

In 1971 the Legislature denied the commission's request for \$247,000 in federal Education Professions Development Act (EPDA) funds for a joint teacher evaluation project with the Department of Education. However, the commission has recently submitted to the federal Office of Economic Opportunity (OEO) a new evaluation project designed to determine the relationship between measurable characteristics of beginning teachers such as educational background and examination scores and the achievement of their pupils. If approved, this project would be financed over a three-year period with a total of \$2,332,000 in OEO funds.

HIGHER EDUCATION

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HIGHER EDUCATION GENERAL STATEMENT

This general statement section sets forth data which relates to all higher education in California. Its purposes are to provide historical information and comparative statistics to augment individual agency and segment budget analyses which follow. Comparable data on higher education organization, the Master Plan, functions, admissions, enrollment, expenditures, sources of support, student charges and costs per student follow.

Organization

California's system of public higher education is the largest in the nation and currently consists of 124 campuses serving over one million students. This system is separated into three distinct public segments—the University of California (UC), the California State University and Colleges (CSUC) and the California Community Colleges. Private colleges and universities are often considered a fourth segment of higher education.

To provide a guideline for orderly and sound development of this system, the Master Plan for Higher Education in California 1960-75 was developed and its recommendations were largely incorporated into the Donahoe Higher Education Act of 1960. The purpose of the act was to define the function and responsibilities of each segment and to establish an economical and coordinated approach to the needs of higher education. The Coordinating Council for Higher Education, which includes representatives from all four segments, was established to assist in this coordinated planning effort.

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Master Plan Under Review

The Master Plan was first reviewed in its entirety by the Coordinating Council during 1965–66, primarily to determine progress toward implementation of the original recommendations. This review reported that substantial progress toward full implementation had occurred. The council subsequently noted that factors not completely foreseen in 1960 indicated further evaluation of the Master Plan was required. One such factor was the desire to increase access to higher education for disadvantaged individuals.

Since the 1960 Master Plan was published there have been some incremental changes. For example, in 1968 the percentage of students which could be admitted as exceptions to Master Plan entrance restrictions for the UC and CSUC was increased from 2 percent to 4 percent with a provision that the additional 2 percent be for disadvantaged students. Another change created a Board of Governors of the Community Colleges to replace the State Board of Education's functions with regard to community colleges.

However these incremental changes have not relieved pressures for Master Plan reassessment. Assembly Concurrent Resolution 198 (1970) created a Joint Legislative Committee on the Master Plan for Higher Education with a broad mandate to review California higher education and the Master Plan. In January 1971 the Coordinating Council also established a select committee for an overall reexamination of the Master Plan. Assembly Concurrent Resolution 166 (1971) requested reports to the Legislature from both Committees. The report of the council's select committee was submitted in December 1972. The joint legislative committee has held numerous public hearings on the Master Plan and plans to include the council's report as one of its inputs in a report tentatively scheduled for spring 1973.

Functions

Coordinating Council for Higher Education. The council is an advisory body created to provide coordinated planning for both public and private segments of higher education. It consists of 10 members, six representing the general public, one member representing each of the three public segments of higher education and one member representing independent colleges and universities. The council advises the Governor and Legislature as well as the governing boards of the three public segments on matters pertaining to state financial support, long-range physical development, new programs and other concerns.

The University of California. The UC system consists of nine campuses, including a separate medical facility at San Francisco, and numerous special research facilities located throughout the state. Medical schools are presently located at the San Francisco, Los Angeles, San Diego, Davis and Irvine campuses. Hastings College of Law in San Francisco, although affiliated with the university, operates under a separate statutory board of directors. To govern the University of California the State

Constitution grants full power of organization and government to a 24-member board of regents with substantial freedom from legislative or executive control.

In addition to the function of instruction, which is basic to all three segments of public higher education, the University of California is designated as the primary state-supported agency for research. Instruction is provided to both undergraduate and graduate students in the liberal arts and sciences and in the professions, including the teaching profession. The university has exclusive jurisdiction over instruction in the profession of law and over graduate instruction in the professions of medicine, dentistry, veterinary medicine and architecture. It has sole authority for awarding the doctorate degree with the exception that in selected fields, joint doctoral degrees have been awarded in conjunction with the California State University and Colleges.

The California State University and Colleges. This system, comprised of 19 campuses, is governed by a statutory 21-member board of trustees created under the Donahoe Act of 1960. Although the board of trustees does not have the constitutional autonomy of the UC regents, the act did provide for centralization of the policy and administrative functions which are carried out by the chancellor's office. The primary function of CSUC is to provide instruction to both undergraduate and graduate students in the liberal arts and sciences, in applied fields and in various professions including the teaching profession. The granting of bachelor's and master's degrees is authorized but doctorate degrees may not be granted except under the joint doctoral program noted above in the UC statement. Faculty research is authorized only to the extent that it is consistent with the instruction function.

The California Community Colleges. A 15-member board of governors was created by statute in 1967 to provide leadership and direction to the development of the existing 68 community college districts with 96 campuses that comprise the system. Unlike UC and CSUC, community colleges are administered by local boards and derive the majority of their funds from local property taxes.

Instruction in public community colleges is limited to lower division levels (freshman and sophomore) of undergraduate study in the liberal arts and sciences and in occupational or technical subjects. The granting of the associate in arts or the associate in science degree is authorized.

Admissions

Although the regents have the power to establish their own admission standards, the standards which are utilized are in conformity with guidelines established in the Master Plan. UC admission standards are intended to limit freshmen to the top one-eighth of California's high school graduates and to qualified transfer students from other institutions. Nonresident students must be in the upper one-sixteenth of their state's high school graduates. For admission to advance standing, effective for the fall quarter of 1973, California transfer students who were not eligible for admission as freshmen are required to have a grade-point average of 2.0 (C), as compared to 2.4 (C+) in the past. As previously noted, original

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Master Plan guidelines provided for a 2-percent waiver of admission standards for selected students with academic promise which was subsequently increased to 4 percent to accommodate disadvantaged students.

The original Master Plan anticipated that all qualified students might not be accommodated at the campus of their choice or even the segment of their choice. This was clearly the concept of the recommendation to redirect students to the public community colleges by establishing a 1975 goal of 40 lower division students to 60 upper division students at both UC and CSUC. The only method available to the segments to redirect students to the community colleges is to deny some students admission under the assumption they will enroll in a community college.

Nevertheless, UC reports that all qualified students will continue to be accommodated within its statewide system. Applications accepted at any campus entitles the student to attend the campus of his choice where facilities are available or attend any other campus with enrollment openings.

In conformity with recommendations of the Master Plan, CSUC admission standards are intended to limit entering freshmen to the top one-third of California's high school graduates and to qualified transfer students from other institutions. As with UC, the CSUC system requires transfer students to have a grade-point average of 2.0 (C). A 4-percent waiver in admissions standards is also allowed for specified students such as the disadvantaged. Students who qualify for acceptance at a campus without openings are redirected to another campus with enrollment openings.

Admission to the community colleges is open to any high school graduate. Other students over 18 who have not graduated from high school may be admitted under special circumstances.

Enrollments

Enrollment data are a major factor in evaluating higher education's budgetary support and capital outlay needs. However, comparisons are difficult since the segments presently use different methods to derive their enrollment workload statistics. Segmental enrollment totals may be reported as head count, full-time equivalent (FTE) students, or average daily attendance (ADA). Both UC and CSUC systems utilize FTE statistics for budgetary purposes. In contrast state apportionments to community colleges follow traditional elementary and secondary school accounting procedures and are based on ADA statistics.

Table 1 contains reported enrollment data for the three segments. University statistics show FTE by level of enrollment, state university and college FTE is provided on the basis of level of instruction and community college ADA includes regular students and defined adults.

Several of the state's programs acknowledge, encourage and in some instances financially support a cooperative role for private institutions in meeting higher education needs. Table 2 combines the totals of public enrollment shown in Table 1 with statistics reported for independent

Table 1
Enrollment in California Public Higher Education

	<i>Actual</i> <i>1971-72</i>	<i>Revised</i> <i>1972-73</i>	<i>Projected</i> <i>1973-74</i>
University of California FTE ¹			
Lower division	29,914	31,490	32,392
Upper division	41,237	43,124	45,564
Graduates	29,875	31,048	31,958
Totals	101,026	105,662	109,914
California State University and Colleges FTE ²			
Lower division	77,745	81,830	84,800
Upper division	113,492	121,000	127,400
Graduates	12,987	13,650	14,000
Totals	204,224	216,480	226,200
Community Colleges ADA			
Totals	552,208	588,600	616,900
Grand Totals	857,458	910,742	953,014

¹ 1973-74 totals include 772 FTE for extended university pilot programs.

² Does not include summer FTE.

colleges and universities in order to portray total higher education enrollment in California. Table 2 also indicates independent colleges and universities enroll about 10 percent of California's higher education students.

Table 2
Total Enrollment in California Public and Private Higher Education

	<i>Actual</i> <i>1971-72</i>	<i>Estimates</i> <i>1972-73</i>	<i>Projections</i> <i>1973-74</i>
Public ¹	857,458	910,742	953,014
Private ²	95,985	97,268	95,000
Totals	953,443	1,008,010	1,048,014

¹ Combination of FTE and ADA from Table 1.

