost wholly by the General Fund. This division, through the administrative unit and the Bureau of School Apportionments and Reports, has major responsibility for the yearly apportionment of more than \$800 million from the State School Fund as school apportionments. A more complete discussion of the School Fund and state subventions for education in general is to be found in the General Summary portion of this analysis. In addition, we have included in that section several long-range recommendations directed toward the improvement of school finance and the public school system.

S.B. 1515 (Chapter 1790, Statutes of 1963), which set forth the formula for apportionment of school construction bond funds for junior colleges, included a sum to provide assistance in school planning to the Department of Education. To fulfill this intent, one additional professional position was added to the Bureau of School Planning in 1963.

In 1964-65 expenditures for the Division of Public School Administration are proposed at \$1,098,338; this represents an increase over the current level of \$39,413. Much of this increase is due to merit salary increases, as well as the request for several new positions for the Bureau of Textbooks and Publications. Additionally, requests for new equipment show an increase of \$5,546, while operating expenses will rise by \$4,400.

Four new positions are requested for this division, as follows:

- Bureau of Textbooks and Publications:
 - 1 Textbook consultant
 - 1 General accountant II
 - 2 Junior clerk

We recommend that the fiscal committees of both houses defer action upon these position requests until the entire textbook program is discussed.

Division of Public School Administration—Continued

the charges of the bureau. As stated in an early section, basic standard and specification guides will be available to every district requiring assistance. Varying degrees of additional help could then be obtained from the bureau for a nominal charge.

We therefore recommend that the bureau be directed to keep hourly records of its services performed, by project. This will not be a great burden since records of a similar nature are presently being kept for reimbursement purposes for the State School Building Aid program. Also, the bureau should be required to establish an hourly charge for its services, sufficient to cover the total cost of the services performed. In addition, a procedure should be devised to charge school districts for the cost of the service rendered.

**The Need for a Revision in the Schedule of Charges for Plans Reviewed
by the Department of Education**

Presently the Education Code, Section 15302, requires that the Department of Education charge certain districts for reviewing plans and specifications of buildings to be constructed. This charge has been established at \$3 for each 1,000 square feet reviewed. At this rate, the money received consists of little more than a token payment for services rendered. The money collected is returned to the General Fund of the State. The reimbursements over the last three years are as follows:

<i>Fiscal year</i>	<i>Number of square feet approved</i>	<i>Fees collected</i>
1960-61-----	13,460,590	\$42,184
1961-62-----	10,826,122	32,385
1962-63 (Est.) -----	10,942,000 (Est.)	32,828

It has been estimated by professionals in the field that a more adequate charge would be \$10 per each 1,000 square feet reviewed. Based upon an average of 11 million square feet reviewed each year, the yearly reimbursement to the General Fund would be \$111,000. This represents a yearly increase of \$78,000 over the present sum collected. *We therefore recommend that the Department of Education be directed to recompute the schedule of charges for the service of reviewing plans and specifications of certain school districts. This computation should more adequately reflect the value of the services performed.*

Included within the equipment request of \$9,265 for the Division of Public School Administration is an amount of \$2,500 for specialized equipment for the Bureau of School Planning. *We recommend the deletion of this amount from the division's equipment budget.*

This sum of \$2,500 is requested by this bureau in order to purchase a new, highly mechanized microfilm viewer. In justification, it is stated that this particular item is to replace such a viewer presently in the bureau's possession which was purchased in 1948 and is "obsolete and not repairable." To our knowledge there is no legal requirement that the Department of Education maintain microfilmed plans of state-aided school facilities, although Section 15407 of the Education Code does require the Office of Architecture and Construction, Department of General Services, to maintain such plans. In addition, we have

Division of Public School Administration—Continued

viewed the existing equipment, found it to be in reasonably good condition, and have seen no evidence that it is "not repairable." We were told by Bureau of School Planning officials that use of the present machine, which must be manually operated, is so difficult that no one uses it. We must conclude that if this is the case, in view of the lack of any legal requirement for the storage of microfilmed plans by this unit, that there exists little need for the requested new and costly piece of equipment. If bureau personnel do not presently take the time to view this microfilm in the existing machine we doubt that they would do so even if the new item was purchased. Consequently, we recommend the deletion of this request.

DIVISION OF SPECIAL SCHOOLS AND SERVICES

This unit provides administration and supervision for the state residential special schools and for the statewide program of special education carried out by school districts. The division is comprised, at the present time, of the following subdivisions:

Division administration

Bureau of Special Education

Clearing House Depository for educational materials for the blind

One major reorganization affecting the Division of Special Schools and Services took place in 1963 through the passage of S.B. 1023 (Chapter 1747, Statutes of 1963) which established the Department of Rehabilitation. Previously this function, specifically the field services for the blind and the opportunity work centers for the blind, had been administered from within this division. This change resulted in a reduction in the numbers of authorized positions within the division of 34.1, from 65.3 authorized employees to 31.2 at the present time. One additional change was made through the enactment of A.B. 18 (Chapter 11, 1963 First Extraordinary Session), which established a clearinghouse depository within the division for the distribution to school districts of state-purchased braille equipment for blind students. This legislation culminated in the addition of three permanent positions to the division for this activity.

Assembly Bill 464 (Chapter 2165, Statutes of 1963) established a permissive state-aided program for "educationally handicapped minors," to be carried out in local school districts. Two consultant and one clerical positions were added to the Bureau of Special Education as a result of this measure.

Expenditures for the Division of Special Schools and Services show a decrease in the budget year of \$83,599 over the current year level, and \$334,456 over the actual 1962-63 expenditure. Nearly all of this decrease is due to the transfer of rehabilitation and blind services to the Department of Rehabilitation on October 1, 1963. Proposed division expenditures for 1964-65 total \$377,234.

One half-time position of intermediate clerk is requested for the Bureau of Special Education in the 1964-65 fiscal year. *We recommend approval of this request.*

Division of Special Schools and Services—Continued

Currently, within this bureau there are a total of 12 full-time professional positions and 5.5 clerical positions, excluding the bureau chief and his clerical assistant. Because one of the consultant positions is filled by a blind individual it is necessary for the half-time stenographer to spend all of her time assisting this consultant. Consequently, of the 11 consultants remaining there are only 5 clerical employees available for assistance; the result of this situation has been that one secretary has been serving three consultants. Because of the nature of the clerical work necessary in the Bureau of Special Education, involving a large volume of both telephonic and written contact with parents of handicapped and retarded children, this is a difficult situation. The bureau has requested the half-time position in order to return the professional-to-clerical ratio to the generally accepted standard of 2:1. In this case, because of the unusual character of the work which must be performed by the clerical staff, we believe this ratio is justified and recommend approval of this request. The addition of this half-time position will increase the budget for this division in the amount of \$2,070.

Grants to Teachers of Physically Handicapped Minors

Assembly Bill 813, Chapter 2107, Statutes of 1963, implements a one-year project directed toward state financial encouragement for prospective teachers of physically handicapped public schoolchildren. School district governing boards and county superintendents of schools are authorized to make financial grants available to teachers employed in their respective jurisdictions for the purpose of allowing the employee to undertake during the summer months specialized training required to qualify him to teach physically handicapped minors. Not later than October 31, the State Superintendent of Public Instruction shall reimburse cooperating school districts and county superintendents for the costs thereby incurred.

Several limitations on the expenditure of state funds for this purpose are included in the statute. One such limitation is a provision which limits the amount allowed per employee to \$50 times the number of semester hours or units undertaken. In addition, the total amount reimbursed to any teacher undergoing special training shall not exceed \$50 times the total number of semester hours required by applicable law and regulation for the credential sought. Finally, no more than five years shall be allowed to elapse between the first and final grants to any one teacher.

The statute appropriates the amount of \$60,000 for the 1964-65 fiscal year only. Therefore, no appropriation is necessary in this year's budget bill, although the item is explained on page 1080 of the budget document, under "local assistance." No appropriations are provided for the ensuing years. This sum should provide, if the units undertaken per teacher average six at \$50 per unit, for the training of approximately 200 teachers during the coming summer. The Superintendent of Public Instruction is required, by law, to submit a detailed report on this program to the 1965 Legislature; in addition he shall include "in his report his recommendation concerning the desirability of continuing the

Division of Special Schools and Services—Continued

program." This will permit review of this report in our analysis of the 1965-66 budget bill.

With the exception of the deletions discussed above, we recommend approval of this item as budgeted.

**Department of Education
OFFICE OF COMPENSATORY EDUCATION**

ITEM 89 of the Budget Bill

Budget page 193

**FOR SUPPORT OF THE DEPARTMENT OF EDUCATION,
OFFICE OF COMPENSATORY EDUCATION,
FROM THE GENERAL FUND**

Amount requested	\$346,000
Estimated to be expended in 1963-64 fiscal year	346,000

Increase	None
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TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

The Office of Compensatory Education is authorized under the provisions of Chapter 98, Statutes of 1963 (the McAteer Act), as a two year pilot project aimed at uncovering methods of encouraging culturally disadvantaged children to remain in school until graduation. The act defines a culturally deprived minor as an individual who, although potentially capable of completing the public schools, is hindered from doing so by cultural, socio-economic and environmental handicaps. As originally proposed, the plan was to consist of the pooling of materials on the subject, advising local school districts on their specific problems and granting state funds on a matching basis to local school districts which submit approved plans for the conduct of special programs for such deprived children in their districts. In enacting the bill into law, the Legislature approved these facets of the program, but included two significant amendments; one of these provided that the project shall expire at the end of two years (specifically on June 30, 1965), while the other requires a report on the results of the project to the Legislature at the commencement of its 1965 General Session. Implicit in this requirement is the probability that if the report is favorable, a request will be made by the Department of Education to the Legislature to expand the program of grants to school districts and place the program on a permanent basis. With these requirements and the necessity for eventual legislative review of the program, we have instituted a program evaluation of this pilot project. While the McAteer Act has been in effect only for approximately five months and consequently significant progress cannot be reported at this time, we propose in this analysis to present several of the more important trends which may be observed. We shall also include our recommendations concerning items for inclusion in the 1965 report to the Legislature.

The passage of the McAteer Act, together with the Budget Act of 1963, authorized two positions for the administration of the pilot proj-

Office of Compensatory Education—Continued

ect. One of these is a professional position, the consultant on compensatory education, who is appointed by the chairman of a statewide advisory committee on the problem. The other is a clerical position. Of the \$346,000 appropriated in 1963-64 for the conduct of the program, approximately \$27,279 was set aside for administrative purposes, while the remaining \$318,721 was to be used for grants to school districts. In 1964-65, it is proposed that some \$26,505 be applied to program administration with \$319,495 earmarked as state grants. Thus, the amount available to local districts is proposed to increase by \$774 over the 1963-64 figure during the budget year. Over the two-year period it appears that of the total state funds appropriated for compensatory education (\$692,000), approximately \$53,784 (or 7.8 percent of the total amount appropriated) will be expended for administrative purposes at the state level, while \$638,216 will be apportioned to school districts operating approved programs.

Although the original proposal as presented to the Legislature in 1963 foresaw approximately nine pilot projects with 1,500 deprived children in each project, substantially more than that number of projects have been approved by the Department of Education. For the 1963-64 year, 24 school districts of the 74 which applied for project grants were given departmental approval and will be reimbursed on the basis of \$24 per pupil; each such district has agreed, according to the provisions of the act, to match this amount by one-third of the total or approximately \$12 per pupil. Obviously, most of the 24 projects are comprised of less than 1,500 pupils each; the largest project in terms of deprived students being serviced is being conducted in the Los Angeles City Unified District with 2,000 pupils. The smallest project on which we have received enrollment information will be held in the Los Nietos Elementary School District; this project includes funds for approximately 30 students. Following is a listing of the school districts presently conducting projects in compensatory education and the student groups involved in each district.

Compensatory Education Projects, 1963-64

1. Berkeley City Unified :
2d grade classes
2. Bishop Union Elementary :
Indian children
3. Centinela Valley Union High School :
grades 9 through 11
4. Colusa Unified :
Mexican and Indian children ; 3d and 4th grades
5. Fresno City Unified :
Negro, Mexican and second generation Armenian, Romanian and Italian ;
junior high school grades
6. Kings County Superintendent of Schools :
Indian, Mexican and Negro
7. Los Angeles Unified :
grades k through 12 ; includes adult classes
8. Los Nietos Elementary :
pupils with dual language background
9. Merced City Elementary :
Mexican ; grades 7 through 8

Office of Compensatory Education—Continued

Compensatory Education Projects, 1963-64—Continued

10. Monterey County Superintendent of Schools:
Mexican and Filipino; grades 7 through 8
11. Mt. Diablo Unified:
Negro; 8th grade
12. Oakland City Unified:
various in-migrant groups; grades k through 6; 10th grade
13. Oxnard Elementary:
Mexican and Filipino; 7th and 8th grades
14. Pasadena City Unified:
Negro children; grades k through 12
15. Ravenswood City Elementary:
Negro; elementary and junior high school grades
16. Riverside County Superintendent of Schools:
rural and urban Spanish-speaking children
17. Rodeo Elementary:
kindergarten and 8th grade
18. San Bernardino City:
Negro and Mexican; grades k, 2, 7 through 9, 10 and 11.
19. San Diego City Unified:
children coming from homes where languages other than English are spoken;
all grade levels
20. San Francisco City Unified:
Chinese, Negro and Mexican children; grades 1 and 7
21. Sausalito Elementary:
grades k through 8
22. Sequoia Union High School:
Negro and Mexican students; all grade levels
23. Stockton City Unified:
all racial backgrounds represented
24. Willowbrook Elementary:
Negro and Mexican children; 4th and 5th grades

We believe we can say with reasonable assurance from a review of the projects being conducted that most areas of the State are covered by the project and that children of varying backgrounds are being serviced.

Last year we set forth in our analysis of the then-proposed program of compensatory education several questions which we felt should be answered at the completion of the two-year pilot program and prior to further legislative action in this area. These questions, together with several additional inquiries, are listed below:

1. How many children have been included in each project, and what socioeconomic backgrounds have they represented?
2. What has been the effectiveness of the several methods used in the program to improve the students' educational possibilities and motivations?
3. What have been the results of attempts to interest those in the homes of these students in the school program and the students' progress?
4. What are the cost factors per student and the components of these factors? What are the evidences of each district's ability to support such a program on its own? What are the possibilities of introducing a state-assisted program of this sort which makes use of varying district ability or wealth?

Office of Compensatory Education—Continued

5. What are the results, measured by a reduction in the drop-out rate, improvements in students' school records, and other such data, of the program in each school district?
6. What is the outlook for an extension of the program?
7. Should the administration of this activity be transferred to the existing Division of Instruction, Department of Education, where the administration of other special programs presently is conducted?
8. If the program is extended, what are the proposals for periodic program evaluation and reporting to the Legislature?
9. What are the probable eventual total costs of the program, if extended?

We regard full answers to these questions as essential to any progress report rendered to the Legislature in 1965. Despite the favorable reports we have received concerning the compensatory education project to date, it must be emphasized that this could be, if extended, an extremely expensive program, even if supported at the present level of state support. The Department of Education has estimated that as much as 20 percent of the State's public school enrollment may be eligible for this program, or may be legally defined as being "culturally deprived." Based upon estimated 1963-64 ADA of 4,205,000, we have a figure of possible eligible students for these programs at the present time of 841,000. Multiplied by the current state support rate of \$24 per ADA, it can be seen that the annual cost of the State of the program on a workload basis alone could amount to \$20.2 million. Because of this cost we believe that a thorough and objective report must be rendered by the Department of Education by January 1965.

We recommend approval of the item as budgeted.

**Department of Education
SCHOOL BUILDING AID**

ITEM 90 of the Budget Bill

Budget page 193

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

Amount requested	\$108,000
Estimated to be expended in 1963-64 fiscal year	103,075
Increase (4.8 percent)	\$4,925

Summary of Increases

Increase to maintain existing level of service.....	\$4,925
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TOTAL RECOMMENDED REDUCTION.....	None
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ANALYSIS

This appropriation from the School Building Aid Fund is intended to meet the expenses of the Department of Education's Bureau of School Planning that are attributable to time spent by bureau personnel on state school building aid projects. During 1962-63 the time records

School Building Aid—Continued

maintained by the bureau indicated that approximately 40 percent of its time was spent on these state-aided construction projects; therefore, the reimbursement from the School Building Aid Fund represents roughly 40 percent of the bureau's estimated total operating costs.

The requested expenditure for this fiscal year of \$108,000 shows an increase of \$4,925 or 4.8 percent over the current level. A more complete discussion of the Bureau of School Planning is contained within the preceding discussion of the department's general activities budget. *We recommend approval as budgeted.*

**Department of Education
NATIONAL DEFENSE EDUCATION ACT**

GENERAL SUMMARY

The National Defense Education Act (PL 85-864), in existence since 1958, is intended to provide financial assistance to states and to educational institutions for the promotion of training designed to meet the defense requirements of the United States. The various titles of the act, ten in number, are as follows:

Title I. An introductory portion containing the purpose of the act, a definition of the terms used and a declaration of congressional intent that nothing in the act authorizes or implies federal control of education.

Title II. Authorizes loans to students in institutions of higher learning. The State participates, through the General Fund, at the rate of one-tenth of the total amount to be loaned; federal funds supply the other 90 percent. Administration of this program within California rests with the Trustees of the California State Colleges. A fuller discussion of this program, together with the budget requests for the activity for 1964-65, may be found in the section of this analysis dealing with the California State Colleges.

Title III. This title authorizes federal assistance designed to improve instruction of science, mathematics and modern foreign languages. There are two subdivisions within this title. Title IIIa provides federal funds to be matched locally for the purchase of specialized equipment and materials, and for minor remodeling, to be used in the teaching of science, mathematics or foreign languages. Title IIIa subventions (federal funds) may be found in the local assistance section of the budget document. Title IIIb is administered within California by the Department of Education and provides grants to states for the expansion of supervisory and administrative functions related to the above subject matter; support is also provided for state-level administration of Title IIIa. State and federal funds for Title IIIb are expended in the following ways:

1. The evaluation, processing and approval of local applications for federal funds.
2. Preparation of reports and studies and the dissemination of information derived from NDEA projects.
3. Organizing and financing of statewide or regional studies and workshops for educators.
4. The provisions of consultative assistance within the department and to local school districts in connection with NDEA-sponsored projects.

Title IV. Since 1958-59 graduate fellowships have been made available under this title of the NDEA. These grants have no relationship to the loans authorized under Title II and the State takes no part in their administration.

Title V. This title makes available federal funds for the establishment or maintenance of testing, guidance or counseling programs. Existing state and local expenditures for programs already authorized in California have satisfied the federal matching requirements included in this title. Consequently, only the federal subventions for this activity may be found in that section of the budget document. The California state plan for Title V provides for testing to identify able students and for guidance and counseling at the secondary level to advise students with

National Defense Education Act—Continued

regard to their future educational needs. A second portion of Title V, not involving state participation, provides for the establishment of guidance and training institutes, arranged with local educational institutions by the U.S. Commissioner of Education.

State-level administration of funds available under Title V is undertaken by the Department of Education's Bureau of National Defense Education. School districts are directed to submit applications for funds to the bureau. If the applications conform to the provisions of the act and approval is granted the districts are then free to implement their projects; they are later reimbursed by federal funds following submission of claims for costs incurred in their respective programs. It is estimated that in 1964-65 \$1,126,735 will be made available in federal funds for Title V in California; approximately the same amount will be subvended during the current year.

Title VI. This title authorizes the U.S. Commissioner of Education to arrange with colleges and universities for the establishment of modern language teaching centers and centers for instruction in related subjects (economics, geography, political history, etc.). Many institutions of higher learning in this State have entered into such agreements, including both public and private schools.

Title VII. Title VII is intended to encourage research in the use of various instructional media, to include radio, television, motion pictures and the like. Provision is made for the U.S. Commissioner to enter into contracts with appropriate public and private organizations.

Title VIII. This includes California's Area Vocational Education program. The program in this State is administered by the Department of Education's Vocational Education Section whose budget, which includes this particular field, is analyzed elsewhere in this report. The purpose of Title VIII is to make technological training available at lower than college level in areas deemed to be vital to the national defense.

Title IX. Title IX establishes the Science Information Service, National Science Foundation.

Title X. Miscellaneous. In California this title provides for federal funds to match state appropriations designed to improve the statistical services of the Department of Education, Bureau of Education Research.

Although originally enacted by Congress in 1958, the NDEA has been subject to periodic renewals, usually for two-year periods. Early in December 1963 Congress once again extended the life of the act for another one and one-half years; presently, the NDEA is slated to expire on June 30, 1965. If, at some future time, the act is allowed to expire permanently, the states will be faced with making a judgment as to whether or not to continue its provisions within their jurisdictions. Because in California NDEA federally funded activities amount to approximately \$7.8 million per year such an assumption by this State would entail a significant addition to the annual state budget. For this reason we have attempted each year to carefully review the program developments, trends and accomplishments of the NDEA in California.

Table I enumerates the expenditures made for each title of the NDEA, by governmental level, for the past two fiscal years, and includes the proposed expenditures for 1964-65.

Table I
National Defense Education Act Expenditures

1962-63 (actual)				1963-64 (estimated)			1964-65 (proposed)		
	Federal	State	Local	Federal	State	Local	Federal	State	Local
Title II									
Student loans -----	\$2,002,680	\$222,520	--	\$1,800,000	\$200,000	--	\$2,250,000	\$250,000	--
Title III									
A. Local projects ---	2,671,852	--	\$2,671,852 ¹	2,739,528	--	\$2,739,528 ¹	2,739,528	--	\$2,739,528 ¹
B. State level									
administration -	297,102	245,200	--	309,506	268,042	--	309,506	272,385	--
Title V									
Guidance									
State level -----	103,303	--	--	179,000	--	--	179,000	--	--
Subventions -----	1,056,420	-- ²	-- ²	1,126,735	-- ²	-- ²	1,126,735	-- ²	-- ²
Title VIII									
Area vocational									
education									
State level -----	112,147	-- ²	-- ²	169,214	-- ²	-- ²	170,574	-- ²	-- ²
Subventions -----	1,329,937	-- ²	-- ²	938,161	-- ²	-- ²	936,856	-- ²	-- ²
Title X									
Statistical reporting -	36,946	36,946	--	46,758	46,758	--	44,773	44,773	--
Total -----	\$7,610,387	\$504,666	\$2,671,852	\$7,308,902	\$514,800	\$2,739,528	\$7,756,972	\$567,158	\$2,739,528
GRAND TOTAL,									
ALL SOURCES ----		\$10,786,905			\$10,563,230			\$11,063,658	

¹ Local school district funds.

² No additional funds required; current expenditures meet matching requirements.

National Defense Education Act—Continued

In our analyses of the 1962-63 and 1963-64 budget bills we posed several questions relative to the accomplishments of California's participation in the National Defense Education Act. These questions, in somewhat revised but similar form, became the basis of a survey conducted by the Bureau of National Defense Education among California school administrators whose districts participated in Title III of the act (improvement of instruction in science, mathematics and foreign languages).

In last year's budget analysis we supplied partial answers and findings as given to us by the bureau. Since that time the survey has been completed and its results published in a bulletin of the Department of Education dated September 1963 and entitled *The Dynamics of Educational Change*. Several of the more salient points made in that report, as they apply to our original questions, are summarized below:

1. What has been accomplished in terms of numbers involved (i.e., teachers and students) and in terms of measurable results?

The bureau has noted that during the first four years of the operation of the act California school districts submitted requests for some \$14,427,022 in federal funds and have received approvals totaling \$10,861,657. In the first three years of the program, 887 of the approximately 1,600 school districts of the State, having 81.1 percent of the State's average daily attendance (ADA), conducted Title III projects under the NDEA. More than one-half of the approved projects have been in science, nearly one-quarter in modern foreign languages and 14 percent in mathematics. The remaining projects were conducted in more than one subject area.

The survey also sought to discover which types of school districts were responding more readily to the incentives and stimuli offered through the NDEA, Title III program. It was found that the district most likely to profit from these activities is large and is located in a metropolitan area, employs an administrator having as one of his chief duties the supervision of Title III in the district, has a reputation in the area as being a district with a high quality educational program and willing to experiment with new techniques, has insufficient financial resources to implement programs similar to those offered by Title III on its own, and has less wealth than the average district of that grade level. Conversely, Title III funds were either not made use of or were ineffectively used in wealthier, basic aid districts of smaller size located in rural areas. In this respect, then, the federal program appears to be aiding those districts in the greatest need of such aid and representing a larger number of students.

While it is difficult to judge the actual quality achievements of the Title III program in California, the department's study noted that by far the large majority of school administrators questioned felt that the NDEA had indeed improved the quality of instruction in science, mathematics and foreign languages in their schools. On the quantitative side, it can be said that a large amount of new, specialized equipment has been made available, much consultative assistance has been supplied to school districts in these three subject areas and enrollments

National Defense Education Act—Continued

in these three disciplines have increased in districts operating Title III projects. To this extent, then, the program has had the desired effect of stimulating and extending effective public school instruction in science, mathematics and modern foreign languages.

2. What utilization of available federal funds has been made?

Federal funds have been used, according to the survey, to the extent of more than 95 percent of the available amounts. Table II shows the total amounts encumbered for California school districts participating in Title III from 1958-59 through 1960-61. It can be seen that totally, over the first three years of the program, in excess of \$8,000,000 was allocated to school districts in this State for projects of this sort. It must be concluded that maximum use has been made of federal funds allocated to California under Title III of the NDEA.

3. What state money has been released; or, what has been accomplished under the program that regular state activities would not have accomplished?

While it is impossible to ascertain whether any state funds have been "freed" through this program, it must be concluded that Title III has indeed accelerated programs in science, mathematics and foreign language and has stimulated student and teacher interest in them. It is worth noting, however, that while state support quite largely is oriented, through its foundation program of school support, to district operating expenses in general and thus is not tied to any particular program, the NDEA has required districts to submit plans and proposals prior to the approval of a project and the allocation of funds. Thus, while state funds are apportioned merely on the basis of the district's existence and its average daily attendance, Title III funds are allocated on the basis of their use in a specific manner in a specific program. Although the large portion of state support funds may be used in any way the local governing board desires, we are assured that federal moneys under the NDEA are channeled into instructional programs and materials associated with these three subject areas. It is doubtful, under the existing system of state school support and maximum local control, that the progress which has occurred under the NDEA in these subject areas would have been as rapid without the NDEA. Undoubtedly, then, this incentive program has provided for instructional improvements of greater magnitude than would otherwise have materialized. To the extent that funds for such projects have been allocated to less wealthy districts (and the survey shows such districts to be in the majority of those benefiting from NDEA) the Title III program has further implemented instructional programs which might not otherwise have been possible.

4. What duplication is present in the use of consultants among the different programs and the Division of Instruction?

One nearly unanimous feeling among school administrators questioned in the departmental survey was their approval of the improved consultative services made available through Title III of the NDEA. Consultants, whose salaries are borne by NDEA funds, are integrated into the various bureaus of the department's Division of Instruction

Table II

Number of NDEA Title III Project Applications Approved and Amount of Federal Funds Encumbered for California School Districts According to Grade Level and Subject Area—1958-59 Through 1960-61¹

Grade level	Subject area	Fiscal year							
		1958-59		1959-60		1960-61		Total	
		Number of projects approved	Federal funds encumbered	Number of projects approved	Federal funds encumbered	Number of projects approved	Federal funds encumbered	Number of projects approved	Federal funds encumbered
192 Elementary	Science -----	195	\$543,483	252	\$859,134	340	\$533,967	787	\$1,936,584
	Mathematics -----	43	55,194	68	100,265	91	120,908	202	276,367
	Modern foreign language -----	64	87,680	75	127,372	104	153,780	243	368,832
	Combination -----	23	131,217	17	161,763	22	186,091	62	479,071
	Subtotal -----	325	817,574	412	1,248,534	557	994,746	1,294	3,060,854
High school	Science -----	158	416,773	216	660,349	183	545,216	557	1,622,338
	Mathematics -----	32	58,827	64	92,671	61	68,387	157	219,885
	Modern foreign language -----	95	493,771	109	556,037	142	632,961	346	1,682,769
	Combination -----	35	196,310	13	88,533	9	7,868	57	292,711
	Subtotal -----	320	1,165,681	402	1,397,590	395	1,254,432	1,117	3,817,703
Junior college	Science -----	25	137,732	63	259,483	94	351,919	182	749,134
	Mathematics -----	3	18,827	5	10,275	7	24,363	15	53,465
	Modern foreign language -----	18	103,086	24	128,673	21	87,092	63	318,851
	Combination -----	2	8,974	7	71,850	--	--	9	80,824
	Subtotal -----	48	268,619	99	470,281	122	463,374	269	1,202,274
All	Science -----	378	1,097,988	531	1,778,966	617	1,431,102	1,526	4,308,056
	Mathematics -----	78	132,848	137	203,211	159	213,658	374	549,717
	Modern foreign language -----	177	684,537	208	812,032	267	873,833	652	2,370,452
	Combination -----	60	336,501	37	322,146	31	193,959	128	852,606
	Totals -----	693	\$2,251,874	913	\$3,116,405	1,074	\$2,712,552	2,680	\$8,080,831

¹From The Dynamics of Educational Change, California State Department of Education, September 1963.

National Defense Education Act—Continued

and become a part of the regular consultant staff. As such, they represent a degree of savings in state funds for positions which might otherwise have to be financed entirely through the General Fund. At present, we can discern no obvious duplication; this is largely due to the rapidly increasing school population in California and the constant pressure to maintain a somewhat even pupil-to-consultant ratio. However, in the past the department has occasionally requested positions with functions similar to those existing consultant positions funded through Title III. To our knowledge no such position has ever been authorized.

Totally, in the first three years of NDEA's existence some 2,860 consultant days (7.84 years) were provided in assistance to local school districts and offices of county superintendents. A breakdown of this assistance by subject area follows:

Consultant Services Provided Under Title III, NDEA
1959-60 Through 1961-62¹

Subject area	Man-days of service			Three years	Percent of total
	1959-60	1960-61	1961-62		
Science	96	480	312.5	888.5	31.0
Mathematics	42	539	563	1,144	40.0
Foreign language	155	284	279	718	25.2
Combined subjects	89	12	8.5	109.5	3.8
Totals	382	1,315	1,163	2,860	100.0

¹ From "The Dynamics of Educational Change," California State Department of Education, September 1963.

5. What is the distribution of the reports and materials produced; how are they evaluated; and what overlap is there with those produced by the existing program of the Department of Education?

As we reported in our last analysis of the budget bill, through coordination with the normal departmental printing schedule there is apparently little overlap in the types or numbers of separate publications produced by the NDEA and the Department of Education. NDEA publications and reports are published as departmental material and cover areas other than those covered by the regular printing schedule. One area, however, in which we lack information is that of possible duplication between NDEA publications and those of the offices of county superintendents and large school districts. It will be recalled that the State expends some \$12,000,000 annually through the State School Fund in support of the "coordination" function of the county superintendents; this includes the cost of publication of a liberal amount of professional literature. We have from time to time noted the obvious duplication in both types and numbers of reports among the county offices and between the county offices and the state department. Since NDEA publications are integrated into the regular departmental printing schedule it may then be assumed that there is some measure of duplication and overlap between such publications and the published material emanating from the several county offices. The departmental survey, unfortunately, includes no information on this subject. We believe that an attempt should be made to provide this data in future surveys.

National Defense Education Act—Continued

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

We noted last year that, aside from the required local matching of federal funds received, it was impossible to measure in quantitative terms the amount of local district participation accelerated by the NDEA. In most cases, districts which have received funds from the Title III program in past years have continued to receive such funds up to the present time because of the submission of new plans for new projects. In an examination of federal grants district-by-district for the last several years we noted that the larger districts kept coming back each year with new proposals and requests for funds; thus, the amount of Title III funds they have received has not varied greatly from year-to-year. It appears that until and unless the federal program is gradually reduced it will not be possible to discover what districts are able or willing to do on their own without federal subsidy.

While we have been generally satisfied with the response of the Department of Education to our suggestion that an attempt be made at the state level to evaluate the effectiveness of the Title III program in California, we have seen no similar efforts with regard to the other major NDEA programs conducted under the department's auspices. These include Title V of the NDEA (Improvement in Testing, Guidance and Counseling Programs) and Title X (Improvement of Statistical Services). The latter program is conducted strictly at the state level and has resulted basically in a federally funded augmentation of the department's Bureau of Education Research. It requires state matching on a 50/50 basis; we shall discuss possible evaluation of Title X subsequently in this analysis.

Title V requires no additional state or local expenditures other than those already being made in these areas which, at present, satisfy the matching requirements for this title. In 1964-65 it is expected that federal funds for Title V assistance will amount to \$1.1 million. While there exists no budgetary appropriation of General Fund moneys through which we can call attention to the need for a proper program evaluation of Title V activities, we believe the Department of Education should be asked to provide such an evaluation. Should this portion of the NDEA be allowed to expire at some future time by Congress and should no *overall* program evaluation exist, we would be obliged to seriously question the necessity for the State to continue with similar activities. *Therefore, we recommend that further program surveys cover not only the activities and accomplishments of Title III but also of the various other programs conducted under the NDEA.*

**Department of Education
NATIONAL DEFENSE EDUCATION ACT**

ITEM 91 of the Budget Bill

Budget page 195

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

Amount requested	\$272,385
Estimated to be expended in 1963-64 fiscal year	268,042
 Increase (1.6 percent)	 \$4,343
 Increase to maintain existing level of service.....	 \$4,343

TOTAL RECOMMENDED REDUCTION..... **None**

ANALYSIS

General Fund support for Title IIIb during 1964-65 is requested in the amount of \$272,385, an increase over the estimated current year expenditure of \$4,343 or 1.6 percent. This increase is completely attributable to merit salary improvements and to increased employee benefits. The support portion of the Title IIIb budget remains unchanged from the approved 1963-64 level. Federal funds received for the support of this title, estimated at \$309,506 for the current year, are expected to remain at that level during the budget year. Total support for this portion of the NDEA program is computed at \$581,891, comprised of both federal and General Fund moneys.

A report published in 1963 under the auspices of Title III of the NDEA, entitled *The Dynamics of Educational Change*, attempts to evaluate the results of this title upon the public schools of the state since the inception of this portion of the NDEA. The preceding summary of NDEA activities in California discusses the findings contained in that report more fully. It is our understanding that the bureau will continue in the future to examine periodically the program's effectiveness in light of the factors enumerated in this, its first such progress report.

For the year under consideration the bureau proposes to add an additional new position of intermediate stenographer. The costs of this position are offset by a reduction, identical in cost, of one man-year of temporary help. *We recommend approval of this position, together with the requested reduction in temporary help.*

This change was effected administratively during the current fiscal year by the Department of Finance. It is requested on the basis of increased workload connected with the approval of applications submitted by school districts in order to qualify for federal funds for consultative services. The bureau is charged with the approval of these applications, and maintains a substantial consultant staff to aid in the discharge of these responsibilities. Since the inception of the NDEA, the numbers of

National Defense Education Act—Continued

consultant service projects, amounts of funds requested and the clerical staff have grown as shown below:

Year	Number of consultant projects	Amount approved	Permanent clerical positions
1959-60-----	37	\$10,000	3
1960-61-----	100	39,783	3
1961-62-----	210	94,553	3
1962-63-----	235	100,000	3
1963-64-----	238	116,000	4*

* One established administratively; requires approval this year.