² From data provided by the Association of Independent California Colleges and Universities.

Expenditures

Proposed General Fund and total expenditures for public higher education in 1973-74 are shown in Table 3. The total represents an increase of approximately \$126 million or 12.5 percent over the current year's level of General Fund support. There are no General Fund moneys in the capital outlay budget of \$226.6 million.

University capital outlay totals include \$17,253,000 from the Capital Outlay Fund for Public Higher Education, \$39,877,000 in other university and nonstate funds, \$14,965,000 in student educational fees, \$3,103,000 in federal funds and \$54,651,000 for health sciences projects from the special funding bond issue approved in November, 1972.

State college capital outlay totals include \$48,096,000 from the Capital Outlay Fund for Public Higher Education and \$18,309,600 from nonstate funds.

Community college capital outlay totals include \$34,359,584 in local district funds and \$35,990,100 from the proceeds of a construction bond issue approved by the electorate in November 1972.

HIGHER EDUCATION—Continued

Table 3
Proposed 1973-74 Budget Summary for Higher Education
(Thousands)

	<i>Support</i>		<i>Capital outlay</i>		<i>Total</i>	
	<i>All funds</i>	<i>General Fund¹</i>	<i>All funds</i>	<i>General Fund</i>	<i>All funds</i>	<i>General Fund</i>
Coordinating Council for Higher Education	\$769	\$608	\$0	\$0	\$769	\$608
University of California ²	741,208	398,900	129,849	0	871,057	398,900
Hastings College of Law	3,543	1,971	0	0	3,543	1,971
California State University and Colleges	595,527	407,883	66,406	0	661,933	407,883
California Maritime Academy	1,655	1,137	0	0	1,655	1,137
Community colleges	215,190	214,196	70,350	0	285,540	214,196
State Scholarship and Loan Commission	38,590	38,571	0	0	38,590	38,571
Community colleges EOP	5,115	5,115	0	0	5,115	5,115
Totals	\$1,601,597	\$1,068,381	\$266,605	\$0	\$1,868,202	\$1,068,381
State Expenditures as a percent of total expenditures		66.7%		—		57.2%

¹ Does not include salary increase funds² All expenditures included except those for special federal research projects.**Sources of Support**

A summary of the funding of current expenditures for higher education in California for the last completed fiscal year, 1971-72, is shown in Table 4. Capital outlay expenditures are not included. Community colleges do not aggregate expenditures according to source of funds and the figures shown for federal support and student fees are our estimates based on available income data.

Table 4
Expenditures for Higher Education
Current Expense by Source of Funds 1971-72
(in thousands)

<i>Institutions</i>	<i>State support</i>	<i>Local support</i>	<i>Federal support</i>	<i>Student fees</i>	<i>Other¹</i>	<i>Total expenditures</i>	<i>Percent</i>
University of California ..	\$336,273	\$0	\$192,302	\$67,444	\$229,140	\$825,159	42.8%
California State University and Colleges	316,250	0	28,900	39,303	107,292	491,745	25.5
Community colleges	203,133	332,096	40,860	5,891	0	581,980	30.2
Other agencies ²	26,112	0	1,661	1,452	98	29,323	1.5
Totals	\$881,768	\$332,096	\$263,723	\$114,090	\$336,530	\$1,928,207	100.0%
Percent of total expenditures	45.7%	17.2%	13.7%	5.9%	17.5%		100.0%

¹ Private gifts and grants, endowments, sales, etc.² Includes Hastings College of Law, California Maritime Academy, Coordinating Council for Higher Education, State Scholarship and Loan Commission and the Board of Governors of the Community Colleges (including EOP).

The total expenditures of \$825.2 million for the university excludes \$277.5 million of federal funds supporting special research projects.

Approximately \$1.9 billion was expended for higher education support in 1971-72. Of this amount \$881.8 million (45.7 percent) was state support. The comparable statistic for state support in 1970-71 was 48.9 percent.

Student Charges

Tuition and fees are the two types of student charges utilized by California's system of higher education to gather additional revenue. According to the Master Plan for Higher Education, "tuition is defined generally as student charges for teaching expense, whereas fees are charged to students, either collectively or individually, for services not directly related to instruction, such as health, special clinical services, job placement, housing and recreation." Although there has been a traditional policy as enunciated in the Master Plan that tuition should not be charged to resident students, there has been an equally traditional policy to charge "fees" to resident students.

All three segments impose a tuition on students who are not legal residents of California. Foreign students are required to pay the same tuition as other nonresidents. The California Maritime Academy is a traditional exception to the free tuition policy. Tuition income usually is expended for instructional services resulting in a direct offset to state funding requirements.

Although designated as an "education fee" by the Regents when it was first established in 1970-71, this income also has been used like tuition. Of the total \$30.9 million budgeted from this source in 1973-74, \$14.5 million would be allocated for capital outlay and \$16.4 million would be allocated to fund the support budget. The Regent's policy for utilization of these funds has varied from year to year.

There are two basic types of fees charged both resident and nonresident students enrolled in the regular academic session of the university and the state university and colleges. The first is the registration fee, or materials and service fee as it is called at the state university and colleges. These mandatory fees have been used to cover laboratory costs and other instructionally related items, student health services, placement services and other student services incidental to the instructional program. The second type includes auxiliary service fees which are user fees for parking facilities, residence halls and residence dining facilities. Other significant fees include special campus fees for student association memberships, student union fees and other special fees. In most cases these are mandatory for students and vary in amount from campus to campus.

The UC regents have the constitutional power to determine the level of tuition and fee charges. Section 23751 of the Education Code authorizes the CSUC trustees to establish the level of fees but maximum levels of resident tuition are established by statutes. The Board of Governors of the Community Colleges has set nonresident tuition at \$25 a unit with a maximum of \$750 for the current year. This is a reduction from the \$30 per unit and \$900 maximum established for 1971-72. Chapter 876, Statutes of 1972 provides that local community college districts will be authorized to establish their own nonresident and foreign tuition fees beginning with the 1973-74 academic year. Local community colleges now may levy

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parking fees up to \$40 annually and student health services fees up to \$7.50.

Table 5 illustrates the current levels of tuition and fees at the various segments. Where these vary from campus to campus, a range is indicated.

Table 5
Basic Annual Student Charges 1972-73
(academic year)

	<i>University of California</i>	<i>California State University and Colleges</i>	<i>Community colleges</i>
Tuition—nonresident/foreign.....	\$1,500	\$1,100	\$750 ¹
Tuition—educational fee:			
Undergraduate	300	—	—
Graduate	360	—	—
Registration fee	300	118	1-10 ²
Application fee	20	20	—
Campus mandatory fees	11-78	0-20	—
Auxiliary services fees:			
Room and board	1,200-1,600	999-1,200	—
Parking	27-108	26	0-40
Health	—	—	0-7.50

¹ Community college tuition for nonresidents and foreign students is \$25 per unit up to a maximum of \$750 per academic year.

² Defined adults only.

Average Cost Per Student

There are numerous ways to develop average cost per student data. A common method is to divide total expenditures by the number of students. Because this is a simple calculating procedure, these are the figures most often used in institutional budget presentations. There are other more complex methods of calculating these average costs. Data can be computed using head-count students rather than FTE students, costs can be shown using constant dollars rather than inflated dollars, and expenditures can be allocated on the basis of student-related expenditures as opposed to nonstudent-related programs such as research and public service.

Because of the high demand for this type of data we are including it with the normal cautions as to its use. We have in the past noted that use of cost per student data for comparisons between programs or institutions is improper because existing data is not uniform or reliable. This nonuniformity between UC and CSUC data results from differences in (1) methods of counting students, (2) in determining levels of students, (3) in accounting and budgeting systems and (4) in missions and programs of the segments.

To correct this, Senate Concurrent Resolution No. 105 (1971 session) called on the Coordinating Council for Higher Education (CCHE) to develop and report uniform data on the full cost of instruction in higher education. The council is presently working on these problems and although the first annual report has been submitted, many of these problems are subject to further work.

Using data presented in the CCHE report the Governor's Budget shows instructional cost per semester student credit unit for 1972-73 as follows:

	<i>Lower division</i>	<i>Upper division</i>	<i>Graduate division</i>
California State University and Colleges	\$31	\$39	\$88
University of California	36	49	127

Table 6 shows the budgeted state cost per full-time student for 1972-73 at CSUC, UC Hastings College of Law and the California Maritime academy. The data result from a simple division of state costs by FTE student. These are displayed for each campus by increasing average costs. Comparisons of one campus to another within the two systems points out how difficult it is to make meaningful comparisons with this type of information. Note that a few CSUC campuses have a higher per student cost than some UC campuses.

Table 6
State/FTE Costs by Campus
(1972-73)

<i>State University and Colleges</i>	<i>University of California</i>
Northridge	Santa Barbara
Fullerton	Santa Cruz
Long Beach	Irvine
San Diego	Berkeley
San Jose	Los Angeles
Los Angeles	Riverside
Sacramento	Davis
Hayward	San Diego
Fresno	San Francisco
San Luis Obispo	Systemwide
San Francisco	
Pomona	
Chico	
Dominguez Hills	
Humboldt	
Sonoma	
Stanislaus	
San Bernardino	
Bakersfield	
Systemwide	
	<i>Hastings College of Law</i>
	<i>California Maritime Academy</i>

COORDINATING COUNCIL FOR HIGHER EDUCATIONItem 314 from the General
Fund

Budget p. 199 Program p. II-631

Requested 1973-74	\$608,000
Estimated 1972-73.....	496,975
Actual 1971-72	422,860
Requested increase \$111,025 (22.3 percent)	
Increase to improve level of service \$65,000	
Total recommended reduction	\$2,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS*Analysis
page*

1. Academic Plans. Recommend quarterly reports to Joint Legislative Budget Committee with an annual report to the CCHE. 759
2. *Overtime. Delete \$2,000.* Recommend deletion budget for overtime. 760

ANALYSIS AND RECOMMENDATIONS

The Coordinating Council for Higher Education (CCHE) was established by the Legislature under the Donahoe Higher Education Act of 1960 to provide an independent agency to coordinate the educational programs of the University of California, the California State University and Colleges and California Community Colleges. The council has 10 members and its recommendations are advisory.

The CCHE budget for fiscal year 1973-74 is composed of three programs budgeted at \$769,289 as shown in Table 1.

Table 1
Programs of the Coordinating Council for Higher Education

<i>Program</i>	<i>Actual 1971-72</i>	<i>Estimated 1972-73</i>	<i>Proposed 1973-74</i>
1. State Coordination	\$394,957	\$479,062	\$589,856
Positions	15.6	20.3	21
2. Higher Education Facilities and Equipment	94,048	139,445	125,000
Positions	5.5	7.7	7.0
3. Facilities Comprehensive Planning	357,939	174,619	—
Positions	4.4	4.0	—
4. Community Services and Continuing Education	49,089	52,021	54,433
Positions	2.8	3	3
5. Training in Community Development	21,194	—	—
Positions	1.9	—	—
Totals	\$917,223	\$845,147	\$769,289
Positions	30.2	35	31
Source of Funds:			
State General Fund	\$422,860	\$496,975	\$608,000
Federal funds	494,363	348,172	161,289

Funding Change

The most significant feature of the 1973-74 CCHE budget is the proposal for over a 20 percent increase in General Fund support (\$111,025) which acts to replace the significant reduction in federal funding for the agency. A seven-year funding trend for the agency is shown in Table 2.

Table 2
Coordinating Council for Higher Education Funding
1967-68 to 1973-74

Year	Total budget	General Fund		Federal funds	
		Amount	Percent	Amount	Percent
1967-68.....	\$907,881	\$512,837	56.4%	\$395,044	43.6%
1968-69.....	866,049	504,727	58.2	361,322	41.8
1969-70.....	1,055,986	489,981	46.4	566,005	53.6
1970-71.....	778,716	357,330	45.9	421,386	54.1
1971-72.....	917,223	422,860	46.1	494,363	53.9
1972-73.....	845,147	496,975	58.8	348,172	41.2
1973-74 (est.).....	769,289	608,000	79.0	161,289	21.0

The federal fund reduction occurs primarily in the facilities comprehensive planning program. The program was authorized by an amendment to Title I of the Higher Education Facilities Act of 1963 and had three basic purposes: (1) to improve the methodology of enrollment projections for the segments, (2) to assist in the preparation of a facilities inventory of the junior colleges, and (3) to formulate a California facilities planning guide. Recent reports accomplished under the auspices of this program include: evaluation of year-round operations, academic and facilities master plan—California Community Colleges and State Colleges, joint use of facilities and the facilities analysis model. Elements of this program may be reestablished during the 1973-74 year under the auspices of the Higher Education Amendments of 1972. At this time there is no definite knowledge on this matter.

The four positions related to this program have been abolished in 1973-74 along with 1.7 clerical positions.

Proposed New Positions

We recommend approval of 3.5 new positions subject to the condition that quarterly reports of academic plans and programs reviewed, including the council's staff recommendation, be submitted to the Joint Legislative Budget Committee with an annual report to the CCHE.

Three professional and 0.5 clerical positions are requested in 1973-74 from the General Fund (\$65,000) for the state coordination program to: (1) continue to collect cost of instruction information for their annual evaluation (ACR 104, 1971), (2) review and comment on proposed new academic plans and programs outside of predetermined core curricula, (3) evaluate pertinent information for the development of a coordinated state policy on extended university programs, and (4) continue efforts regarding improved articulation between the segments of higher education. In addition to the above, the council will coordinate the various higher education segments and institutions in statewide efforts to implement the information collection programs of the National Center for Higher Education Management Systems. The council will use pertinent

COORDINATING COUNCIL FOR HIGHER EDUCATION—Continued

comparative information for analysis and the development of an annual statistical report which can be used for decision purposes.

We believe that all of the functions specified above merit a high priority in the activities of the CCHE. Although it could be argued that the current state coordination staff might absorb this workload without a staff increase, we believe it more reasonable in this instance to allow the proposed positions. There are only seven staff level positions currently available to the council to perform its various normal activities including educational opportunity program (EOP) review, salary survey, faculty workload and special council reports. With the elimination of the four federal positions, which at times aided the state staff, it will be difficult for the current CCHE staff to perform a high quality analysis of academic programs, cost of instruction, extended university proposals and data comparability problems. We believe that regular reports on academic programs approved and denied will be valuable input to legislative policy decisions.

Overtime

We recommend the deletion of \$2,000 in 1973-74 budgeted for overtime.

The 1973-74 budget proposes to establish a \$2,000 overtime allotment. We believe that the nature of the council's staff workload is such that it can be managed within a regular scheduled eight-hour-day basis. To budget payments for overtime will detract from such management. If for some extraordinary reason overtime is necessary there are normal budget procedures involving Department of Finance review which can be utilized.

**WESTERN INTERSTATE COMMISSION
FOR HIGHER EDUCATION**

Item 315 from the General

Fund

Budget p. 201 Program p. II-637

Requested 1973-74	\$28,000
Estimated 1972-73.....	15,000
Actual 1971-72	15,000
Requested increase \$13,000 (86.6 percent)	
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

The Western Interstate Commission for Higher Education (WICHE) is a nonprofit, public agency created by 13 western states including Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming to administer the Western Regional Education Compact. This compact was ratified by the legislatures of the participating states in 1953 with the objective of encouraging

greater cooperation among the western states particularly in the field of training health science personnel. The commission's total representation of 39 members includes three members from each of the participating states. California's three members are appointed by the Governor to serve four-year terms. The WICHE offices are located at Boulder, Colorado.

The staff of WICHE consists of 155 positions organized into three operations divisions and one administrative service office.

Total WICHE Budget

In addition to the general membership dues paid by the states, WICHE has generated additional funds primarily from the federal government which will total approximately \$5.7 million in fiscal year 1972-73 as shown in Table 1.

Table 1
WICHE Total Funding
1961-62 to 1972-73

<i>Year</i>	<i>State funds¹</i>	<i>Nonstate funds</i>
1961-62	\$130,000	\$364,111
1962-63	130,000	492,095
1963-64	195,000	582,278
1964-65	195,000	598,546
1965-66	202,500	683,668
1966-67	217,500	1,156,366
1967-68	255,000	1,618,063
1968-69	270,000	2,230,661
1969-70	285,000	3,134,973
1970-71	285,000	4,134,390
1971-72 (est.)	275,000	4,675,388
1972-73 (est.)	270,000	5,708,101

¹ Includes general dues payment of \$15,000 and optional mental health program dues of \$7,000, but does not include student exchange payments.

California's Benefits from WICHE Membership

The benefits to California from WICHE participation are both quantifiable and qualitative. In the student exchange program approximately \$400,000 per year is paid to California institutions of higher education primarily in the private college sector (\$284,000). Since 1967 these payments to public and private California institutions have totaled \$2,162,342.

The WICHE student stipends for 1973-74 will increase to \$5,000 in medicine and \$4,000 in dentistry and veterinary medicine. Because private college tuition and out-of-state tuition at public institutions averages \$2,000, the individual institutions in these three program areas will gain an excess of from \$2,000 to \$3,000 in revenue for each WICHE student enrolled. However, these revenue levels will still be less than actual program costs per student.

The qualitative benefits from WICHE membership come through California's participation in health science training programs, particularly nursing and mental health, and the National Center for Higher Education Management Systems (NCHEMS) project in higher education management systems.

FOR HIGHER EDUCATION—Continued

1973-74 Dues Increase

We recommend approval.

The 1973-74 dues for WICHE general membership are scheduled to increase to \$28,000. This is the first increase in dues since 1963 when they were established at the \$15,000 level. The new level is needed to maintain overhead expenses for the various WICHE programs. The increase represents approximately 6 percent per year since 1963.

UNIVERSITY OF CALIFORNIA

Items 316-320¹ from the General Fund and Item 321 from the California Water Fund

Budget p. 203 Program p. II-641

¹ Item 317 for salary increase provisions are discussed elsewhere in this Analysis on page 191 and are not included in these totals.