In order to cope with this increasing workload, the bureau has hired numerous clerical persons on a temporary help basis. Because of the difficulty of finding qualified temporary clerical assistance it is now proposed that the additional position be established, concurrent with the abolishment of one temporary help position. On the basis of the increased workload shown above and the fact that no new cost to the State is involved here, we feel that this request is justified.

In addition, it is proposed to add one additional position of consultant in foreign languages in 1964-65 to the Title IIIb staff. *We recommend approval of this position, at a cost to the State of \$10,500.*

This position is proposed in order to provide additional consultative assistance to local school districts in the impending implementation of the mandatory foreign language requirement for the elementary grades. Six consultants are presently authorized under Title IIIb; several of these are currently assigned foreign language responsibilities. In our opinion, the table shown above clearly indicates the growing importance of these subject-matter consultant services to local school districts. In addition, because of the fact that the State now requires that foreign languages be taught in elementary schools, we believe it is proper that the State also provide aid in the form of advisory assistance in the establishment of these programs. It is proposed to finance this new position entirely through a reduction in the budgeted amount for "instructional materials and services" (line 78, page 195, of the budget document). Because these funds are normally used, in part, to hire part-time advisory consultants and specialists we believe that this procedure is proper. We would point out that the provision of such assistance through the NDEA program requires half the General Fund support that would be required if the position were to be included in the department's general activities budget.

We recommend approval of this item as budgeted.

Department of Education

NATIONAL DEFENSE EDUCATION ACT

ITEM 92 of the Budget Bill

Budget page 197

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

Amount requested -----	\$44,773
Estimated to be expended in 1963-64 fiscal year -----	46,758

Decrease (.4 percent) -----	\$1,985
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TOTAL RECOMMENDED REDUCTION -----	None
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National Defense Education Act—Continued

ANALYSIS

In California, the state plan for Title X provides for federal assistance to encourage and improve the statistical services of the California Department of Education. Currently, programs being conducted under Title X are intended to:

1. Improve statistical services through the evaluation of existing methods;
2. Assist in the development of accounting manuals and publications; and
3. Assist in a general inventory of educational facilities within the State.

In addition, we are told that considerable Title X effort is being expended to evaluate the statewide testing results in order to secure more meaningful data from the tests.

The level of General Fund support for Title X is set for the 1964-65 fiscal year at \$44,773. This represents a decrease of \$1,985 from the amount estimated to be expended for this title during the current year. The decrease is due largely to an equipment request for Title X which totals some \$10,000 less than the amount requested for this purpose in the 1963-64 budget. Actually, other operating expenses of Title X show moderate increases; the most notable among these is an increase of \$4,100 in the budget request for bulletin printing. This increase is due chiefly to bulletins scheduled to be released in 1964-65 on the subjects of school accounting and inventories of educational facilities in California. In addition, merit salary adjustments will account for an increase of approximately \$1,930 in the budget for this title during 1964-65. No new positions are requested and the level of service is proposed to remain unchanged.

We noted in our general summary of NDEA activities in California the lack of a program evaluation of Title X. In the past we have asked this question and have received answers enumerating the specific subject areas in which personnel hired with NDEA funds are being employed. Several of these are listed above, as "programs being conducted under Title X." We do not believe that such an enumeration fully answers the questions we posed in previous analyses. Several of these are listed below:

1. What *measurable results* have been obtained through the State's participation in this program?
2. What utilization of available federal funds has been made?
3. What state funds have been released; what has been accomplished that might not have been accomplished without Title X assistance?
4. What duplication in staff has resulted, if any?
5. What reports and studies have been produced?
6. How have the statistical services of the Department of Education been improved?
7. In terms of the goals set forth in the state plan for Title X, which was originally used by the State as justification for federal assistance,

National Defense Education Act—Continued

how many of these goals have been met? Should new, more ambitious goals be formulated?

These questions do not differ markedly from those we originally asked in our 1961-62 Analysis of the Budget Bill. Yet, three fiscal years later they have not yet been answered with regard to Title X. It appears that in the past federal funds emanating from this title have been used largely to augment existing departmental statistical staff, with little new accomplishments in terms of actual services. We have seen nothing in the way of an evaluation of the program to change our view in this regard.

We recommend approval of this item as budgeted. However, in order to insure that a full and complete report is made on the activities and accomplishments of Title X in California we recommend that budgetary approval be made concurrent with a directive that the Bureau of National Defense Education prepare a summary of the accomplishments of this title, together with a justification for the continued expenditure of state funds on Title X, along the lines suggested above for submission prior to the preparation of the 1965-66 budget.

**Department of Education
DIVISION OF LIBRARIES**

ITEM 93 of the Budget Bill

Budget page 198

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

Amount requested	\$1,201,105
Estimated to be expended in 1963-64 fiscal year	1,163,190
Increase (3.3 percent)	\$37,915

Increase to maintain existing level of service	\$12,383
Increase to improve level of service	16,854
Increase for new service	8,678

TOTAL RECOMMENDED REDUCTION **\$29,337**

Summary of Recommended Reductions

	Amount	Budget Page	Line
Reader Services Bureau			
1 man-year temporary help	\$4,140	199	31
Technical Services Bureau			
1 senior typist-clerk	5,028	199	35
Book purchases—Law Library			
Law continuations (new program)	8,678	199	62
Law books (book-price factor)	547	199	61
Law continuations (book-price factor)	2,412	199	62
Book purchases—Reader Services			
General books (book-price factor)	3,614	199	71
California (book-price factor)	530	199	72
Government documents (book-price factor)	184	199	73
Maps (book-price factor)	21	199	74
Microfilms and films (book-price factor)	558	199	75
Prints (book-price factor)	58	199	76
General continuations (book-price factor)	3,359	199	77
Sutro branch (book-price factor)	208	199	78

**Division of Libraries—Continued
ANALYSIS**

The State Library, under the direction of the State Librarian, has various service responsibilities. These are as follows: (1) to provide supplemental services through local public and private libraries; (2) to provide basic reference services to the Legislature and the various state agencies comprising the executive branch of the state government; (3) to stimulate and assist in the development of public library facilities throughout the State; (4) to acquire and preserve historical data and material pertaining to California; and (5) to administer the newly enacted Public Library Development Act. A more thorough discussion of the factors inherent in this latter function may be found in the local assistance section of this analysis under the discussion of state assistance to public libraries. The operating bureaus and sections of the State Library which carry out these responsibilities are as follows:

- Administrative Bureau
- Library Consultant Services
- Law Library
- Reader Services Bureau
- Technical Services Bureau
- Assistance to Local Libraries
- Rural Library Services

The last bureau is completely financed from federal funds received under the Rural Library Services Act (P.L. 597, 84th Congress).

State Library expenditures from the General Fund in 1964-65 are estimated at \$1,201,105, an increase over the 1963-64 level of \$37,915 or 3.3 percent. Although five new positions are requested in this budget, their cost is more than offset through the reduction of seven positions added in previous years for several special projects, all which are due to expire on June 30, 1964. Of the total increase of \$37,915, approximately \$12,383 is requested to maintain the existing level of service and is reflected largely in increases in the budget for current operating expenses; notable among these increases is a request for an additional \$3,500 in binding because existing amounts have not been sufficient. An amount of \$16,854 represents an increase to improve the existing level of service and is proposed as an 11 percent book-price increase over the 1963-64 level. New service comprises some \$8,678 which is proposed to expand and augment the Law Library. The budget requests for the library's bureaus and sections are discussed below.

Five new positions are requested for the State Library in 1964-65. These are as follows:

- Reader Services Bureau:
 - 1 intermediate clerk
 - 1 temporary help
- Law Library:
 - 1 junior-intermediate clerk

Division of Libraries—Continued

Technical Services Bureau:

1 senior typist-clerk

1 intermediate typist-clerk

Total positions requested: 5

Reader Services Bureau

One position of intermediate clerk is requested for this bureau to work in the section which processes books for the blind. *We recommend approval of this request.* Approval of this position will increase the library's budget in 1964-65 in the amount of \$4,140.

This position is being requested to augment the staff of the books for the blind section; the library has stated that specifically this individual will handle increased workload in "talking books" or recordings used by blind persons. This section is presently staffed by three clerks; the last staff increase was received in 1955. Since that time it is claimed that the numbers of borrowers of this type of material have increased by 40 percent. The yearly circulation of "talking books" since 1960-61 has been documented as follows:

Year	Yearly circulation	Percent increase
1960-61	88,698	--
1961-62	92,698	5.5
1962-63	97,994	5.0
1963-64 (est.)	102,894	5.0

We have reviewed the work done in the books for the blind section. We noted that the duties involved here include more than normal circulation tasks, and often encompass the actual selection of this material for subscribers. The addition of one intermediate clerk to this section should relieve current workload pressures, thus allowing the reduction of the current backlog and permitting the workload measure of 100 requests per clerk per day to be achieved. We believe that this workload measure is realistic at this time; consequently we recommend approval of this position.

We recommend deletion of the proposed position of one man-year of temporary help for this bureau, at a cost to the State of \$4,140 in 1964-65. In response to our request that the State Library provide us with justification for this position, we have been told only that it is necessary to perform miscellaneous tasks which cannot be performed by the regular library staff. This, we submit, is not proper nor sufficient justification for an additional position. It is stated that the temporary help will work in the Reader Services Bureau, but will also assist in Library Consultant Services and in the Book Repair Section. However, the State Library is unable to estimate how much of this individual's time will be spent in each bureau or section. We would point out that currently the library is authorized the following temporary help positions:

Administration	0.2 positions
Library Consultant Services	0.3 positions
Reader Services Bureau	2.4 positions
Technical Services Bureau	0.4 positions
Assistance to Local Libraries	0.4 positions
Rural Library Services	0.5 positions
Total temporary help	4.2 positions

Division of Libraries—Continued

Among the 2.4 temporary help positions presently authorized in the Reader Services Bureau, one of these is scheduled to expire on June 30, 1964. This position was originally added specifically for the three-year "book-weeding" project which will be completed at the end of the current fiscal year. It appears to us that the library's request for one permanent temporary help position in this bureau is proposed largely to insure that the position due to expire at the end of this fiscal year will be authorized permanently. Because this position was originally granted for the sole purpose of completing the "book-weeding" project, and because no further justification has been presented for its permanent existence, we recommend the request be disapproved.

As mentioned above, the three-year "book-weeding" project is scheduled to expire on June 30, 1964. During the 1963 calendar year the State Library reports that approximately 65,731 titles were reviewed, 26,035 volumes were withdrawn from the collection and disposed of, and the remainder were recommended for continued storage. Subjects scheduled to be reviewed during the remainder of the project include titles in photography, music, recreation and history. In addition, periodicals, government documents and the library's reference collection will be examined prior to the project's expiration.

Law Library

One new position is requested in 1964-65 for the State Law Library, that of junior-intermediate clerk. *We recommend approval of this position.* Authorization of the position will increase the Law Library budget in the amount of \$3,576.

This position, set at the lowest clerical level in state service, is requested in order to provide a page or book messenger for the Law Library. Present clerical staffing in this section of the State Library is comprised of one senior clerk and two intermediate typist-clerks; these individuals perform cataloging and circulation functions on a full-time basis. Consequently, when specialized law books are requested it has been normal practice for one of the several librarian II's or the Law Librarian to page books from the stack areas. The State Library contends, and we agree, that it is uneconomical and inefficient to continue to use professionals for these duties. Although the Reader Services Bureau does maintain a "paging pool," the main library area is far removed from the Law Library and it would not be feasible to employ the personnel from this pool for paging duties in the law section. Because we are satisfied that the existing clerical staff are fully occupied with their existing duties, and because we believe that this position is justified on the basis of increased library efficiency, we recommend its approval.

A major augmentation of \$8,678 is requested for increased book purchases for the Law Library. *We recommend the deletion of this amount of \$8,678 from the 1964-65 budget of the State Library.*

Originally, this request was made by the State Library as the first portion of a five-year Law Library expansion program. The Department of Finance, however, in preparing the library's budget has made it clear that this augmentation is to be considered a one-time increase.

Division of Libraries—Continued

This amount is in addition to amounts in this budget for ongoing book purchases. It has been stated by the State Library that its law section "is confronted with limited means" in its attempts to satisfy the demands made upon it by users. To support this contention, figures have been submitted which show that while since 1940 the number of volumes in the State Law Library have risen by "only" 45.2 percent to well over 100,000, the numbers of such volumes in other major libraries in the State have multiplied at a much faster rate. Further, the collection of the State Law Library is then compared with the collections of many of the major university and other law libraries of the State, to include the Los Angeles County Law Library, the Stanford University Law Library, the University of California (Boalt Hall) Library and the U.C.L.A. Law Library. We suggest that it is improper to compare the collection of the State Law Library with the largest nonscholastic law collection in the State (the Los Angeles County collection), or with the collections of the major university law schools of California. We do not believe that the users of the State Law Library approach the numbers of persons served in Los Angeles County. In addition, we question whether the State Library requires the same types or numbers of volumes needed in a scholastic setting such as obtains in the major university law schools.

In justifying this request, the State Library cites the necessity for obtaining material on "international law, comparative law . . . and foreign law." We have doubts that such material is necessary for inclusion in this law collection, which is intended to serve basically the agencies of state government. Although we have made inquiries of many attorneys employed by, and serving with, state government we have heard no complaints concerning the adequacy of the State Law Library or its collection. Finally, we note that the following additional law libraries are, or will soon be, available in the Sacramento area for the use of private attorneys and the interested public:

1. Sacramento County Law Library.
2. McGeorge School of Law Library.
3. University of California, Davis (the 1964-65 university budget includes a sum to purchase the first complement of law books for this library).

These are in addition to the reference collections maintained by the State Attorney General, the Legislative Counsel Bureau and the various offices of administrative advisers located within the several state agencies. In view of these facts, together with the long-accepted major role of the State Law Library as a general reference service for the Legislature and for state government, we recommend disapproval of this request.

Technical Services Bureau

Two new positions are requested for this bureau, as follows:

- 1 senior typist-clerk (catalog section)
- 1 intermediate typist-clerk (union catalog)

Division of Libraries—Continued

We recommend deletion of the proposed position of senior typist-clerk for the catalog section. The acceptance of this recommendation will reduce the budget of the State Library by some \$5,028.

Current staffing in this bureau's catalog section comprises three clerical positions performing cataloging duties, one senior typist-clerk originally added for three years for the "book-weeding" project but actually performing a "precataloging" function, and one librarian. The existing senior clerk position was originally justified for the above three-year project; however, the library felt that this clerk could be better employed in the "precataloging" occupation and that the "book-weeding" project should be accomplished by the staff of the bureau as a whole. Consequently, it appears to us that this position is being requested permanently largely because of the fact that this individual has been absorbed into the regular library cataloging workload and because the authorization for the position is due to expire at the end of this fiscal year.

In our opinion, the library has acted unwisely in absorbing this particular "book-weeding" project into total library activities; it is obvious that because this has been done some hardships will be worked upon the library when the seven positions associated with the "book-weeding" project expire on June 30, 1964. Nevertheless, we do not believe that this fact should become the basis for the creation of a permanent position from a position originally allowed for a specific period of time for a specific project.

In addition to the broad argument summarized above, we have some doubt concerning the so-called "precataloging" function to be performed by this senior clerk. The catalog section already employs two full-time clerks on the cataloging function. "Precataloging" has been explained to us as supervision over these two clerks so as to rid the supervising librarian of various "less-than-professional" duties. We are unclear as to what these duties comprise; our observations of the operations of this section have not revealed to us any backlog in current operations nor any "less-than-professional" duties which are inconsistent with the normal duties of a librarian. We recommend the deletion of this position request.

We recommend approval of the requested position of intermediate typist-clerk for the union catalog section. Approval of this request will increase the library's budget total by \$4,140.

The union catalog contained in the State Library forms the basis for California's interlibrary loan system. This system, administered by the State Librarian, provides that any public library user anywhere in the State may, if he cannot locate a particular volume within his local library, request the State Library to secure it for him. The State Library has this capability because of the maintenance of its union catalog, which includes the majority of titles held by the State's public libraries and in which library (ies) they are located.

Several years ago the Legislature authorized the expenditure of a large amount of funds in order to update the union catalog system. Since 1954, when the system originated, workload in this section has increased from approximately 8,500 incoming items per month to the

Division of Libraries—Continued

current level of 17,400 per month. The staff of two file clerks and one librarian II was established in 1954 and has not been augmented since that time. Additionally, there is presently no individual with a typing capability in this section, other than the supervising librarian. In order to allow this important section to continue to fulfill its function in making possible the interlibrary loan system, we believe the addition of a typist-clerk is fully justified.

Book Price Increase

An amount of \$16,854 is requested in this budget for a book price increase of 11 percent which, it is alleged, has remained constant for the past several years. *We recommend the deletion from this request of \$11,491. Our recommendation carries with it approval of the remainder requested, \$5,363, for a 3.5 percent book price increase for all categories of books purchased by the State Library.* In addition, we recommend approval of requested amounts over and above the 11 percent price increase factor of \$1,000 in government documents (for purchase of copies of California legislative hearings), and of \$1,500 in microfilm and film (for additional necessary materials). Under our proposal, the total amount for book purchases will increase in 1964-65 over the current level as follows:

3.5 percent book price increase-----	\$5,363
New materials requested-----	2,500
	<hr/>
Total increase-----	\$7,863

In 1959-60, at the request of the Department of Finance, the State Library conducted a study of book prices of volumes purchased during the previous year which, it is claimed, indicated that in that year prices increased totally by some 11 percent over the previous year. Since that time no additional studies have been conducted; nevertheless, the library has continued to request, and has received, an 11 percent increase in the amount budgeted for each category of books each year. It is important to note that this has been in addition to requests granted for special additional augmentations over and above continuing purchases. In justification of the 1964-65 request, a list of book subject categories of the type most often purchased by the State Library was submitted, together with the average increase in price for each type of book, as carried in *Publishers' Weekly*. While this list showed that on an average, nationwide, prices of these books averaged an increase of approximately 15 percent, we have not been able to obtain from the State Library a summary of how many volumes in each subject category they plan to purchase during 1964-65. Obviously, an increase of some 40 percent in the price of music volumes does not have equal weight with a decrease of approximately 4 percent in the price of economics volumes, if the library purchases only two music books but 30 economics books during the year.

Division of Libraries—Continued

Additionally, we are informed that the 11 percent price factor is intended to supply funds sufficient to purchase only approximately the same numbers of volumes each year; thus, it should merely allow the library to keep up with its current acquisition policies. In response to our request for a list of the total numbers of new books purchased each year for the past several years, however, we were told that no such list is available. Thus, we are unable to verify if there has indeed been no major increase in the numbers of volumes purchased. We have, however, noted the amounts spent by the State Library for book acquisitions since the 1959-60 study was conducted. While it is true that augmentations which have been in addition to the 11-percent increase have been granted, the large part of this increase, which represents some 128 percent from 1959-60 to 1964-65, has been due to this price-increase factor. The compilation follows:

Amounts Expended State Library Book Purchases, 1959-1965				
Year	Total	Increase over past year	Yearly increase	Cumulative increase
1959-60 -----	\$86,527	\$15,675	---	---
1960-61 -----	113,371	26,844	31.0%	59.8%
1961-62 -----	125,010	11,639	10.3%	76.2%
1962-63 -----	138,017	13,007	10.4%	94.5%
1963-64 (est.) -----	153,201	15,184	11.0%	115.9%
1964-65 (prop.) -----	181,232	28,031	18.3%	127.6%

It is our opinion that this request for an 11 percent increase in the yearly appropriation for book purchases, justified wholly upon increases in prices, cannot be supported. We have inquired as to the price increase factor used by the University of California for library book purchases; this has averaged approximately 3.5 percent per year for the past several years. We do not believe that the State Library book collection is so different in nature from the university collection that a similar price increase factor cannot be applied. While it is often alleged that the State Library must purchase a large number of rare and expensive books, we believe this is equally true with regard to the University of California Library. In addition, although we lack figures regarding the numbers of volumes purchased by the State Library from year to year, we are told annually by library officials that the workload in the cataloging sections has increased markedly. These statements have led us to believe that the numbers of books purchased, as well as their price, have multiplied in recent years. If this is the case we are of the opinion that this is an improper manner in which to increase the total library acquisition policy, since the price increase factor is intended merely to maintain that policy at the existing level.

Our proposal to reduce the 1964-65 price factor to 3.5 percent, in consonance with that used by the university, carries with it the recommendation that the fiscal committees of both houses direct the Department of Finance to make a thorough study of the book purchasing practices of the State Library, to include the determination of a defensible method of setting a proper book price increase factor each year.

Division of Libraries—Continued

Assistance to Local Libraries

Chapter 1802, Statutes of 1963, which established a state-aided program of assistance to local public libraries, provides the basis for this segment of the State Library. Total administrative costs of this program are estimated in 1964-65 at \$47,001. New positions authorized for the library because of this legislation number four and one-half. No major increases are proposed and the level of service will remain unchanged. A fuller discussion of the program may be found in the subventions sections of this analysis.

Rural Library Services

The objective of this activity, authorized and completely funded by the Rural Library Services Act (P.L. 597, 84th Congress), is the extension of public library services to rural areas presently lacking such facilities. The following projects are presently authorized and will be continued through the 1964-65 fiscal year:

1. The North Bay Cooperative Library System (comprised of libraries in six counties in the northern San Francisco Bay area.)
2. The San Joaquin Valley Information Service (headquartered in the Fresno County Library, and serving six county and four city libraries in the San Joaquin Valley.)
3. Calaveras County Library Demonstration (operated under a contract between the County of Calaveras and the City of Stockton.)
4. The Nevada County Library Demonstration (a two-year project directed toward the development of countywide library system in Nevada County.)

In addition, a project conducted for the past two years in Mendocino County will terminate in 1964, at which time the county will decide upon its continuation at county expense.

Approximately \$192,779 in federal funds for this activity are estimated to be received during 1964-65; this represents a decrease in such federal support over the current year of \$124,416.

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

**Department of Education
SCHOOL FOR THE BLIND**

ITEM 94 of the Budget Bill

Budget page 203

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

Amount requested	\$740,978
Estimated to be expended in 1963-64 fiscal year	713,198
Increase (3.9 percent)	\$27,780
Increase to maintain existing level of service	\$6,000
Increase to improve level of service	21,780
TOTAL RECOMMENDED REDUCTION	None

**School for the Blind—Continued
ANALYSIS**

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

Approximately 170 resident children will be provided a general education during the 1964-65 fiscal year. In addition, the school will provide guidance services for 55 former students, field services for an estimated 85 preschool children, and reader service for approximately 70 blind college students.

For the 1964-65 budget \$27,780 more is requested than is estimated to be expended in 1963-64, an increase of 3.9 percent over \$713,198. Included in this increase are requests for 4.5 new positions. Four of the positions are for counselors to provide proper staffing requirements at the school during the night hours. In addition, a 0.5 stenographer position is proposed in the Los Angeles office of the preschool program to correct workload deficiencies.

We recommend the approval of the four counselor positions. Presently the school has no night counselors. Night supervision is provided in the residential dorms by day counselors that are required to reside in the dorms without extra compensation for this duty. This requirement has resulted in various hardships on the day counselors and, in addition, is considered an inequity as all other state residential schools are properly staffed for night supervision. The four counselors requested in the amount of \$17,556 will provide complete night coverage for the school's three residential dorms, seven days a week.

We recommend approval of the 0.5 stenographer position in the amount of \$2,226. The school presently conducts a field service program in the Los Angeles area for preschool children. The program is administered by two teachers who work with both the child and parent in determining the extent of blindness and the advisability of enrolling the child in the School for the Blind, Berkeley. The professional staff of the school's preschool program has, until recently, shared Los Angeles office facilities and clerical help with representatives of the Office of Field Rehabilitation Services for the Blind. This office was recently reorganized under the Division of Vocational Rehabilitation and moved to a more centralized location, taking their clerical help with them. This has left the professional staff of the preschool program with insufficient clerical assistance. The 0.5 stenographer position requested will give them adequate clerical help.

In addition to the positions requested, the budget contains a proposed increase of \$6,000 in the school's Readers for the Blind program to maintain the existing level of service. Presently, reader service for blind college students is obtained at a fixed rate of \$1 per hour. It has

School for the Blind—Continued

become increasingly difficult to obtain readers at this rate. The \$6,000 will allow an increase in the fixed rate from \$1 per hour to \$1.25 per hour.

One hospital aid position was abolished effective July 1, 1963, as a result of reduced workload needs in the school's infirmary.

Department of Education

SCHOOL FOR CEREBRAL PALSIED CHILDREN, NORTHERN CALIFORNIA

ITEM 95 of the Budget Bill

Budget page 204

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

Amount requested	\$525,591
Estimated to be expended in 1963-64 fiscal year	507,359
Increase (3.6 percent)	\$18,232
Increase to maintain existing level of service.....	\$14,232
Increase to improve level of service.....	4,000

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

This facility, located in San Francisco, is one of two residential schools designed for the diagnosis and treatment and determination of an educational program for Northern California children afflicted with cerebral palsy or other similar handicaps. The length of enrollment is dependent upon the severity of handicaps and the degrees of difficulty in establishing an individual educational, medical and therapy program. The school also serves as a demonstration laboratory for the educational department of San Francisco State College and functions as a diagnostic center for the neurologically handicapped child in co-operation with the Crippled Children Services of the Department of Public Health.

For the 1964-65 year it is expected that the school will serve 160 children. The average cost per student served and the cost per average student year (determined by dividing the number of students served and the average resident enrollment, respectively, into the estimated total expenditure), for the San Francisco school over the last several years are as follows:

	1961-62	1962-63	1963-64	1964-65
Number of students served.....	183	161	160	160
Average cost of students served.....	\$2,600	\$3,105	\$3,207	\$3,285
Average resident enrollment.....	30	21	30	30
Cost per average student year.....	\$15,860	\$23,806	\$16,912	\$17,520

For the 1964-65 budget \$18,232 more is requested than is estimated to be expended in 1963-64, an increase of 3.6 percent over \$507,359. Of this increase, \$5,000 is proposed for the start of a three-year painting program. In addition, a \$4,000 increase in the cost of medical care is proposed to insure the continuing of an adequate program of diagnoses and treatment for the children served.

Department of Education

SCHOOL FOR CEREBRAL PALSIED CHILDREN, SOUTHERN CALIFORNIA

ITEM 96 of the Budget Bill

Budget page 206

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

Amount requested	\$485,433
Estimated to be expended in 1963-64 fiscal year	459,398
Increase (5.7 percent)	\$26,035
Increase to maintain existing level of service	\$15,775
Increase to improve level of service	4,140
Increase for new service	6,120

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

The southern school is the second of the State's two residential schools for diagnosis and treatment and determination of an educational program for children afflicted with cerebral palsy or other similar handicaps. The children served by the school come mainly from the 13 Southern California counties. The school is presently in the process of vacating quarters in Altadena and moving into new facilities adjacent to the campus of Los Angeles State College. This move is expected to be completed during the early spring. With the provision of modern facilities, the Southern California school is expected to receive and handle a greater total number of children than has been possible during the past. This is anticipated to help reduce the unit cost per child served.

Unit costs at the southern school are as follows:

	1961-62	1962-63	1963-64	1964-65
Number of students served	62	74	100	140
Average cost of students served	\$6,122	\$5,569	\$4,573	\$3,550
Average resident enrollment	31	32	32	32
Cost per average student year	\$12,245	\$12,880	\$14,290	\$15,170

The 1964-65 budget request is \$26,035 higher than the estimated 1963-64 expenditure of \$459,398, an increase of 5.7 percent. This increase, in addition to providing for two new positions, reflects for the first time the full-year cost of the new staff increase necessitated by the school's move to the new facility. This staff increase was originally authorized in the 1963-64 budget to be effective as of January 1, 1964, the approximate date that the new facilities were to be occupied. The 1964-65 budget provides for the continuation of these positions for the full 1964-65 year.

The two new positions that are proposed consist of one teacher and one janitor.

We recommend approval of the requested teaching position at a cost of \$6,120. The teacher is proposed for work with the children enrolled in the school's new diagnostic center. The addition of this position will enable the school to service a greater number of children and to operate a clinical program comparable to that of the Northern California school.

We recommend approval of the requested janitorial position. The school is presently authorized three janitors. The budgetary request of

School For Cerebral Palsied Children, Southern California—Continued

\$4,140 will increase this staff to four. The new facility will have approximately 52,000 square feet. Under accepted staffing standards, a building of this size will require the services of four janitors.

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

The State of California presently operates two residential schools for the deaf. In reviewing the programs of these schools, several major problems have come to our attention. Due to professional disagreement in the methods for educating the deaf, the Department of Education has not been able to establish policies defining the responsibility and the scope of the programs conducted by the State's residential schools. In addition, the department has not been able to identify the extent to which the State's programs should complement deaf programs offered by local school districts. Lacking such policies, it has been difficult to formulate comprehensive standards for admitting students to the state schools. With the increasing number of deaf students a situation has resulted in which admission to the schools has become quite competitive. As this competition becomes more and more intensified, it is possible that in the near future proper education facilities may not be available for all the deaf children in the State of California. *Therefore, we recommend that the Department of Education, the Department of Finance and the appropriate legislative committee conduct a joint study of the State's special education program, the purpose of which would be to re-define the responsibilities of the State, the county and the local public school districts in providing an adequate educational program for California's deaf child.*

A total of 1,005 students are expected to attend the two state residential schools during the 1964-65 school year. The Berkeley school is anticipating an enrollment of 485 students and the Riverside school 520. In addition, approximately 1,746 children will attend classes for the deaf in local school districts. This will result in a total of approximately 2,751 deaf students attending special programs in the State of California during the 1964-65 school year. The cost of educating a deaf child in the local school district varies greatly depending upon the educational philosophy of the district, the number of children enrolled in the district's program, the availability and type of facilities, and the grade levels taught. Recent surveys have established that the cost per child of educating a deaf student in the local school district may be as low as \$800 and as high as \$3,000. The average yearly cost can be fixed at approximately \$1,600 per ADA excluding student transportation. The local school districts are reimbursed by the State, for the actual cost incurred, to a maximum of \$910 per ADA. This reimbursement is in addition to the state basic aid and any equalization aid that the district might receive. The State also reimburses the district for actual transportation costs, up to a maximum of \$475 per ADA. The per-student yearly costs for the residential program at the state schools for the deaf averages approximately \$3,700.

California State Schools for the Deaf—Continued

The Education Code requires every school district to provide educational opportunities to their deaf children. In addition, however, the code also guarantees an education in the California School for the Deaf free of charge to every deaf person of suitable age and capacity. These provisions are so general that it has been impossible for the Department of Education to establish effective and meaningful criteria for determining the eligibility of students requesting admission to the residential schools. Some of the reasons given for admitting students to the state residential schools are listed below:

1. The local school district has a deaf program but the parents would rather have their child attend the state residential school.

2. Due to the educational philosophy of the local district, a deaf program has not been established and rather than contract its deaf students out to another district, the children have been sent to the residential school.

3. The school district is located in a geographical area in which few deaf children reside. This has prohibited the district, the surrounding districts, or the county office, from establishing an adequate educational program for the deaf.

4. The district has a program, and the child has attended the program, but for various reasons has not profited from the district's program. The child is then enrolled in the residential school in order that more specialized instruction may be received.

5. The district has a program, but due to the particular home environment it has been thought advisable to enroll the child in a full-time residential situation.

6. The local school district has a program, but due to the age variances of the deaf children attending the school, an adequate education cannot be provided for all grade levels.

It can readily be seen from the above that admission to the state schools is not dependent upon fixed entrance qualifications. The lack of such standards has resulted in a situation in which admission to the schools has become extremely competitive and acceptance is determined by parental preferences and the deficiencies of local programs rather than by the educational needs of the individual child.

As stated previously, the total number of students attending the residential schools and the public schools during the 1964-65 school year will be approximately 2,751. By using the projected enrollment figures of the Department of Finance and the incidence of affliction factors as developed by the Department of Education, it is possible to predict that the 2,751 students enrolled during 1964-65 school year will increase to 3,375 by 1970. Since the practical capacity of the two deaf residential schools has been placed at a total of 1,020 students, it is evident that unless additional state facilities are provided, the increase of 624 students must be handled by the public schools. It has been suggested that the present state facilities be expanded to provide for the increase in deaf enrollment. We believe, however, that before consideration be

California State Schools for the Deaf—Continued

given to the possibility of procuring additional state facilities, the present special educational program for the deaf, both at the state and the local level, should be reexamined. This will not be an easy task. Adequate educational policy guidance is not available, and the opinions of the professionals on teaching concepts in the field vary greatly. Some professional educators believe that the local school district can, and should, provide adequate educational programs for all deaf children. Others are of the opinion that while local districts may be able to furnish basic education programs, certain specialized programs can only be effectively administered by the State. Still others believe that the state residential schools should offer complete programs for deaf children of all levels and capacities.

Listed below are some of the areas which we believe should receive consideration in a review of the deaf programs offered by the state residential schools and the local school districts.

1. A determination should be made of the type of deaf programs that can be most advantageously administered at the local and county level.

2. An examination should be made of the possibility and practicability of establishing centralized deaf programs, operated by either districts or counties.

3. If central programs are feasible, methods should be considered for encouraging the cooperation of the counties and the districts in establishing such programs.

4. The State's role and responsibilities for providing educational assistance for the deaf child should be more exactly defined. This should include a review of the State's obligation for financing local programs and also include a review of the type of programs offered at the state residential schools. It may be feasible for the State to only offer a type of program that cannot be practically administered at the local level. For example, the state schools could provide programs for the following deaf students only:

- a. Secondary level students desiring vocational guidance.
- b. The multiple handicapped deaf student.
- c. The deaf student from very sparsely settled areas.

All other deaf students would receive educational training at the local or county level.

5. Establish comprehensive admission standards for the residential schools, depending upon the type of programs to be conducted.

6. Project the long-range requirements both of the state schools and the local school districts.

The review should be conducted jointly by the Department of Education, Department of Finance and the appropriate legislative committee. The findings would then be available for presentation to the 1965 Legislature for possible legislative action.

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

ITEM 97 of the Budget Bill

Budget page 208

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

Amount requested	\$1,809,337
Estimated to be expended in 1963-64 fiscal year	1,789,153
<hr/>	
Increase (1.1 percent)	\$20,184
Increase to maintain existing level of service	\$17,184
Increase for new service	3,000

TOTAL RECOMMENDED REDUCTION **\$3,795**

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
1 Intermediate typist-clerk	\$3,795	208	58

ANALYSIS

The California School for the Deaf, Berkeley, is one of two state residential schools for deaf children. The curriculum is similar to that of public day schools, but special emphasis is placed upon speech instruction with oral techniques, as well as finger spelling and lipreading. The curriculum provides elementary and secondary education in academic and vocational preparation for pupils five and one-half years to 21 years of age. The school offers students an opportunity to qualify for admission to Gallaudet College, Washington, D.C.; 17 of the Berkeley school's graduates will attend this college during the 1963-64 school year. Other graduates are placed in business firms, construction printing, shoe repair and other self-employed enterprises.

The Berkeley school's 1964-65 budget request is up \$20,184 over the estimated 1963-64 expenditure of \$1,789,153, an increase of 1.1 percent. A total of 2.5 positions are requested, 1.5 new teaching positions and 1 intermediate typist-clerk.

We recommend approval of the 1.5 new teaching positions. One teaching position at a cost of \$8,982, is warranted under the approved teacher-pupil staffing ratio. The half-time adjustment teaching position is requested to provide intensive instruction to deaf students enrolled in a pilot program for the multiple handicapped. This new service is in the amount of \$3,000. Information obtained from this pilot study will be of value in determining the feasibility of establishing a future program for the multiple handicapped at the residential school.