Requested 1973-74	\$399,000,000
Estimated 1972-73.....	384,881,688
Actual 1971-72	335,677,265
Requested increase \$14,118,312 (3.7 percent)	
Total recommended augmentation	\$2,095,000

Budget Act Item	Purpose	Amount	Analysis page
316	Support	\$395,900,000	762
317	Salary increases.....	(30,690,000)	191
318	Extended university	1,500,000	772
319	Undergraduate teaching excellence	1,000,000	787
320	Deferred maintenance	500,000	786
	Totals—General Fund	\$398,900,000	
321	Mosquito control research (California Water Fund)	100,000	777
	Totals—State Appropriations	\$399,000,000	

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

	Analysis page
1. Timely Reporting. Recommend reporting detail of internal budget allocations and revisions.	765
2. <i>Item 316. Faculty Staffing. Augment \$690,000.</i> Recommend additional 30 faculty positions for workload growth.	770
3. Psychiatric Instruction. Recommend a separate item of appropriation.	771
4. <i>Item 318. Extended University.</i> Recommend control language in the budget bill be deleted.	774
5. <i>Item 318. Extended University. Reduce \$630,000.</i> Recommend student fees be applied to program rather than unspecified purposes.	774

6. Teaching hospital subsidy. Recommend special review of \$4 million for Davis and Irvine pending clarification of proposed uses. 776
7. Research. Recommend annual reports on four special research programs. 778
8. *Item 316. University Press subsidy. Reduce \$250,000.* Recommend reduced subsidy offset by return of excess subsidy fund balances. 778
9. *Item 316. Library. Augment \$155,000.* Recommend price increase funds for campuses with largest enrollment growth. 780
10. Academic Senate. Recommend a separate item of appropriation. 782
11. *Item 316. Student Services. Augment \$130,000.* Recommend increase for workload growth. 783
12. Registration Fee. Recommend report to identify potential for future fee increases. 783
13. *Unemployment Insurance.* Recommend special review of estimates pending further information. 785
14. *Item 316. Price Increase. Augment \$2 million.* Recommend 4-percent general price increase to maintain current programs. 786
15. *Item 319. Undergraduate Teaching Excellence.* Recommend special review of \$1 million pending clarification of programs. 787

GENERAL PROGRAM STATEMENT

The University of California is the State University and the land grant institution of the State of California. Established in 1868, it has constitutional status as a public trust to be administered under the authority of an independent governing board—the Regents of the University of California. The board of regents includes 24 members; 8 ex officio and 16 appointed by the Governor for staggered 16-year terms. The system consists of nine campuses including eight general campuses plus a health sciences campus.

A broadly based curriculum leading to the baccalaureate degree is offered by the University. Emphasis is placed on instruction in professional fields and graduate programs leading to master's and doctoral degrees.

The University of California is designated by the master plan to be the primary state-supported academic agency for research. The University places responsibility for administering research activities in three organizations, according to its academic plan: (1) academic departments, (2) agricultural research stations and (3) organized research units.

A third function of the University is public service. This is provided by Agricultural Extension, University Extension and other programs. Examples of other public services offered by the University campuses are lectures, programs in art and special conferences. A portion of the activities of the teaching hospitals and the library system are examples of educational programs that provide services to the public as a byproduct.

UNIVERSITY OF CALIFORNIA—Continued

ANALYSIS AND RECOMMENDATIONS

Table 2 shows the University of California budget for the 1972-73 and 1973-74 fiscal years. It is divided into cumulative totals showing: (1) total educational and general, (2) total support budget, and (3) grand total of all University funds. The first total includes the basic funds necessary to operate the University's current instructional, research and public service programs. The second total adds self-supporting auxiliary services such as residence halls, parking facilities, intercollegiate athletics, campus cafeterias, bookstores, etc., plus student aid programs. The grand total includes those funds designated as extramural by the University and is comprised of the total support budget plus special research contracts (Atomic Energy Commission) and other grants, contracts, gifts and appropriations received from various public and private sources which are used to supplement the University's program.

Table 2
Proposed Budget for 1973-74

	1972-73	1973-74	Increase
1. Instruction and departmental research	\$242,086,307	\$246,688,512	\$4,602,205
2. Summer session	5,240,164	5,223,238	-16,926
3. Teaching hospitals and clinics	108,331,145	142,735,900	34,404,755
4. Organized activities—other	8,020,697	8,425,142	404,445
5. Organized research	48,353,565	48,140,841	-212,724
6. Libraries	30,266,624	30,623,357	356,733
7. Extension and public service	36,687,363	37,856,876	1,169,513
8. General administration and services	51,260,924	51,592,153	331,229
9. Maintenance and operation of plant	38,510,714	39,959,858	1,449,144
10. Student services	30,273,450	30,405,275	131,825
11. Staff benefits	36,032	379,032	343,000
12. Provisions for allocation	8,444,668	24,020,259	15,575,591
13. Special Regents' program	16,959,000	16,008,000	-951,000
Totals, Education and General	\$624,470,653	\$682,058,443	\$57,587,790
14. Auxiliary enterprises	\$47,628,371	\$48,012,303	\$383,932
15. Student aid	6,062,839	11,136,876	5,074,037
Totals, Support Budget (Continuing Operations)	\$678,161,863	\$741,207,622	\$63,045,759
Sponsored research and activities	\$236,611,239	\$243,707,306	\$7,096,067
Major AEC-supported laboratories	277,495,000	279,500,000	2,005,000
GRAND TOTAL	\$1,192,268,102	\$1,264,414,928	\$72,146,826

Revenue

In 1973-74 the total University support budget is \$741,207,622 which is an increase of \$63,045,759 or 9.3 percent over 1972-73. Of this increase, state appropriations added \$14,118,312, University general funds were increased by \$389,244, special restricted state appropriations were reduced by \$287,459 and other University revenue sources added \$48,825,662. These revenues are shown in Table 3.

Table 3
Revenues—Total Support Budget
1972-73 and 1973-74

	1972-73	1973-74	Increase
General Funds:			
State appropriation.....	\$384,781,688	\$398,900,000	\$14,118,312
University General Funds:			
Nonresident tuition	10,286,720	8,787,607	-1,499,113
Other student fees	3,842,166	3,495,327	-346,839
Other current funds.....	1,160,432	1,193,581	33,149
Funds Used as Income:			
Federal overhead	15,079,444	17,117,851	2,038,407
Prior year balances.....	—	207,640	207,640
Other	373,000	329,000	-44,000
Total General Funds	\$415,523,450	\$430,031,006	\$14,507,556
Restricted Funds:			
State Appropriations:			
Mosquito research	\$100,000	\$100,000	—
Real estate program	172,000	172,000	—
Project clean air	287,459	—	-287,459
Federal appropriations	4,219,481	4,219,481	—
University sources.....	257,859,473	306,685,135	48,825,662
Total Restricted Funds	\$262,638,413	\$311,176,616	\$48,538,203
Total Revenue	\$678,161,863	\$741,207,622	\$63,045,759

The state appropriation increase of \$14,118,312 is detailed in Table 4. The budget changes are shown by program and are categorized into (1) increases to maintain the existing budget, \$8.3 million, (2) workload and other changes to existing programs, \$3.3 million and (3) new programs, \$2.5 million.

Table 4
Summary of Changes from 1972-73 Budget

I. To maintain existing budget		\$8,255,606
a. Price increases	\$1,631,850	
b. Merit increases.....	7,013,000	
c. Funding changes	-389,244	
II. Workload and other changes		3,321,706
a. General campus instruction	\$978,867	
b. Health science instruction	1,200,000	
c. Library	195,118	
d. Maintenance	603,356	
e. Administration	131,680	
f. Student services	-55,715	
g. Isla Vista foot patrol	-76,500	
h. Staff benefits.....	343,000	
i. Other	1,900	
III. New Programs		2,541,000
a. Extended University.....	\$1,541,000	
b. Undergraduate teaching	1,000,000	
Total Change—State General Funds.....		\$14,118,312

Lack of Timely Reporting

We recommend that the University be directed to report the detail of its internal budget allocations and revisions in a timely manner. This would include the departmental allocations, personnel listings and other

UNIVERSITY OF CALIFORNIA—Continued

supplementary reports to be submitted to the Joint Legislative Budget Committee prior to September 1 of each year.

Each year appropriations are made to the University based on system-wide needs. The responsibility for allocation of these appropriations to the individual campuses rests in the Office of the President. Once funds are allocated to the campuses, the individual chancellors have primary responsibility for determining local campus allocations. In addition, once appropriations are made, the University enjoys a substantial amount of fiscal flexibility. To assure proper budgetary accountability, this flexibility must be accompanied with adequate and timely reporting of the detail of these allocations and revisions. In addition, review of future budgetary needs is dependent upon detailed knowledge of currently budgeted expenditures and resources.

In the past, the primary source documents for providing this information have been the "Departmental Allocations" and the "Personnel Listings" which are published each year after final passage of the budget supplemented by special reports identifying the budgetary detail with the sources of funding. In recent years this information has become more difficult to receive on a timely basis. This year the personnel listings were not available to us during our review of the 1973-74 budget while the departmental allocations and the supplemental reports were not available until January.

Enrollment Estimates

Enrollment growth is the primary indicator of workload needs. The 1973-74 workload needs are based on an estimated enrollment increase of 2,568 or 2.4 percent for three quarters (academic year) including 772 FTE extended University students. Without these students the increase would be only 1,796 or 1.7 percent. Table 5 compares 1972-73 budgeted enrollments to those proposed for 1973-74 and the percentage increases by each level.

Actions Designed to Increase Enrollments

For the past few years enrollments have fallen short of original estimates. In 1970-71 actual general campus FTE was 1,079 below estimates and in 1971-72, FTE was 5,309 below estimates. In addition, 1971-72 enrollment was 559 below 1970-71.

Following the enrollment shortfall of 1971-72 the University took administrative action to expand 1972-73 enrollments. These actions included (1) extensive recruitment, (2) holding the freshmen application time open at some campuses well beyond the November application period, (3) accepting transfer applications without the previously used time restraints, (4) exceeding quotas at high demand campuses and (5) exceeding the 4 percent special admissions limit on a few campuses. These actions did result in additional students (4,000 FTE) but will still be about 2,000 FTE below what was originally anticipated in the budget.

Table 5
University of California Enrollments Average
of Fall, Winter and Spring Quarter Full-time Equivalent Students

	<i>Actual</i> 1971-72	<i>Budgeted</i> 1972-73	<i>Proposed</i> 1973-74	<i>Change from</i> 1972-73	<i>Percent</i> <i>Change</i>
General Campuses:					
Lower division	29,900	31,684	32,392	708	2.2
Upper division	40,673	44,646	-67	44,579	-0.2
Graduates:					
1st stage	13,938	13,860	14,589	729	5.3
2nd stage	8,621	8,759	8,719	-40	-0.5
Subtotals	93,132	98,949	100,279	1,330	1.3
Health Sciences:					
Upper division	586	670	694	24	3.6
Graduates:					
1st stage	6,786	7,088	7,665	577	8.1
2nd stage	508	639	504	-135	-21.1
Subtotals	7,880	8,397	8,863	466	5.5
Extended University:					
Upper Division	—	—	291	291	100.0
1st stage	—	—	481	481	100.0
Subtotals	—	—	772	772	100.0
University Totals:					
Lower division	29,900	31,684	32,392	708	2.2
Upper division	41,259	45,316	45,564	248	0.5
Graduates:					
1st stage	20,724	20,948	22,735	1,787	8.5
2nd stage	9,129	9,398	9,223	-175	-1.9
Totals, University	101,012	107,346	109,914	2,568	2.4

In addition, the University has taken action to further increase enrollments in 1973-74 by (1) reducing grade point average admission standards from 2.4 to 2.0 for transfer students which is the same as the state university and colleges, (2) waiving tuition for needy freshmen rather than lending the amount of tuition, and (3) increasing other student aid from University funds.

Better Utilization of Resources and Facilities Needed

These administrative decisions reflect a reduced emphasis on redirecting students from high demand campuses to low demand campuses. Without this redirection concept the lower demand campuses are having difficulty attracting students. Riverside and Santa Barbara not only were unable to meet estimated enrollments but will have FTE reductions in 1972-73 of 401 and 488 respectively. In the case of Santa Barbara this will be the third straight year of declining enrollments.

Because of our current investment in physical plant at these two campuses and the difficulty involved in reallocating personnel, library books, teaching equipment, etc., from these campuses to high demand campuses, we believe students should be redirected to these campuses to optimize the resources and facilities of the entire system as was anticipated in the master plan.

UNIVERSITY OF CALIFORNIA—Continued**Graduate Admission Policy at Professional Schools**

The Supplementary Report of the Committee on Conference 1972-73 Budget Bill directed the University to "submit a report relating to its admission policy for professional schools. This report should discuss the desirability of preferential treatment of state students as opposed to out-of-state students."

The report submitted by the University stated that graduate admissions are not published and are primarily determined by the individual school, college or department. The prevailing practice is to provide no specific preference for resident students over nonresident students except in cases where qualifications are considered equal. Of the 45 professional schools, colleges or departments identified in the report only a few (mostly in health sciences) have preference policies to resident students.

The report states that the University "does not favor requiring professional schools, colleges and departments to provide a quantifiable preference to California residents." It concludes that "it is the position of the University of California that its admission policies and practices serve the University and the state well."

Rather than further restrict nonresident student admissions the University position stresses the opposite "through increased tuition waivers and other means—to encourage distinguished nonresidents to seek admission to the University."

Nonresident Tuition Waivers

Nonresident students are required to pay tuition of \$1,500 per academic year at the University in addition to regular fees. It is estimated that \$8,787,607 of nonresident tuition revenue will be received as replacement to General Fund costs in 1973-74. This is down \$1,499,113 from tuition estimated to be collected in 1972-73.

Historically, the University has been authorized to waive tuition for 15 percent of the nonresident enrollment which amounts to a subsidy estimated to be about \$1.8 million in 1972-73. In last year's budget the Legislature expressed concern over resident students being denied admission while the state subsidized 15 percent of the nonresidents. Legislative action reduced state funds for these waivers by \$946,000 which in effect established a lower waiver percentage, estimated to be 6.6 percent in 1972-73.

After enactment of the budget, the Assembly adopted HR 106 which expressed concern over this reduction and stated its intent to "give special consideration to the restoration of the provision for nonresident tuition waivers at the University of California in 1973-74, and urgently requests the Regents of the University of California to continue to provide the normal percentage of nonresident waivers in 1973-74 and thereafter."

As a result, the University did not reduce the 1972-73 waiver percentage but maintained the 15-percent level by replacing the \$946,000 reduction in state funds with regents controlled funds.

The 1973-74 budget anticipates continuing the 15 percent waiver policy by using \$946,000 in regents funds. State-supported waivers are estimated to be 6.5 percent in 1973-74.

1. INSTRUCTION AND DEPARTMENTAL RESEARCH**Proposed Budget**

	1972-73	1973-74	Change	
			Amount	Percent
Total	\$242,086,307	\$246,688,512	\$4,602,205	1.9%
General funds	221,850,676	225,570,543	3,719,867	1.7

The proposed budget increases by \$4.6 million or 1.9 percent. Of this increase, \$3.7 million is general funds distributed to general campus instruction (\$978,867), health sciences instruction (\$1,200,000) and the new extended University program (\$1,541,000).

General Campus Instruction

The budget for the general campuses increases by \$978,867. This is for 44 additional faculty positions at a salary cost of \$550,000 and related academic support costs of \$322,775. In addition, 14 FTE teaching assistants are added at a costs of \$106,092. The additional faculty will result in a total of 5,720 FTE and a student-faculty ratio of 17.53 to 1. Table 6 shows the distribution of these student faculty ratios at each campus.

Table 6
General Campus Student / Faculty Ratios
1971-72 through 1973-74

	Budget 1971-72	Budget 1972-73	Proposed 1973-74
Berkeley	16.39	16.62	16.71
Davis	18.54	18.25	18.57
Los Angeles	16.87	16.58	17.75
Riverside	18.39	18.51	15.48
Santa Barbara.....	18.53	18.73	17.67
San Diego—General Campus	18.59	18.29	18.80
Marine Sciences.....	8.82	8.87	9.65
Irvine	18.87	18.74	18.61
Santa Cruz	16.79	17.64	17.93
Eight-campus average	17.42	17.43	17.53
Faculty FTE positions	5,651	5,676	5,720

Faculty Budgeting Report Not Submitted

In the 1971-72 budget the Department of Finance departed from using the student-faculty ratio as the traditional method of measuring workload growth and prepared a method relating to class contact hours. As a result of legislative hearings the Department of Finance was directed to study "alternative methods of budgeting for faculty positions based on the concept of faculty productivity." Because no report was made available during the 1972 session, the 1972 budget conference committee specifically directed that "the Department of Finance report of faculty budgeting mandated by the 1971 conference committee be submitted to the Legislature by January 1, 1973."

As of this date no report has been submitted and the Governor's Budget continues to report the student-faculty ratios as the primary performance criteria.

UNIVERSITY OF CALIFORNIA—Continued

Unfunded Workload Growth

We recommend an augmentation of \$690,000 to add 30 faculty positions for enrollment growth.

The proposed budget adds 44 faculty positions related to enrollment growth of 1,330 new students. This computes to a rate of one new faculty position for every 30 new students as compared to the currently budgeted ratio of one faculty to every 17.4 students. The result is an increase in the student faculty ratio from 17.43 to 17.53. To maintain the approved 1972-73 budget level, 74 new faculty positions would be required. We have found no factual basis for justifying only 44 new positions rather than the 74 needed, other than simple failure to fund.

In the past we have supported increases to the student-faculty ratio on the basis that faculty contact with students, particularly undergradates, was declining. The trend was reversed in Fall 1971, when faculty contact at the five oldest campuses rose substantially from 8.71 hours to 9.61 hours.

In addition, the 10-year trend of increasing the percent of faculty contact hours devoted to graduate students was reversed. The percentage was reduced from 46.1 percent in 1970 to 42.7 percent in 1971.