We recommend that the position of intermediate typist-clerk in the amount of \$3,795 not be approved. The intermediate typist-clerk has been proposed to provide clerical assistance to the dean of students and to meet the requirements of an increase in office workload. While additional clerical assistance may be necessary, we believe that before such assistance is secured in the form of a new clerical position, full consideration should be given to the possibility of utilizing student help to a greater degree.

Presently the school utilizes a total of only four hours of student office help per week. This is a surprisingly small amount when it is considered that one of the major vocational programs of the school is

California School for the Deaf, Berkeley—Continued

business techniques. It has been stated that additional help cannot be secured due to the confidential nature of certain records and due to the difficulty and the great amount of time that would be involved in acquainting the deaf student with the necessary business operations and procedures. In an effort to ascertain the validity of these objections, this office contacted several public school districts in an attempt to establish the extent to which these districts utilize student help. All school districts that were contacted either were using student help or were in the process of determining the areas in which students could effectively assist. It was evident that districts believe that this type of training not only benefits the school, but affords the student a degree of confidence and experience that will be invaluable when he seeks employment later in life. In some districts, not only can the student gain practical experience that cannot be duplicated in the school classroom situation but he can also accrue academic credits for services performed. Such benefits, while being of value to the average public school student, would appear to be indispensable to the deaf student enrolled in a vocational program.

We therefore recommend that before any additional clerical help is authorized, the school should be encouraged to conduct a thorough study of the possible areas in which student help can effectively be used. Once these areas have been identified, practical workload assignments can be established. Samples of areas that could be explored are file maintenance, supply distribution, mailroom, stock inventory, posting, and various types of record maintenance. Once the workload assignments have been developed, the help of the business techniques department can be solicited and student assistance obtained.

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

ITEM 98 of the Budget Bill

Budget page 210

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

Amount requested	\$1,964,888
Estimated to be expended in 1963-64 fiscal year	1,924,124

Increase (2.1 percent)	\$40,764
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Increase to maintain existing level of service	\$40,764
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TOTAL RECOMMENDED REDUCTION	\$2,121
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Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget Page</i>	<i>Line</i>
0.5 Intermediate typist-clerk	\$2,121	210	29

ANALYSIS

The California School for the Deaf, Riverside, is the second state residential school for deaf children. The school educates mentally normal deaf children from elementary through high school grades in academic and vocational courses. As in the case of the Berkeley school, the Riverside school offers college preparatory training to students

California School for the Deaf, Riverside—Continued

wishing to qualify for admission to Gallaudet College in Washington, D.C. Twenty-two graduates from the Riverside school have entered Gallaudet College during the 1963-64 school year. In addition, during the 1963-64 year, 23 graduates of the school enrolled in a vocationally oriented course offered by Riverside Junior College.

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

The 1964-65 budget represents a request for \$1,964,888, or \$40,764 more than the estimated 1963-64 expenditure of \$1,924,124, an increase of 2.1 percent.

A total of one-half intermediate typist-clerk position is proposed to meet the increased workload in the personnel section.

We recommend that the one-half position of intermediate typist-clerk in the amount of \$2,121 not be approved.

The reasons for making this recommendation are the same as those contained in our analysis of the State School for the Deaf, Berkeley. Although there may be an increase in the workload of the personnel section, we believe that before additional clerical staff assistance is authorized, the school should be required to make every possible effort to utilize student resources presently available in the school's vocational department of business education.

**Department of Education
VOCATIONAL EDUCATION**

ITEM 99 of the Budget Bill

Budget page 211

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

Amount requested	\$695,075
Estimated to be expended in 1963-64 fiscal year	689,059

Increase (0.9 percent)	\$6,016
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Increase to maintain existing level of service	\$6,016
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TOTAL RECOMMENDED REDUCTION	\$52,766 *
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Summary of Recommended Reductions

	Amount	Page	Budget Line
Manpower Development and Training Program (federal funds):			
1 administrative trainee	\$5,832	215	21
3 assistant supervisor	31,320	215	22
3 intermediate stenographer	13,380	215	24
Equipment	2,234	215	48

* Entirely federal funds.

Vocational Education—Continued
ANALYSIS

The vocational education program in California is based upon the cooperation of federal, state and local financial resources. The Education Code, in Article 10, Division 6 and in Article 3, Division 14, contains the legislative authorization for these activities.

Federal vocational education funds derive from several sources. The Smith-Hughes Act makes such moneys available for salary reimbursement purposes only. The George-Barden Act provides federal money for salaries, travel reimbursements and instructional materials. The Practical Nurse Training Program is sponsored by Vocational Education and in California underwrites the full expense of such training; Title VIII of the National Defense Education Act supplies funds for the Area Vocational Education program. Lastly, the newest federal vocational education program, the Manpower Development and Training Act (PL 87-415), presently provides 100-percent financing of this program's activities in California, although beginning in 1965-66 the State will be obliged to supply a portion of these costs if it desires to continue the program. At the present time, only federal funds available under the Smith-Hughes and George-Barden Acts must be matched on an equal basis by local or State General Fund moneys. Following the deduction from state and federal sources of the costs of administration, remaining balances are distributed to local school districts, provided these districts maintain approved vocational education courses in agriculture, homemaking, business, technical and industrial education. These amounts appear in the local assistance portion of the budget document as "reimbursements to school districts." The table below provides a summary of the funds provided for vocational education in California under the above-mentioned programs, as estimated for 1964-65.

FUNDS FOR VOCATIONAL EDUCATION IN CALIFORNIA
1964-65

<i>Income</i>		<i>Expenditures</i>	
		I. State-level Operations	
		Administration:	
State General Fund	\$695,075	General Fund --	\$21,562
Federal funds	1,109,160	Federal funds --	55,300
		Area vocational education (federal funds)	\$76,862
		Practical nurse training (federal funds)	158,831
		Fire training program (General Fund)	30,450
		Instructional materials (federal funds)	116,922
		Manpower development and training (federal funds)	20,000
		Supervision and teacher training:	250,000
		General Fund --	\$556,541
		Federal funds --	594,579
			1,151,120
		(Detail; supervision and teacher training:	
		Agricultural education	\$250,071
		Business education	16,766
		Distributive education	148,290

Funds for Vocational Education in California—Continued

I. State-level Operations—Continued	
<i>Income</i>	<i>Expenditures</i>
	Homemaking education ----- \$213,535
	Industrial arts education ---- 24,384
	Industrial education ----- 454,145
	Employees' retirement and health and welfare ----- 65,660
	Less: salary savings and reimbursements ----- -25,584
	Subtotal ----- \$1,151,120)
Total Income --- \$1,804,235	Total expenditures ----- \$1,804,235
II. Reimbursements to School Districts	
State General Fund \$230,271	Agriculture (federal and General Fund) \$269,614
Federal funds ----- 5,754,034	Area vocational education (federal funds; Title VIII, NDEA) ----- 936,856
	Business (federal and General Fund) --- 118,554
	Homemaking (federal and General Fund) 264,623
	Industrial (federal and General Fund) -- 663,906
	Practical nursing (federal funds) ----- 215,273
	Manpower development and training (federal funds) ----- 3,515,479
Total Income --- \$5,984,305	Total Reimbursements ----- \$5,984,305
Grand Total: Expenditures for Vocational Education in California	
General Fund ----- \$925,346	State-level operations ----- \$1,804,235
Federal funds ----- 6,863,194	Reimbursements to school districts ----- 5,984,305
GRAND TOTAL INCOME ----- \$7,788,540	GRAND TOTAL EXPENDITURE ----- \$7,788,540

In 1964-65 it is estimated that General Fund support for vocational education activities at the state level will rise by \$6,016 for a total appropriation of \$695,075, representing an increase of 0.9 percent. This increase is largely for merit salary adjustments. Federal support of state activities in this area will amount to \$1,109,160 during the budget year, an increase of \$26,616 or 2.5 percent over 1963-64. We note that while federal fund support for most vocational education programs in California remains at or near its present level, the largest single increase in federal support is in connection with the Manpower Development and Training Act (MDTA). This relatively new activity shows an estimated increase in federal income for state-level administration of \$30,000; in addition to the \$250,000 budgeted for program administration and supervision, approximately \$3.5 million in federal grants will be made available in 1964-65 as reimbursements to school districts conducting approved retraining programs. This program is entering its final year at 100 percent of federal support; a fuller discussion of the MDTA will be provided later in this analysis.

At the present time, in addition to state-level administration of vocational education within the State, six distinct programs are provided for within this budget item. One such program, fire training, is wholly financed through the State General Fund; one, in addition to administration, is jointly financed (supervision and teacher training); and

Vocational Education—Continued

the remaining four activities are funded completely by the federal government. These are the practical nurse training program, the manpower development and training program, area vocational education (representing Title VIII of the National Defense Education Act) and the instructional materials for apprentices program. This latter activity, largely self-sufficient through the sale at cost of materials produced, does receive some federal support. Each of these programs will be discussed below in terms of the sources of their support.

**Programs Supported Solely by the General Fund
Fire Training Program**

General Fund expenditures for fire training in 1964-65 are estimated at \$116,972, an increase of \$2,020 over the current year figure of \$114,952. The major part of this increase is due to an approximate doubling of the amount budgeted for bulletin printing for this activity. Bulletin sales, as they have in the past, continue to reduce the budget request for fire training by approximately \$3,650. No new positions are requested and the level of service is proposed to remain unchanged. In 1962-63 some 215 schools were conducted, including 5,805 students who were instructed by the eight staff instructors; totally 4,213 class hours of instruction were given. Additionally, several seminars on arson and fire prevention were held in various parts of the State.

**Programs Financed by State and Federal Funds
Administration**

General Fund support for state-level administrative activities is requested for 1964-65 in the amount of \$21,562. This is an increase of \$562 over the estimated current year expense. Federal support, set at \$55,300, represents an increase of \$1,658 over 1963-64. Thus, total administrative support will amount to \$76,862. The increases shown above are reflected in merit salary improvements and a small increase in the amount budgeted for out-of-state travel. No new positions are requested and the level of service will remain unchanged.

Supervision and Teacher Training

As in the past, the principal amount of state support accrues to this program. Supervision and teacher training covers support for the several vocational education bureaus within the Department of Education which provide overall supervision and consultative assistance to local school districts in the carrying out of their instructional programs. The bureaus include Agriculture Education, Business Education, Distributive Education, Homemaking Education, Industrial Arts Education and Industrial Education. In 1962-63 approximately 1,498,350 students were enrolled in local school districts in programs in these subject areas.

State support for supervision and teacher training in 1964-65 is proposed at the level of \$556,541, representing an increase over the current year of \$3,434. Total federal support is set at \$594,579, for a total in expenditures for this activity of \$1,151,120. An enumeration of the amounts to be expended within each bureau may be found in the table

Vocational Education—Continued

on the preceding pages. No new positions are requested for this activity and no change in service is proposed.

**Programs Financed Solely from Federal Funds
Practical Nurse Training Program**

Begun by the Federal Government in 1956-57, this program is designed to develop curricula and instructional programs in the field of nursing. In this State the activity is conducted under a contract with the University of California. An expenditure of \$30,450 is requested for the practical nurse program for 1964-65, representing an increase of \$100 in out-of-state travel conducted on behalf of the activity. The University's contract calls for an annual appropriation of \$30,000 of the proposed total of \$30,450.

Area Vocational Education

Support for this program is borne entirely by funds appropriated by Congress for Title VIII of the National Defense Education Act (NDEA). The purpose of this title is to provide training in technical fields at less-than-college level. The responsibility for reviewing, processing and approving local school district applications for federal reimbursements under Title VIII falls to the California State Department of Education. Federal support for this title of the NDEA within the State will total \$158,831 during 1964-65, a decrease of \$10,383 over the current level. This is due largely to the termination of the position of research consultant in the education of women; this position was authorized by the Legislature last year for one year only for the purpose of completing a study in this particular area.

Late in 1963 Congress extended the NDEA until June 30, 1965. Although traditionally the act has been extended for two-year periods, this latest extension was for a one-year time span. No new positions are requested for this activity and the level of service will remain unchanged.

Manpower Development and Training Act

To the Department of Education, Vocational Education Section, has fallen the task of administering those aspects of the Manpower Development and Training Act (PL 87-415) which have to do with training and redevelopment of the unemployed manpower of the State. The legislation, enacted by Congress in 1962 and significantly amended late last year, has as its aim the relief of unemployment caused by automation, shifts in market demands, foreign competition and other economic changes. Federal administration of the MDTA rests with the Department of Health, Education and Welfare with regard to the educational aspects of the program and with the Department of Labor in connection with those facets of the act which deal with employment opportunities, the payment of training allowances and job placement. Amendments to the law in 1963 further emphasized retraining and vocational education for unemployed youth, provided federal funds for courses conducted in general educational development as well as those in specific job training categories, and extended 100 percent federal financing of the program for the 1964-65 fiscal year. Following that year, if no

Vocational Education—Continued

further action is taken by Congress regarding this portion of the law, the states will share one-third of the financing of this program.

In California, the Department of Education cooperates with the Department of Employment in the conduct of the program. Following the certification of training needs in a particular area and the provision of subsistence allowances to the trainees, the Department of Education, in cooperation with local school districts and county superintendents of schools, seeks to establish a federally aided training program in the area. Below is a statement of the number of projects approved, the number of trainees which have participated and the amount of federal funds encumbered as of October 31, 1963.

**Manpower Development and Training in California
From September 1962 to October 1963**

	1962-63	1963-64 through 10/31/63	Total
Approved projects -----	110	49	159
Number of trainees -----	5,581	2,874	8,255
Estimated training costs -----	\$2,708,353	\$1,551,881	\$4,260,234

These figures may be compared roughly with the nationwide totals as of the end of August 1963, which showed that approximately 1,747 projects were being conducted throughout the country, serving some 67,911 trainees.

Because of the impending state financial participation in this program, we have instituted careful budgetary review of the manpower development and training program from the point of view of the Department of Education. Because the subsistence funds are administered by the Department of Employment it will be necessary to do likewise within that state agency. If an affirmative decision regarding permanent state participation is made as early as next year, providing that Congress does not further amend the act, manpower development and training will cost California for training alone a minimum of \$1.3 million annually. Several of the questions we have asked, together with partial answers, appear below:

1. What is the expected growth of the projects to be conducted under MDTA for the next several years?

The Vocational Education Section has informed us that conservatively they expect that federal MDTA funds to California may amount to as much as 10 percent of the amounts apportioned to the states by the federal government during this fiscal year. Approximately \$110 million has been appropriated by Congress for the current year, some \$90 million of this to be spent for training activities and subsistence allowances. This money is allocated to the states on the basis of the resident employable population and the unemployment condition within each state. Numbers of projects and trainees are estimated to double during the current fiscal year over the 1962-63 level, and may triple over that level in 1964-65. Thus, it can be seen that in terms of obtaining the maximum federal funds available California has fared well.

2. What unusual problems have been encountered in the administration of the MDTA in California?

Vocational Education—Continued

Several problems have been reported after the first one and one-half years of the act's operation in this State. One is the tendency for most training projects to be conducted in semiskilled and nonspecialized occupations. The MDTA has encountered varying degrees of opposition from organized labor groups in California; thus, the above type of occupations, being less well organized, have been used for most training purposes. Since technological unemployment, unfortunately, tends to be strongest in the classical trades, and because there are job opportunities in these occupations, this is an unfortunate situation.

One additional problem was the subject of one major amendment which Congress made in 1963 to the original law. This involved increased emphasis on training unemployed young people; California state officials had long urged that provision be made in the law for this sort of activity.

3. What have been the results, in terms of trainees placed in actual full-time employment, of MDTA activities?

The department reports that as of September 30, 1963, as many as 70.6 percent of the trainees completing their training courses were placed in related employment. Approximately 78.7 percent of the graduated trainees received gainful employment of some sort. It is noted here that these figures represent percentages only of those who complete their courses; many drop out, although exact figures are not available. Additionally, no information is available on how long these individuals retain their employment. We suggest that in the future periodic checks be made by the Department of Employment on graduated trainees to determine if they have retained the employment in which they were placed, if they have changed jobs or if they are again among the unemployed. Additionally, we believe it would be useful in the future if figures expressing the percentages of trainees placed in gainful employment were based upon the total number of trainees originally enrolled in a course. In this way it would become easier to measure the numbers of dropouts occurring in the MDTA program.

4. What plans have been made for periodic reporting and program evaluation by state officials administering the program?

Officials of the Vocational Education Section have informed us that as yet no firm progress has been made in the area of program evaluation of the MDTA within California. The U.S. Departments of Labor and Health, Education and Welfare yearly publish their reports to Congress on the progress of the MDTA throughout the nation and those documents are available to interested parties at the state level. However, we believe it is essential that the Departments of Education and Employment report specifically to the State Legislature each year on the results of the MDTA within this State alone. *In order that such periodic reporting and evaluation may become effective as soon as the 1965-66 fiscal year, we recommend that the Legislature direct, through this year's budget bill, that the Departments of Education and Employment prepare and present to it at the commencement of each general session a report such as we have outlined above.*

Vocational Education—Continued

A total of 13 new positions, funded by federal grants in the budget year but representing probable state participation thereafter, are being requested to augment the manpower development and training staff. The total salary cost for these new positions approximates \$101,212.

These positions are in addition to an existing staff of eight presently authorized positions, as follows:

- 3 professional positions
- 2 clerical positions
- 3 temporary help

The positions requested are as follows:

Established administratively in 1963-64 and requested permanently

- 1 administrative trainee
- 5 assistant supervisor, Manpower Development and Training Act
- 3 intermediate stenographer

Requested in addition to the above

- 2 assistant supervisor, Manpower Development and Training Act
- 2 intermediate stenographer

Total requested

- 8 professional positions
- 5 clerical positions

13

The budget shows that when the administrative addition of nine positions was made earlier this fiscal year, three positions of temporary help were administratively eliminated.

We recommend the deletion from the budget for manpower development and training of the one administrative trainee, three of the assistant supervisor positions and three of the requested intermediate stenographers, for a total of seven positions. The acceptance of this recommendation will result in a budget reduction for this activity of \$52,766, which includes a requested amount for new equipment in connection with these positions. At the same time, the activity will receive approval for six of the requested 13 new positions which will provide a total staff of 11 positions.

We realize that we suggest here a reduction only in federal moneys to which California is entitled under the MDTA. However, because of state MDTA cost in 1965-66, we believe it is essential to establish a sound and justified staffing arrangement for the program before the State is required to contribute. The proposal presented in this budget for an additional 13 new positions (less 3 temporary help positions deleted), in addition to the eight approved by the Legislature only last year, appears to us to be totally unjustified by workload data.

We have requested information from the Vocational Education Section as to the basis upon which the several positions established administratively by the Department of Finance in 1963-64 were justified. No such information has been received by our office. None of our suggestions, which included measuring workload in terms of the numbers of projects, trainees or hours spent per project, were considered to be

Vocational Education—Continued

acceptable, and no suggestions were offered by the department. Finally, it was stated that because the MDTA program was originally administered during its first year by existing Department of Education staff, these individuals became overworked and it was therefore necessary to add additional positions to relieve the workload. While we realize there is some merit in this statement, we have still not been given any reasons for the addition of the particular numbers of positions requested. It appears to us that these positions have been administratively established, justified and requested solely upon the basis of the amount of federal money available.

In the absence of any concrete data upon which to base the staffing patterns for this activity, we have sought to develop a workload measurement which we believe is defensible. In our opinion the most logical such measurement is the numbers of projects conducted per professional employee. The estimated number of projects for 1963-64 and 1964-65, together with the permanent authorized professional staffing for the current year, is as follows:

	1963-64	1964-65
Projects -----	220 (est.)	330 (est.)
Permanent professional staff -----	3	

As can be seen, the ratio of projects to permanent professional employees in 1963-64 is approximately 73:1. Applying this ratio to 1964-65, an additional two professional employees should have been requested; in actuality the department has requested an additional eight permanent professional employees.

We have accepted, in part, the department's plea that 73 projects per professional position is too great a load. In the absence of any other firm data, we have taken the figure of 50 projects per professional as a reasonable staffing justification; the adoption of such a figure should relieve some of the pressure upon the Vocational Education Section. Should such a staffing criteria be adopted, as we recommend, together with the generally accepted clerical staffing standard of two professionals per one clerical position, the following will result:

Accepted staffing standards:	50 projects per professional employee; one clerical employee for each two professionals
Estimated 1964-65 training projects:	330
Necessary MDTA staff:	7 professionals
	4 clerical positions
Excess requested over necessary positions:	
	4 professionals
	3 clerical positions

We strongly recommend that, until the Department of Education presents more complete justification for requested MDTA staffing, that the above standards and criteria be applied to this program. In order for the State to insure that its funds are properly spent it is essential that adequate workload measurement criteria be developed.

Instructional Material for Apprentices

Following our recommendation this program was made self-supporting several years ago, with regard to General Fund support. Some federal support is still received for materials prepared for certain trades

Vocational Education—Continued

with less than 100 apprentices. These moneys are estimated at \$20,000 in 1964-65. Total support for the program is placed at \$85,949; reimbursement from the sale of materials produced are expected to total \$65,949 in the budget year. No new positions are requested for this program and the level of service is expected to remain unchanged.

With the exception of the recommended reduction in the manpower development and training program, we recommend approval of this item as budgeted.

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

ITEM 100 of the Budget Bill

Budget page 216

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

Amount requested	\$788,642
Estimated to be expended in 1963-64 fiscal year	611,143
Increase (27.8 percent)	\$177,499
Increase to maintain existing level of service.....	\$116,449
Increase to improve level of service.....	61,050

TOTAL RECOMMENDED REDUCTION..... \$4,140

Summary of Recommended Reductions

	Amount	Page	Line
1 Temporary help position	\$4,140	217	38

ANALYSIS

The State Teachers' Retirement System provides monthly allowances to public educational personnel who are qualified to retire for service or disability in accordance with the provisions of the Teachers' Retirement Act and policies established by the State Teachers' Retirement Board. Chapter 2135, Statutes of 1963, changed the membership of the Board of Administration from the State Board of Education and two additional members who represented the teachers in the system to the Superintendent of Public Instruction, the Director of Finance, a member of a governing board of a school district, three members of the system, an official of a life insurance company, the Governor, and an official of a bank.

The Retirement Investment Board of the Teacher's Retirement System has exclusive control of the investment of the Teachers' Retirement Fund. The board consists of the State Superintendent of Public Instruction, the Director of Finance, the Controller, and two teachers appointed by the State Board of Education for four-year terms.

The 1964-65 Budget request of \$788,642 for the administration of the system is \$177,499 or 29.1 percent more than is estimated to be expended during the current year.

State Teachers' Retirement System—Continued

The \$171,485 increase is due to the following reasons:

18.5 proposed new positions	\$88,416
Merit salary increases	11,145
Deletion of four temporary help positions	—15,000
Increased staff benefits (retirement and health insurance costs) ..	13,703
Increased operating expenses	60,852
Increased equipment purchases over current level	13,947
Decreased salary savings	4,436

Total increase \$177,499

Summary of the 18.5 Proposed Positions by Level of Service
1964-65 Fiscal Year

State Teachers' Retirement System	Level of service	
	Maintain	Increase
<i>Personal Services:</i>		
1 Administrative analyst (budget page 217, line 24)		\$8,604
1 Intermediate file clerk (budget page 217, line 26)	\$4,140	
3 Intermediate typist-clerks (budget page 217, line 27)	8,280	4,140
1 Intermediate typist-clerk (budget page 217, line 29)		4,140
(Limited to June 30, 1965)		
2 Intermediate clerks (budget page 217, line 30)		8,280
2.5 Temporary help (budget page 217, line 31)		10,000
2 General accountants II (budget page 217, line 33)	7,080	7,080
1 Senior tabulating machine operator (budget page 217, line 35)	5,028	
1 Accounting technician II (budget page 217, line 36)	4,788	
1 Key punch operator (budget page 217, line 37)	4,140	
2 Temporary help positions (budget page 217, line 38)		9,140
1 Junior clerk (budget page 217, line 40)	3,576	
Totals	\$37,032	\$51,384

Proposed Positions to Maintain Level of Service—8 Positions, \$37,032

One intermediate file clerk is requested for the general files section for workload increases in the membership of the system and also due to the fact that recently there has been a greater awareness on the part of members of the significance of retirement benefits. Two intermediate typist-clerks are proposed to service new member accounts, rate requests, and name and rate changes and the increasing workload in maintaining the verification of out-of-state service for retiring members.

One general accountant II is proposed for internal accounting for increased investment workload. The expanding investment portfolio as well as smaller average purchases in recent years have increased the volume of accounting transactions to maintain control. One accounting technician II position is necessary for the increasing workload arising from redeposits and receipts.

A senior tabulating machine operator and a key punch operator are requested for overall workload increase in the machine operations of the Accounting Division. One junior clerk is requested for the office services unit to handle the increased mail activity. From 1957-58 to the current year the mail activity has increased by 70 percent with only one person handling the total volume.

We recommend approval of all the positions proposed to maintain the current level of service.

State Teachers' Retirement System—Continued

Proposed Positions to Increase Level of Service—10.5 Positions, \$51,384

The State Teachers' Retirement System is proposing 10.5 positions to increase the current level of service at a cost of \$51,384. Each position is discussed in the following:

1 Associate administrative analyst (budget page 217, line 24) \$8,604

An administrative analyst position is proposed to provide the system with continual policy and procedural review and implementation. During the 1963 session of the Legislature numerous criticisms were directed toward the system by Members of the Legislature. Most of these criticisms centered about matters of a procedural nature. In some instances, legislation was adopted that has mandated changes in procedure. There is now no person on the staff of the system who is qualified to do the analysis that is necessary to improve the procedures.

We recommend approval of the associate administrative analyst position.

1 Intermediate typist-clerk (budget page 217, line 27) --- \$4,140

1 Intermediate typist-clerk (budget page 217, line 29) --- 4,140
(Limited to June 30, 1965)

Two clerk positions are requested for the report section of the Membership and Actuarial Division to check the contribution rate used for each member against the rate indicated as the proper one in the system's annual report. A recent study indicated that there was a very high percentage of error in applying the proper rate percentage to each member's IBM card. Procedures have been instituted to lower the degree of error. However, two clerks are necessary to review all the previous rate applications. At the end of the fiscal year one position will be deleted and the other will be continued to carry on the same check for each future annual report.

We recommend approval of the two proposed clerical positions.

2 Intermediate clerks (budget page 217, line 30)----- \$8,280

Two clerks are proposed in the actuarial section of the Membership and Actuarial Division in order to perform the increased workload arising from the establishment of the estimated retirement roll. The establishment of this roll will permit prompt payment to annuitants following retirement without undue delays arising from formal verification of accounts for retirement purposes. Chapter 2134, Statutes of 1963, authorized the establishment of the payment of estimated retirement payments.

We recommend approval of the two intermediate clerks.

2.5 Temporary help (budget page 217, line 31)----- \$10,000

A total of \$10,000 in temporary help money is requested for the one-time conversion of active member files to open shelving. The tenure and expanding nature of the system's files require a less expensive

State Teachers' Retirement System—Continued

filing method to maintain economy. Future savings will be realized in purchase of open shelf files rather than the closed five-drawer files.

We recommend approval of the \$10,000 in temporary help money.

1 General accountant II (budget page 217, line 33)----- \$7,080

One general accountant is requested in the Accounting Division to audit the annual and advanced reports on member contributions and service. This position will assist in the prompt reconciliation of county reports in order to improve the reporting and verification of members' accounts. This area that the accountant will be working on is an area that received considerable criticism during the 1963 General Session. The authorization of this position should correct the problem that has caused the criticism.

We recommend approval of the requested position.

2 Temporary help positions (budget page 217, line 38)-- \$9,140

A total of \$9,140 is proposed for temporary help in two areas. The sum of \$5,000 is proposed for the Accounting Division to provide personnel during 1964-65 to process the posting to the member accounts the service and contributions for 1962-63 and 1963-64. Chapter 1981, Statutes of 1963 provides that the annual reports from the counties must be submitted to the retirement system no later than December 31 of the next fiscal year under threat of penalty. Thus, during the 1964-65 fiscal year the system will be required to post to the member accounts not only the usual once-a-year posting, but also the contributions and service for a second year, 1963-64. The temporary help money will be for the necessary increased overtime and increased rental of the IBM equipment.

We recommend approval of \$5,000 of the proposed \$9,140 in temporary help money.

Of the proposed \$9,140 in temporary help money, \$4,140 is requested to provide one man-year for the verification of affidavits of retired members to insure continued eligibility and to perform increasing accounting workload in the retirement payment section of making adjustments to the retirement roll.

We recommend the deletion of \$4,140 in temporary help money.

Chapter 929, Statutes of 1963, provided for the establishment of the affidavit program although the system had been requiring affidavits for some time previous to the enactment of the legislation. The system asked that the legislation be enacted in order that it might be on a firmer legal ground in requiring the affidavits. At the time the Legislature was conducting hearings on this bill the system stated there would be no increased cost to the State with its enactment. Now the system is requesting \$4,140 for the program. On the basis of the system's presentation to the Legislature during the hearings on the bill we are recommending the deletion of the funds.

State Teachers' Retirement System—Continued

RECOMMENDED CHANGE IN LEGISLATION

Section 13907 of the Education Code, enacted in 1944, provides the following:

“The cost of the administration of the Retirement System (State Teachers' Retirement System), including the employment of necessary expert and clerical assistance, the purchase of necessary supplies and equipment, and any other expenses necessary in the administration, shall be paid by the State, but the total of the costs of administration during any fiscal period shall not exceed the amount made available by law for such costs during the fiscal period.”

The Legislature in 1959 also adopted a policy statement that is included in Section 14215 which states that “The costs of administration of the Retirement System shall be met from contributions by the State.”

We recommend that legislation be enacted at the 1965 General Session of the Legislature that would change the financing of the administration of the State Teachers' Retirement System from 100 percent support by the State to some form of sharing of costs by the State, the teachers and the employing school districts.

Our recommendation would basically follow the pattern of financing the administration of the State Employees' Retirement System. In 1959 the Legislature added Chapter 2066 to the Government Code wherein “Costs of administration of the system shall be paid from interest income from the Retirement Fund beginning with the fiscal year 1959-60; provided that the amount of income so applied in any fiscal year may not exceed ten hundredths (0.10) of 1 percent of the investments of the Retirement Fund at book value as of the close of the preceding fiscal year.”

There is a very basic difference between the State Employees' Retirement System (SERS) and the State Teachers' Retirement System (STRS). The employees' system is a full reserve system, or funded system, where the state contributions and the employee contributions are both set upon an actuarial basis, thus assessing the cost of the retirement program, and paying for it at the time that the employees' service is rendered. Thus, since the obligation is created pursuant to expenditures authorized by the Legislature and under a retirement law controllable by the Legislature, the Legislature sees that revenues are sufficient in that same year to support the obligations created.

The teachers' system cannot be said to be on a full reserve basis, as the State's contributions to the system are made as liability matures and not as it accrues. The sum requested from the General Fund to meet the State's liability for the 1964-65 fiscal year amounts to \$52,500,000. Since 1944 the member contributions have been on a full reserve basis. In addition to the state and member contributions, the employing school districts contribute 3 percent of the certificated payroll to the fund plus \$12 per year for each employed teacher.

State Teachers' Retirement System—Continued

We are recommending that the State, the teachers, and the employing school district all share in the cost of the administration of the teachers' system. We recommend that the share that the teachers and school district would pay would come from interest income from the Teachers' Retirement Fund, which would be comparable to the State Employees' Retirement System. Since the State's share of the benefit cost is paid as the liability matures and not as it accrues, the state money that is transferred into the Teachers' Retirement Fund is encumbered and not available for investment. It would be necessary to appropriate the State's share of administering the teachers' system directly from the General Fund. Depending upon the type of sharing program adopted the adoption of our recommendation could produce savings to the General Fund in the order of \$400,000 annually.

We recommend that this matter be reviewed by the appropriate legislative committee and that a report be submitted to the 1965 General Session of the Legislature.

HIGHER EDUCATION**Definition and Scope**

California's system of public higher education now includes 7 campuses of the University of California, 15 state colleges, 71 public junior colleges and the California Maritime Academy. Of these, 1 university campus, 5 state colleges and 12 junior colleges were added in the past decade. Two additional state colleges, authorized in 1960, and two new campuses of the University are scheduled to open in the fall of 1965. In the next 5 years it is likely that 2 or more new colleges, a University campus, and up to 10 or more junior colleges will be proposed for addition to this vast system.

The University of California is governed by the Regents of the University of California who, under the terms of Section 9, Article IX of the Constitution of California, have full powers of organization and government for the University. The state colleges are governed by the Trustees of the California State Colleges, a statutory body established in accordance with the 1960 Master Plan for Higher Education. The Trustees, with a centralized administrative office under the Chancellor of the California State Colleges, assumed responsibility for the state college system on July 1, 1961. The junior colleges are primarily local institutions, created, operated and, in large part, supported locally. Within a very broad area defined by statewide standards which have been established by statute and by rule of the State Board of Education, the organization, operation, and policy direction of the junior colleges are vested in local school boards accountable to local voters.

The Coordinating Council for Higher Education was created in 1960 in accordance with the Master Plan as an advisory body to counsel the governing boards of the three segments and appropriate state officials in matters relating to state financial support, differentiation of function and development of plans for the orderly growth of public higher education.

Higher Education—Continued

The guidelines of each segment were set out under the Donahoe Higher Education Act of 1960, in an effort to maintain functional differences and orderly development during a period of rapid growth of educational facilities. Although considerable power and responsibility have been delegated to the governing bodies of each segment and the Coordinating Council, the Legislature retains discretionary authority and responsibility for guidance through general legislation and, in particular, through annual appropriations.

Enrollment

Enrollment statistics are the principal factor in determining the amount of support and capital outlay funds which the Legislature is called upon to appropriate each year for higher education. Estimated enrollment figures for the budget year are the basic element in calculating workload for each college or campus in such areas as administrative staff, teaching staff, instructional expense, library books and personnel, and student services. Projected enrollment data determine the need for new and enlarged facilities and for the development of new colleges and campuses in addition to indicating the magnitude of future support fund requirements.

In Tables 1 and 2 we have summarized actual and estimated enrollment for the University of California and the California State Colleges for the five-year period 1960-61 through 1964-65 and have compared them with recently revised projections for 1972-73. Similar data for the junior colleges remain unavailable because of the different unit (average daily attendance) used in calculating apportionments and the absence of uniform estimates.

The figures for the University indicate an average annual increase of 8.8 percent, or 5,067 students, for the five-year period. Figures for the state colleges indicate an average annual increase of 10.9 percent or 8,883 students. For both segments, the combined figures indicate an average annual growth rate of 9.8 percent or 13,950 students. In each case enrollment is expected to nearly double in the decade 1962-63 through 1972-73.

Recent population estimates for the State of California indicate an average annual population growth rate of approximately 3.5 percent for 1960-61 through 1964-65 and 2.9 percent for the decade 1962-63 through 1972-73. Thus the rate of growth for public higher education enrollment, assuming that the junior colleges will keep pace with the University and state colleges, has been, and may be expected to continue to be, approximately three times the rate of state population growth.