As further evidence of the need for additional faculty, the Governor's Budget shows the faculty has been increasing its productivity rate as measured by student credit units per faculty. These rates per level of instruction are as follows:

	Lower division	Upper division	Graduate division
1970-71 actual	438	273	83
1971-72 actual	452	272	86
1972-73 estimated	465	280	88
1973-74 proposed	477	287	90

For these reasons, we do not believe it is reasonable to require the University to absorb these additional students without a corresponding increase in faculty. Our recommendation would augment the budget by \$690,000 to provide for 30 additional faculty positions and related academic support and staff benefit costs.

Health Sciences Instruction

The budgeted general funds for the health science schools increase by \$1.2 million. This includes the addition of 44.9 FTE faculty positions and related departmental supporting costs. The budget narrative states that these "additional state funds are marked for enrollment increases which are necessary to retain federal capitation grants."

Proposed enrollment is 8,863 in 1973-74 for a student increase of 466 or 5.5 percent over the level budgeted for 1972-73. A substantial amount of this increase (306 students) was enrolled in 1972-73 in excess of budgeted levels because federal funds were more than anticipated. In last year's budget we noted that \$3.3 million in new federal funds was used to handle anticipated enrollment increases. These funds actually increased to \$6,859,083 in 1972-73, and this was used to fund enrollments above the budget level.

Student-faculty Ratios Improved

In addition to using these federal moneys for new students, there appears to be a substantial improvement to the student-faculty ratios previously used in the budget. For instance 1971-72 budgeted student-faculty ratios included 3.7 students per faculty member for the MD curriculum. In 1973-74 this ratio is 3.5 to 1 resulting in a two-year pickup of 31 faculty positions for enrichment.

Regents Enrollment Request Reduced

The enrollment increase of 466 FTE over the 1972-73 budget has been substantially reduced (-409) from the 875 FTE increase proposed in the regents budget. This budget policy was designed to limit the enrollment increase to only the amount necessary to guarantee receipt of federal capitation grants. The budget narrative states "the University is being asked to give increased emphasis to the production of primary care specialists." Conversely, the University informs us that the reduction from the requested enrollment included 104 residents in the primary health care fields which are pediatricians, internists and family practitioners. We are concerned that increased federal funds have been used to enrich student-faculty ratios rather than produce additional primary care residents.

Psychiatric Instruction Program

A special appropriation of \$150,000 from the General Fund was added to the 1970-71 Budget Act to provide a psychiatric instruction program at the San Diego Medical School. This was approved as a pilot study designed to determine if San Diego could train psychiatrists at a lesser cost than the Department of Mental Hygiene.

The special instructional program initially provided for five FTE psychiatric residents at the San Diego Medical School. The original appropriation of \$150,000 was offset by an equal reduction from the budget of Langley Porter Neuropsychiatric Institute.

Budget act language called for annual progress and expenditure reports based on standards jointly developed by the University and Mental Hygiene including clinical overhead costs as well as direct instructional costs. This information was not available in prior reports and we noted last year that the 1972 report would be the first one that would allow meaningful analysis.

We recommend that the Psychiatric Instruction program continue to be budgeted at \$150,000 from the General Fund in a separate appropriation item. The budget proposes that this special appropriation be deleted with the \$150,000 transferred to the lump sum support appropriation. Because this is a pilot program, initiated to compare costs between three institutions, we do not believe this item should be deleted from special annual review for at least another year. The 1972 report was submitted in January 1973 but sufficient time has not been available for analysis. In addition next year's report will provide us two years' data for better analysis.

UNIVERSITY OF CALIFORNIA—Continued**Report on Training Ph.D.s to Be M.D.s**

In last year's analysis we pointed to a pilot program at the University of Miami Medical School to train Ph.D. holders in the basic science field to be M.D.s by eliminating most of the first two years of the four-year curriculum. We suggested that if the output of short-supply M.D.s could be increased at lesser cost and time per student by retraining oversupply Ph.D.s, such a plan should be considered. The Legislature concurred and directed the University to study and report on this program.

The University evaluated our suggestion and reported that there are no apparent cost benefits to the program for the following reasons:

1. There are few Ph.D.s with academic backgrounds that would allow significant savings.
2. Ph.D. fields of those who do have potential are not projected as being oversupplied.
3. The program requires excess clinical space of which there is none available.
4. Ph.D. degree holders have a research orientation and would be more likely to specialize in research rather than practice medicine.
5. Currently, Ph.D. holders can apply to the regular program and accelerate if qualified, limited only by the statutory 33 months licensing requirement.

Although these points may be valid, we believe current pilot programs could prove or disprove some of these objections. With that in mind we plan to monitor the results of these projects.

Extended University Pilot Program (Item 318)

A special General Fund appropriation of \$1.5 million is included in the Budget Bill to fund 772 FTE students participating in the Extended University Pilot Program.

In 1971 the University allocated \$500,000 in special regents' funds for planning and implementation of pilot degree programs for part-time students. A special task force was created and a report was presented to the regents in November 1971, which proposed a new program for degrees to part-time students.

In last year's analysis we noted the proposal for extending services to part-time students had substantial fiscal implications. We noted our concern that clientele served by the University was to be expanded during times when services to existing students have been reduced because of restricted financial resources. In addition to the potential of expanded enrollments of currently authorized students new admission standards and techniques would be used which implied changes in current master plan standards which restrict admissions to the top 12.5 percent of high school graduates.

The University initiated pilot studies in 1972-73 at all campuses with an allocation of \$380,000 in special regents' funds. In addition, about \$375,000 of budgeted state funds for regular student programs was reallocated in support of these pilot programs. Enrollment of 600 students (less than 300

FTE) was planned but only 456 students (about 200 FTE) were actually enrolled. These programs and enrollments for 1972-73 are shown in Table 7.

Table 7
Extended University Pilot Programs and Enrollment—1972-73

	Degree	Bachelor's	Master's	TOTAL Head count 3-term average
<i>Berkeley</i>				
Business administration	MBA	—	116	116
<i>Davis</i>				
Experimental group ¹	Various	39	30	69
<i>Irvine</i>				
No students enrolled for the 1972-73 academic year	—	—	—	—
<i>Los Angeles</i>				
Business management	MBA	—	25	25
<i>Riverside</i>				
Administration	Master's	65	30	95
Experimental group ¹	Various			
<i>San Francisco</i>				
Nursing	MS	—	24	24
<i>Santa Barbara</i>				
Law and society	BA	40	12	52
Electrical engineering	MS			
<i>Santa Cruz</i>				
Community studies	BA	40	—	40
<i>San Diego</i>				
Experimental group ¹	Various	25	10	35
Total		209	247	456

¹ Part-time students enrolled in established programs on a controlled basis.

Proposed Budget

The proposed budget of \$2,235,000 includes \$1,541,000 from general funds and \$694,000 from educational and registration fees. The budget includes 42 FTE new faculty positions with related academic support at nearly \$1.1 million, a consortium which is a central universitywide administrative unit for \$200,000 and about \$330,000 for nonacademic support at the campuses. In addition, most of the educational and registration fees (about \$630,000) are held in provisional accounts for later determination of expenditures.

Enrollment Expansion Emphasis

We have reservations regarding the apparent emphasis being placed on expanding enrollments as opposed to new and innovative programs. In the regents' budget, in presentations to the Department of Finance, and in backup material given to us in support of the recommendation, the point is continually made that the goal is to merge these enrollments into the regular enrollments to receive state support. Although separated in the detail, the FTE count for the extended University is included in the total enrollment of the University in all of its presentations and funds requested are determined by the normal budgetary methods using students as an indicator.

UNIVERSITY OF CALIFORNIA—Continued

Restrictive Control Language

We recommend that control language included in Item 318 be deleted.

Budget bill control language included with the appropriation of \$1.5 million states:

“ . . . provided, that transfers from this item to the university shall be quarterly reimbursements for student credit units completed as certified by the university.”

This would require quarterly release of these funds by the Controller solely on the basis of the number of credit units completed. The apparent intent of this language is to preclude expenditure of the entire appropriation if there is a shortfall in the enrollments.

We believe this is a restrictive policy that discourages innovative and experimental programs while providing financial incentive to increase the FTE count in the existing academic programs. For instance, programs might be designed for a small number of students with initial high cost which could result in significant future cost benefits by developing new instructional methods.

We believe this program should be treated as an experimental program and student FTE should not be treated or budgeted the same as students in the regular instruction program.

Student Fee Expenditure Needs Not Identified

We recommend that fees collected from extended University students be expended on this program rather than be held for other unidentified purposes for a General Fund savings of \$630,000.

Students enrolling in these pilot programs will be required to pay fees similar to students in the regular programs. The budget shows a total of \$694,000 to be collected from these students of which about \$630,000 is held in reserve for later determination by the University of the appropriate expenditures. A little more than one-half of these fees represent educational fee balances while the remaining fees would be registration fee balances.

The budget narrative states this registration and educational fee income is “for use in accordance with existing policies.” Under existing policy registration fee expenditures are controlled by each campus for uses relating to student services or facilities. These include health services, counseling, arts and lectures, intercollegiate athletics, etc. and construction projects such as student unions and recreational facilities. Education fee (tuition) expenditures are centrally controlled by the regents and these policies vary from year to year. Most of these funds have been expended for capital outlay projects. If we assume these balances are to be expended under existing University policy, it is not likely that they will be expended on this program or for the benefit of these students.