General Summary

Education

Higher Education—Continued

Table 1
Annual Average Enrollment, University of California

	1960-61	1961-62	1962-63	<i>Estimated</i>		
				1963-64	1964-65	1972-73
Berkeley -----	21,324	23,006	24,394	25,256	26,596	27,500
Davis -----	2,876	3,459	4,058	4,800	5,659	11,825
Los Angeles -----	16,377	17,661	18,747	20,150	22,200	27,500 ¹
Los Angeles Medical ----	897	901	1,048	1,122	1,270	---
Irvine -----	---	---	---	---	---	7,550
Riverside -----	1,573	1,909	2,082	2,246	3,200	7,925
San Francisco -----	1,806	1,893	1,954	2,009	2,049	2,900
Santa Barbara -----	3,397	3,981	4,700	5,424	7,162	12,575
Santa Cruz -----	---	---	---	---	---	5,550
San Diego -----	104	151	200	270	486	7,250
Totals -----	48,354	52,961	57,183	61,277	68,622	110,575

¹ Includes both the medical college and the general campus.

Table 2
Annual Full-Time Equivalent Enrollment
California State Colleges

	1960-61	1961-62	1962-63	<i>Estimated</i>		
				1963-64	1964-65	1972-73
San Jose -----	11,592	12,587	13,695	14,840	15,040	22,940 ³
Los Angeles -----	8,742	9,894	10,562	11,320	12,120	22,800 ³
San Diego ² -----	8,166	9,068	10,203	10,910	11,790	19,740
San Francisco -----	8,648	9,467	10,422	11,550	11,250	16,460 ³
Long Beach -----	6,795	7,592	8,608	9,850	10,890	16,280
San Fernando -----	3,875	4,828	5,833	6,710	7,690	15,550
Cal Poly (SLO) ¹ -----	4,718	4,913	5,751	6,160	6,770	8,510
Fresno ² -----	4,770	4,813	5,559	5,950	6,540	9,070
Sacramento -----	4,009	4,215	4,791	5,360	5,920	8,610
Cal Poly (KV) ¹ -----	2,051	2,539	3,147	3,610	4,110	10,400
Chico -----	2,873	3,049	3,304	3,580	3,880	5,110
Orange -----	606	968	1,376	2,100	2,860	11,140
Hayward -----	457	687	945	1,650	2,410	9,250
Humboldt -----	1,700	1,727	1,951	2,090	2,250	2,960
Sonoma -----	---	127	276	460	750	3,120
Stanislaus -----	322	310	296	320	340	2,170
Palos Verdes -----	---	---	---	---	---	7,810
San Bernardino -----	---	---	---	---	---	5,330
Totals -----	69,324	76,820	86,719	96,460 ⁴	104,848 ⁴	197,060

¹ Includes summer quarter.

² Includes off-campus center.

³ Includes enrollment in excess of current campus planning figure.

⁴ Includes 110 FTE for 1963-64 and 238 FTE for 1964-65 in overseas program.

Expenditure Summary

Actual and estimated state expenditures for higher education for the five years 1960-61 through 1964-65 are summarized in Table 3 under the principal budget categories of support, capital outlay and subventions. As indicated in this table, the total state cost for higher education is expected to grow from \$302 million to nearly \$481 million over this five-year period, an increase of \$179 million or 59.3 percent.

Education

General Summary

Higher Education—Continued

Table 3
State Expenditures for Higher Education
(In Thousands)

	<i>Actual</i>			<i>Estimated</i>	<i>Proposed</i>
	1960-61	1961-62	1962-63	1963-64	1964-65
SUPPORT:					
Coordinating Council for Higher Education ----	\$32	\$157	\$212	\$289	\$354
University of California ----	121,306	134,434	147,325	159,182 ²	180,782 ²
Hastings College of Law ----	347	359	338	371	485
California State Colleges ----	68,515	77,892	90,259	103,465 ²	118,399 ²
Maritime Academy ----	391	415	435	488	495
State Scholarship Commission ----	1,220	1,825	2,345	3,031	4,012
California College of Medicine ----	----	----	----	----	46
Totals ----	\$191,811	\$215,082	\$240,914	\$266,826	\$304,573
CAPITAL OUTLAY: ¹					
University of California ----	\$50,693	\$48,018	\$55,890	\$70,971	\$63,674
California State Colleges ----	31,117	32,368	35,390	82,428	59,338
Maritime Academy ----	65	5	8	41	17
California College of Medicine ----	----	----	----	----	63
Totals ----	\$81,875	\$80,391	\$91,288	\$153,440	\$123,082
SUBVENTIONS:					
Junior college support ----	\$28,413	\$35,785	\$36,273 ³	\$40,460 ³	\$43,000 ³
Junior college capital outlay ¹ ----	----	5,000	5,000	10,000	10,000
Totals ----	\$28,413	\$40,785	\$41,273	\$50,460	\$53,000
TOTAL, HIGHER EDUCATION					
	\$302,099	\$336,186	\$373,475	\$470,726	\$480,665

¹ Includes bond funds.

² Includes salary increase funds appropriated in 1963.

³ Estimated.

SELECTION AND RETENTION OF STUDENTS

The continuing rapid enrollment growth of the University and state colleges emphasizes the importance of achieving, as soon as possible, full implementation of the Master Plan recommendations with respect to the selection and retention of students. The principal elements of these recommendations may be summarized as follows:

1. That California high school graduates admitted to the state colleges be in the top one-third of their class and those admitted to the University be in the top one-eighth, with graduates of private and out-of-state schools held to the same levels;
2. That admission be based as fully as possible upon achievement in college preparatory courses;
3. That exceptions be limited to no more than 2 percent of freshman admissions, and that "limited" students be required to meet regular admission standards;

Higher Education—Continued

4. That both systems require a minimum of at least 56 recommending units of college credit for transfer students who were ineligible for admission from high school, with earlier transfer limited to 2 percent of those applying for transfer;

5. That the admission of out-of-state residents be limited to those whose standing is equivalent to that of the upper half of eligible resident students;

6. That the University and the state colleges work toward the gradual reduction of lower division enrollment to the level of 40 percent of undergraduate enrollment by 1975.

7. That each segment strive for greater uniformity in policy and practice internally with respect to probation and dismissal and an effort be made to secure uniformity among the segments for comparable programs.

These recommendations, although dependent upon voluntary compliance rather than statutory mandate, are at the heart of the Master Plan's objective of assuring the orderly development of higher education. They were intended not only to minimize competition for enrollment but also, through a tightening of University and state college admission standards and the consequent diversion of lower division students to the junior colleges, to provide a basis for accompanying recommendations regarding functional differentiation and state support.

The principal recommendations with respect to admission requirements for freshmen, transfer and nonresident students have been fully implemented by the University. The state colleges have complied with several of the recommendations but have scheduled full implementation for the fall of 1965 rather than the fall of 1962 as originally intended in the Master Plan. For 1963-64 and 1964-65 the college admission requirements may be expected to permit the acceptance of students from about the upper 40 percent of all California high school graduates as compared with the previous figure of 44 percent and the objective of 33½ percent recommend in the Master Plan. The Chancellor's Office has stated, however, that some 1,200 students have been diverted from the colleges to the junior colleges as a result of partial implementation for the current year.

Until this year neither the University nor the state colleges had made significant progress toward implementing the recommendation that each should gradually reduce its percentage of undergraduate enrollment in the lower division by 10 percentage points below the level of 1960. This has been interpreted to call for a steady reduction in lower division enrollment to the point that by 1975 undergraduate enrollment in each segment will consist of 40 percent in the lower division and 60 percent in the upper division. This recommendation was intended to accomplish four-fifths of the 50,000 student diversion to the junior colleges which the Master Plan proposed.

Higher Education—Continued

The data reported recently by the Coordinating Council and shown in Table 4 below indicate that from 1960 through 1962 lower division enrollment for each segment, rather than declining, remained at the 1960 level or increased relative to upper division enrollment. For 1963, however, the state colleges report significant improvement in this regard due to a combination of an increase in upper division enrollment and a reduction in lower division enrollment. If this trend continues, the colleges will have gone a long way toward fulfilling the Master Plan agreement.

The figures for the University, on the other hand, show no improvement. University lower division enrollment continues to run well above the level reported for 1960. An increase for the fall of 1963 appears to be due in large part to the relatively heavy enrollment of freshmen at Santa Barbara.

Table 4
Undergraduate Enrollment Distribution, Fall Term
Full-time Students¹

	<i>Actual</i>				<i>Master plan</i>
	1960	1961	1962	1963	
California State Colleges					
Lower division -----	51.7%	53.7%	51.5%	49.8%	40%
Upper division -----	48.3	46.3	48.5	50.2	60
	100.0%	100.0%	100.0%	100.0%	100%
University of California					
Lower division -----	49.0%	52.8%	52.6%	53.3%	40%
Upper division -----	51.0	47.2	47.4	46.7	60
	100.0%	100.0%	100.0%	100.0%	100%

¹ This is the same enrollment category used in the 1960 Master Plan.

The data reported in Table 5 indicate that the junior colleges now account for a somewhat smaller percentage of all lower division students than they did in 1960. Thus it appears that little or no diversion of students to the junior colleges has been accomplished since agreement to the Master Plan recommendations.

Table 5
Distribution of Lower Division Enrollment by
Segment, Fall Term, Full-time Students

	<i>Actual</i>				<i>Master plan</i>
	1960	1961	1962	1963	1975
Junior colleges -----	69.3%	68.6%	68.6%	68.3%	75.0%
California State Colleges -----	19.2	20.2	20.1	20.3	17.5
University of California -----	11.5	11.2	11.3	11.4	7.5
	100.0%	100.0%	100.0%	100.0%	100.0%

It is evident from these figures that if the 40-60 ratio is to be achieved by 1975 the University and the state colleges will have to devote much more attention to this problem than they have thus far. Except for references to "quotas" and other "methods of selection in addition to basic admission requirements" the Master Plan is silent as to how the relative reduction in University and state college lower

Higher Education—Continued

division enrollment is to be achieved. It is up to the two segments themselves, with the guidance of the Coordinating Council, to effect the diversion which is so important to the other aspects of the Master Plan.

Some initial progress has been made in this direction in the past few months. Each of the segments, through a recent action of the Council, has reaffirmed its intention to meet this goal of the Master Plan, and both the University and the state colleges have accepted an intermediate goal of a 46-54 undergraduate enrollment ratio for 1969-70 in connection with their capital outlay plans. In addition, the state colleges have taken the first concrete action by deciding to begin limiting lower division admissions at San Jose and San Francisco State Colleges in 1964-65 as those two colleges approach their maximum planned capacities. It is believed that this action will result in the diversion of some 1,000 students and that many of these will go to nearby junior colleges rather than to another state college.

The Council has also acted recently to establish a technical committee on student admissions, retention and transfer in compliance with the Master Plan and has directed it to work on this problem along with the problem of establishing uniform retention standards, another area in which no effective action has been reported since 1960. We believe that the two systems and the Council, through this technical committee, should intensify their efforts in these two areas during the next year so that they may report substantial progress by no later than the 1965 session.

It is apparent that without some strong stimulus continued delay in these matters may seriously hamper the orderly growth of public higher education promised in the Master Plan. Further delay will also, we believe, add unnecessarily to the rapidly rising costs of public higher education.

We therefore recommend that each fiscal committee of the Legislature adopt a resolution directing the Coordinating Council, with the assistance of the University, state colleges and junior colleges, to report to the Legislature prior to the next general session as to specific steps to be taken beginning in 1965-66 to:

- 1. Insure that the reduction in University and state college lower division enrollment to the level of 40 percent of undergraduate enrollment in each segment is achieved by 1975; and*
- 2. Insure that greater uniformity in retention standards will be achieved within each of the three public systems of higher education, and among the systems for comparable programs, without further delay.*

YEAR-ROUND OPERATION

With the rapid increase in capital outlays required to provide new campuses and expand existing facilities in the face of accelerating enrollment growth, many institutions of higher education have given increasing consideration to year-round operation as the most effective means of accommodating growth within available resources. Because the

Higher Education—Continued

problems in this respect are at least as great for California as for any other state, we have consistently urged over the past few years that the University and state colleges begin planning toward this objective. This approach also received impetus from the 1960 Master Plan, which included a recommendation for the full-year use of higher education facilities and directed the Coordinating Council to conduct a study to develop a revised academic calendar permitting year-round operation.

Little had been accomplished in this direction, however, until the Regents in June 1962 directed the president of the University to initiate planning for a year-round calendar for at least one University campus beginning in 1964-65. In response to this action by the University and in compliance with the Master Plan, the Coordinating Council undertook a study during 1963 to devise a year-round academic calendar which would be appropriate for both segments and compatible with the programs of the junior colleges and public schools. As of this writing the final report of this study has not been issued, but it appears that the Council will recommend that a quarter system calendar be adopted by 1966-67 by both the University and the state colleges and that each also initiate year-round operation at one or more campuses by that date.

The University at one time expressed a preference for a three-term, or "trimester," calendar, but there now appears to be general agreement among the segments, with the exception of some faculty groups, that the quarter system offers better flexibility for students, faculty and the recruitment of visiting faculty. At present the University proposes to implement its initial year-round operation on the Berkeley campus in 1966-67, on the Los Angeles campus in 1967-68 and on the other campuses in succeeding years. At their December meeting the Regents endorsed the quarter system with the qualification that "... no actual change in calendar (occur) until such time as financial support sufficient to put one or more campuses on year-round operation ... with full maintenance of standards is assured." The Regents also approved the recommendation that the president be authorized to allocate, at his discretion, the \$250,000 previously appropriated for studies of curricular and educational changes associated with a new calendar and year-round operation.

The state colleges have only recently given much consideration on a systemwide basis to the possibilities of year-round operation other than that involving increased enrollment for abbreviated summer terms. A study of potential enrollment and facility utilization under year-round operation was conducted by San Francisco State College during 1960-61, but the findings were not employed for the development of a broad state college program of study and implementation. Two colleges, Hayward and Cal Poly, follow quarter system calendars, but in each case the summer quarter has been developed for specific and limited curricular requirements, rather than as a regular term with enrollment and course offerings equivalent to those of the other three terms.

However, in conjunction with the Coordinating Council's study in this area, the Trustees have recently indicated that they are prepared

Higher Education—Continued

to adopt a systemwide academic calendar of four quarters to be effective not later than the academic year 1966-67. This is to be a first step toward implementing the Council's recommendation that year-round operation be initiated at one or more colleges by 1966-67, provided that legislative support is forthcoming. In connection with this, the Trustees have requested a total of \$255,000 for 1964-65 to support the planning and development of appropriate program revisions at the individual colleges. As yet, however, no specific college or colleges have been selected to begin year-round operation following the adoption of a quarter system calendar.

There are a number of immediate and long-range advantages to the quarter system operated on a year-round basis. These stem from the possibilities for expanding annual enrollment without correspondingly large outlays for new facilities. Under a quarter system consisting of four 12-week sessions, a student could, if he wished, complete a bachelor's degree in as little as 3 years by completing the equivalent of 40 units per year rather than 30 as under the present semester system. Otherwise he could elect to attend classes for only three terms each year and complete his work in the usual four years. Either way, over a period of years, additional students could be accommodated in existing facilities if enrollment were held at approximately equal levels for all four quarters.

The immediate effect would be to reduce new capital outlay requirements for existing colleges and campuses and postpone the need for new institutions. Also, by permitting larger enrollments at the more mature colleges and campuses where current costs per student are lowest, the year-round system would help to hold down the rising cost of instruction systemwide.

As year-round operation is established at each college and campus, however, total annual operating costs may be expected to rise at least in proportion to the annual number of additional students accommodated through acceleration. Operating costs will also rise to the extent that fee supported summer sessions are converted to regular academic terms, therefore, is likely to cause a short-term rise in support costs that might present serious budgetary problems.

For these reasons we believe that the Legislature should be apprised, as soon as possible, of the plans which are being made for implementation of year-round operation. The short-term increase in annual support costs can be minimized by phasing in year-round operation over several years, by beginning at the institutions with the lowest unit costs and by limiting student acceleration for the first few years. If the Legislature is to be asked to augment its current levels of appropriation, it must be kept informed as to what steps are being planned to minimize the costs of conversion and what effect on capital outlay requirements can be foreseen.

Senate Resolution No. 231 of the 1963 Regular Session authorized an interim study of the potential savings and other cost implications of year-round operation by the Senate Fact Finding Committee on Educa-

Higher Education—Continued

tion and the Joint Legislative Budget Committee for report to the Legislature in 1965. In anticipation of public hearings by these committees, we believe that the two segments, in cooperation with the Coordinating Council, should prepare full statements as to their current plans and the foreseeable fiscal implications.

We therefore recommend that the University of California and the California State Colleges, in conjunction with the Coordinating Council for Higher Education, be directed to prepare, prior to the end of the current fiscal year, reports to the Legislature as to their current plans to initiate year-round operation under the proposed quarter system, with particular attention to:

- 1. Estimated savings in capital outlay and increases in enrollment capacity to be achieved by increased utilization of existing and new facilities over the next 10 years;*
- 2. Estimated increases in total support budgets over each of the next 10 years resulting from conversion to year-round operation;*
- 3. The timetable to be followed within each system to extend year-round operation throughout the system;*
- 4. Steps which have been and are to be taken to assure reasonable articulation of the proposed quarter system calendars with those of the public schools.*

We further recommend that the Coordinating Council, with the assistance of the State Department of Education and the junior colleges, prepare a report as to action to be taken by the junior colleges to implement year-round operation of their programs in cooperation with the University and state colleges.

GRADUATE PROGRAMS: COSTS AND CONTROLS

The increasing number of higher cost students, graduate students in particular, has been a matter of continuous concern to our office. Some University of California studies, for instance, show that instructional costs per student for advanced doctoral students are estimated to be five times greater than for lower division students. Graduate enrollment at the University of California now totals about 31.8 percent of student enrollment. Graduate enrollment in the California state colleges now accounts for approximately 23 percent of total individual enrollment and about 12 percent of full-time equivalent (FTE) enrollment. Recent state college enrollment projections indicate that graduate enrollment is expected to increase by about 10 percent per year and maintain a level of 12 percent of total FTE over the next five years. Future graduate enrollment at the University however will increase to approximately one-third of the total student enrollment.

General Summary

Education

Higher Education—Continued

Graduate Enrollment University of California

<i>Actual</i>	<i>Graduate enrollment</i>	<i>Total enrollment</i>	<i>Percent graduate</i>
1960-61	14,672	49,169	29.8
1961-62	16,802	54,265	31.0
1962-63	18,359	58,616	31.3
<i>Estimated</i>			
1963-64	20,481	64,468	31.8
1964-65	21,894	68,550	31.9
1965-66	23,993	73,625	32.6
1966-67	26,255	80,150	32.8
1967-68	28,286	85,925	32.9

NOTE: The figures in this table are for the fall term.

Graduate enrollment figures contain roughly between 5 and 10 percent part-time students. The University is currently developing improved criteria for differentiating full and part-time graduate students.

Graduate Enrollment California State Colleges

<i>Actual</i>	<i>Graduate enrollment</i> ¹		<i>Total FTE enrollment</i> ²	<i>Percent graduate</i>
	<i>Individuals</i>	<i>FTE</i>		
1960-61	22,454	8,614	69,324	12.4
1961-62	24,463	9,371	77,082	12.2
1962-63	26,723	10,099	86,719	11.7
<i>Estimated</i>				
1963-64	30,700	11,600	96,570	12.0
1964-65	33,270	12,570	104,848	12.0
1965-66	36,520	13,800	115,970	11.9
1966-67	40,230	15,200	127,790	11.9
1967-68	44,200	16,700	139,650	12.0

¹ Fall term.

² Average annual FTE.

In terms of program objectives, the majority of state college graduate students are enrolled in the various master's degree programs (51 percent) with a substantial number also to be found in public school credential programs (22 percent) and as unclassified students (27 percent) who have not indicated a degree or credential objective. Among those admitted to master's degree programs, the principal fields are education and business with significant numbers also enrolled in the social sciences, the humanities, psychology and physical education. Of the University's graduate enrollment, 20.5 percent are pursuing professional degrees, 37.2 percent are in the various master's programs, 8.4 percent are first stage doctoral students and 29.8 percent are currently classified as advanced or second-stage doctoral students. The remaining 4.1 percent consists of postdoctoral students. In this classification first-stage doctoral students are those who have not previously earned a master's degree but are working directly for the doctoral degree and have not, as yet, completed 24 units while in graduate standing and have not been advanced to candidacy for a doctoral degree. Second-stage (or advanced) doctoral students have either earned a master's degree in the same field as their doctoral work, or have completed 24 or more units, or have been advanced to candidacy for a doctoral degree.

Higher Education—Continued

As the situation now stands at the University, generally in the social sciences, controls, insofar as they exist at all, are derived from budgetary allocations for department needs. In the physical sciences, however, the graduate enrollment is controlled mainly by the laboratory space and limited teaching facilities available. Some departments have or plan to establish specific stages of degree progress in order to control graduate enrollments. Other departments have devised formal limits upon the number of graduate students each professor may supervise. The case is much the same for the colleges. There are no controls on graduate enrollment systemwide nor are such controls contemplated. This is left to each individual college and therefore whatever limitations have been placed upon enrollment have been based upon immediate shortages of space or teaching resources. It is doubtful that many, if any, graduate students have ever been denied admission on this basis however.

For the University as a whole there are few controls on the increasing numbers of graduate students and the lengths of time a student may remain at the various advanced degree levels. The Master Plan does not specify limitations or controls upon graduate enrollments but instead devotes considerable attention to means of lower division diversion and, on this account, has been taken by some to imply that graduate enrollments should not be limited. The University, for its part, makes it clear that:

“At the graduate level the University will continue to accept all qualified applicants, to the limits of available facilities.”*

In summary, available facilities and scholastic standards control graduate enrollments insofar as any control exists.

Lack of graduate controls in the form of course load and degree requirements influence the time spent obtaining a degree which in turn determines the length of time and number of students termed “advanced doctoral students,” the most costly student category.

The concentration of graduate students taking only 3.1 to 6.0 units at Berkeley and Los Angeles is shown in the following table:

Distribution of Units Taken by Graduate Students
Including Teaching and Research Assistants

Fall 1962

Units	Berkeley		Los Angeles	
	Number	Percent	Number	Percent
1.0- 3.0	390	5.7	410	8.1
3.1- 6.0	2421	35.4	2366	46.5
6.1- 9.0	2132	31.2	1409	27.7
9.1-12.0	1585	23.2	772	15.2
12.1-15.0	309	4.5	125	2.5
Total ¹	6837	100.0	5082	100.0

¹ Excludes 1535 and 960 graduate professional students at Berkeley and Los Angeles, respectively, the majority of whom enroll for 12 units per semester.

It is recognized that any speedup of student progress in the graduate programs could considerably reduce the supply of teaching assistants,

* A proposed Academic Plan for the University of California (Berkeley, 1961), p. 4.

Higher Education—Continued

which would increase instructional costs. This point should be considered in future studies of the problem.

Advanced graduate students require supervision from senior faculty members due to the specialized nature of much of advanced research and to that extent are more costly to educate. Ratios developed from University compiled statistics currently weight advanced graduate students at 3.75 to 1 for lower division students. The weighted ratios are based on how a faculty member allocates his time and thus form a major part of the University's internal formula for determining the need for additional faculty members in response to increased enrollments within the various and differently weighted levels of students. The state colleges, in budgeting for graduate instruction, use the same basic formulas as are used for their undergraduate instruction. However, elements built into such formulas (especially the faculty staffing formula), plus flexibility in allocation of actual appropriations, permit the higher rates of expenditure and richer staffing deemed necessary for graduate instruction.

For these reasons, we are concerned with the increasing number of more expensive to educate graduate students whose degree progress is determined by little more than the effort a student is willing to expend. The question is not whether this situation is desirable or undesirable, but whether the State can afford to let this function expand uncontrolled in light of the unprecedented financial obligations it has to higher education in the next decade. *In order that this decision can be made intelligently, we recommend that the University supply the Legislature with a plan which will project graduate student numbers and costs with particular reference to the number of students at various stages of progress in securing their degrees and the lengths of time students take in securing their degrees. This plan should include setting maximum periods of residence for the various degree programs, and other suggested controls and prospects for reducing costs.*

SPACE UTILIZATION

For several years this office has consistently urged that effective action be taken by the University, state colleges and junior colleges to improve their utilization of classrooms and laboratories in order to minimize the rapidly growing capital outlay requirements of higher education. In particular, we have held up to question the facility planning standards, including those recommended in the 1960 Master Plan, which have been employed to measure existing capacity and determine future needs, and we have urged improvement in class scheduling practices and class size standards. We have also recommended that the Coordinating Council undertake a comprehensive and detailed study of instructional space utilization so that comparability can be assured and an objective appraisal of standards be made.

Unfortunately no significant progress in this regard has been made which will be of use in connection with the proposed 1964 state construction bond act for higher education. However, the Coordinating Council has recently initiated a thorough utilization study as a part of its higher education cost and statistical study. When completed in the

Higher Education—Continued

Fall of 1964, this study is expected to provide essential information as to the existing inventory of instructional facilities, the extent to which these facilities are being, and can be, used and the standards which should be employed in determining future capital outlay needs for instructional facilities. Although such information will not be available in time to use as a basis for computing the amount of the proposed 1964 bond issue, it will be available for subsequent determinations as to annual appropriations of the bond proceeds should the bond act be successful.

Although instructional space amounts to only about 20 percent of total physical plant on each campus and college, the cost of such space, and the fact that it is usually the principal limiting factor as regards enrollment capacity, indicates clearly the necessity for improving present utilization rates. Recent data as to the average number of hours of use per week for each student station in University and state college classrooms and laboratories as shown in Tables I and II demonstrates that present utilization rates can be improved at many of the campuses and indeed that the Master Plan standards can be exceeded, as has occurred at some of the campuses.

Table I. University of California
Average Hours of Student Station Use per Week
(8 a.m.-5 p.m., Monday-Friday)

Year	Berkeley	Los Angeles	Davis	Riverside	Santa Barbara
<i>Classrooms</i> ¹					
1954 -----	8.8	12.7	6.2	6.7	5.9
1956 -----	10.4	12.4	8.2	7.8	8.0
1962 -----	15.1	12.8	13.6	15.5	14.6
Master Plan station utilization rate -----	18.0	18.0	18.0	18.0	18.0
<i>Laboratories</i>					
1954 -----	10.6	13.0	7.4	4.0	8.5
1956 -----	10.9	11.2	9.2	4.9	7.8
1962 -----	12.9	9.6	13.7	11.1	10.1
Master Plan station utilization rate -----	16.0	16.0	16.0	16.0	16.0

¹ Includes seminar rooms 1962.

Table II. Six Representative State Colleges
Average Hours of Student Station Use Per Week
(8 a.m.-5 p.m., Monday-Friday)

Year	Cal Poly (SLO)	Long Beach	Sacramento	San Diego	San Francisco	San Jose
<i>Classrooms</i>						
1955 -----	19.3	22.8	18.2	21.8	22.1	21.4
1959 -----	12.4	14.8	14.3	19.8	18.5	18.2
1962 -----	20.7	17.3	18.5	18.0	22.7	19.1
Master Plan station utilization rate -----	18.0	18.0	18.0	18.0	18.0	18.0
<i>Laboratories</i>						
1955 -----	14.5	19.7	16.6	15.6	15.2	15.1
1959 -----	15.5	8.7	11.0	16.1	12.9	21.2
1962 -----	15.6	6.6	11.7	10.9	15.1	17.5
Master Plan station utilization rate -----	16.0	16.0	16.0	16.0	16.0	16.0

Higher Education—Continued

The lack of substantial improvement in utilization in recent years suggests also that perhaps one of the most effective ways to raise utilization rates may be to exercise greater restraint in the construction of new classroom and laboratory facilities. We note in this regard that utilization figures for San Diego are not included among the University tabulations and believe that they should be. As long as new facilities are provided at the present rate to accommodate increasing enrollment, there may be insufficient incentive to achieve any lasting improvement at those state colleges and campuses of the University with the poorest utilization rates.

Since the Coordinating Council for Higher Education is currently in the midst of its study of space utilization, recommendations from this office would be premature. We suggest, however, as was concluded by the analytical studies unit of the University, that the potential in this field warrants continued exploration of linear programing and related techniques as time and facilities can be allocated for this purpose.

MAJOR HIGHER EDUCATION STUDIES IN PROGRESS

At present, five major studies are underway which may be expected to have important implications for the growth and cost of one or more of the three public segments of higher education in California. Because of the importance of these studies to the orderly development of higher education, we have included a brief résumé of their purposes and progress for general information. With one exception, these studies are being conducted under the guidance of the Coordinating Council and have been undertaken either at the direction of the Legislature or upon the initiative of the Council itself.

The subjects under study are: (1) the need for additional centers of higher education; (2) cost and statistical analysis in the areas of administration and general costs, instructional expense, and plant utilization and operating expense; (3) methods to improve the recruitment and retention of University and state college faculty members; (4) the organization and support of junior colleges; and (5) the need for an enlarged program of student aid during the next 10 years. As indicated below, all but one of these studies are directed toward the development of specific recommendations to be presented at the 1965 Session. The origin and objectives of four of these studies are outlined below. The student aid study is being conducted by the State Scholarship Commission and is discussed briefly under that budget item.

Additional Centers Study

In April of 1963 the Coordinating Council, at the direction of the Governor and the Legislature, published an "interim report" on the need for additional state colleges and University campuses, in which it recommended that no new centers, other than those authorized in the Master Plan, be established. In large part this recommendation was based upon a lack of sufficient information as to enrollment growth, diversion, utilization and related matters. Accordingly, the Council subsequently determined to undertake a two-year study in this area

Higher Education—Continued

with the objective of presenting to the 1965 session its findings as to the need for additional centers of public higher education, including junior colleges, in the light of conditions at that time.

The study is to deal specifically with the impact on enrollment resulting from further implementation of Master Plan admission and retention standards and from the opening of the nine new colleges and campuses which have been established since 1957. It will also reflect the findings of the Council's concurrent study of the utilization of existing higher education facilities, any action taken with respect to the initiation of year-round instruction, and the diversion of students within and between the three segments. The study is to be state-wide in scope but will give particular attention to conditions in San Mateo, Los Angeles and Kern Counties.

Cost and Statistical Study

In order that the Coordinating Council may meet its statutory obligations to review the levels of support requested each year by the University, state colleges and junior colleges, and to develop plans for their orderly growth, the Council must have detailed cost and plant utilization data for each segment. It must also have such data to meet its specific responsibilities to compare lower division instructional and teaching costs, and to review workload standards, the level of student fees, plant capacity standards, junior college finance, and other matters which require detailed cost information. Without such data the Council can contribute very little to the fulfillment of its Master Plan obligations and the resolution of the many support and capital outlay issues which have arisen in recent years.

Although some information has been accumulated on a piecemeal basis, no comprehensive study of current costs and plant capacity has previously been undertaken to produce comparable data for all three segments. Accordingly, the Council decided in September 1962 to initiate a broad cost and statistical analysis of California's public higher education to produce quantitative data in the areas of instruction and research, administration and general activity, plant operation and maintenance, and plant utilization and capacity. This material is intended to facilitate development of more economical and effective operation of the three segments through self-evaluation by the various institutions and their governing boards, improved statewide planning for rapid enrollment growth, cost comparisons among the many instructional programs and administrative operations and improved analysis of annual budget proposals for new and existing programs.

Most of the data collected will be for fiscal year 1963-64, but it is intended that a continuing collection of data will be initiated in several areas. Although the study will require a substantial expenditure of staff time by the various institutions and participating agencies, we believe that this type of quantitative analysis on a comparable basis, if carefully done, will be very useful to the institutions, their governing boards, the Governor, and the Legislature in finding ways to meet increasing educational obligations with maximum economy.

Higher Education—Continued**Faculty Recruitment and Retention**

Assembly Concurrent Resolution No. 106 of the 1961 session directed the Coordinating Council for Higher Education to report to the 1963 session on the need for, and methods of, increasing the salaries, working conditions and fringe benefits for the university and state college faculties over the next six to eight years in order that California might compete more successfully in the market for academic talent. The Council's report was to be based on a study conducted by the Trustees, the Regents and the Council working with the Department of Finance.

Although the Coordinating Council has commented on proposed faculty salary levels each year, the only report made specifically in response to A.C.R. 106 was a report transmitted on May 9, 1963, on faculty opinions as to the relative importance of salaries, fringe benefits and working conditions in the recruitment and retention of faculty members. The study was conducted in the form of a survey of opinion using a stratified random sample of some 25 percent of all faculty hired by the University, the state colleges and 15 representative junior colleges. This document provides a useful beginning in this area but leaves unanswered many questions concerning, for example, actual recruitment experience, replacement rates, and the effect of the three elements on the flow of faculty between institutions and between education and other occupations.

The Council has indicated that it will continue this study and issue additional reports from time to time on this subject. It is to be hoped that other approaches will be taken in order that a useful body of information will be developed to aid in determining the merits of current salary and fringe benefit proposals. The report on faculty opinion is not by itself an adequate response to the requirements of A.C.R. 106.

Junior College Organization and Support

For many years it has been evident that there is a serious lack of information at the state level concerning the organization, finance and administrative policies of the public junior colleges. This lack of information, which stems in large part from the broad local autonomy which the junior colleges have enjoyed, and the resulting diversity of organization and operation among the individual colleges and districts, has been a major obstacle to the resolution of several major issues as to their growth and development as part of the State's larger system of public higher education. It has become apparent, moreover, that several of the Master Plan recommendations, particularly those pertaining to state support for the junior colleges and their organizational status, were made in the absence of full knowledge and understanding of the structure of the junior college system. Recently the Legislature, the Coordinating Council and the State Board of Education have found this situation to be a major obstacle to policy decisions in the areas of district organization, state and local support for current expense and capital outlay, academic standards and state supervision.

Recognizing the need for more information, the Coordinating Council has directed its staff, with the assistance of other state agencies, junior

Higher Education—Continued

college leaders and independent consultants, to conduct a thorough study of the current junior college organization, administration, instruction, and support to be completed by late fall of 1964. The first objective is to collect and organize all data and materials currently available on the junior colleges, including the findings of concurrent council studies and reports prepared by individual colleges, for presentation to the Council and other state agencies as a basic source document. Upon completion of this descriptive report in the spring of 1964, the Council will appoint a general advisory committee to review the report and delineate major issues for consideration by the Council, the State Board of Education and the Legislature. It is expected that this study will lead to the adoption of a number of important recommendations to the 1965 session of the Legislature as to the support and organization of the junior college system.

Higher Education Facilities Act of 1963

In December 1963 the 88th Congress passed and sent to the President for signing the first major legislation with respect to federal aid to education since passage of the National Defense Education Act of 1958. This measure, entitled the Higher Education Facilities Act of 1963, establishes a three-year program providing \$1,195,000,000 in aid to help finance the construction of classrooms, laboratories, libraries and other instructional facilities for universities, colleges and junior colleges throughout the country. In the allocation of this aid, preference is to be given to new institutions and those with an expanding enrollment.

Subject to appropriation of the funds by Congress, the act will provide grants of \$835 million and loans of \$360 million over the three-year period beginning with 1963-64. With respect to the grant funds, \$145 million will go to graduate schools and cooperative graduate centers. The remaining \$690 million will be available on a matching basis for construction of libraries and facilities devoted to instruction or research in science, mathematics, engineering and foreign languages. Twenty-two percent of the \$690 million is earmarked for junior colleges and technical institutes. The federal share is to be no more than one-third of the individual project cost for four-year institutions and 40 percent of the project cost for junior colleges.

With respect to the \$360 million in loan funds, \$120 million is to be made available each year at an estimated interest rate of 3.58 percent. There is to be little or no restriction on the use of the loan funds, but no single state may borrow more than 12.5 percent of the total and federal funds may amount to no more than 75 percent of individual project costs.

The federal Office of Education has estimated that California's share in the new program for both public and private institutions will amount to approximately \$70.6 million in grant funds for four-year institutions and junior colleges and \$45 million in loan funds over the three-year period. The amount of grant funds for California graduate schools

General Summary

Education

Higher Education—Continued

and centers is unknown at this time inasmuch as that aid is to be allocated by institution rather than by state.

Estimated Allocation of 1963 Facilities Act Aid

	<i>Total aid program</i>	<i>California's share</i>	
		<i>Per year</i>	<i>Three-year total</i>
Grants			
Graduate schools -----	\$145,000,000	1	1
Four-year institutions -----	538,000,000	\$19,800,000	\$59,400,000
Junior colleges -----	152,000,000	3,726,000	11,178,000
Loans -----	360,000,000	15,000,000	45,000,000

¹ Not allocated by State.

Under the provisions of the act, each state is to designate an agency which is broadly representative of the public and higher education to prepare and administer a plan for the State's participation in the grant program. In California's case the Coordinating Council appears to be the appropriate agency and it was so designated by the Legislature in the Budget Acts of 1962-63 and 1963-64 in anticipation of the passage of a federal aid program. The cost of administration is to be paid out of an administrative fund of \$3 million per year set aside under the act for this purpose. The Council has made a preliminary estimate that it will require approximately \$50,000 to \$75,000 of this amount per year to administer the California program.

University and State College Student Fees

Although public higher education in California has long been tuition-free (excluding the graduate professional schools) for residents of the State, this has not meant that it has been provided entirely cost-free to the student. An important distinction has been made between tuition, defined as a charge for the direct costs of classroom instruction, and other fees for student services which are incidental or ancillary to the instructional program. While tuition has remained free, increasing attention has been directed to the problem of bringing other charges up to date so that the rising costs of incidental and ancillary services will not divert available support funds away from the instructional program and supporting operations.

There are at present two basic types of student fees charged resident students attending the regular academic sessions of the University and state colleges. These are incidental fees and auxiliary service fees. The incidental fee, or materials and services fee, as it is called for the state colleges, is intended to cover student health services, laboratory costs, job placement service, housing service, counseling and other services incidental to the instructional program. Auxiliary service fees are charged students against the use of parking facilities, residence halls and residence dining facilities. Each of these will be discussed in further detail in the following pages.

The current levels of these fees, together with a list of other charges, are indicated in the following table. In each case the amount is the same as for 1963-64 except where either system has announced an increase for 1964-65.

Education

General Summary

Higher Education—Continued

Basic Annual Student Charges—1964-65 ¹

	<i>University of California</i>	<i>California State Colleges</i>
Incidental fee -----	\$180.00	\$76.00
Auxiliary service fees:		
Room and board ² -----	860.00	825.00
Parking -----	50.00	26.00
Other:		
Application fee -----	5.00	5.00
Student union fee ² -----	16.00	--
Student organization fee ² -----	14.00	16.00
Nonresident tuition -----	600.00	500.00
Extension -----	10.00 per unit	10.00 per unit
Summer session -----	(varies)	14.25 per unit

¹ Full-year cost except for extension and summer session.

² Average amount systemwide.

As provided by Chapter 1461, Statutes of 1963, the public junior colleges may levy fees to cover either parking or health services, or both, up to a total of \$10 per year. In addition, nonresident tuition will become mandatory for the junior colleges beginning 1964-65. The amount of this charge, set by the State Board of Education according to average local support costs, is expected to be \$325 for the first year.

Incidental Fees

Although the general nature and purpose of the incidental fee has become fairly well established in recent years, there are important differences between the University and state colleges as to exactly what costs are to be covered by this fee and methods of accounting employed to determine those costs.

We have recommended in each of the past several years that the two systems establish more consistent and comparable fee structures so that the incidental fee structure for each system will, as nearly as possible, cover the same categories of expenditure. Similar recommendations have been approved by the Coordinating Council in recent reports on student fees. Yet the evidence at present indicates that rather than moving toward greater uniformity in this area, the two systems are moving farther apart.

The state college materials and services fee of \$76 is expected to cover the direct costs of the student health services, counseling and testing, placement services, student activities guidance, and off-campus housing services, plus the equivalent of \$31.50 per FTE student for instructional materials, as shown in the annual budgets. According to our computations, as discussed further on page 305, expenditures for 1964-65 are budgeted at \$9,363,210 and income at \$9,264,015, leaving a deficit of \$99,195.

For the University the incidental fee of \$180 for 1964-65 is expected not only to cover those services listed for the state colleges but also deficits in intercollegiate athletics and certain capital outlay and debt service expenditures for student activities centers and similar facilities. For 1964-65 it is estimated that incidental fee income will total approximately \$11.8 million. On the basis of the 1963-64 distribution, it

Higher Education—Continued

may be expected that about 10 percent of this will be set aside for capital outlay and debt service.

Rather than repeating again this year our previous recommendations as to seeking greater uniformity for the two systems, we believe it appropriate to await publication of the data in this area to be derived from the Coordinating Council's cost and statistical study. This study, which will be completed in the fall of 1964, should provide a much better basis for careful analysis of current expenditures and for achieving uniformity than has been available thus far.

We do believe, however, that one important step should be taken at this time with respect to incidental fees. This concerns the financing of student health service buildings and intercollegiate athletic facilities as discussed in the following section.

Student Health Service and Intercollegiate Athletic Facilities

We recommend that all additional University and state college students health service facilities be constructed from incidental fee income and that no facilities of this type be included in the 1964 bond act. We further recommend that both systems be directed to investigate the feasibility of also financing the construction of all future intercollegiate athletic facilities from incidental fees or other nonstate sources.

Until recently no capital outlay or debt service costs of noninstructional services and activities have been charged against incidental fee income. Nor have such fees been increased to cover the costs of intercollegiate athletics, although this was recommended in the Master Plan. In 1962 and 1963, however, the University announced that it would set aside a portion of its increased incidental fees for 1962-63 and 1963-64 to help finance certain student facilities including, beginning with the current year, some intercollegiate athletic facilities.

A further step was taken in this direction when the Coordinating Council upon review of a staff report on the financing of auxiliary enterprise facilities (discussed in the following section), adopted the following resolution in September 1963:

"It is recommended that [the University of California and the California State Colleges] now explore the feasibility of including amortization and interest payments for the construction of health service buildings and facilities used primarily for intercollegiate athletic purposes within those costs to be covered by the incidental and materials and service fee income, and that such deliberations be completed in time for any positive decision to be reflected in any future general state obligation bond issue by excluding such physical facilities."

This recommendation apparently stemmed from the recent action of the University to finance certain of its student facilities from an increase in the incidental fee and from the belief on the part of the staff that the Master Plan could be read to provide that amortization and interest costs as well as current expenses of such student services should be included as operating expense supported from fees.

Higher Education—Continued

Without getting into the problem of interpreting the Master Plan, we believe that there is a great deal of merit in this proposal and that it should be implemented as soon as possible. There is no reason, to our knowledge, why both systems cannot begin in 1964-65 to allocate a portion of incidental fee income to future capital outlay for the student health services. According to a recent report prepared by the Chancellor's Office, the state colleges have proposed expenditures totaling \$5,514,000 for this purpose over the five-year period 1964-69. The proposed timing of these expenditures would permit construction on a pay-as-you-go basis (with an advance from the State for one year) with an increase of only \$8 in the materials and service fee.

The University of California's proposed five-year capital outlay program for 1964-69 includes only about \$1.6 million in estimated expenditures for the construction of health service facilities at three campuses. We believe that this amount, which is much smaller than proposed state college expenditures for this purpose, can also be absorbed by incidental fee income with little or no increase in the fee level.

The problem with respect to intercollegiate athletic facilities will require further study. In the past the State has provided some facilities and equipment, although the State's participation has tended to be relatively small in this area, if the existing differentiation between facilities which are primarily for physical education and those which are primarily for intercollegiate athletics is accepted. It is this differentiation for both capital outlay and current expense, however, which will have to be examined more carefully.

According to the Chancellor's Office, all of the proposed state college expenditures of \$26.3 million during 1964-69 in this area will be for physical education facilities for the instructional program. We believe that each of these projects, and similar projects proposed in the University's 1964-69 building program, will have to be looked at in some detail before such statements can be fully accepted.

The Coordinating Council has indicated that it intends to continue its study in this area and that it will also be working toward a better definition of all intercollegiate athletic costs in connection with its current higher education cost and statistical study. We believe that this, rather than any arbitrary action at this time, is the best approach to the problem.

Auxiliary Service Fees

The rapid growth in instructional and general expenditures for the University and state colleges has been accompanied by very substantial increases in expenditures for auxiliary services and facilities including residence halls, dining halls, cafeterias, and parking. Although these services and facilities have been supported in large part by student use charges, some state subsidization has been continued in recent years despite the Master Plan agreement that:

"The operation of all such ancillary services for students as housing, feeding and parking be self-supporting. Taxpayers' money should not be used to subsidize, openly or covertly, the operation of such services."

Higher Education—Continued

During 1962-63 the Coordinating Council conducted a study to determine the extent to which the University and state colleges have complied with this agreement. For the purpose of that study the term "self-supporting" was defined to be synonymous with "self-liquidating"; that is, fee income is to be sufficient to finance both the current operating expense and the capital costs, including all amortization and interest payments, of providing auxiliary enterprise facilities. In general, it was found, assuming the validity of the accounting systems employed, that there is no state subsidy for the current costs of operating these facilities but a substantial subsidization of capital costs. The Council's specific findings and recommendations as they pertain to the capital costs of residence halls and residence dining facilities, campus dining halls, and parking facilities, are discussed in the following paragraphs. The Council's recommendation concerning student health buildings and intercollegiate athletic facilities is discussed in the foregoing section on incidental fees.

A. Residence Halls and Residence Dining Facilities

State subsidization of residence halls and apartments has amounted to between 12 percent and 35 percent of the cost of those recently constructed on University campuses and about 53 percent of the cost of those provided at the state colleges. The 1964-69 building programs of both systems provide that additional residence halls shall be fully self-liquidating but that the subsidization of residential dining facilities shall be continued. Such dining facilities on University campuses are provided as integral parts of resident hall projects, and the presently proposed state subsidy for 1964-69 is to amount to about \$12.5 million, or 16 percent, of total project costs.

No separate dining facilities have been provided for occupants of state college residence halls. They are accommodated in the general college dining halls which at both the University and the state colleges are constructed entirely at state cost. Preliminary proposals made by the Chancellor's Office, however, call for state expenditures of approximately \$2.6 million during the 1964-69 period for residence hall dining facilities.

On the basis of its findings, the Council recommended that all future residence halls be constructed on a fully self-liquidating basis, as is now planned, and that the state subsidy for construction of dining facilities for residence hall occupants be reduced. It did not, however, set a specific target as to the reduction of state subsidies for residence hall dining facilities.

We agree with the Coordinating Council's recommendation concerning the financing of residence halls but recommend in addition that all future construction of dining facilities for resident hall occupants also be fully self-liquidating and without further state subsidy other than that required for site purchase.

According to a recent report by the Chancellor's Office, the proposed new dining facilities for occupants of state college residence halls, which are to cost approximately \$2.6 million over the next five years,

Higher Education—Continued

could be financed without state subsidy if room and board fees are combined and applied to debt service for both residence halls and dining facilities. It is estimated that this action would require an increase in average room and board fees from \$825 to \$950, or \$150 per year. We do not believe that such an increase would be excessive in view of the demand for available state capital outlay funds.

The University presently operates a unified housing and feeding operation and charges residence hall occupants a single fee for room and board. This system, which we recommend for the state colleges as well, permits debt service for capital outlay to be more readily absorbed. The proposed expenditure of \$12.5 million for 1964-69 for resident hall dining facilities represents about \$1,000 of the total capital cost of approximately \$6,000 per residence hall space (excluding land). We believe that this cost should also be absorbed by an appropriate increase in room and board fees similar to that proposed for the state colleges.

B. Campus Dining Commons

With respect to general campus dining halls, the Coordinating Council recommended that all such facilities also be placed on a fully self-liquidating basis as soon as possible within the next five years. Traditionally, the costs of constructing and equipping these facilities has been supported entirely from state funds. *We recommend that all new general campus dining halls and cafeterias to be constructed during 1964-69, excluding those financed entirely from student organization funds, be placed on a fully self-liquidating or "pay-as-you-go" basis supported from an increase in incidental fees and without further state subsidy.*

The proposed five-year capital outlay program of the state colleges now includes approximately \$6.9 million in state funds for cafeteria construction and equipment. The Chancellor's Office has estimated that this cost could be met over the five-year period by an increase in the state college materials and services fee of from \$8 to \$10 per year per student. Inasmuch as such cafeterias are intended to serve all students, we believe this would be the appropriate method of financing their construction. Fee income would also provide a more consistent and predictable base for financing capital costs than income from food and beverage charges. Such income would continue to support operating costs.

The only University dining hall of this type constructed in recent years at State expense is the cafeteria in the Berkeley student center. The State appropriation for this cafeteria amounted to a total of \$800,000. The University building program for 1964-69, however, includes approximately \$2.1 million in State expenditure for campus dining facilities. We know of no reason why this expenditure cannot also be met from incidental fee income.

C. Parking Facilities

The Council's study indicated that all University surface and multi-storied parking facilities are fully self-supporting, with the single exception of that parking space required by the Department of Mental

General Summary

Education

Higher Education—Continued

Hygiene at the Los Angeles Medical Center. Additional facilities planned for construction during 1964-69, at a cost of approximately \$30 million, are to be financed on the same basis.

Until 1959-60 parking areas at the state colleges were provided entirely at state expense. Following the institution of a parking fee in that year, it has been the policy of the Department of Finance to provide for a rough balance between fee income and expenditures for operating and constructing parking facilities through the annual state college budgets. On the basis of figures reported by the Chancellor's Office it appears that such a balance has been maintained, if site and bond interest charges are excluded, but it is difficult to be certain because of fluctuations in actual annual capital outlay for this purpose.

The Council report was critical of this procedure because of the problem of ascertaining whether the program actually is self-liquidating and because of uncertainty as to whether parking income would continue in the future to be devoted to the construction of additional facilities. For these reasons, the Council recommended that all parking facilities of the state colleges be assigned to the Trustees of the California State Colleges for operation as an auxiliary service enterprise, with current expense and future construction financed entirely from parking fees.

We concur in this recommendation and recommend further that legislation necessary to establish state parking operations as an auxiliary service enterprise be introduced at the 1965 General Session.

While this action may result in a small net loss in revenue to the State at the outset, we believe that in the long run it will be the best way to assure that the college parking facilities will be operated and financed on a fully self-liquidating basis. The state colleges have proposed a five-year program of parking facility construction which is to cost approximately \$8.9 million. Such a program could involve a substantial debt service cost to the State under present procedures.

If adopted, the foregoing recommendations, together with the earlier recommendation concerning student health service facilities would reduce state capital outlay expenditures over the five-year period 1964-65 through 1968-69 by the following amounts:

	California State Colleges	University Of California
Health service facilities -----	\$5,500,000	\$1,560,000
Residence dining halls -----	2,600,000	12,500,000
Dining commons -----	6,930,000	2,100,000
Parking facilities -----	8,900,000	-
Totals -----	\$23,930,000	\$16,160,000

The total savings would amount to approximately \$31.2 million, excluding the reduction for state college parking facilities which would be offset by an equivalent reduction in parking fee income. The total savings would be substantially larger if interest savings were to be added on the assumption that most of this amount would otherwise be provided from state construction bond proceeds.

COORDINATING COUNCIL FOR HIGHER EDUCATION

ITEM 101 of the Budget Bill

Budget page 218

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

Amount requested	\$338,768
Estimated to be expended in 1963-64 fiscal year	274,384
Increase (23.5 percent)	\$64,384
Increase to maintain existing level of service	\$10,541
Increase to improve level of service	53,843

TOTAL RECOMMENDED REDUCTIONS

\$5,500

Summary of Recommended Reductions

	Amount	Page	Line
Contract services	\$5,500	220	10

ANALYSIS

The Coordinating Council for Higher Education was created under the Donahoe Higher Education Act of 1960 in accordance with the recommendations of the Master Plan for Higher Education. Its membership consists of three representatives appointed by the Regents of the University, three by the Trustees of the State Colleges, three by the State Board of Education for the junior colleges, three by the independent colleges and universities, and three appointed by the Governor to represent the general public. The Council selects its own director and staff.

The principal functions of the Council are (1) to review and comment upon the annual budget requests of the University and state colleges; (2) to assist in the delineation of the functions of the University, state colleges and junior colleges; and (3) to develop plans for the orderly growth of public higher education and to make recommendations as to the need for and location of new facilities and programs. Under the terms of the Donahoe Act it is the stated policy of the Legislature not to authorize or acquire sites for new colleges or campuses unless such sites are recommended by the Coordinating Council. The Council is also empowered to request of the public institutions any pertinent information necessary to the fulfillment of its responsibilities.

In addition to its annual reports to the Governor and the Legislature with respect to the support of each of the three segments of higher education, the Council undertakes many special studies at the direction of the Legislature or upon its own initiative within the broad area of its responsibility and competence. The Coordinating Council has also been named to direct the State's participation in the new federal aid program under the Higher Education Facilities Act of 1963.

During the past two years the Council's staff has undertaken the following major special studies:

Subject	Origin	Completion Date
1. A Ten-Year Plan for the Expansion of Medical Education Facilities	SCR 37, 1961; SCR 22, 1962	January 1963
2. Implementation of Master Plan Admission Standards	Master Plan	February 1963

Item 101

Education

Coordinating Council for Higher Education—Continued

<i>Subject</i>	<i>Origin</i>	<i>Completion Date</i>
3. Student Fees	Senate Finance Com. 1961	February 1963
4. Continuing Education Programs in California Higher Education	HR 320, HR 125, 1961	July 1963
5. Faculty Opinion Toward Salary, Fringe Benefits and Working Conditions	ACR 106, 1961	August 1963
6. A Comparison of Trimester and Four-quarter Calendars for Year-Round Operation	Master Plan	January 1964
7. Development of Dental Education	SCR 28, 1963	February 1964
8. Need for Additional Centers of Higher Education	Master Plan	Fall 1964
9. Higher Education Cost and Statistical Study (Plant Utilization, General Educational Costs, Instruction and Research Costs)	Council	Fall 1964
10. Comprehension Study of Junior College Programs, Finance and Future Development	Assembly Interim Com. on Education, 1963; Council	Fall 1964
11. Development of Paramedical Education	Council	Fall 1964
12. Comprehensive Study of Statewide Needs for Library Resources and Co-ordination	Council	Fall 1964

In addition, the Council staff has issued a number of reports on faculty salary levels, the adequacy of junior college facilities in specific areas, proposed new junior college districts, the need for additional state colleges, and the scope, function and procedures of the Council.

For 1964-65 an appropriation of \$338,768 is requested for support of the Council's staff, an increase of \$64,384 over estimated expenditures for 1963-64. Of the proposed increase, \$10,541 is required for personal services and operating expense to maintain the existing level of service and \$53,843 is requested to improve the level of service. The latter amount includes \$23,643 in salaries and staff benefits for two new positions and increases in operating expense of \$14,200 for printing, \$400 for travel, \$4500 for contract services and \$7500 for data processing service.

We recommend approval of the two proposed new positions. One of these positions is to provide permanent, full-time staff support for the new State Committee on Continuing Education established by the Council to coordinate the widespread and often overlapping extension and adult education programs of the University, state colleges and junior colleges. The establishment of this committee and the provision of necessary staff assistance is in direct compliance with the recommendations of the 1960 Master Plan in the area of adult education.

The other proposed new position is for a fiscal analyst to be added to the finance and facilities section of the Council's staff to assist with expanded staff work in the areas of student fees, faculty salaries and

Coordinating Council for Higher Education—Continued

benefits, annual support budget review, the financing of organized research and other recurring Council responsibilities. It is intended that the addition of this position will permit the higher level fiscal and facilities specialist positions to devote greater attention to directing the several major studies now in progress. In view of the number and importance of the studies which have been undertaken at the direction of the Legislature and the Council, we believe that this staff augmentation is warranted.

We recommend a reduction of \$5,500 in operating expenses for contract services. The amount of \$28,500 requested for contract services represents an increase of \$4,500 over estimated expenditures for this purpose for the current year. These funds are requested to enable the Council to bring in outside consultants to provide direction and expert knowledge with respect to the following four major studies:

	Allocated 1963-64	Proposed 1964-65
Junior college study -----	\$3,500	\$8,000
Library study -----	—	10,000
Paramedical education -----	—	8,000
Space utilization (cost and statistical study) ----	10,000	2,500
	<u>\$13,500</u>	<u>\$28,500</u>

As the Council staff has grown and gained experience and knowledge in the areas of its responsibility, we have been increasingly critical of proposed expenditures for outside consultants in connection with special studies. We believe that the staff itself, with technical assistance from qualified personnel employed by the University, state colleges and junior colleges, should be developing a degree of expertise and a fund of experience which will make it less dependent upon outside assistance.

On this basis we believe that the proposed expenditure of \$2,500 for contract services in connection with the space utilization study can be deleted entirely without in anyway jeopardizing that study. The Council has on its staff a specialist in facilities utilization and planning who should be competent to direct the study and assist the Council in the assessment of the study findings.

The Council staff does not now possess the same degree of expertise in the other three fields and therefore will require further assistance for the junior college, paramedical education and library studies. We believe, however, that an amount of \$5,000 rather than \$8,000 should be sufficient for contract services for the paramedical education study in view of the experience gained by the staff in its medical and dental education studies and the technical assistance available to the Council from the three segments of public higher education. It should be noted in this connection, also, that the State has been contributing to the support of studies in this area for several years through its participation in the Western Interstate Commission for Higher Education.

We recommend approval of this item in the reduced amount of \$333,268.

**Coordinating Council for Higher Education
WESTERN REGIONAL HIGHER EDUCATION COMPACT**

ITEM 102 of the Budget Bill

Budget page 220

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

Amount requested	\$15,000
Estimated to be expended in 1963-64 fiscal year	15,000
Increase (0 percent)	None
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

The Western Regional Higher Education Compact was ratified in 1953 with the objective of promoting better cooperation among the western states in those areas of higher education pertaining to medicine, dentistry, veterinary medicine, and public health. The compact now includes all 13 western states and is administered by the Western Interstate Commission for Higher Education (WICHE) which consists of 39 members, three from each state. The central staff is located in Boulder, Colorado.

Since its formation, WICHE has taken on additional objectives, including the improvement of regional training and research in the areas of mental health, nursing, juvenile delinquency and education for handicapped children. It also operates a student exchange program in certain fields, conducts surveys of special regional manpower needs and counsels colleges and universities on educational administration.

Approximately four-fifths of its income, excluding student exchange payments, comes from grants from private and public agencies other than the member states. For 1964-65, as for the current year, each member state is to contribute \$15,000 as its share of the cost for the commission's programs.

We recommend approval of the amount budgeted.

UNIVERSITY OF CALIFORNIA

ITEMS 103 and 104 of the Budget Bill

Budget page 221

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

Amount requested	\$171,497,213
Estimated to be expended in 1963-64 fiscal year	154,955,758
Increase (10.7 percent)	\$16,541,455

TOTAL RECOMMENDED REDUCTION **\$322,302**

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget Page</i>	<i>Line</i>
Delete \$242,302 requested for new maintenance positions at the Davis campus	\$242,302	237	28
Delete \$55,000 for program augmentations	55,000	---	---
Berkeley: Institute of Industrial Relations	\$20,000	236	77
Los Angeles: Institute of Industrial Relations	35,000	238	31
Delete \$25,000 for new programs	25,000	240	54
Santa Barbara: Institute of Educational Re- search	\$15,000		
Santa Barbara: Institute of Environmental Re- search	10,000		

University of California—Continued
ANALYSIS

The grand total of the University of California expenditures for support from all sources is estimated to reach \$580,780,799 for the 1964-65 fiscal year. Of this amount \$78,681,000 is from federal funds and \$234,953,153 is for special federal research projects for the Atomic Energy Commission. Of the remainder 65.3 percent is supplied from the State, 31.1 percent from university funds and 3.6 percent from gifts and private grants as shown in the following table:

Grand Totals—Expenditures for Support		
	<i>Expenditures</i>	<i>Percent</i>
State funds -----	\$173,742,113	65.3
Gifts and private grants -----	9,605,000	3.6
University funds -----	82,799,533	31.1
	<hr/>	
	\$266,146,646	100.0
Federal funds -----	78,681,000	--
Special federal projects (AEC) -----	235,953,153	--
	<hr/>	
Grand totals -----	\$580,780,799	--

The budget document shows for the first time a general functional breakdown of expenditures not included in the overall budget totals. This is a desirable first step in showing the allocation by function of "other" funds (University and federal) to better identify just what the State is supporting at the University.

The amount requested from the General Fund is \$171,497,213, an increase of \$16,541,455 or 10.7 percent above the 1963-64 level. The amount requested is contained in two items in the Budget Bill, Item 103 and 104 for the following purposes:

Item 103, program augmentation -----	\$3,125,354
Item 104, continuing operations -----	168,371,859
	<hr/>
	\$171,497,213

Most of this increase is proposed to meet either enrollment increases or to provide new and expanded programs. An increase of 6.2 percent or 1,644 new positions is also included in the 1964-65 budget. Total positions at the University have now reached 26,384 positions. Enrollment at the University continues to advance at a rapid pace. For the fall of 1963, 64,682 students, a new high, were enrolled at the University. For all the campuses, this was an increase of 10 percent or 6,066 students above the fall 1962 level. Enrollment for 1964 is expected to increase by an even larger percentage as the University expands by 12 percent to 68,622 students. Student enrollment by level for the past several years is shown in the following table:

University of California—Continued

Table 1
University of California
Annual Average Enrollment—All Campuses

	1962-63 Actual		1963-64 Estimated		1964-65 Estimated		Percent of increase (1964-65 over 1963-64)
	Number	Percent	Number	Percent	Number	Percent	
Lower division	19,342	33.8	20,589	33.6	23,284	33.9	13.1
Upper division	19,779	34.6	21,186	34.6	23,026	33.6	8.7
Graduate	18,062	31.6	19,502	31.8	22,312	32.5	14.4
Total	57,183	100.0	61,277	100.0	68,622	100.0	12.0

A discussion of the growth and related problems of higher education appears on pages 229 through 253 of this analysis. Many of the recommendations made will directly affect the University of California.

Continuing Operations

The proposed increase of \$16,541,455 above the 1963-64 level may be separated into two parts for purposes of analysis. Of this increase, \$13,416,101 is proposed for continuing operations, and \$3,125,354 is proposed for program augmentations.

In the Governor's budget, continuing operations, or operations related to workload adjustments, are discussed under the subheading Part I—Continuing Operations. Of the \$13,416,101 requested for continuing operations \$5,455,538 is directly related to maintenance of the existing level of program for an estimated increase of 7,345 students. Included in this amount are provisions for 437 additional faculty members and 109 teaching assistants in Departments of Instruction and Research. Also included is an increase of \$51,057 for the graduate division, which is related to the 14.4 percent growth in graduate students on the campuses. The increase of \$625,108 for libraries is related to both the 12 percent enrollment increase and the goals outlined in the University's library plan. The remaining increases are related to increases in maintenance due to a physical plant increase of 1,255,212 square feet, and miscellaneous provisions for academic and nonacademic merit increases and promotions.

Maintenance Costs

We recommend the deletion of 37.2 FTE new maintenance positions at Davis, in the amount of \$242,302.

In making our budget review we noted that the Los Angeles campus had recently reduced general assistance FTE in janitorial service and plant service by 62 FTE positions. Because we considered this a substantial "recalculation" we decided a closer review of Maintenance and Operation of Plant at the other University campuses would be necessary. After completing a roster review we discovered and confirmed that there were 60 FTE vacancies in the 369.83 authorized positions in Maintenance and Plant Operation at the Davis campus. We considered this number of vacancies excessive and requested an explanation from the University. In our opinion they were unable to fully explain this situation. The University has contended that the unit cost of the

University of California—Continued

various functions is the statistic most indicative of budget requirements and that there must be sufficient flexibility in the number of positions allowed. The table below indicates the changes and cost increases in the maintenance and operations workload at the University's campuses from 1961-62 to 1964-65. Although the table's implications are not distinctly clear as to the relationship between positions and unit costs, we think it does indicate a general relationship and thus indicates a need for position control which will relate position authorization to actual experienced needs.

**Maintenance and Operations Increases Square Footage,
Personnel and Cost Increases
(1961-62 to 1964-65)**

	<i>Increase in square ft., 1961-62-- 1964-65</i>	<i>Percent increase</i>	<i>Increase in personnel, 1961-62-- 1964-65</i>	<i>Percent increase</i>	<i>Increase in cost per sq. ft., 1961-62-- 1964-65</i>	<i>Percent increase</i>
Berkeley -----	1,151,784	23.0	43	7.1	(no inc.)	(no inc.)
Santa Barbara ---	219,961	30.4	22	17.9	—5.5¢	—4.8
Riverside -----	243,768	33.6	36	31.0	1.2¢	1.1
Los Angeles -----	991,767	25.0	81	16.9	3.7¢	5.5
Davis -----	702,329	40.2	86	27.0	9.1¢	10.0

The larger campuses have economies because of their size which are reflected in unit costs. For example, Berkeley added 1,151,784 square feet and 43 additional personnel without increasing its per unit square foot cost above the original cost of 75.1 cents. The per unit square foot cost at Los Angeles which increased by 5.5 percent, reflects the fact that the 1961-62 per unit square footage costs of 67.2 cents at Los Angeles were very low to begin with. At the Davis campus, however, the personnel increases yielded different results. Even though Davis is among the University's largest campuses in terms of gross square footage its unit cost increase is substantially above the increases for all the other campuses. In view of the high increase in cost per square foot at the Davis campus relative to the other campuses; in view of what appears to be excessive "flexibility" in numbers of positions allowed; and in view of the unexplained vacancies, we do not believe the need for additional personnel for this function has been adequately demonstrated. *Therefore, until a complete justification showing need is provided, we recommend that the request for 37.2 FTE additional positions at Davis be deleted in the amount of \$242,302.*

Although we requested this same information from the other campuses in order to verify the number of continuing vacancies in this category, especially at the San Diego and Berkeley campuses where we believe the situation to be similar, the University was unable to provide us with the necessary information. We therefore believe this information should be supplied to the Legislature.

Program Augmentations and New Programs

Budget increases for program augmentations amount to \$3,125,354 and are discussed in the Governor's Budget under the subtitle of Part II—Program Augmentations. The bulk of this amount is requested

University of California—Continued

for increases in the level of support for faculty, particularly for additional faculty at the San Diego campus and the new School of Dentistry at Los Angeles. Included also are additions for libraries and plant maintenance. The amounts for new program and program augmentation which are related to organized research have been separated and will be discussed in the following sections of the analysis.

A breakdown of the increase for program augmentation follows:

<i>Summary by function</i>	<i>Amount</i>	<i>Summary by program</i>	<i>Amount</i>
General administration ----	\$165,552	Program augmentations ----	\$499,433
Instruction and research ----	1,425,847	Augmentations for new	
Organized research ----	582,639	campuses -----	1,050,290
Libraries -----	607,533	New program augmentations	125,911
Maintenance and operation		Augmentations for existing	
of plant -----	251,232	campuses:	
Student services -----	44,075	General administration---	49,858
General institutional services		Instruction and research--	868,259
and expense -----	48,476	Libraries -----	476,182
		Organized research grants	31,869
		General institutional serv-	
		ices and expense-----	23,552
Total -----	\$3,125,354	Total -----	\$3,125,354

I. Program Augmentations—Not Recommended

We recommend deletion of the following two program augmentations in the amount of \$55,000.

Institute of Industrial Relations	
Berkeley -----	\$20,000
Los Angeles -----	35,000

The requests for the two institutes are essentially increases in the level of services offered by the University to the general public. Whether these additional services are needed is therefore primarily a public policy fiscal issue rather than an academic policy issue. We believe that it is possible and desirable for the Legislature to review the issue of added service to the public, as rendered by the University, in the same manner that it reviews services to the public offered by other state agencies.

It is recognized that the University's educational program develops a significant offering of public service, along with instruction to students, and basic research. The real issue here is whether such allotted time for public service cannot adequately meet the specialized services requested by the public or rendered to the public without additional financing of institutes for such purpose. If the particular instructional program of the University were small, and the public service demand especially large, it would be reasonable to establish institutes to meet this demand. This need for services should in any case be defined and approved in those special terms.

In the case of the institutes requested in this budget it would appear that the public service funds made available as a byproduct of the University academic program would be sufficient to meet the kinds of related public service demands expressed as the basis for the request.

University of California—Continued

The proposed augmentations are to support additional research in labor problems. An associate director with specific responsibility for labor problems has already been appointed at the Berkeley institute. The bulk of the present request would be used to hire an assisant coordinator at Los Angeles and an assistant coordinator and a junior coordinator at Berkeley. The departments of economics at Berkeley and Los Angeles are large, and we do not see why those programs cannot meet the public service need. *Pending justification of the specific needs for such public service in relation to the resources otherwise available, we recommend that the requested augmentations for the Berkeley and Los Angeles Institutes of Industrial Relations be deleted in the amount of \$55,000.*

II. Program Augmentations—Recommended

We recommend approval of the following program augmentations.

The major part of the requested increases will be used to provide additional administrative and academic research support for centers and bureaus. In other areas these increases are proposed for existing institutes which presently are investigating significant and important problems of an urgent nature. This augmented support will, therefore, insure the continuity of research effort.

In still other cases, as with the Lick Observatory, additional support will provide for increased administrative support for computer analysis and needed building repairs. The substantial increase in scientific publications is requested to meet the publishing needs of 500 additional faculty and also to cover increased publishing costs of approximately 5 percent.

Davis	
Computer center	\$15,000
Governmental affairs	20,000
Berkeley	
Center for higher education	8,240
Urban and regional development	15,000
Los Angeles	
Molecular biology	12,700
Languages and linguistics	3,200
African studies	9,359
Near-eastern studies	10,560
Riverside	
Moreno Ranch	25,000
Agricultural field stations	100,000
Desert research	15,000
San Diego	
Geophysics and planetary physics	10,000
Marine resources	5,950
Oceanography	40,000
Universitywide programs	
Scientific publications	84,195
Lick Observatory	20,229
Water resources	50,000
Total augmentation	\$444,433

University of California—Continued

III. Augmentations for New Campuses—Recommended

A. Irvine ----- \$732,049

Support for this new campus will total \$1,375,093 for the 1964-65 budget year. This is an increase of \$732,049 over the 1963-64 budget level. These General Fund support augmentations will be used to provide 14.5 positions to complete the initial staffing for the general administration function. An additional 20 faculty and 10 supporting positions for continued academic planning and faculty recruitment have also been included. Justification for the 1964-65 request is based on the following premises:

1. That the campus will open to 1,000 students in September 1965 in permanent buildings to be constructed for a 2,000-student capacity.
2. That the campus will be staffed with 110 teaching personnel and have its own operating capability prior to the opening of school.
3. That the library will have over 75,000 volumes when instruction begins in the fall of 1965 and will have 250,000 volumes by 1971.

B. Santa Cruz ----- \$318,241

A total of \$841,798 is requested from the General Fund for the Santa Cruz campus. Augmented support amounting to \$318,241 is requested in the 1964-65 Budget. From this increase nine faculty positions will be budgeted to continue recruitment and academic and administrative planning for 1964-65. Also included are increments for added library personnel and funds for book purchases. It is planned that this new campus will open in the fall of 1965 with an initial enrollment of 250 students at the junior level.