We do not believe that the FTE enrollment generated by this program should be treated the same as FTE generated by regular enrolled students. In addition, we believe the fees collected from these students should not be used for the same purpose as those collected from regular students. This

is clearly a pilot program admitting students under exceptions to normal admission and residency requirements. The program operates under special regental, administrative, and academic senate policies and regulations that expire at the end of the 1974-75 academic year. The Budget Act appropriates separately identifiable funds and this will require separate identification of this program.

It is estimated that more than 30 percent of the enrollment will be off campus, thereby generating less need for student services than regular students. Because many of the students participating in on-campus programs at night will be regularly employed during the day, they should demand fewer student services than regular students.

Our recommendation is to expend these student fees within the extended University program rather than for other purposes, either by expanding enrollments or offsetting state expenditures. Because of the pilot nature of this program we believe the program funding level of \$1,541,000 and the enrollment level of 772 FTE is adequate and recommend these fees be applied as an offset to state appropriations.

Report on Concurrent Course Program

In last year's report we expressed several concerns regarding the Davis concurrent course program and the concept of being able to absorb FTE students into the regular classes without substantial increase in costs. The University was directed to prepare a special report on the Davis program which was submitted.

The program at Davis allows nonmatriculated students to enroll through University extension in regular classes on a space available basis. Fees charged are similar to regular University fees but are divided between University extension (55.5 percent) academic departments (40 percent) and the library (4.5 percent).

Enrollments in 1970-71 included 410 students (217 FTE) and this increased in 1971-72 to 791 students (427 FTE). The FTE count shows these students are averaging nearly one-half of the regular load and are clearly taking more than one course each.

In comparison the Davis extended University pilot program will enroll about 450 part-time students (estimated to be 200 FTE) in its regular programs of study on the campus. It is likely that many of the students in the concurrent course program would transfer to the extended University program. The effect may be that the cost of instruction would be funded by state funds rather than student fees, thereby freeing student fees for other uses.

2. SUMMER SESSION

Proposed Budget

	1972-73	1973-74	Change	
			Amount	Percent
Total	\$5,240,164	\$5,223,238	-\$16,926	-0.3%
General funds	—	—	—	—

Enrollments for summer session programs declined by 1,946 students in 1972 and a further decline is estimated in 1973. As a result the budget will be reduced by \$16,926 or 0.3 percent in 1973-74. The costs shown in this

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function are fully funded by student fees and no general funds are included.

3. TEACHING HOSPITALS AND CLINICS**Proposed Budget**

	1971-72	1972-73	Change	
			Amount	Percent
Total	\$108,331,145	\$142,735,900	\$34,404,755	31.8%
General funds	17,789,218	17,789,218	—	—

There is no increase proposed from general funds. The increase of \$34,404,755 is from University restricted funds primarily due to the addition of a fourth teaching hospital, the Sacramento Medical Center. The increase in revenue comes from patient care charges for services. The state funds included in this item are to be allocated as follows:

Los Angeles	\$5,228,986
San Diego	2,920,647
San Francisco	5,011,591
Davis and Irvine	4,022,000
Davis Veterinary Medicine	605,994
Total	\$17,789,218

Proposed Use of Funds Unclear

We recommend special reievow of the \$4,022,000 included in the budget for the Davis and Irvine campuses pending clarification of the proposed uses. The budget continues without change the \$4 million for the Davis and Irvine campuses which was included in the 1972-73 budget to maintain medical education programs at the Sacramento and Orange County hospitals. Subsequently, the University took over operation of the Sacramento Medical Center and part of these funds will now be used for patient care subsidy purposes. At the time of this writing, no information is available as to the amounts to be allocated to these two campuses. We have further concern because the proposed uses of these funds will be different at each campus. We understand that in the past, Irvine has allocated some of these support funds for construction projects at the Orange County Medical Center without the normal project review and control associated with capital outlay appropriations. For these reasons we are recommending that approval of this amount be withheld until an identification is made of the allocation to the campuses and the proposed uses.

4. ORGANIZED ACTIVITIES—OTHER**Proposed Budget**

	1972-73	1973-74	Change	
			Amount	Percent
Total	\$8,020,697	\$8,425,142	\$404,445	5%
General funds	1,926,202	1,926,202	—	—

The increase of \$142,610 is from University restricted funds and there is no increase in general funds. State supported activities and the amount of state funds included in the 1973-74 budget are:

General Campuses (\$831,922):

Elementary schools	\$426,020
Education field service center	31,432
Art galleries and collections	163,978
Vivarium, Life Sciences	140,049
Other	70,443

Health Sciences (\$1,094,280):

Dental clinic subsidy	688,416
Vivaria	229,545
Medical support labs	133,102
Other	43,217

Total State Funds..... \$1,926,202

Special Report on Dental Clinic Subsidy

In our analysis last year we questioned the higher need for state subsidy dollars at the Los Angeles Dental Clinic as compared to the San Francisco Clinic. The budget conference committee directed a special report from the University on the dental clinic subsidy. The report was prepared and stated the difference between the two schools results from different procedures for charging costs. The Los Angeles Clinic charges all direct and indirect costs to the subsidy while San Francisco absorbs the indirect cost of the clinic in the department's budgets.

It is difficult to understand why two University dental clinics with substantially the same functions do not use uniform methods for charging costs. We believe the University should consider establishing uniform accounting procedures at these clinics so that financial reports will have more meaning.

5. ORGANIZED RESEARCH**Proposed Budget**

	1972-73	1973-74	Change	
			Amount	Percent
Total	\$48,353,565	\$48,140,841	\$-212,724	-0.4%
General funds	41,504,464	41,506,354	1,900	—

Total budgeted organized research is reduced in 1973-74 because a special one-time appropriation from the Motor Vehicle Fund for the development of an air pollution research program terminates in 1972-73. Other research programs receive a net increase of \$74,735.

The bulk of organized research expenditures are not shown in the budget detail but are included in the totals as extramural funds. Total expenditure for organized research in 1971-72 was \$199,625,100 or \$8.6 million more than 1970-71. These amounts do not include the \$277.5 million expended by the Major Atomic Energy Commission Laboratories in 1971-72.

Mosquito Control Research (Item 321)

We recommend approval.

The budget bill continues a special appropriation of \$100,000 from the California Water Fund for research in mosquito control. This appropriation was initiated in 1966-67 as a \$200,000 program of which \$100,000 was appropriated from the California Water Fund and \$100,000 was anticipat-

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ed from other sources. In addition to these funds, state supported mosquito research was included in the lump sum support appropriation to the University but are not readily identifiable.

In last year's budget the Legislature added \$200,000 to this program with a special appropriation from the General Fund. This was an augmentation to the Water Fund appropriation and resulted in a total program of \$400,000.

In the 1973-74 budget the special General Fund appropriation of \$200,000 has been deleted from the Budget Bill and the funds have been included in the main lump-sum support appropriation.

Special Appropriations for Research Deleted.

We recommend that the University provide annual reports on all of its research activities dealing with (1) mosquito control, (2) dermatology, (3) sea water conversion and (4) the Institute of Transportation and Traffic Engineering. These reports, including budget and expenditure detail from all funds, should be submitted to the Joint Legislative Budget Committee by November 1 of each year.

As previously noted the separate mosquito research appropriation of \$200,000 added by the Legislature last year has been deleted. In addition three other special appropriations for research have been deleted from the 1973 Budget Bill and the funds have been added to the lump-sum appropriation. These four programs with the 1972-73 General Fund appropriation, are as follows:

- | | |
|--|-----------|
| 1. Research in mosquito control | \$200,000 |
| 2. Research in sea water conversion | 308,100 |
| 3. Research in dermatology | 92,000 |
| 4. Institute of Traffic and Transportation Engineering | 460,871 |

From a technical budget administration standpoint it is easier to administer one appropriation than several. As a result if there is no serious legislative objection, these types of special appropriations have in the past been combined into the lump sum appropriations.

The Legislature usually establishes separate items of appropriations to provide (1) visibility, (2) annual review and (3) assurances that the funds could only be spent for the intended purpose. Although we have no objections to these changes, we believe annual reporting would continue to monitor legislative interest in these items.

Excess State Subsidy to University Press

We recommend the state subsidy for the University Press be reduced by \$250,000 to offset the five-year excess subsidy. We further recommend that in the future any excess state subsidy be returned to the state rather than be added to accumulated earnings.

In 1965-66 we questioned the need for a state subsidy for the University Press. Legislative review of the budget showed the lack of a proper method of determining subsidy need and directed the University to develop and report a new method. The University responded with a new formula which was approved by the Legislature in the 1966-67 budget.

Since that time the amount of the operating subsidy has been greater than the excess of expense over income. As a result, the unused state subsidy (amounting to \$257,000 over the past five years) has been deposited into an accumulated earnings account. This reserve account has a balance of \$1,568,303 as of July 1, 1972. Table 8 shows the excess of state subsidy to net loss and the accumulated earnings balance for the last five years.