We recommend approval of these items.

IV. Augmentations—New Programs

We recommend deletion of the two following items in the amount of \$25,000.

We have reviewed these items and consider the areas of proposed research integral to the instructional programs which the State is now supporting. We have asked for and have not received justification to indicate that state support is insufficient to support these functions from existing funds.

A. Institute of Educational Research—Santa Barbara----- \$15,000

Initial support of \$15,000 is requested for this new program which will conduct basic research in school administrative leadership, the influence of technological and cultural change in curriculum, psychology of learning, testing and teacher effectiveness. Research at the new institute will be interdisciplinary in character and will concentrate on subject matter emphasis rather than methods courses. The requested funds are for a part-time director, clerical assistance and supplies.

B. Institute of Environmental Stress—Santa Barbara----- \$10,000

This institute is proposed as a joint venture by biological and behavioral scientists to contribute to a better conception of the environ-

University of California—Continued

ments with which man can cope and in the future may facilitate the design of environments that will maximize the utilizations of human resources. Included among the areas of investigation are reactions to work stress, environmental thermal stresses, aging, nutrition, fatigue, distraction, tolerance, acclimation and many others.

We recommend approval of the following three new programs.

C. School of Law—Davis ----- \$29,288

The Regents in July 1963 authorized a new University of California Law School at Davis, in proximity to the State Capitol. The new law school would help to meet an imminent shortage of facilities for legal education which has developed over recent decades. The budget request of \$29,288 includes provision for a dean and general support items for initial planning and initial recruitment of faculty.

D. Museology Laboratory—Davis ----- \$10,000

This program would be conducted in cooperation with the State of California Division of Beaches and Parks and would be concerned with research in the conservation and restoration of precious art objects. The laboratory will be an important agency for the conduct of research and graduate training in art.

E. Law Library—Davis ----- \$61,623

A proposal of \$61,623 for a two-year lead period for building of the law school library is requested in the 1964-65 Budget. A total of 20,000 law volumes is needed in order to qualify for accreditation by 1966. The present request would permit purchase of approximately 5,000 volumes, plus an expected additional 1,000 gift volumes and provision for a librarian II and other support items.

Graduate Programs: Costs and Controls

A full discussion of the costs and controls of graduate programs appears in the higher education summary section, page 238 of the analysis. In general, the increasing number of higher cost graduate students is of concern because of the lack of controls on both the increasing numbers and the lengths of time a student may remain at the various advanced degree levels. It was pointed out that the question is whether the State can afford to let this function expand uncontrolled in light of the unprecedented financial obligations it has to higher education in the next decade. The section concluded that in order that this decision can be made intelligently, *we recommend that the University supply the Legislature with a plan which will project graduate student numbers and costs with particular reference to the number of students at various stages of progress in securing their degrees and the lengths of time students take in securing their degrees. This plan should include setting maximum periods of residence for the various degree programs, and other suggested controls and prospects for reducing costs.*

University of California—Continued

Research

Research at the University of California is extensive and is one of its primary functions. Two forms of research, as classified at the University, may be distinguished:

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

2. Organized research: research that is conducted in separately organized bureaus, institutes, laboratories, and in separately financed research projects.

These forms of research in turn may be of three primary types:

1. Basic, or research which provides fuller knowledge and understanding.

2. Applied, or research which is directed toward practical problems.

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

Table II indicates the magnitude, the source, purpose and specified amount of funds distributed to both the organized research and instruction and departmental research categories as of June 30, 1963. It is noteworthy that of the total amount for organized research, \$83,000,000, approximately 26 percent or \$21,900,000 is for research in agriculture.

We believe the Legislature should be informed of the high rate of growth in the organized research category in relation to the growth in instruction and departmental research category at the University. Table III which follows shows the amounts and percentage growth, year by year, over the past several years.

Table II
UNIVERSITY OF CALIFORNIA
Source of Funds for Instruction and Research Expenditures for Fiscal Year Ended June 30, 1963

	<i>Instruction and departmental research</i>			<i>Organized research</i>		
	<i>Total</i>	<i>Agriculture</i>	<i>Other</i>	<i>Total</i>	<i>Agriculture</i>	<i>Other</i>
UNRESTRICTED						
General funds ¹ -----	\$66,103,768	\$2,662,256	\$63,441,512	\$25,278,109	\$15,078,128	\$10,199,981
RESTRICTED						
Farm labor study -----	--	--	--	\$20,241	\$20,241	--
Pear decline -----	--	--	--	1,945	1,945	--
Public accounting -----	--	--	--	—1,033	--	—\$1,033
Real estate research -----	--	--	--	170,900	--	170,900
San Francisco Bay water pollution -----	--	--	--	36,063	--	36,063
Sea water conversion -----	--	--	--	312,600	--	312,600
Special state appropriations -----	--	--	--	\$540,716	\$22,186	\$518,530
State service agreements -----	\$11,212	\$11,860	—\$648	1,093,819	401,369	692,450
State funds -----	\$11,212	\$11,860	—\$648	\$1,634,535	\$423,555	\$1,210,980
Appropriations -----	572,397	456,532	115,865	1,085,805	1,085,805	--
Grants -----	3,197,507	100,146	3,097,361	30,515,572	2,616,728	27,898,844
Contracts -----	155,370	--	155,370	17,649,344	1,739,825	15,909,519
Federal funds ² -----	\$3,925,274	\$556,678	\$3,368,596	\$49,250,721	\$5,442,358	\$43,808,363
Student fees ³ -----	2,998,346	--	2,998,346	--	--	--
Gifts and private grants -----	1,025,580	--	1,025,580	4,468,305	580,256	3,888,049
Endowments -----	696,471	10,645	685,826	1,900,968	278,702	1,622,266
Sales and services -----	76,337	--	76,337	323,854	43,985	279,869
Organized activities -----	29,177	--	29,177	24,194	632	23,562
Other -----	7,402	--	7,402	204,061	95,360	108,701
Total restricted -----	\$8,769,799	\$579,183	\$8,190,616	\$57,806,638	\$6,864,848	\$50,941,790
TOTALS -----	\$74,873,567	\$3,241,439	\$71,632,128	\$83,084,747	\$21,942,976	\$61,141,771

¹ Includes state support.

² Excludes three major AEC projects of \$235,953,153.

³ Includes summer session.

University of California—Continued

Table III

Instruction and departmental research			Organized research		
Year	Amount	Percent of change over previous year	Year	Amount	Percent of change over previous year
1957-58	\$41,749,415	--	1957-58	\$34,951,598	--
1958-59	46,677,911	11.8	1958-59	39,409,981	12.8
1959-60	51,238,000	9.9	1959-60	47,539,706	20.6
1960-61	59,069,000	15.4	1960-61	59,169,000	24.7
1961-62	65,588,143	11.0	1961-62	69,590,435	17.6
1962-63	74,873,567	12.6	1962-63	83,084,747	19.4
Percent increase 1957-58 to 1962-63		79.3	Percent increase 1957-58 to 1962-63		137.7

The above table indicates that expenditures for instruction and departmental research increased from \$41,749,415 in 1957-58 to \$74,873,567 for the 1962-63 budget year, an increase of 79.3 percent. In the same period organized research expenditures increased from \$34,951,598 to \$83,084,747, an increase of 137.7 percent.

As a matter of public policy and in view of the coming strain on funds for all educational purposes does the Legislature wish to support organized research at this accelerating rate? The State does have a most substantial fiscal interest in its support of the research function. On the basis of data supplied to us by the University, we estimate that for the 1964-65 fiscal year, the State General Fund will support research at the University in the amount of approximately \$51 million. This total is composed of state support for organized research in the amount of \$30 million and state support of research in the instruction and departmental research category in the amount of \$21 million.

Unfortunately there is a lack of precise data in this area for purposes of defining continued research growth and development at the university. *It is recommended that the University better define and segregate the various elements of research and teaching costs and report this data to the Legislature in time to be included in the 1965-66 Analysis of the Budget Bill.*

Salary Increase for Officers of the University of California

Effective July 1, 1963, the Regents voted to increase the salaries of its administrative officers. This was accomplished from funds designated for merit salary increases. We have identified and listed the major changes in the table below. Because a similar request for comparable positions in the statutory salary classification for other state officers was denied in the 1963 Regular Session we believe the Legislature should be in a position to relate these increases to any proposed legislation in the 1964 session for increases in statutory salaries.

University of California—Continued

Salary Increase for Officers of the University of California

	1962-63	1963-64	Difference	Percent
President -----	\$38,000	\$45,000	\$7,000	18.4
Vice President -----	30,000	35,000	5,000	16.7
Vice President—Business -----	25,000	26,500	1,500	6.0
Vice President—Ex. Asst. (Admin.) ---	20,840	20,500	—	—
Vice President—Finance -----	26,000	26,000	—	—
Vice President—Gen. Counsel -----	30,000	32,500	2,500	8.3
Vice President—Govt. Relations -----	26,000	27,500	1,500	5.8
Vice President—Treas. (new) -----	29,000	28,000	—	—
Vice President—Univ. Relations -----	22,000	26,500	4,500	20.5
Univ. Dean—Academic Planning -----	22,700	22,700	—	—
Chancellors				
Berkeley -----	30,000	32,500	2,500	8.3
Davis -----	24,000	25,000	1,000	4.2
Irvine -----	23,000	25,000	2,000	8.7
Los Angeles -----	30,000	32,500	2,500	8.3
Riverside -----	16,000	25,000	9,000	56.3
San Diego -----	25,000	25,000	—	—
San Francisco (Provost) -----	26,000	26,000	—	—
Santa Barbara -----	22,000	25,000	3,000	13.6
Santa Cruz -----	23,000	25,000	2,000	8.7
Dean, Agriculture -----	19,930	22,600	2,670	13.4
Directors of Agriculture -----	17,592	17,700	108	.6
Extension, Director -----	15,300	21,500	6,200	40.5
Lick Observatory, Director -----	17,800	19,500	1,700	9.6
Dean, Educ. Relations -----	20,800	22,500	1,700	8.2

UNIVERSITY OF CALIFORNIA

ITEM 105 of the Budget Bill

Budget page 242

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

Amount requested -----	\$334,900
Estimated to be expended in 1963-64 fiscal year -----	334,900
Increase -----	None

TOTAL RECOMMENDED REDUCTION ----- None

ANALYSIS

This program largely relates to research in the methods of converting sea, saline and brackish water to fresh water and has been continuously active in the University of California since 1951-52. The three primary methods of purification are distillation, electrodialysis and ion exchange. The program objective is to improve these and other methods, so as to determine ways of producing large quantities of fresh water at low costs.

Funds for the support of this program have been provided by the Legislature, in some cases by special bill and in others by augmentation of the item of appropriation to the university in the budget bill. In 1958-59 the program expanded greatly when the budgetary appropriation was increased from \$86,500 to \$334,900 by a special appropriation from the Investment Fund. In 1959-60 the special appropriation was repeated. The funds appropriated for 1960-61 were again

University of California—Continued

derived from the investment funds in a special allocation of \$421,000 which was earmarked to the university's water resources center. Since 1961-62, however, the funds have been derived from the General Fund. For 1964-65 the university is again requesting \$334,900.

We recommend approval.

CALIFORNIA COLLEGE OF MEDICINE

ITEMS 106 and 107 of the Budget Bill

Budget page 244

FOR SUPPORT OF THE CALIFORNIA COLLEGE OF MEDICINE
FROM THE GENERAL FUND

Amount requested	\$46,127
Estimated to be expended in 1963-64 fiscal year	None
Increase	\$46,127

TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

Under Chapter 1933, Statutes of 1963, the California College of Medicine was designated a medical department of the University of California effective January 1, 1965. The college was accredited as a medical school in February 1962 by the Council on Medical Education and Hospitals of the American Medical Association and by the Association of American Medical Colleges. Forerunners of the California College of Medicine were the Pacific College of Osteopathy, which was founded in Anaheim, California, in 1896 and the Los Angeles College of Osteopathy, established in 1905. These schools were merged and incorporated in 1914, to form the College of Osteopathic Physicians and Surgeons, a nonprofit institution. In 1961 the corporate name was changed to California College of Medicine. The college offers its students the opportunity to develop essential skills in basic sciences and clinical medicine leading to the degree doctor of medicine.

The 1964-65 Budget requests \$46,127 from the General Fund. This amount is contained in items 106 and 107 of the Budget Bill. Support for this institution comes from student tuition, the Los Angeles County Hospital contract, private grants, gifts and donations and federal research funds. Of the General Fund support, \$43,500 (Item 107) will be used for salary adjustments to bring the college salary rates to the same level as salary rates for comparable positions in state service. The remaining amount \$2,627 (Item 106) will be used for general support.

The addition of three faculty members brings the total academic staff to 59.5 positions which will support an expected enrollment of 375 students. Also included in the request for 1964-65 is a remodeling of the histology laboratory. A small increase in library support will permit needed increases in holdings.

We recommend approval of the budget as submitted.

HASTINGS COLLEGE OF LAW

ITEM 108 of the Budget Bill

Budget page 246

FOR SUPPORT OF HASTINGS COLLEGE OF LAW
FROM THE GENERAL FUND

Amount requested	\$485,435
Estimated to be expended in 1963-64 fiscal year	371,269
Increase (30.8 percent)	\$114,166
Increase to maintain existing level of service	\$114,166

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

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

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

1958-59	\$257,189
1959-60	286,167
1960-61	373,597
1961-62	359,376
1962-63	338,166
1963-64	371,269
1964-65 (proposed)	485,435

The 1964-65 budget request of \$485,435 from the General Fund, is an increase of \$114,166 or 30.8 percent above the amount expected to be expended during the current year.

Hastings College was authorized 52.7 positions for the current fiscal year, 22.0 of which were teacher positions. The present budget requests an increase of 3.4 teacher positions, at a cost of \$56,410. This increase is based upon additional workload due to an estimated total average enrollment of 1,017, an increase of 77 or 7.6 percent over 1963-64. The table below indicates the rapid growth Hastings has experienced in recent years. Also shown is the number of teaching personnel and the student-faculty ratios for each year.

Hastings College of Law—Continued

	<i>Actual</i>				<i>Estimated Proposed</i>	
	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65
Enrollment	568	623	685	835	940	1,017
Teachers	15.3	17.0	18.6	19.5	22.0	25.4
Student-faculty ratio ----	37.1	36.6	36.8	42.8	42.7	40.0

The college is also requesting that the positions of assistant dean at a salary of \$17,000 and of reference librarian at a salary of \$7,000 be authorized. Additional proposals of 0.4 position of research assistant and 0.3 student assistant librarian and 0.5 position of clerical assistance and 0.8 temporary help have also been requested. Mounting enrollment and the resulting increases in workload necessitate these added personnel.

We recommend approval of the budget as submitted.

CALIFORNIA STATE COLLEGES

The proposed total 1964-65 state expenditure for support of the California state colleges is \$118,398,868, including the salary increase funds appropriated at the 1963 General Session. This amount would provide for an increase of \$14,933,526 or 14.5 percent over estimated total expenditures of \$103,465,342 for 1963-64. The principal amounts included within this total figure for 1963-64 and 1964-65 are as follows:

	<i>Actual</i> 1962-63	<i>Estimated</i> 1963-64	<i>Proposed</i> 1964-65
Chancellor's office	\$1,053,767	\$1,221,417	\$1,350,722
International program	—	—	264,024
Student loan program (NDEA) ..	233,000	200,000	200,000
College workload budgets ¹	88,739,301	99,918,925	109,374,530
Proposed program augmentations ..	—	—	2,559,592
Salary increase funds	—	2,125,000	4,650,000
Total	\$90,026,068	\$103,465,342	\$118,398,868

¹ Includes Palos Verdes and San Bernardino planning expense.

The total increase in state expenditures of 14.5 percent may be compared with an estimated growth in FTE enrollment from 96,460 for 1963-64 to 104,848 for 1964-65, an increase of 8,388 FTE or 8.7 percent. Based on these enrollment figures, State expenditures for state college support are to increase from \$1,071 per FTE student for the current year to \$1,131 per FTE student for the budget year, or 5.5 percent.

According to our calculations, the \$14,933,526 increase requested for 1964-65 consists of the following amounts for workload increases, increases to improve the level of service and increases for new programs:

Increases to maintain existing level of service	\$12,164,808
Increases to improve level of service	1,580,750
Increases for new programs	1,187,968
	\$14,933,526

Our analysis of the state college support request this year is divided into the following sections: proposed program augmentations, the Chancellor's Office, the international program, NDEA student loan

Education

General Summary

California State Colleges—Continued

funds, and continuing operations of the colleges analyzed by function. Summary data on each of the individual state college items and analysis of the Palos Verdes and San Bernardino planning budgets follow at the end.

The budget reductions which we recommend under each of these sections are summarized in the following table.

Recommended Support Reductions—California State Colleges

Program augmentations		\$797,692
Masters degree in social work	\$160,692	
Faculty staffing augmentation	90,000	
Joint doctoral program	47,000	
Faculty research	500,000	
Chancellor's office		6,960
International program		9,602
Continuing operations		130,401
San Francisco	3,987	
Long Beach	16,655	
San Fernando	70,000	
Orange	15,000	
Hayward	24,759	
Subtotal	\$130,401	
Total recommended reductions		\$944,655

California State Colleges PROGRAM AUGMENTATIONS

ITEM 109 of the Budget Bill

Budget page 253

FOR SUPPORT OF PROGRAM AUGMENTATIONS FROM THE GENERAL FUND

Amount requested	\$2,559,592
Total recommended reduction	797,692
Amount recommended for approval	\$1,761,900
TOTAL RECOMMENDED REDUCTION	\$797,692

Summary of Proposed Augmentations and Recommended Reductions

	Amount proposed	Recom- mended reduction	Reduced amount	Budget Page	Line
1. Library improvement	\$1,000,000	--	\$1,000,000		
2. Sabbatical leaves	200,000	--	200,000		
3. Out-of-state travel	30,000	--	30,000		
4. Master's degree in social work	235,692	\$160,692	75,000	254	7
5. Faculty staffing	90,000	90,000	--	254	9
6. Joint doctoral program	47,000	47,000	--	254	10
7. Management improvement	151,900	--	151,900		
8. Electronic data processing	50,000	--	50,000		
9. Year-round operation	255,000	--	255,000		
10. Faculty research	500,000	500,000	--	254	16
	\$2,559,592	\$797,692	\$1,761,900		

General Summary

Education

California State Colleges—Continued ANALYSIS

All proposed major program augmentations for the California State Colleges for 1964-65, including funds requested both for new services and to augment the level of existing services, are combined under this single item, rather than under the individual college items which follow. These program augmentations, which amount to a total of \$2,559,592, are proposed as follows:

1. Library improvement	\$1,000,000
2. Sabbatical leaves	200,000
3. Out-of-state travel	30,000
4. Master's degree in social work	235,692
5. Faculty staffing	90,000
6. Joint doctoral program	47,000
7. Management improvement	151,900
8. Electronic data processing	50,000
9. Year-round operation	255,000
10. Faculty research	500,000
Total	\$2,559,592

Although most of these proposed program augmentations consist of new positions, operating expense and equipment for the individual colleges, they have been presented as systemwide programs. Because we believe that they may be best dealt with in this manner, our analysis and recommendations will follow under this item on a program by program basis.

1. Library Improvement

We recommend approval of proposed \$1,000,000 augmentation for library books and related expense.

The largest item among the proposed program augmentations for 1964-65 is \$1,000,000 for an enrichment of the state college library book allowance and related expenses. Of this total, \$600,000 is for books, \$310,000 for staffing to process the additional books, and \$90,000 is for processing materials. The amount for books will enable the state colleges to increase the book allowance for each college as follows:

Existing formula: 4 volumes per student 1-1,000 FTE
 2 volumes per student 1,001-5,000 FTE
 1 volume per student over 5,000 FTE

New formula: 5 volumes per student Each graduate FTE
 4 volumes per student 1-1,000 undergraduate FTE
 3 volumes per student 1,001-5,000 undergraduate FTE
 2 volumes per student over 5,000 undergraduate FTE

The additional amounts for staffing and operating expense are based upon existing allowances of 1 processing position per 1,600 new acquisitions and 15 percent of book costs for processing materials.

In the past it has been necessary to supplement the basic formula each year because of its inadequacy for the larger and more rapidly growing colleges. The supplementary allowance for 1963-64 of \$832,000 was carried over in the continuing operations budgets for 1964-65, so that the full additional cost of the new book allowance formula for the budget year will be \$1,832,000. It is intended that the new formula

Education

General Summary

California State Colleges—Continued

will now become the workload standard to be applied in the continuing operations budgets in subsequent years.

The total amount requested in the support budget for library staff, operating expense and books for 1964-65 is \$9,578,257. This is equivalent to 8.1 percent of total state support. In addition, \$300,000 is included in capital outlay for completing the initial library resources for the new state colleges at Palos Verdes and San Bernardino prior to their opening in 1965-66.

Total Proposed Library Expenditures, 1964-65 California State Colleges

Support:	<i>Personal services</i>	<i>Books</i>	<i>Other expense</i>	<i>Equipment</i>	<i>Total</i>
Continuing operations -----	\$5,794,783	\$1,699,105	\$979,596	\$104,773	\$8,578,257
Augmentation ----	310,000	600,000	90,000	--	1,000,000
Total, support ----	\$6,104,783	\$2,299,105	\$1,069,596	\$104,773	\$9,578,257
Capital outlay ----	--	300,000	--	--	--
Total -----	\$6,104,783	\$2,599,105	\$1,069,596	\$104,773	\$9,578,257

In last year's analysis we indicated that although we fully agreed with the proposed library development program as to its objective of substantially improving the collections of the larger state colleges, we were critical of the indirect and costly manner in which it was to be achieved. Accordingly, we recommended that the Chancellor's Office be requested to undertake further study and analysis of library expenditures with the purpose of developing a comprehensive library support program to include the following elements:

1. A book acquisition formula which expresses clearly the proposed objectives of the plan;
2. Standards with respect to maximum desirable library collections;
3. Proposed methods of minimizing book acquisition cost through consolidated purchasing and other means;
4. Minimum library staffing requirements;
5. Proposed programs for increasing the use of machine processing to replace clerical staff.

This recommendation was adopted by both fiscal committees following an expression of agreement by the Chancellor's Office. As of the time this analysis is being prepared, however, the Chancellor's Office has reported no action in this direction other than: (1) the hiring of an out-of-state consultant who, after a brief review of the library program, also recommended a comprehensive study, and (2) a request for an additional position in the Chancellor's Office to be responsible for program evaluation and planning in the areas of library development and audio-visual services.

In the absence of any real progress in this regard, we would have been compelled to recommend deletion of the \$1,000,000 augmentation of library support if it were not for the evident need among the larger state colleges for a substantial increase in their existing collections. In

California State Colleges—Continued

the section of this analysis dealing with the continuing operations budgets, however, we indicate that in the absence of action by the Chancellor's Office prior to submission of the 1965-66 budgets, we will recommend substantial reductions in staffing and operating expense.

2. Sabbatical Leaves

We recommend approval of the proposed augmentation of \$200,000 for sabbatical leaves.

The amount of \$200,000 is requested to augment existing allowances for sabbatical leaves for state college academic and administrative employees. The increase is proposed in order that the revised and liberalized sabbatical leave provisions established by the Trustees in 1962 may be partially implemented.

Prior to 1962, faculty members were eligible for sabbatical leave upon completion of six consecutive years of teaching, but, regardless of the number eligible in terms of length of service the actual number of leaves granted in any year could not exceed 5 percent of the number of faculty members with the rank of assistant professor or higher. Moreover, of this number only 5 percent of those with accumulated eligibility could receive one year at half pay or six months at full pay. The remainder were limited to the difference in pay between that of the person on leave and the lesser cost of his replacement. This amount was generally too small to permit taking a leave and was little used, with the result that the number of faculty members who were eligible in length of service but unable to take a leave became very large. In effect, leaves were granted to less than 2 percent, rather than 5 percent, of those in the eligible ranks.

The effect of the Trustees' action in 1962 was to extend sabbatical leave privileges to librarians and "academic-administrative" positions (including the Chancellor's Office) and to provide that the number of leaves of the first type could equal the full 5 percent of eligible positions rather than 5 percent of those who have accumulated eligibility by length of service. With full financing this would about triple the annual number of leaves granted.

The total amount requested for 1964-65, including both the augmentation and workload funds, will provide for about 50 percent of the estimated maximum cost of the new program. We believe that the amount requested for faculty members is fully justified. The granting of sabbatical leaves to faculty members for every seventh year of service is well established practice for public, as well as private, colleges and universities across the country.

The usual purpose of a sabbatical leave program is to permit faculty members to engage in research, further study, travel, writing or other scholarly work which will increase their knowledge and professional competence in their academic fields and thereby enhance their value to their institutions as teachers and scholars. It has, at the same time, become of some importance in determining the ability of an institution to recruit and retain an adequate teaching staff. According to the availability of funds for this purpose over the next two to five years,

California State Colleges—Continued

we believe that the level of support should be brought up to the full estimated cost of the program as it pertains to faculty members.

We do not believe, however, that it is either necessary or appropriate at this time to extend sabbatical leave privileges to librarians and administrative personnel. If this were to be done, it would be difficult to justify not extending similar privileges to librarians and administrative personnel throughout the state service. We do not find any particular significance, in this respect, in the fact that such persons are employed in the state college system rather than some other state agency.

We therefore recommend that this item be approved in the amount requested with the condition that sabbatical leave privileges be limited to teaching faculty only.

3. Out-of-state Travel

We recommend approval of the amount of \$30,000 requested to augment out-of-state travel allowances for staff recruitment.

The third item of augmentation is \$30,000 for out-of-state travel for state college staff recruitment. The proposed augmentation is based upon the relative requirements of the individual state colleges to recruit new staff as a result of growth and replacement needs.

For 1963-64 the out-of-state travel allowance was increased from \$10 per professional position to \$17 per academic position within the instruction function, plus \$10 per administrative position. The additional allowance to each college for recruitment remained at about the same level as before. For 1964-65 it is proposed to raise the recruitment allowances somewhat without further change in the basic allowance.

Total out-of-state travel expenditures for 1964-65 as budgeted under continuing operations are \$147,785, including \$131,842 as the basic allowance and \$15,943 for recruitment. With the additional \$30,000 requested as an augmentation, the total expenditure for 1964-65 will be \$177,785 as compared with \$135,365 for 1963-64. The additional \$30,000 was computed according to the estimated number of staff positions each college would need to fill for the budget year and its existing allocation for this purpose. Approximately 50 percent of new state college faculty members are recruited from out-of-state.

4. Masters Degree in Social Work

We recommend a reduction of \$160,692 in the amount of \$235,692 requested as additional support for masters degree programs in social work.

The fourth item of augmentation is an amount of \$235,692 to provide additional staffing, operating expense and equipment for three new masters degree programs in social work. This amount is to be divided equally, at \$78,564 each, among three such programs at Fresno, Sacramento and San Diego State Colleges.

The three programs were approved in 1963 by the Trustees in response to recommendations from several sources, including the Welfare

California State Colleges—Continued

Study Commission, and requests from the three colleges to extend their existing undergraduate programs. Actual instruction is to begin in the fall of 1964-65, following completion of curriculum planning during the current year financed by the Department of Social Welfare. It is intended that each of the three programs will enroll 20 to 25 graduate students during the first year and approximately twice as many the second year, inasmuch as this is to be a two-year program.

Our reservations concern only the proposed level of expenditure for the new programs and not the need for additional professionally trained social workers or the instructional content of the programs. We accept the decision made by the Trustees to initiate these three programs under their responsibility to approve all new state college curricula.

We cannot, however, recommend approval of the proposed level of expenditure which would be provided by this augmentation. According to the justification we have received, the amount of \$78,564 requested for each of these new programs is to provide \$73,064 for 10 additional professional and clerical positions and \$5,500 for operating expense. These amounts are in addition to the staffing, operating expense and equipment which will be provided under the regular allowances for the instructional program of the state colleges. The 10 additional positions requested for each program, on the basis of a first year enrollment of 20-25 students, are:

Administration :

- 1.0 Coordinator of Social Welfare Education
- 1.0 Senior stenographer
- 1.0 Administrative assistant II

Faculty :

- 3.0 Faculty members for instruction
- 2.0 Faculty members for field work supervision

Clerical Assistance :

- 1.0 Intermediate stenographer
- 1.0 Student assistance position

The regular instructional allowances could be expected to provide another 2.5 to 3 full-time teaching positions plus related clerical help and student assistance. In all, there would be some 15 or more professional and clerical positions under each program for the instruction of 20-25 students, about 4 times as many positions, on the average, as would be provided for other graduate programs with similar enrollment.

We doubt that such a high level of expenditure is required. Evidence of this is to be found in the fact that when these programs were presented to the Trustees for approval in 1963, the colleges estimated that the total first-year cost would be between \$50,000 and \$53,000, including regular instructional allowances. This would be about half the cost as it is proposed here when both the proposed augmentation and the regular allowances are considered.

If this proposed level of expenditure were to be accepted as necessary for the conduct of these programs, it would be very difficult to deny similar augmentations for many of the other state college graduate programs. There is little reason to believe that other instructional

California State Colleges—Continued

departments could not find a similar need for additional coordinators, administrative assistants, teachers and clerical assistance.

We therefore recommend that this proposed augmentation be approved in the reduced amount of \$75,000 or \$25,000 for each of the three new programs.

This amount will provide for the addition of one full professor as department chairman, a clerical position and about \$7,000 for operating expenses for each of the three new programs, over and above the faculty and clerical staffing and operating expense provided under the regular instructional allowances. This will still permit a level of expenditure well above the average for other graduate programs at the state colleges, but we believe that the higher cost is justified to get the new programs underway and to provide a sufficiently high level of professional training for the small enrollment. As enrollment grows in subsequent years the unit costs should be reduced.

5. Faculty Staffing

We recommend deletion of the amount of \$90,000 requested to augment faculty staffing standards and reduce the student-faculty ratio.

An amount of \$90,000 is requested to initiate an augmentation of the state college faculty staffing allowance. This augmentation would be applied by introducing an additional factor into the current faculty staffing formula to enrich the allowance for graduate level (master's degree) courses as compared with that for undergraduate courses.

It is contended that although the demands of graduate instruction on a faculty member's time are substantially greater than are those of undergraduate instruction, this has not been given recognition in the state college budgets. According to a study of teaching assignments and related responsibilities conducted in 1958-60 by the deans of graduate study, it was determined that the time spent in preparing for and teaching graduate courses, plus the time required for supervising and counseling students, is nearly double the amount of time spent for undergraduate courses. On the basis of this study, the Chancellor's Office has established the long-range objective of augmenting the staffing formula to provide 1.5 faculty positions at the graduate level where 1 position is considered to be adequate for undergraduate instruction. The amount requested for 1964-65 is estimated to provide less than one-tenth of the additional funds necessary to reach this objective and therefore must be considered as only an initial step toward the ultimate goal.

We do not question the contention that the time required to teach a graduate course may be significantly greater than that required for an undergraduate course. We do, however, question the statement that the present staffing allowance does not make sufficient provision for this. All the evidence which we have seen indicates the additional workload connected with graduate instruction can be, and has been, accommodated within the existing staffing ratio.

The study upon which the Chancellor's Office has based this request indicates clearly not only that graduate teaching duties may be greater

General Summary

Education

California State Colleges—Continued

than undergraduate teaching duties but that under the existing staffing formula "the time devoted to the teaching of graduate work is nearly double that of teaching undergraduate courses." Thus the principal conclusion to be drawn from this report must be that the existing staffing ratio does in fact recognize the heavier workload for graduate instruction.

Further evidence is to be found in data previously, but no longer, reported as to actual system-wide student-teacher ratios at the graduate level as compared with the ratios for undergraduate instruction. For the spring terms of 1959 and 1960 the system-wide FTE student-teacher ratios were reported as follows:

	<i>Lower division courses</i>	<i>Upper division courses</i>	<i>Graduate courses</i>	<i>All levels</i>
1959 -----	16.7-1	15.7-1	10.2-1	15.7-1
1960 -----	16.7-1	15.7-1	7.4-1	15.1-1

It is evident from these figures that it was possible within an overall student-teacher ratio of between 15 and 16 to 1 to reduce the ratio at the graduate level by from one-third to half of that at the undergraduate levels.

Unfortunately the Chancellor's Office has not continued the full reporting of this data since 1960. However, from the fact that graduate enrollment, as measured either by course enrollment (4.6 percent) or by degree objective (12 percent), has remained at about the same level relative to total enrollment and the fact that the overall student-faculty ratio has remained about the same (16.1 to 1 for 1964-65), it may be assumed that there is still sufficient staffing flexibility to meet the workload requirements of graduate instruction. Further evidence is to be found in the preliminary budget documents submitted by the individual colleges. According to that data, the student-faculty ratios for 1963-64 at the four largest state colleges in business, physical science and social science were:

Student-faculty Ratios by Level, 1963-64
In Business, Physical Science and Social Science¹

	<i>Lower division</i>	<i>Upper division</i>	<i>Graduate</i>	<i>All levels</i>
Business:				
San Jose -----	21.7	21.6	14.9	21.3
Los Angeles -----	18.5	19.7	8.6	18.2
San Diego -----	16.7	20.3	7.8	18.1
San Francisco -----	18.4	19.0	8.6	17.8
Physical Science:				
San Jose -----	19.7	11.3	7.4	17.1
Los Angeles -----	20.7	9.7	6.8	15.9
San Diego -----	18.7	11.1	11.5	16.0
San Francisco -----	24.7	12.0	4.7	18.5
Social Science:				
San Jose -----	32.8	23.3	10.5	27.6
Los Angeles -----	30.0	25.2	10.9	25.7
San Diego -----	30.4	21.9	9.8	26.0
San Francisco -----	30.3	23.6	9.3	24.7

¹ The overall ratios reported for these four colleges in 1963-64 for all departments are: San Jose 16.4, Los Angeles 16.1, San Diego 16.2, San Francisco 16.7.

California State Colleges—Continued

It should be noted that the faculty staffing formula is no more than a budgetary tool, at best, and was never intended to dictate actual staffing patterns. There is reason to believe that its use even as a budgetary tool has become less and less in recent years. We believe that the formula, with its maze of factors, course categories, and class sizes, has outlived its usefulness and serves only to force arbitrary and frequently unwarranted limitations on classroom and laboratory capacity in the construction of new instructional facilities.

The colleges would be better served, we believe, by the overt use of a systemwide student-faculty ratio supplemented by annual reporting as to actual ratios for each college by level of instruction and department. We believe, also, that rather than seeking a reduction of the systemwide ratio with the very large cost increases which must accompany such a move, the Chancellor's Office should seek ways to increase the overall ratio from 16:1 to 18:1 or 20:1 by increasing class size, where justified, and providing the faculties with some incentive for taking on larger student workloads. The experimentation in this area which has been proposed for the new San Bernardino State College holds much more promise for strengthening the state college instructional program than do proposals such as this.

6. Joint Doctoral Program

We recommend deletion of the amount of \$47,000 requested to augment instructional expenditures at San Diego State College in connection with establishment of a joint doctoral program in cooperation with the University of California.

The third item of augmentation is an amount of \$47,000 requested to provide additional faculty, operating expense and equipment at San Diego State College in connection with the initiation of a joint doctoral program with the University of California. Although we discuss briefly the background of this proposal, we are not concerned here as to the merits of this program but solely with the proposed level of expenditure.

Prior to 1960 the highest degree which the California State Colleges were authorized to award was the master's degree. Doctoral programs were reserved exclusively to the University of California. In 1960, however, the Donahoe Higher Education Act, in accordance with the Master Plan, created an opportunity for the state colleges to extend their programs with the cooperation and approval of the University. Under the provisions of the Donahoe Act, the University "has the sole authority in public higher education to award the doctoral degree in all fields of learning, except that it may agree with the state colleges to award joint doctoral degrees in selected fields." With respect to the state colleges, the act provides that the doctoral degree "may be awarded jointly with the University . . .".

Following the enactment of these provisions, a Joint Graduate Board was constituted in 1961 by the two systems for the purpose of preparing

California State Colleges—Continued

the basic agreements as to the policies and procedures which would govern any joint doctoral programs subsequently undertaken. In September and October of 1963, as a result of the work of this board, a statement of the organization and procedures for the joint graduate program, with an accompanying statement of understandings, was approved by the Regents and the Trustees.

Under the terms of this agreement, each individual program is to be planned and developed jointly by faculty members from the two cooperating institutions under the supervision and guidance of the 10-member Joint Graduate Board representing both systems. Each proposal for the development of a joint program is to be initiated at the academic department or division level. Upon gaining approval within the originating system and with permission from the President of the University and the Chancellor of the State Colleges, each proposal is to be prepared by an *ad hoc* joint committee as a formal statement of capabilities and justification. Such proposals are then to be resubmitted to the President and the Chancellor for transmission, upon approval, to the Joint Graduate Board for its final review and recommendation.

According to the statement of understanding, criteria for selection and approval are to include: the academic qualifications of the participating staffs and departments, adequacy of research and instructional facilities and other resources, the availability and willingness of the appropriate faculty members to participate, and the suitability of the field for the degree proposed. For their part the state colleges are to provide only "such staffing, research facilities, library resources, etc., as are required to meet the needs of their master's degree programs." Any "duplication of specialized facilities in the state colleges solely for the sake of the joint doctoral program" is specifically excluded.

The provisions of the agreement with respect to the admission and guidance of students under any approved programs are lengthy and detailed. In general the standards and procedures are to be consonant with those of the appropriate academic unit of the University. Each student, however, must be admitted to graduate status at both cooperating institutions and accepted as qualified for the doctoral program by faculty advisors of both institutions. Each student must complete the equivalent of one year of full-time resident work at each institution and pursue his program under the direction of a joint advisory committee and a joint thesis committee.

The first such program is to be established in the field of chemistry as a joint offering of San Diego State College and the University of California, at San Diego campus. When the final working agreements between the two institutions have been completed and approved, it is expected that the program will provide for the initial enrollment of six students. At present it is expected that a total of eight joint doctoral programs will be underway by 1970 with a combined enrollment of at least 50 students.

California State Colleges—Continued

The only cost justification which we have received, as of this writing, for the initial program is the following statement of proposed expenditures:

4 faculty at \$8,000 each	\$32,000
Equipment and miscellaneous expenses	15,000
Estimated program cost	\$47,000

In the absence of further justification, it appears that the four proposed new positions are believed to be necessary for the instruction and supervision of six students half time, or the equivalent of three full-time students, assuming that the University will share equally in these responsibilities. It appears from this that these faculty positions are to enjoy substantially lighter teaching loads and correspondingly greater research opportunities than they would within the master's degree program at San Diego or any other state college.

We must conclude, therefore, that this program goes well beyond our understanding of the Master Plan provisions and the joint statement of understandings by the President of the University and the Chancellor of the California State Colleges. This augmentation involves a substantially higher level of support than is indicated by the statement that:

"The State Colleges will, as provided for in the Donahoe Higher Education Act, seek budgetary support for such staffing, research facilities, library resources, etc., as are required to meet the needs of their master's degree programs. The joint doctoral degree program for that portion of the doctoral degree study undertaken in the State Colleges will use facilities that are necessary for the master's degree programs of the State Colleges. The Donahoe Higher Education Act assigns to the University the primary responsibility for doctoral degree education, except as it may agree with the State Colleges to award joint doctoral degrees, and does not contemplate the duplication of specialized facilities in the State Colleges solely for the sake of the joint doctoral program."

The statement would appear to preclude duplication of staff, operating expense, equipment or facilities, whereas the proposed state college augmentation appears to be directed at achieving such duplication. *It is for this reason that we recommend deletion of the amount of \$47,000 requested for this purpose.*

We believe that if the state college participation is to require only such budgetary support as is required to meet the needs of a master's degree program, as stated, then no such augmentation is required. The regular budget allowances, allocated by the college according to need, should be adequate for this purpose. In view of the overall state college student faculty ratio of 16:1 and the desirability of maintaining and improving this ratio through a more effective distribution of teaching load, we believe that any augmentation of the teaching staff deemed necessary for programs such as this should be achieved by a reallocation of existing positions.

California State Colleges—Continued

7. Management Improvement

We recommend approval of the amount of \$151,900 requested for state college management improvement.

The amount of \$151,900 is requested to initiate a program of management improvement among the state colleges. This augmentation is proposed as the first step in carrying out a significant reorganization of the administrative structure of the colleges. The total program is expected to cost as much as \$1 million, at present salary levels, over a period of several years. The augmentation proposed for 1964-65 is intended to meet what are considered to be the most pressing administrative needs at each college at an estimated salary cost of about \$12,000 each for the larger colleges and up to \$8,000 each for the smaller colleges.

At many of the state colleges the administrative structure was originally designed to accommodate a smaller enrollment than that which has developed. In response to the demands of rapid growth, new positions have been added and administration responsibilities assigned as the workload has required with a minimum of concern for the overall efficiency of the structure. In many cases academic positions have been borrowed to perform administrative duties to the detriment of the instructional program. In other cases major administrative responsibilities have accumulated around positions originally expected to perform more routine duties.

The principal objectives of the proposed new program are to simplify the organizational structure at the larger colleges, clarify lines of responsibility and accountability, reduce the levels of authority between the academic departments and the college president, and upgrade positions when warranted by the current level of responsibility. Although the Trustees and the Chancellor's Office have expressed their intention to carry out the reorganization according to the needs of the individual colleges, they have outlined staffing guidelines under which the principal changes will be: (1) the consolidation of academic and financial administration under two vice-presidents at the larger colleges rather than under several deans and other officers as at present; (2) the elimination at the larger colleges of instructional divisions consisting of several departments, and their replacement by four to six schools administered by deans who will form a single administrative level between department chairmen and the academic vice-president; (3) the addition of special assistant positions at the president and vice president levels to reduce routine administrative workload at those levels; and (4) the provision of additional 12-month positions at all levels to meet year-round administrative requirements.

Ordinarily we would request a college-by-college justification for proposed changes of this importance. In view of the need for flexibility in adjusting to specific personnel and workload problems, however, we believe it appropriate that the Chancellor's Office retain a substantial degree of discretion in carrying out this program. The general plan of the program appears to be well conceived and very little different

California State Colleges—Continued

from the usual pattern of effective academic administration. Partial funding in 1964-65 will provide an opportunity to follow closely the implementation of the proposed reorganization and to determine the merits of subsequent requests for funding.

8. Electronic Data Processing

We recommend approval of the amount of \$50,000 requested for augmentation of electronic data processing.

The eighth item of proposed augmentation is \$50,000 for expanding electronic data processing capacity at several of the state colleges. This amount is in addition to an increase of about \$40,000 in computer rental included in the continuing operations budgets. In each case the new equipment to be provided has been carefully screened by both the Chancellor's Office and the Department of Finance.

Electronic data processing is employed for two broad purposes in the state colleges: instruction and general administration. Under instruction, computer facilities are made available to students in engineering, mathematics, the physical and social sciences and other fields in which problem solving, based upon extensive and complex data, is an important part of instruction. Some facilities have also been used to demonstrate to students the uses of data processing and to teach computer programming. Administrative uses include the collection, storage and retrieval of data relating to student enrollment and grading, faculty and staff assignments, property inventories, plant utilization, and the like.

Thus far, requests for computer equipment have been justified primarily on the basis of instructional needs. Each college has been required to indicate potential instructional utilization of at least 20 hours per week. Administrative utilization has been secondary because of conflicting instructional demands for equipment time, inefficient usage by clerical personnel and the provisions of the rental contracts, which, until recently, permitted an educational discount of 60 percent for equipment used primarily for instruction.

Most of the equipment to be provided by this augmentation is to be acquired under the educational discount, as the requests were submitted prior to the termination of that discount. It will be used, therefore, primarily for instruction purposes. Recently, however, the Trustees adopted a new policy which, on the basis of full justification and planning by the state colleges, will permit, as funds are available, much more extensive and effective use of electronic data processing equipment for both instructional and administrative purposes.

9. Preparation for Year-round Operation

We recommend approval of the proposed \$255,000 augmentation for preparation for year-round operation of the state colleges.

The amount of \$255,000 is requested in order that the state colleges may initiate preparations for conversion to a quarter-system and year-round operation. In accordance with the previously discussed recommendation of the Coordinating Council for Higher Education (page

California State Colleges—Continued

235), the Trustees of the California State Colleges have agreed to begin planning for a systemwide conversion from a semester calendar to a quarter-system and initiation of year-round operation at one or more colleges by 1966-67. This action will require an extensive overhaul of the curricula at many of the colleges as well as some administrative adjustments. The necessity for curricular revisions in converting to the new academic calendar will, we believe, be an important ancillary benefit, particularly at the older colleges.

The amount requested will provide for the assignment of from 0.5 to 1.5 positions to each of the 15 existing colleges for this purpose, plus related operating expenses. The average expenditure of \$17,000 per college does not appear to be excessive in view of the work to be done and the potential savings to be realized through year-round operation.

On pages 235-37 we have discussed the steps being taken to begin year-round instruction at both the University and the state colleges. In connection with that discussion we recommend that both systems, in cooperation with the Coordinating Council, report in greater detail as to their planning in this respect prior to the end of the 1964 session.

10. Faculty Research

We recommend deletion of the amount of \$500,000 requested for faculty research.

The final item among the proposed program augmentations for 1964-65 is the amount of \$500,000 to initiate a state supported program of faculty research at the state colleges. The proposal is essentially the same as that presented at the last session. It would provide state support to supplement other nonstate research funds for a broad program of basic and applied research "of the kind that supports the approved instructional programs through the discovery of new related information and through its supplementation of regular classroom exercises and projects." The amount requested would provide \$250,000 for technical and clerical assistance, \$200,000 for operating expenses such as travel and expendable supplies, and \$50,000 for equipment not available through the regular support budgets.

The principal reason for our recommendation for deletion of this item is that the subject of state support for state college faculty research has been assigned for interim study to the Assembly Committee on Education in accordance with House Resolution No. 128 of the 1963 session.

A public hearing was held by that committee on December 20, 1963, at which representatives of the Chancellor's Office, the state college faculty senate, several faculty associations and this office offered testimony. It is our understanding that this first hearing was inconclusive and that the committee intends to hold a second hearing following the conclusion of the current session in order that it may submit its report in 1965. We believe that it would not be appropriate to take action on this matter prior to the submission of the committee's report at the next General Session.

California State Colleges—Continued

Our testimony before the Assembly Committee on Education was intended neither to support nor oppose a specific program but to raise what we believe to be the principal questions to be considered in deciding upon any such program. These are questions which we have raised previously in our analysis of the annual budget requests but which, in our opinion, have not as yet been adequately answered.

The principal issue, as we see it, is not whether the state college faculties should engage in research but whether state support should be provided to augment the present level of faculty research activity. In deciding upon the desirability of state support, these appear to us to be the major questions to be answered:

1. How much research is now being conducted in the state colleges under the sponsorship of federal agencies, business and industry, and private foundations, and through the initiative of individual faculty members who do not require such support?

2. What basic objectives would be served by state support for faculty research?

3. Would a modest program of state support for faculty research be of sufficient importance to warrant a diversion of funds from other purposes?

4. How would state support for faculty research at the state colleges be related to that provided for the University of California?

We understand that the Chancellor's Office is preparing answers to these questions from the point of view of the state colleges for submission to the interim committee. We believe that the interim committee should have an opportunity to study this further testimony, and any additional testimony from other sources, before action is taken to include this item in the budget.

We also recommend that the state colleges be directed, by resolution of both fiscal committees to: (1) report annually as to the extent of faculty research being conducted at the various state colleges according to the academic area of each project, the number of FTE faculty assigned to each project, the amount of funds granted and the amount to be expended during the then current fiscal year; and (2) to account fully in the annual support budgets for all federal research and special project funds received.

We have been informed that the Chancellor's Office has recently begun to collect data on all faculty research activity in the state colleges and will be prepared to report on this at the 1964 session. We believe that such a report on an annual basis will be of substantial value in reviewing the budgetary needs of the state colleges.

Since 1958, increasingly large sums of money have been made available to the state colleges to undertake research in a number of areas of faculty strength. The principal sources of these funds are national public and private research agencies, most notably the National Science Foundation, the National Institutes of Health, and the Office of Education, although many local and regional agencies have also contributed. However, because these funds have been channeled through

General Summary

Education

California State Colleges—Continued

the various college foundations for the most part and are infrequently reported in the annual college budgets, it has been very difficult to keep informed as to their magnitude and distribution.

Annual expenditures for the three-year period 1959-60 through 1961-62 have been reported as \$837,949 for 1959-60, \$945,082 for 1960-61 and \$1,284,795 for 1961-62. In view of this rapid rate of growth since the 1958 authorization, research expenditures during the current year may be expected to exceed \$1.5 million.

State College Sponsored Research

	<i>Amount</i>	<i>Number of projects</i>	<i>Amount per full-time faculty member</i>
1959-60 -----	\$837,949	113	\$224
1960-61 -----	945,082	137	239
1961-62 -----	1,284,795	216	297

The following figures give a general indication of the percentage distribution of these funds by academic field. They may be somewhat misleading, however, where projects cross academic fields but must be reported in only one. A review of individual projects under way in 1961-62 indicates more research related to education than is suggested by the figure of 7.7 percent reported for expenditures during that year.

Sponsored Research by Academic Field, Grants Received 1958-61 and Expenditures 1961-62

	<i>Grants received 1958-61</i>	<i>Expenditures 1961-62</i>
Agricultural science -----	3.1%	0.5%
Biological sciences -----	15.9	27.7
Mathematics and engineering -----	1.4	3.8
Physical sciences -----	15.9	18.9
Social sciences -----	26.5	29.9
Humanities -----	0.1	0.2
Education -----	29.7	7.7
Other -----	7.4	11.3
Total -----	100.0%	100.0%

These figures do not include grants for undergraduate research training at San Diego and San Jose. They also exclude research conducted by individual faculty members without benefit of sponsorship. For 1961-62 it was reported that 322 or 19 percent of the full-time faculty were engaged in such research.

In order to determine whether state support is necessary to augment current activity, and if so how much, it would appear essential for the colleges to report regularly and in some detail as to the amount and distribution of funds received from other sources.

We also believe that all federal funds for research and for various institutes, workshops and other special projects should be channeled through the state budgets. At present most of these funds are channeled through the various state college foundations and there is no regular and prompt reporting to the State as to the amounts received. In addition, the overhead allowances for these projects, which in some cases

Trustees of the California State Colleges—Continued

requested for reclassification of an associate personnel analyst to a principal personnel analyst. The associate IV position has been requested as general staff assistance to the Vice Chancellor for Academic Affairs to free that position from the more routine operational duties. We believe that an associate II position should be sufficient for this purpose. It would appear that one reason for any overburdening of the vice-chancellor with routine duties is that all the existing positions in this area are at the higher administrative levels.

With respect to the amount requested for a proposed reclassification of an associate personnel analyst to a senior personnel analyst, we find a similar situation. In comparing authorized positions in the area of faculty and staff affairs for 1962-63 with the proposed positions for 1964-65 we find:

	1962-63	Proposed 1964-65
Assistant chancellor	1.0	1.0
Principal personnel analyst	1.0	2.0
Senior personnel analyst	--	1.0
Associate personnel analyst	2.0	--
Junior staff analyst	1.0	1.0

One associate level position has been reclassified to the senior level administratively during 1963-64. The reclassification of a second position as proposed would result in a ratio of 4 supervisory positions to 1 junior staff position.

Small increases in operating expense are provided for rent, insurance, curriculum surveys, a community relations allowance and the full-year costs of the statewide Academic Senate.

We recommend approval of this item in the reduced amount of \$1,343,762.

**California State Colleges
INTERNATIONAL PROGRAM**

ITEM 111 of the Budget Bill

Budget page 260

**FOR SUPPORT OF THE INTERNATIONAL PROGRAM OF THE
CALIFORNIA STATE COLLEGES FROM THE GENERAL FUND**

Amount requested	\$264,024
Estimated to be expended in 1963-64 fiscal year	None
Increase	\$264,024
TOTAL RECOMMENDED REDUCTION	\$9,602

Summary of Recommended Reductions

	<i>Budget</i>		
	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Total expenditures	\$9,602	260	75

ANALYSIS

The international program of the California State Colleges is intended to provide qualified state college students with an opportunity for an academic year of study abroad at selected universities in Europe, Scandinavia, Latin America and the Far East. Enrollment is limited to upper division and graduate students with some proficiency in the

International Program—Continued

language of instruction of the host university. The students are selected by campus and statewide faculty committees. The academic program consists of approximately two months of intensive advanced language study upon arrival overseas, followed by two semesters of supervised study as regular students of a foreign university.

The program began in the fall of 1963 with 110 students attending the Universities of Aix-Marseille, Heidelberg, Madrid, Taiwan, Free Berlin and Stockholm. For 1964-65 it is expected that there will be 238 students in the program.

The cost of the program is to be shared by the students and the State. State support for administrative and instructional costs is to be provided in the amount equivalent to current statewide average expenditure per student. The students must pay for their round trip transportation, necessary travel abroad, room and board, and personal expenses. The average student cost for 1964-65 is expected to be about \$1,470. In addition, each student must pay the regular state college materials and services fee of \$76.

For 1963-64 the cost of this program was carried within the individual state college budgets. For 1964-65 and thereafter it is to be supported as a separate item. The amount of state support requested for 1964-65 is \$264,024.

We recommend a reduction of \$9,602 in this amount.

By our calculation the average state support cost per student for the state colleges, including proposed program augmentations but excluding the Chancellor's Office and salary increase funds, is \$1,069. This sum multiplied by an enrollment of 238 amounts to \$254,422 or \$9,602 less than the amount requested.

We recommend approval of this item in the reduced amount of \$254,422.

Trustees of the California State Colleges**STUDENT LOAN PROGRAM**

ITEM 112 of the Budget Bill

Budget page 261

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

Amount requested	\$200,000
Estimated to be expended in 1963-64 fiscal year	200,000
Increase	None
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

Title II of the National Defense Education Act provides for a student loan program for higher education which is financed jointly by the federal government and the State in the ratio of \$9 of federal funds to \$1 of state funds. The State also carries the costs of disbursement and

Student Loan Program—Continued

collection. The program emphasizes aid to students who intend to become teachers by providing for forgiveness of a portion of the repayment obligation for those who enter teaching upon graduation. Much of the success of this program is due to the low interest rate of 3 percent effective one year after graduation.

The National Defense Education Act program for state college students is administered by the Trustees with the costs of disbursement and collection absorbed in the state college budgets. The program is to be continued for 1964-65 at the same level as for the current year, although recent federal legislation would permit an expansion to meet the rapidly increasing demand for National Defense Education Act loan funds at the larger colleges.

We recommend approval of the amount of \$200,000 budgeted for this item.

California State Colleges**WORKLOAD BUDGET ANALYSIS**

As indicated in Table I on Page 293, the proposed workload or continuing operations budgets for the individual state colleges for 1964-65 amount to a total of \$109,374,530. This amount, which does not include salary increase funds appropriated at the 1963 session, may be compared with estimated expenditures of \$99,918,925 for 1963-64. The increase is \$9,455,605, or 9.5 percent. The net cost to the State per FTE student is \$1,045 for 1964-65 as compared with \$1,036 for 1963-64 (Table II).

The 1964-65 state college budgets have been developed, for the first time, on the basis of major functions and areas of administration rather than the combination of function and object categories employed in the past. This new form of presentation is reflected in the Governor's Budget, as well as in the Trustees' own budget document, through a regrouping of costs generally in accordance with the standard statement of current expenditures recommended by the American Council on Education. This has been adopted by a growing number of major colleges and universities throughout the country.

Because we believe that this method of budget development and presentation, when accompanied with sufficiently detailed reporting and justification, will enable the Trustees to present their annual budget requests in a more systematic and effective manner than has been possible in the past, we have prepared our analysis of the individual budgets for 1964-65 along the same lines. In Table I, on page 293, we have summarized proposed expenditures for continuing operations for all 18 colleges according to the new functional categories.

The individual budget items, summarized as to amounts requested and recommended reductions, follow at the end of this section.

Workload Budget Analysis—Continued

Table I

Proposed Expenditures for Continuing Operations, 1964-65

<i>Gross Expenditures:</i>	<i>Amount</i>	<i>Percent</i>
General administration	\$6,125,709	4.65%
Student and general institutional services	11,312,756	8.58
Instruction	83,642,091	63.43
Libraries	8,577,949	6.51
Plant operation	16,512,081	12.52
Reimbursed activities	5,686,755	4.31
Total Gross Expenditures	\$131,857,341	100.00%
<i>Reimbursements and Salary Savings:</i>		
Reimbursements	\$18,449,843	
Salary savings	4,032,968	
Total Reimbursements and Salary Savings	\$22,482,811	
Net Expenditures (General Fund)	\$109,374,530	

Table II. Net Cost per Full-time Equivalent (FTE) Student ¹
California State Colleges

	<i>Actual 1962-63</i>	<i>Estimated 1963-64</i>	<i>Proposed 1964-65</i>
Workload budgets:			
San Jose	\$947	\$950	\$991
Los Angeles	911	959	923
San Diego	939	990	989
San Francisco	936	909	989
Long Beach	919	905	929
San Fernando	1,003	1,023	1,023
Cal Poly (SLO)	1,003	1,063	1,037
Fresno	1,135	1,188	1,152
Sacramento	1,042	1,010	1,023
Cal Poly (KV)	1,131	1,128	1,102
Chico	1,240	1,212	1,203
Orange	1,271	1,232	1,158
Hayward	1,718	1,389	1,276
Humboldt	1,711	1,697	1,639
Sonoma	2,631	2,164	1,708
Stanislaus	2,589	2,505	2,658
All colleges ²	\$1,023	\$1,036	\$1,045
Program augmentations	—	—	24
Chancellor's Office and statewide ³	15	15	17
Salary increase funds	—	22	45
Systemwide net cost per student	\$1,038	\$1,073	\$1,131

¹ Total expenditures shown in Governor's Budget, less reimbursements, federal funds and salary savings.² Includes Palos Verdes and San Bernardino planning costs.³ Includes International Program and NDEA, Title II.

General Administration

The function of general administration for each college includes all expenditures for executive and other administrative offices which serve the entire institution. The function is composed of two principal sub-categories: executive offices and business management. The former includes those offices which are responsible for the overall administration

Workload Budget Analysis—Continued

of the college, the college building program and central administration of the instructional program, such as the president and vice president, executive dean and dean of the college. Business management includes the business office, personnel administration, property management, and general service functions such as mail distribution and duplicating.

Total proposed expenditures under this function amount to \$6,125,709, or 4.65 percent of gross operating expenditures for the 18 colleges, excluding program augmentations. This amount provides for an increase of \$437,808 or 7.7 percent over estimated general administration expenditures for 1963-64, as compared with the total increase in gross expenditures for continuing operations of 9 percent.

Staffing standards in this area are currently undergoing revision in connection with the proposed management improvement program discussed earlier under program augmentations. There are no established standards for operating expense allowances other than the provision of \$7,500 per campus for campus master planning.

We recommend a reduction in expenditures for general administration equipment of \$3,987 at San Francisco State College and \$8,065 at Long Beach State College.

It is apparent from the data shown in table III on page 295 that these two colleges have budgeted equipment expenditures in this area well above the level requested for colleges of similar size. In neither case does the amount appear to be required on the basis of the previous year's expenditures or for new positions. The effect of our recommendation would reduce the equipment budget in each case to \$9,000, which is still somewhat larger than the amount budgeted for any of the other state colleges.

Student and General Institutional Services

The category of student and general institutional services consists of expenditures for admissions and records, noninstructional student services and certain general institutional expenses which are not charged back to other functions. The subcategory of student services includes the office of the dean of students, counseling and testing, student activities, housing and placement services and the student health service. The subcategory of general institutional expense consists of expenditures for printing, travel, communications, college memberships and other miscellaneous services.

Total proposed expenditures for 1964-65 under this function amount to \$11,312,756 or 8.58 percent of gross operating expenditures of the 18 colleges, excluding program augmentations. This is an increase of \$1,021,739 or 9.9 percent over estimated expenditures for 1963-64 in this area, as compared with total budgeted increase in gross expenditures of 9.0 percent.

Table III
Proposed Expenditures for General Administration, 1964-65

	Personal services			Operating expenses				Equipment	Total
	Executive	Business management	Staff benefits	Supplies and services	Reception expense	Master planning			
San Jose -----	\$160,352	\$312,129	\$35,896	\$24,200	\$1,750	\$7,500	\$8,927	\$550,754	
Los Angeles -----	140,126	284,408	29,345	17,000	1,700	7,500	5,434	485,513	
San Diego -----	159,778	316,970	35,707	6,589	1,500	7,500	2,467	530,511	
San Francisco -----	153,789	301,135	35,191	16,400	1,700	7,500	12,987	528,702	
Long Beach -----	146,164	289,136	36,026	18,774	1,250	7,500	17,065	515,915	
San Fernando -----	148,255	234,552	29,021	13,000	1,000	7,500	4,258	437,586	
Cal Poly (SLO) -----	107,059	213,891	24,440	2,750	1,000	7,500	7,500	364,140	
Fresno -----	139,615	203,832	25,579	9,455	1,200	7,500	4,620	391,801	
Sacramento -----	133,574	196,924	26,245	12,000	1,000	7,500	4,710	381,953	
Cal Poly (KV) -----	80,549	168,507	18,893	13,000	700	7,500	3,419	292,568	
Chico -----	101,071	170,932	21,253	4,180	800	7,500	2,158	307,894	
Orange -----	78,334	133,308	17,550	11,200	800	7,500	3,032	251,724	
Hayward -----	82,442	135,490	19,323	11,200	600	7,500	8,473	265,028	
Humboldt -----	74,107	151,223	17,458	6,000	750	7,500	640	257,678	
Sonoma -----	67,817	77,937	12,697	4,200	300	7,500	5,412	175,863	
Stanislaus -----	66,798	73,369	10,664	6,050	800	7,500	1,928	167,109	
Palos Verdes -----	55,024	33,368	8,515	2,500	300	7,500	3,600	110,807	
San Bernardino -----	54,671	32,089	9,317	2,500	300	7,500	3,786	110,163	
Totals -----	\$1,949,525	\$3,329,200	\$413,120	\$180,998	\$17,450	\$135,000	\$100,416	\$6,125,709	

Workload Budget Analysis—Continued

The principal staffing standards for student services are as follows:

Student Personnel	
Counselor-----	1 per 1,000 regular individual students over the first 1,000.
Activities adviser-----	1 per college below 5,000 regular individual students, 1 additional for 6,000 to 10,000 regular individuals, and 1 additional for 11,000 to 15,000 regular individuals.
Placement interviewer and supervisor-----	1 per college having 1,000 to 3,000 regular individual students, add 1 for 3,000 to 5,000 regular individuals.
Admissions and Records	
Associate dean-----	1 per college
Registrar-----	1 per college
Admissions officer-----	1 per college over 5,000 FTE
Evaluation technician-----	1 per college, others included within technical-clerical allowance
Clerical and technician-----	2 per 800 total individuals plus 1 per 1,000 limited individuals
Health Services	
Medical officer and nurse-----	1 per 1,500 regular individual students (first two positions on 12-month basis)
Technician-----	1 per 4,000 regular individual students (first position on 12-month basis)
Clerical-----	1 for first 1,500 regular individual students, 1 additional for next 1,500 plus 1 for each additional 2,000 regular individuals

General institutional expense and equipment have been budgeted according to past experience and estimated budget year needs, rather than any established allowance, except in the case of health service operating expense and out-of-state travel funds. Health service expense is provided at the equivalent of \$3 per regular student. Out-of-state travel funds are budgeted at the equivalent of \$17 per instructional position and \$10 per position for other professional positions, plus an amount for recruitment travel based upon the estimated number of new positions to be filled.

The total cost of student services, excluding admissions and records, is expected to be covered in full, together with the cost of instructional supplies, by the state college materials and services fee. For 1964-65 the budgeted cost of student services is \$5,792,523 excluding salary increase funds.

In response to a reduction of the level of expenditure for the student health services during the 1963 budget hearings, the Chancellor's Office has undertaken a study of the services and costs of this program. This study was begun in the fall of 1963 with the expectation that it would be completed prior to the start of the 1964 budget hearings. At the time this analysis is being prepared, however, no report has been issued so that we are unable to comment as to any findings or recommendations.

Pending further justification, we recommend a reduction of \$18,000 in student personnel operating expense at San Fernando Valley State College.

Workload Budget Analysis—Continued

As shown in Table IV, page 298, an amount of \$48,409 has been budgeted for student personnel operating expense at San Fernando Valley State College. This is substantially more than is budgeted for any of the larger state colleges for this purpose. We have been unable to verify this level of need at this one college and, in the absence of adequate justification, believe the amount should be reduced to a maximum of \$30,409.

We recommend a reduction of \$12,000 in the amount budgeted for communications at San Fernando Valley State College.

The amount of \$117,000 has been budgeted for communications at San Fernando Valley State College. As shown in Table IV, page 298, this, again, is substantially more than is budgeted for the colleges of similar size. The amount estimated to be expended for this purpose in 1963-64 for San Fernando is \$95,000. At the other colleges the increase required for 1964-65 is, in most cases, approximately 10 percent. The effect of our recommendation would be to hold San Fernando to a comparable percentage increase.

In the absence of further justification we also recommend a reduction of \$25,000 in the amount requested for equipment under this function for San Fernando Valley State College.

The table of comparative expenditures indicates that the amount budgeted for equipment for student services at San Fernando is also well out of line with the amounts budgeted for the other state colleges. We have not seen the equipment lists for 1964-65 for San Fernando at the time of this writing, however, and therefore must reserve final judgment until this amount is identified as to its purpose.

Instruction

Under this function are included all direct expenditures for classroom instruction and supporting services. These expenditures are divided into two subcategories, teaching expense and teaching services. Teaching expense includes salaries and operating expense for division and departmental administration, faculty salaries, instructional supplies, and technical, clerical and student assistance for teaching and instructional administration. Teaching services include expenditures for instructional television, other audiovisual services, computer rental and expense, laboratory schools, master teachers and special lecture services. In Table V, on page 299, we have summarized proposed expenditures for instruction for 1964-65 under the continuing operations budget.

Proposed total expenditures for instruction amount to \$83,642,091 or 63.43 percent of gross operating expenditures under the continuing operations budgets. This is an increase of \$9,239,090 or 12.4 percent over estimated instructional expenditures for 1963-64, as compared with an increase of 9 percent in total gross current expenditures under the continuing operations budgets.

The staffing of deans and division chairmen may be expected to undergo some revision under the proposed management improvement program. At present one division chairman is provided for every 25 teaching positions and program coordinators have been provided for each teacher education program. There are no department chairmen,

Table IV
Proposed Expenditures for Student and General Institutional Expense
1964-65

	Operating expenses											
	General institutional expenses											
	Personal services	Student personnel	Health service	Printing	Travel in-state	Travel out-of-state	Communi- cations	Member- ships	Other	Equipment	Total	
San Jose -----	\$1,051,572	\$34,784	\$45,540	\$45,538	\$41,235	\$19,878	\$177,054	\$2,358	\$1,675	\$10,551	\$1,430,185	
Los Angeles -----	910,988	28,000	32,190	38,290	34,821	15,700	128,240	3,500	4,400	15,360	1,211,489	
San Diego -----	870,689	29,000	34,260	37,000	37,237	21,518	118,810	4,100	---	11,372	1,163,986	
San Francisco ----	847,474	22,263	33,090	44,450	31,250	15,320	109,049	3,300	4,000	10,200	1,120,396	
Long Beach -----	781,254	18,282	31,920	36,435	23,611	12,161	79,390	4,541	18,923	11,477	1,017,994	
San Fernando -----	601,697	48,409	22,380	17,500	23,000	9,050	117,000	900	650	45,852	886,438	
Cal Poly (SLO) ---	487,041	20,400	19,455	20,358	20,041	8,268	59,380	1,712	25,000	4,200	665,855	
Fresno -----	526,746	16,882	19,170	18,000	22,613	7,654	53,000	2,653	---	3,550	670,268	
Sacramento -----	528,097	19,525	15,060	20,000	24,375	6,826	50,000	2,300	---	8,400	674,583	
Cal Poly (K-V) ---	339,328	22,000	12,260	12,500	12,000	5,878	49,100	628	4,300	4,459	462,453	
Chico -----	360,456	7,375	11,550	10,750	17,345	4,789	36,115	1,430	16,000	2,695	468,505	
Orange -----	269,725	3,800	7,620	10,000	14,191	4,000	55,600	1,400	13,500	5,346	385,182	
Hayward -----	255,166	14,212	6,900	7,000	15,500	3,266	41,400	1,400	---	2,260	347,104	
Humboldt -----	249,927	11,746	6,810	9,200	19,719	3,477	41,800	1,750	4,900	1,056	350,385	
Sonoma -----	151,957	7,200	2,040	5,000	10,200	2,000	16,000	1,387	1,000	3,765	200,549	
Stanislaus -----	100,533	6,100	3,169	6,120	10,000	2,000	11,300	650	2,500	1,851	144,223	
Palos Verdes -----	37,769	1,200	---	3,000	4,000	3,000	6,000	600	---	1,200	56,769	
San Bernardino ---	37,092	1,100	---	2,750	4,000	3,000	6,500	655	---	1,295	56,392	
Totals -----	\$3,407,511	\$312,278	\$303,414	\$343,891	\$365,138	\$147,785	\$1,155,738	\$35,264	\$96,848	\$144,889	\$11,312,756	

Table V
Proposed Expenditures for Instruction, 1964-65

	<i>Personal services</i>	<i>Admin. and teaching</i>	<i>Master teacher</i>	<i>Special lecture</i>	<i>Tele- vision expense</i>	<i>Com- puter expense</i>	<i>Audio- visual</i>	<i>Labora- tory school</i>	<i>Farm</i>	<i>Equipment</i>	<i>Total</i>
San Jose -----	\$11,548,258	\$456,230	\$55,035	1,000	\$28,803	\$26,623	\$17,530	-	-	\$244,548	\$12,378,027
Los Angeles -----	8,447,200	361,780	38,000	1,000	21,732	45,753	20,000	-	-	195,162	9,130,627
San Diego -----	8,727,802	353,385	40,480	1,000	19,500	25,000	18,000	6,050	-	189,760	9,380,977
San Francisco -----	8,468,998	329,375	52,065	1,000	7,500	22,528	25,000	13,760	-	157,182	9,077,408
Long Beach -----	7,483,526	330,347	42,458	1,000	-	13,096	12,688	-	-	135,112	8,018,227
San Fernando -----	5,339,868	224,735	25,000	1,000	-	5,000	17,500	-	-	76,975	5,690,078
Cal Poly—SLO -----	5,119,631	233,030	7,800	1,000	-	700	15,025	-	\$50,620	81,907	5,509,713
Fresno -----	5,018,983	203,132	37,643	1,000	2,500	21,507	2,500	4,600	53,600	78,850	5,424,315
Sacramento -----	4,302,740	174,480	21,895	1,000	1,000	16,909	12,000	-	-	71,963	4,601,987
Cal Poly—KV -----	2,930,456	135,015	2,707	1,000	-	13,880	9,250	-	39,400	81,459	3,213,167
Chico -----	3,140,647	117,120	14,400	1,000	1,000	-	5,100	3,850	40,445	53,672	3,377,234
Orange -----	2,084,714	86,090	13,275	1,000	-	-	4,000	-	-	52,364	2,241,443
Hayward -----	1,801,200	69,415	13,334	1,000	-	-	6,500	-	-	53,491	1,944,940
Humboldt -----	2,167,593	67,310	7,058	1,000	500	-	4,100	6,700	5,800 ¹	29,563	2,289,624
Sonoma -----	666,100	21,225	3,460	1,000	-	-	2,400	-	-	12,050	706,235
Stanislaus -----	381,168	9,510	2,420	1,000	-	-	1,200	-	-	7,776	403,074
Palos Verdes -----	123,787	1,000	-	-	-	-	-	-	-	5,100	129,887
San Bernardino -----	118,709	1,000	-	-	-	-	-	-	-	5,419	125,128
Totals -----	\$77,871,380	\$3,174,179	\$377,030	\$16,000	\$82,535	\$190,996	\$172,793	\$34,960	\$189,865	\$1,532,353	\$83,642,091

¹ Natural resources.

Workload Budget Analysis—Continued

as such, although in practice many division chairmen and coordinators act as department chairmen. Teaching positions are budgeted according to the very complex faculty staffing formula but allocated within each college according to actual instructional needs.

Technical, clerical and student assistance positions are budgeted at the equivalent of 1 per dean and 0.22 of a position each for all other professional positions. Teaching services and instructional materials and supplies for teaching are budgeted at the equivalent of \$31.50 per FTE unit of enrollment. Equipment for both categories of expense is normally limited to no more than \$10 per FTE student, excluding replacement needs and furniture for new positions. The only other standard allowance is \$1,000 per college for special lecture services.

Faculty salaries are, of course, the largest single element of cost under instruction and for 1964-65 are budgeted, excluding salary increase funds, at \$58,147,471 or 44.1 percent of gross expenditures and 53.2 percent of net expenditures systemwide. These figures include academic-administrative positions under teaching.

The following tables show the number of individual faculty members, full-time equivalents, student-teacher ratios, and faculty distribution by rank for recent years.

**Faculty Staffing for the California State Colleges,
1960-61 to 1964-65**

	<i>Individuals</i>			<i>Full-time equivalent</i>	<i>Student faculty ratio</i>
	<i>Full- time</i>	<i>Part- time</i>	<i>Total</i>		
1960-61 -----	3,958	1,200	5,158	4,394	15.7
1961-62 -----	4,319	1,664	5,913	4,891	15.8
1962-63 -----	4,844	1,728	6,572	5,384	16.1
1963-64 (est.) -----	5,236	1,661	6,987	5,890	16.4
1964-65 (est.) -----	5,870	1,835	7,705	6,497	16.1

**Faculty Distribution by Rank
1962-63 Through 1964-65 ¹**

	<i>1962-63</i>	<i>1963-64</i>	<i>1964-65</i>
Professor -----	19.3%	18.4%	21.4%
Associate professor -----	27.1	24.5	26.3
Assistant professor -----	47.1	50.3	46.4
Instructor -----	5.2	5.6	4.7
Other -----	1.3	1.2	1.2
	100.0%	100.0%	100.0%

¹ Excludes proposed new positions for 1964-65 which are not identified by rank.

This is the first year that the distribution of state college faculty positions by rank has been shown in the salary supplement. Although the figures for several colleges are incomplete, we believe that this will prove to be very useful information in analyzing state college faculty salary costs in the future. From the figures shown above, it is evident that the rank of instructor has fallen into disuse in recent years as

Workload Budget Analysis—Continued

both new and existing positions have accumulated at the assistant professor and associate professor ranks. This trend has undoubtedly played a significant part in the increase in instructional costs.

A comparison of the figures for 1963-64 and 1964-65 also indicates a substantial promotion rate for positions as well as individuals. Since the 1964-65 percentages do not include proposed new positions, the percentages would remain the same as for 1963-64 if it were not for the evident annual upgrading of positions at many of the colleges. The rapid promotion rate for the state colleges has also played an important part in increasing instructional costs and makes comparisons of salary levels by rank with other institutions very misleading.

Libraries

This function includes all direct expenditures for the state college libraries including staff, additional books, other library resources, book processing supplies, and equipment, other than that under program augmentations. Total budgeted expenditures for libraries, excluding program augmentations, amount to \$8,577,949 or 6.51 percent of gross operating expenditures. This is an increase of \$796,387 or 10.2 percent over estimated expenditures for libraries for the current year, as compared with an increase in total gross expenditures for continuing operations of 9.0 percent.

Library staffing is at present governed by a detailed formula encompassing processing requirements, student service stations and book handling. Because this formula has proven to be very rich with respect to professional positions, in particular, the libraries have enjoyed the highest level of staffing of all the major budgetary functions. It is also apparent from a comparison of the amounts budgeted for personal services, as shown in Table VI, page 302, that substantial discrepancies have developed in the level of staffing among the colleges.

We have repeatedly recommended a detailed review of library staffing requirements, particularly in view of the increasingly large amounts requested for additional books, but as yet have seen no indication of effective action in this direction on the part of the colleges or the Chancellor's Office. We believe that in the absence of such a review, this area will warrant very stringent budgetary review prior to the addition of any new library positions after 1964-65.

The additional library books provided under the continuing operations budgets have been allocated according to the old library formula, as discussed under program augmentations, with a continuation of the supplementary allowance of \$832,000 provided for 1963-64. Other materials and supplies, which include periodicals, binding, art and music resources, and processing supplies, are provided here at the level of 65 percent of the book allowance for each college.

Workload Budget Analysis—Continued

Table VI
Proposed Library Expenditures, 1964-65

	<i>Personal services</i>	<i>Books</i>	<i>Other materials and supplies</i>	<i>Equipment</i>	<i>Total</i>
San Jose -----	\$725,439	\$269,640	\$106,566	\$5,255	\$1,106,900
Los Angeles -----	674,797	231,360	92,064	13,232	1,011,453
San Diego -----	519,225	142,716	77,777	8,483	748,201
San Francisco -----	686,501	139,536	76,850	9,300	912,187
Long Beach -----	574,059	199,890	83,654	17,241	874,844
San Fernando -----	371,696	160,020	68,073	5,000	604,789
Cal Poly (SLO) -----	290,211	97,710	55,976	700	444,597
Fresno -----	368,118	82,245	53,459	4,500	508,322
Sacramento -----	338,479	77,520	50,388	4,600	470,987
Cal Poly (K-V) -----	168,487	72,168	41,485	7,905	290,045
Chico -----	218,131	60,135	39,088	3,269	320,623
Orange -----	224,514	46,320	30,108	8,150	309,092
Hayward -----	217,988	52,920	34,398	3,954	309,260
Humboldt -----	185,686	40,665	26,432	---	252,783
Sonoma -----	73,612	18,000	11,700	4,032	107,344
Stanislaus -----	86,132	8,160	5,304	1,699	101,295
Palos Verdes -----	32,604	---	63,137 ¹	4,053	99,794
San Bernardino -----	38,843	---	63,137 ¹	3,453	105,433
Totals -----	\$5,794,522	\$1,699,005	\$979,596	\$104,785	\$8,577,949

¹ Processing cost for capital outlay books.

Plant Operation

This function consists of all expenditures for operating and maintaining the physical plant of each college, including grounds, buildings, utilities, heating systems, and any farming operations, plus security, rent and motor vehicle operation.

Proposed expenditures for 1964-65 for plant operation total \$16,512,081 or 12.52 percent of gross operating expense, excluding proposed program augmentations. This is an increase of \$1,172,706, or 7.6 percent, over estimated expenditures for 1963-64, as compared with a budgeted increase in gross expenditures for continuing operations of 9.0 percent.

The principal staffing standards in this area include:

Custodians: 1 per 15,000 outside gross square feet of building area, plus 1 per 60,000 square feet of adjacent area.

Groundsmen: 1 per 7 acres of improved campus area with sprinklers, 1 per 5.5 acres of other improved area, 1 per 55 unimproved acres, 1 per 25 acres with ground cover.

Except for supervisory positions, most of the other positions and operating expense must be justified on the basis of past experience and estimated budget year needs.

One of the most useful measures of cost for plant operation is total cost per square foot, using outside gross square feet. Based on estimated area as reported in the individual college budget documents and budgeted expenditures for plant operation, we have computed cost per square foot for 1963-64 and 1964-65 as follows:

Workload Budget Analysis—Continued

	Cost per square foot	
	1963-64	1964-65
San Jose -----	100.3¢	102.8¢
Los Angeles -----	110.9	112.9
San Diego -----	98.9	98.3
San Francisco -----	94.8	89.8
Long Beach -----	123.4	126.2
San Fernando -----	134.1	128.8
Cal Poly (SLO) -----	65.6	67.7
Fresno -----	148.9	151.6
Sacramento -----	138.8	144.2
Cal Poly (K-V) -----	100.9	92.5
Chico -----	126.1	129.1
Orange -----	161.1	132.9
Hayward -----	148.5	154.4
Humboldt -----	132.3	133.8
Sonoma -----	265.9	317.7
Stanislaus -----	272.8	248.6
All colleges -----	110.9¢	111.3¢

These data are not as yet accurate enough to permit close comparisons between individual colleges, and the figures do not take into account important differences in plant, grounds and related factors. We believe, however, that as they are improved they will serve as a very useful guide in efforts to control plant maintenance and operation costs at the individual colleges.

We recommend reductions in budgeted expenditures for maintenance of structures of \$8,590 at Long Beach State College, \$15,000 for Orange State College, and \$19,759 for the California State College at Hayward.

With respect to Long Beach State College, the amount budgeted for maintenance of structures as shown in Table VII on page 304, is substantially higher than that for colleges of similar size. The total cost per square foot for plant operation also appears to be well above that for colleges of greater enrollment and plant capacity. The effect of our recommendation would be to hold expenditures for maintenance of structures at \$139,000, the amount budgeted for 1963-64.

The recommended reductions for Orange and Hayward, which would reduce this cost to \$35,000 at Orange and \$25,000 at Hayward, are based on the fact that in each case the physical plant is very new and should require a minimum of maintenance. The budgeted amounts in this area are very close to the level of similar expenditure budgeted for Fresno, Sacramento and Chico State Colleges, all of which have substantially older plants and, therefore, higher maintenance requirements.

We also recommend a reduction of \$5,000 in the amount of \$15,000 budgeted for grounds maintenance at Hayward.

This recommendation is again based on the fact that the proposed expenditure is well above that for many of the older colleges. We believe, also, that inasmuch as the college has only recently moved to its

Table VII
Proposed Expenditures for Plant Operation, 1964-65

	Personal Services	Operating Expense								Total	
		Admin.	Main- tenance of structures	Main- tenance of grounds	Security	Utilities	Motor vehicle operation	Farm	Moving and rent		Equipment
San Jose -----	\$1,269,582	\$1,200	\$150,277	\$12,500	--	\$314,636	\$16,863	--	\$3,300	\$9,500	\$1,777,858
Los Angeles -----	1,048,466	2,000	112,249	18,000	\$1,000	140,000	14,000	--	3,000	10,688	1,349,403
San Diego -----	1,179,038	600	140,214	26,781	--	270,447	15,000	--	18,000	19,460	1,669,540
San Francisco -----	949,529	1,000	116,692	12,000	150	247,725	11,697	--	7,900	8,400	1,355,093
Long Beach -----	1,006,180	521	147,590	25,000	445	188,651	21,584	--	1,500	10,625	1,402,096
San Fernando -----	1,032,107	2,500	105,695	22,500	1,000	231,630	18,500	--	2,000	33,000	1,448,932
Cal Poly (SLO) ---	794,995	--	93,300	10,275	3,100	287,129	19,300	--	500	12,500	1,221,099
Fresno -----	898,839	1,500	58,300	21,900	1,500	146,875	11,400	\$48,950	32,350	13,704	1,235,318
Sacramento -----	660,352	1,000	65,000	12,000	--	150,000	7,500	--	2,000	9,150	907,002
Cal Poly (K-V) ---	629,112	--	76,618	15,318	--	155,672	25,000	--	--	9,385	911,105
Chico -----	578,249	160	51,091	11,500	200	101,774	18,000	37,991	920	6,195	806,080
Orange -----	404,534	125	50,000	12,000	700	131,570	3,720	--	2,000	5,000	609,649
Hayward -----	350,664	500	44,750	15,000	250	132,000	9,693	--	11,000	2,260	566,117
Humboldt -----	571,890	600	72,534	9,030	1,200	148,788	15,750	--	3,000	6,850	829,642
Sonoma -----	115,449	2,000	3,500	2,500	150	21,035	6,050	--	82,000	1,150	233,834
Stanislaus -----	84,296	250	11,100	4,160	200	13,687	4,479	--	26,713	1,618	146,503
Palos Verdes -----	--	--	--	--	--	--	1,600	--	22,720	--	24,320
San Bernardino ---	--	--	--	--	--	--	1,600	--	16,890	--	18,490
Totals -----	\$11,573,282	\$13,956	\$1,298,910	\$230,464	\$9,895	\$2,681,619	\$221,736	\$86,941	\$235,793	\$159,485	\$16,512,081

Workload Budget Analysis—Continued

new permanent site and much construction is still underway, its grounds maintenance expenditure should remain somewhat below that for the older colleges that utilize their entire campuses.

We also recommend, pending further justification, a reduction of \$15,000 in the amount of \$33,000 budgeted for plant operation equipment at San Fernando State College.

The amount of \$33,000 budgeted for equipment under plant operation appears to be far out of line with the amounts budgeted for this purpose at all the other state colleges. Again, we have not as yet had an opportunity to see the equipment lists for 1964-65 and so do not know the composition of this amount. Until such information is available to justify the full amount requested, however, we believe it should be reduced to no more than \$18,000, which is still greater than the amounts requested for this purpose for all but one other college.

Reimbursed Activities, Reimbursements and Salary Savings

In Table VIII, on page 306, we have summarized budget data for reimbursed activities, reimbursements and salary savings and have indicated the total gross and net expenditures for each college for 1964-65. Reimbursed activities include all directly reimbursed operations such as summer sessions, extension, services to auxiliary organizations and a small portion of research projects financed by agencies other than the State. For 1964-65 reimbursed activities, estimated very conservatively, amount to \$5,686,755, or 4.31 percent of gross expenditures. This amount is identical to that shown under the same heading under reimbursements.

The amount shown for general reimbursements, \$12,763,088, is composed of income from the materials and services fee, nonresident tuition, the application fee, and miscellaneous other payments. Total estimated fee income for 1964-65 is the equivalent of 9.68 percent of gross expenditures excluding reimbursed activities. Total estimated income from the materials and services fee amounts to \$9,264,015. Related expenditures for 1964-65 are budgeted at \$9,363,210 for a deficit in fee income of \$99,195.

Salary savings are budgeted at the equivalent of 3.56 percent of total expenditures net of reimbursements.

Table VIII
Budget of Gross Expenditures, Reimbursements and Salary Savings
And Net Expenditures (General Fund Cost), 1964-65

	<i>Total Major Functions</i>	<i>Reimbursed Activities</i>	<i>Total Gross Expenditures</i>	<i>Reimbursed Activities</i>	<i>General Reimbursements</i>	<i>Salary Savings</i>	<i>Total Net Expenditures</i>
San Jose -----	\$17,243,724	\$878,798	\$10,122,522	\$878,798	\$1,765,848	\$570,724	\$14,907,152
Los Angeles -----	13,188,485	787,562	13,976,047	787,562	1,556,743	442,568	11,189,174
San Diego -----	13,493,215	496,379	13,989,594	496,379	1,468,297	442,545	11,582,373
San Francisco -----	12,993,786	773,629	13,767,415	773,629	1,428,451	436,632	11,128,703
Long Beach -----	11,829,076	574,584	12,403,660	574,584	1,321,051	388,982	10,119,043
San Fernando -----	9,067,823	261,502	9,329,325	261,502	912,211	287,592	7,868,020
Cal Poly (SLO) -----	8,205,404	222,424	8,427,828	222,424	920,872	257,782	7,026,750
Fresno -----	8,230,024	446,014	8,676,038	446,014	742,374	282,247	7,205,403
Sacramento -----	7,036,512	431,928	7,468,440	431,928	740,115	235,869	6,060,528
Cal Poly (KV) -----	5,169,338	64,905	5,234,243	64,905	480,981	157,599	4,530,758
Chico -----	5,280,336	161,661	5,441,997	161,661	448,029	165,872	4,666,435
Orange -----	3,797,090	167,702	3,964,792	167,702	358,339	124,436	3,314,315
Hayward -----	3,432,449	89,684	3,522,133	89,684	249,991	105,097	3,077,361
Humboldt -----	3,980,112	120,736	4,100,848	120,736	225,093	65,071	3,689,948
Sonoma -----	1,423,825	73,993	1,497,818	73,993	98,734	43,517	1,281,574
Stanislaus -----	962,204	53,706	1,015,910	53,706	42,659	15,736	903,809
Palos Verdes -----	421,577	-	421,577	-	2,025	4,817	414,735
San Bernardino -----	415,606	81,548	497,154	81,548	1,275	5,882	408,449
Totals -----	\$126,170,586	\$5,686,755	\$131,857,341	\$5,686,755	\$12,763,088	\$4,032,968	\$109,374,530

California State Colleges
CHICO STATE COLLEGE

ITEM 113 of the Budget Bill

Budget page 262

FOR SUPPORT OF CHICO STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$4,666,435
Estimated to be expended in the 1963-64 fiscal year	4,339,265
Increase (7.5 percent)	\$327,170

TOTAL RECOMMENDED REDUCTION..... None

We recommend approval as budgeted.

California State Colleges
FRESNO STATE COLLEGE

ITEM 114 of the Budget Bill

Budget page 268

FOR SUPPORT OF FRESNO STATE COLLEGE
FROM THE GENERAL FUND

Amount requested	\$7,205,408
Estimated to be expended in the 1963-64 fiscal year	6,747,856
Increase (6.8 percent)	\$457,547

TOTAL RECOMMENDED REDUCTION..... None

We recommend approval as budgeted.

California State Colleges
THE CALIFORNIA STATE COLLEGE AT HAYWARD

ITEM 115 of the Budget Bill

Budget page 273

FOR SUPPORT OF THE CALIFORNIA STATE COLLEGE
AT HAYWARD FROM THE GENERAL FUND

Amount requested	\$3,077,361
Estimated to be expended in the 1963-64 fiscal year	2,292,252
Increase (34.3 percent)	\$785,109

TOTAL RECOMMENDED REDUCTION..... \$24,759

Summary of Recommended Reductions

Budget

	Amount	Page	Line
Maintenance of structures	\$19,759	276	26
Maintenance of grounds	5,000	276	27

We recommend approval of this item in the reduced amount of \$3,052,602.

Education**Items 116-118****California State Colleges
HUMBOLDT STATE COLLEGE****ITEM 116 of the Budget Bill****Budget page 278****FOR SUPPORT OF HUMBOLDT STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$3,689,948
Estimated to be expended in the 1963-64 fiscal year	3,548,473
Increase (4.0 percent)	\$141,475
TOTAL RECOMMENDED REDUCTION	None

*We recommend approval in the amount budgeted.***California State Colleges
LONG BEACH STATE COLLEGE****ITEM 117 of the Budget Bill****Budget page 282****FOR SUPPORT OF LONG BEACH STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$11,119,043
Estimated to be expended in the 1963-64 fiscal year	8,916,525
Increase (13.5 percent)	\$1,202,518
TOTAL RECOMMENDED REDUCTION	\$16,655

Summary of Recommended Reductions**Budget**

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Equipment (general administration)	\$8,065	283	35
Maintenance of structures (plant operation)	8,590	285	67

*We recommend approval of this item in the reduced amount of \$10,102,388.***California State Colleges
LOS ANGELES STATE COLLEGE****ITEM 118 of the Budget Bill****Budget page 288****FOR SUPPORT OF LOS ANGELES STATE COLLEGE
FROM THE GENERAL FUND**

Amount requested	\$11,189,174
Estimated to be expended in the 1963-64 fiscal year	10,861,412
Increase (3 percent)	\$327,762
TOTAL RECOMMENDED REDUCTION	None

We recommend approval of this item in the amount budgeted.

**California State Colleges
ORANGE STATE COLLEGE**

ITEM 119 of the Budget Bill

Budget page 293

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

Amount requested -----	\$3,314,315
Estimated to be expended in the 1963-64 fiscal year -----	2,587,501
 Increase (28.1 percent) -----	 \$726,814
TOTAL RECOMMENDED REDUCTION -----	\$15,000

Summary of Recommended Reductions

	Amount	Page	Line
Maintenance of structures (plant operation) -----	\$15,000	296	31

We recommend approval of this item in the reduced amount of \$3,299,315.

**California State Colleges
CALIFORNIA STATE COLLEGE AT PALOS VERDES**

ITEM 120 of the Budget Bill

Budget page 298

**FOR SUPPORT OF THE CALIFORNIA STATE COLLEGE
AT PALOS VERDES FROM THE GENERAL FUND**

Amount requested -----	\$414,735
Estimated to be expended in the 1963-64 fiscal year -----	304,863
 Increase (36.0 percent) -----	 \$109,872
TOTAL RECOMMENDED REDUCTION -----	None

ANALYSIS

The California State College at Palos Verdes is one of the two new state colleges authorized in 1960 in accordance with the Master Plan for Higher Education. It is scheduled to open in the fall of 1965 with an initial FTE enrollment of 400 students. The new college is intended to serve the southwestern portion of Los Angeles County as well as any special state college requirements which may develop in the greater metropolitan area. It will be planned for an ultimate FTE enrollment of 20,000. Negotiations are presently underway for purchase of a 175 acre site on the Palos Verdes Peninsula. Initial operations are to be conducted in temporary facilities on the new site.

Funds for a preliminary planning staff were first appropriated for 1961-62. The present staff includes 20 positions. It is proposed to increase this staff to 31 positions for the budget year 1964-65 in order to complete site acquisition and initial development and to carry on planning with respect to the construction of permanent facilities, the instructional program, library resources and administration.

As regards the proposed \$109,872 increase in expenditures, \$5,948 is required to maintain the existing level of planning activity and \$103,924 is requested to augment planning activity in preparation for the scheduled opening of the college in 1965-66. The increase provides for 11 new positions in the areas of general administration, student

California State College at Palos Verdes—Continued

personnel and instruction at a salary and benefit cost of \$70,389. The balance of the increase is for operating expenses covering materials and services related to preparation for the enrollment of the first students.

Provided that there is no change in the scheduled opening date, we recommend approval of this item in the amount budgeted.

**California State Colleges
SACRAMENTO STATE COLLEGE**

ITEM 121 of the Budget Bill

Budget page 301

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

Amount requested	\$6,060,528
Estimated to be expended in the 1963-64 fiscal year	5,418,170
 Increase (11.9 percent)	 \$642,358

TOTAL RECOMMENDED REDUCTION None

We recommend approval of this item in the amount budgeted.

**California State Colleges
CALIFORNIA STATE COLLEGE AT SAN BERNARDINO**

ITEM 122 of the Budget Bill

Budget page 306

**FOR SUPPORT OF THE CALIFORNIA STATE COLLEGE AT
SAN BERNARDINO FROM THE GENERAL FUND**

Amount requested	\$408,449
Estimated to be expended in the 1963-64 fiscal year	300,611
 Increase (35.8 percent)	 \$107,838

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

The California State College at San Bernardino is one of the two new state colleges authorized in 1960 in accordance with the Master Plan for Higher Education. The new college is being planned to serve primarily San Bernardino and Riverside Counties. Negotiations are being conducted to purchase a site just north of the City of San Bernardino and the new college is currently scheduled to open in the fall of 1965 in temporary facilities on the new site.

The initial planning for the new college is being developed around an instructional system which, if approved by the Trustees, may permit the growth of a strong academic program together with substantial long-term operating economies. Under this system students will take three courses per term for three of four terms each year under a quarter-system calendar. Most classes will meet either as large lecture classes of 100 or more students or as small discussion groups. The change in class sizes under this "3/3 plan" is expected to allow an increase in the student-faculty ratio from 16-1 to 18-1 with corresponding savings in salary costs but no significant increase in teaching duties. We believe that this plan holds great promise for the future economical

California State College at San Bernardino—Continued

growth of the college and merits consideration in the planning of the new college at Palos Verdes also.

The planning staff for San Bernardino now consists of 20 positions. The 1964-65 budget proposes an increase to 32 positions for site, plant and program development. Of the total increase in support of \$107,838 requested for the budget year, \$7,024 is required to maintain the existing level of planning activity and \$100,817 is proposed to augment such activity in preparation for the opening of the college in 1965.

Provided that there is no change in the scheduled opening date, we recommend approval of this item in the amount requested.

**California State Colleges
SAN DIEGO STATE COLLEGE**

ITEM 123 of the Budget Bill

Budget page 310

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

Amount requested	\$11,582,373
Estimated to be expended in the 1963-64 fiscal year	10,728,365
<hr/>	
Increase (8 percent)	\$854,008

TOTAL RECOMMENDED REDUCTION..... None

We recommend approval of this item in the amount budgeted.

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

ITEM 124 of the Budget Bill

Budget page 315

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

Amount requested	\$7,868,020
Estimated to be expended in the 1963-64 fiscal year	6,868,380
<hr/>	
Increase (14.6 percent)	\$999,640

TOTAL RECOMMENDED REDUCTION..... \$70,000

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Student personnel (student services and general institutional expense)	\$18,000	316	38
Communications (institutional expense)	12,000	316	44
Equipment (institutional expense)	25,000	316	52
Equipment (plant operation)	15,000	318	39

We recommend approval of this item in the reduced amount of \$7,798,020.

Education**Items 125-127**

**California State Colleges
SAN FRANCISCO STATE COLLEGE**

ITEM 125 of the Budget Bill**Budget page 320**

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

Amount requested	\$11,128,703
Estimated to be expended in the 1963-64 fiscal year	10,502,023
 Increase (6 percent)	 \$626,680

TOTAL RECOMMENDED REDUCTION..... **\$3,987**

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Equipment (general administration)	\$3,987	320	79

We recommend approval of this item in the reduced amount of \$11,124,716.

**California State Colleges
SAN JOSE STATE COLLEGE**

ITEM 126 of the Budget Bill**Budget page 325**

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

Amount requested	\$14,907,152
Estimated to be expended in the 1963-64 fiscal year	14,098,044
 Increase (5.7 percent)	 \$809,108

TOTAL RECOMMENDED REDUCTION..... **None**

We recommend approval of this item in the amount budgeted.

**California State Colleges
SONOMA STATE COLLEGE**

ITEM 127 of the Budget Bill**Budget page 330**

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

Amount requested	\$1,281,574
Estimated to be expended in the 1963-64 fiscal year	995,616
 Increase (28.7 percent)	 \$285,958

TOTAL RECOMMENDED REDUCTION..... **None**

We recommend approval of this item in amount budgeted.

**California State Colleges
STANISLAUS STATE COLLEGE**

ITEM 128 of the Budget Bill

Budget page 334

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

Amount requested	\$903,809
Estimated to be expended in the 1963-64 fiscal year	801,801
	<hr/>
Increase (12.7 percent)	\$102,008

TOTAL RECOMMENDED REDUCTION..... None

We recommend approval of this item in amount budgeted.

**California State Colleges
CALIFORNIA STATE POLYTECHNIC COLLEGE**

ITEM 129 of the Budget Bill

Budget page 339

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

Amount requested	\$11,557,508
Estimated to be expended in the 1963-64 fiscal year	10,607,768
	<hr/>
Increase (9.0 percent)	\$949,740

TOTAL RECOMMENDED REDUCTION..... None

We recommend approval of this item in the amount budgeted.

CALIFORNIA MARITIME ACADEMY

ITEM 130 of the Budget Bill

Budget page 348

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

Amount requested	\$494,683
Estimated to be expended in the 1963-64 fiscal year	488,246
	<hr/>
Increase (1.3 percent)	\$6,437

Increase to maintain existing level of service..... \$6,437

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

The California Maritime Academy provides a three-year program of training for students who wish to become licensed officers in the Merchant Marine or related fields. The curriculum permits specialization in either deck officer or engineering officer instruction and leads to a bachelor of science degree upon successful completion of the Coast Guard license examination.

For 1964-65 the State will support approximately 60 percent of the current cost of operating the academy. Federal grants will account for approximately 20 percent, and student fees (covered in part by federal subsistence payments) will account for the balance of 20 percent.

The total amount of \$494,683 requested as state support for 1964-65 represents an increase of \$6,437 over estimated expenditures for 1963-

California Maritime Academy—Continued

64. This small increase in cost reflects increased workload, price increases and necessary replacement of equipment. Based upon an estimated average annual enrollment of 250 midshipmen, as compared with 229 for the current year, net state cost per student will decline from \$2,132 to \$1,979.

We recommend approval of this item in the amount requested.

STATE SCHOLARSHIP COMMISSION

ITEM 131 of the Budget Bill

Budget page 349

FOR SUPPORT OF THE STATE SCHOLARSHIP COMMISSION
FROM THE GENERAL FUND

Amount requested	\$4,012,480
Estimated to be expended in the 1963-64 fiscal year	3,030,233
Increase (32.4 percent)	\$982,247
Increase to maintain existing level of service	\$419,047
Increase to improve level of service (authorized by Chapter 1878, Statutes of 1963)	563,200

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

The State Scholarship Commission, composed of nine members appointed by the Governor, administers the statewide program of competitive scholarships as prescribed by statute (Education Code, sections 31201-31233). The State Scholarship Program was established in 1955 to enable California students of high academic merit and demonstrated need to attend the California four-year institution of higher education, private or public, of their choice.

The scholarships cover tuition and other necessary fees and may be awarded for 1964-65 in amounts ranging from a minimum of \$300 up to \$900 plus 90 percent of tuition and fees in excess of \$900, with a maximum of \$1,500. Academic aptitude is measured by the scholastic aptitude test of the College Entrance Examination Board and previous achievement. Financial need is determined by comparing confidential financial statements against the standards of the College Scholarship Service with further review by a committee of college admission and scholarship directors.

Award Funds

The amount requested for support of the program in 1964-65 includes \$3,845,040 in scholarship award funds and \$167,440 for administration. Of the total award fund amount, \$3,840,000 is for general awards and \$5,040 is for agricultural awards which, as a result of 1963 legislation, will be terminated when existing awards are no longer renewable.

The figure of \$3,840,000 for general awards will provide for 5,120 awards, as authorized by law (Education Code, Section 31204), at an estimated average cost of \$750 per award. The estimated average cost per award is based upon a review of tuition and other fee charges as

State Scholarship Commission—Continued

reported by the public and private institutions attended by award winners. The increase in the average award amount over the past five years has been as follows:

	<i>Number of awards</i>	<i>Average award amount</i>	<i>Total general award funds</i>
1960-61-----	2,560	\$437	\$1,119,542
1961-62-----	3,200	535	1,712,241
1962-63-----	3,840	575	2,208,148
1963-64-----	4,480	590 (Est.)	2,643,200
1964-65-----	5,120	750 (Est.)	3,840,000

The steep increase in the average award amount from \$590 for the current year to \$750 for 1964-65 reflects the increase in the maximum award amount authorized by the 1963 session and increases in college fees. Of the budgeted \$160 increase in the average award amount, \$110 is attributed to the 1963 legislation and the balance of \$50 to fee increases.

It is expected that some 19,000 applications will be received by the commission for the 5,120 awards to be granted for 1964-65. Approximately 2,000 students will receive awards for the first time and the balance of 3,120 awards will be renewals for previous winners. On the basis of past experience, it is also expected that about 65 percent of the new and continuing state scholarship students will attend private institutions, 29 percent will attend the University of California and about 6 percent will attend one of the state colleges. In addition, between 250 and 300 junior college students will be designated as reserve scholarship winners, enabling them to receive awards when they later transfer to four-year institutions.

Advance Award Authorization

In response to ACR No. 8 of the 1963 First Extraordinary Session, the commission, the Department of Finance and this office have submitted a joint report to the 1964 session proposing a method of assuring, prior to the adoption of the annual budget act, that scholarship winners for the budget year will receive the full amount of their awards. If it is the desire of the Legislature to provide that scholarship funds be available for awarding in advance of the regular annual appropriation, it is recommended that the State Scholarship Commission be authorized to incur scholarship award obligations through the granting of awards for the following fiscal year up to the estimated amount required for the number of awards authorized by law.

A control section to this effect has been included in the Budget Bill for 1964-65. It is intended to avoid a recurrence of the situation in 1963 when awards were announced in excess of the amount appropriated for that purpose at the Regular Session. Under the terms of ACR 8, the Scholarship Commission is prohibited from announcing awards for 1964-65 prior to final adoption of the budget bill with this control section.

Administration

The commission requests \$167,440 for administration of the scholarship program for 1964-65. This is the equivalent of 4.2 percent of estimated total expenditures and about \$33 per award, as compared with

State Scholarship Commission—Continued

5.2 percent of total expenditures and \$34 per award for 1963-64. The amount requested includes \$8,177 for one additional clerical position to meet increase workload, as measured by the number of applications and awards to be processed in the budget year, and 0.4 of a position in temporary help and overtime to assist with analysis of academic qualifications. It is proposed to give greater weight to high school achievement beginning with the awards for 1965-66, and this is expected to require somewhat more evaluation work than has been necessary in the past.

We recommend approval of this item in the amount requested.

Student Aid Study

At the 1963 session the State Scholarship Commission requested and received an amount of \$50,000 in state support to undertake a comprehensive study of student aid and to prepare a 10-year plan for student financial assistance for presentation to the Legislature in 1965. The primary objective of such a plan would be to minimize or eliminate economic barriers to higher education for residents of California.

This study was begun in June 1963 with the appointment of a small staff and selection of an advisory committee representing interested state agencies and private groups. The study is intended to determine what the student costs in California are, how such costs are being met with family resources and the many separate aid programs throughout the State, what effect such costs have in the failure of qualified students to enroll in and complete college study, and what methods and funds are desirable to minimize cost as an obstacle to higher education. All forms of student aid including scholarships, loans and employment are to be considered. The findings and recommendations may be expected to provide a measure of the value of the present program and suggest the methods and funds necessary to improve its effectiveness during the next 10 years.

Employment**COMMISSION ON MANPOWER, AUTOMATION AND TECHNOLOGY**

ITEM 132 of the Budget Bill

Budget page 351

FOR SUPPORT OF THE COMMISSION ON MANPOWER, AUTOMATION AND TECHNOLOGY FROM THE DEPARTMENT OF EMPLOYMENT CONTINGENT FUND

Amount requested	\$75,000
Estimated to be expended in 1963-64 fiscal year	75,000

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

This 29-member commission has as its objective the continuous appraisal of the impact of automation and technological changes as related to the skills required by industry in California and to keep labor, management and public agencies informed of these requirements in order that adequate programs may be developed in a timely manner to meet these changing needs of industry.