Table 8
University Press
Excess of State Subsidy Over Net Loss with
Record of Accumulated Earning 1967-68 through 1971-72

	<i>Net loss</i>	<i>State subsidy</i>	<i>Excess subsidy</i>	<i>Accumulated earnings</i>
1967-68	\$-373,572	\$431,843	\$58,271	\$889,338
1968-69	-421,822	451,579	29,757	968,907
1969-70	-429,015	491,622	62,607	1,213,789
1970-71	-531,448	535,425	3,977	1,317,631
1972-73	-323,564	425,573	102,009	1,568,303

We believe that unused state subsidy should be returned to the state rather than be deposited in the accumulated earnings account. Our recommendation would reclaim the \$250,000 excess for the past five years and establish a future policy for return of any excess. This policy also anticipates that any future shortage should be met from accumulated earnings.

6. LIBRARIES

Proposed Budget

	<i>1972-73</i>	<i>1973-74</i>	<i>Change</i>	
			<i>Amount</i>	<i>Percent</i>
Total	\$30,266,624	\$30,623,357	\$356,733	1.2%
General funds	30,007,986	30,364,104	356,118	1.2

The budget provides an increase of \$356,118 from general funds. This includes \$161,000 for book price increases to maintain current acquisition levels at Berkeley and Los Angeles. Also included is \$200,000 for 11 FTE positions in reference and circulation at Berkeley and Los Angeles to improve access to users. There is a minor reduction of \$4,267 for supplies and expense. The increase in reference and circulation at these two campuses is 2.1 percent compared to an enrollment increase of 1.7 percent thereby improving the 1972-73 level.

The detail of the budgeted expenditures and related data is shown in Table 9.

Growing Campuses Denied Price Increase

We recommend an augmentation of \$155,000 to provide book price increase funds at the three campuses with the largest enrollment growth.

Price increase funds for book acquisitions are proposed only at two campuses, Berkeley and Los Angeles. Because these two libraries are mature institutions with major research libraries, price increase funds were provided to maintain the current level of acquisitions. This means the other campuses will be required to reduce their book acquisition rate and three of these campuses (Davis, San Diego and Santa Cruz) have

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Table 9
Library Expenditures and Selected Data
1972-73 and 1973-74

Expenditures:	1972-73	1973-74
Book purchases	\$7,500,360	\$7,661,360
Binding expense	1,392,284	1,392,284
Reference and circulation	9,192,834	9,388,567
Acquisition and processing	10,113,064	10,113,064
Automation	319,301	319,301
Employee benefits	1,748,781	1,748,781
Totals	\$30,266,624	\$30,623,357
Related Budget Data:		
Volumes added	536,349	506,775
Total volume in collections	12,440,373	12,947,148
Volumes per student	117.7	118.2
Reference and circulation staff	1,010	1,021
Acquisition and processing staff	1,024	1,024

substantial enrollment growth planned. We do not believe it is reasonable to require arbitrary budget reductions by failing to provide price increase funds, particularly at those campuses with significant increases in students. Our recommendation would add 6-percent price increase funds for Davis, San Diego and Santa Cruz at a General Fund cost of \$155,000.

7. EXTENSION AND PUBLIC SERVICE

Proposed Budget

	1972-73	1973-74	<i>Change</i>	
			<i>Amount</i>	<i>Percent</i>
Total	\$36,687,363	\$37,856,876	\$1,169,513	3.2%
General funds	9,964,039	9,887,539	-76,500	-0.8%

The proposed budget increase is primarily related to an estimated 2.6-percent growth in University Extension enrollments which will be funded solely from student fees.

General funds budgeted for 1973-74 are for (1) agricultural extension (\$9,762,629), (2) professional publications (\$58,820), (3) museums and laboratories (\$57,812) and (4) community services other (\$8,278). There is no change proposed in these programs over the currently authorized level.

Isla Vista Foot Patrol Deleted

In response to the Isla Vista disorders and violence in April 1970, a special university commission studied and recommended actions to reduce the unrest. One of the recommendations was to establish a police foot patrol in Isla Vista. This was implemented from Regents controlled funds but funding was terminated in 1972-73. At the request of students for assistance, the Legislature enacted Chapter 989, Statutes of 1972 (SB 1009) which appropriated \$76,500 to the University to continue this service in 1972-73.

Continuation of these funds in 1973-74 was not requested by the University and they are not included in the budget. In addition, the budget detail shows no replacement with Regents funds. We understand this program

is not considered a high priority by the University and may be terminated in 1973-74.

Report on Professional School Journals

In the Supplementary Report of the Committee on Conference Relating to the Budget Bill for 1972-73, the University was requested to submit a report relating to professional school journals published at the University. The report was to identify the need for state subsidy and specify the policy on complimentary copies given to faculty. The University identified nine professional school journals and of these, five received some form of state subsidy in 1971-72. These included the three law reviews at Berkeley (\$28,000), Los Angeles (\$21,000) and Davis (\$7,500), the California Management Review at Berkeley (\$21,000) and the UCLA Educator (\$9,000).

Complimentary copies to faculty members are given except for the UCLA Law Review. The UCLA Educator has no charge, so complimentary copies to the faculty would not result in any special benefit. Although the report does not identify the number of faculty receiving complimentary copies, we would estimate that nearly \$3,000 in subscription value is distributed each year.

8. GENERAL ADMINISTRATION AND SERVICES

Proposed Budget

	1972-73	1973-74	Change	
			Amount	Percent
Total	\$51,260,294	\$51,592,153	\$331,229	0.6%
General funds	43,450,965	43,582,645	131,680	0.3%

The proposed General Fund budget increase for administration is \$131,680 or 0.3 percent. Of this amount \$100,000 is included for the San Diego Campus in recognition of workload growth resulting from enrollments and federal contract and grant activity. The remaining \$31,680 is distributed among the various campuses. The performance criteria included in the budget is the only standard used by the University to justify budget increases. This shows a ratio for administration to total expenditures of 7.5 percent, an increase over the actual 1971-72 ratio of 7.47 percent.

Table 10 shows the General Fund budget detail of the various activities included in this function.

The Academic Senate and Collective Bargaining

We recommend that the General Fund appropriation budgeted for support of the Academic Senate be transferred to a separate Budget Act item to allow future monitoring of the Academic Senate's role in collective bargaining.

In our 1969-70 Analysis we noted that the state college academic senate was proposing to be the bargaining agent for the faculty. We raised the question of providing state financial support to collective bargaining agents who will negotiate contracts with the state. In response, the Legislature moved the Academic Senate funds to a separate budget item and included restrictive language in the Budget Act of 1969 halting the availability of state funds to the Academic Senate if and when this occurred.

On May 30, 1972, the Academic Senate of the Berkeley campus voted 102 to 22 to adopt a resolution calling for the establishment of an independ-

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Table 10
General Administration and Institutional Services

	<i>General Fund expenditures</i>		
	<i>Budget 1971-72</i>	<i>Budget 1972-73</i>	<i>Governor's Budget 1973-74</i>
Executive administration	\$15,286,690	\$19,711,874	\$19,763,554
Environmental health and safety	1,091,369	1,370,122	1,400,122
University relations	987,986	1,051,745	1,051,745
Materials management	2,867,429	3,013,916	3,030,872
Personnel operations	1,991,319	2,236,367	2,236,367
Fiscal operations	6,371,113	5,716,249	5,736,249
Contracts and grants administration	40,999	-92,721 ¹	-79,677
Police services	3,089,139	3,341,448	3,341,448
Physical planning	474,602	469,653	469,653
Communications and reproduction	1,589,238	1,728,970	1,728,970
Employee benefits	3,686,765	3,948,723	3,948,723
Miscellaneous ²	956,824	954,619	954,619
Total Expenditures	\$38,433,473	\$43,450,965	\$43,582,645
Total FTE	3,044.08	3,177.76	3,185.76

¹ General Fund support eliminated and replaced with higher level of recharges.

² Includes Universitywide coordinators for computers and hospital business systems, unallocated staff salary provisions, and the University Academic Senate.

ent faculty association to represent the interests of the faculty in collective negotiations. This approach differs from the state college proposal of 1969 in that the association operates independently from the Berkeley division using none of its resources or facilities. On the other hand there is no question that this association is a creation of the Academic Senate with its structure, functions, membership criteria and executive board under control of the Academic Senate.

Although the organization presently has no formal status as a collective bargaining agent, it seems clearly the intent to move in that direction. Our recommendation would transfer state appropriations for the Academic Senate to a separate budget item to provide specific identification of these funds in this and future budgets. This would allow continuous monitoring of these funds and would be consistent with the existing method of appropriating funds to the statewide Academic Senate for the State University and Colleges.

9. MAINTENANCE AND OPERATION OF PLANT

Proposed Budget

	<i>1972-73</i>	<i>1973-74</i>	<i>Change</i>	
			<i>Amount</i>	<i>Percent</i>
Total	\$38,510,714	\$39,959,858	\$1,449,144	3.8%
General funds	38,437,348	39,873,705	1,436,357	3.7

The increase of \$1,436,357 in General Fund expenditures includes \$833,000 increased utilization and fixed rate increases for utilities and refuse disposal. In addition \$603,357 is provided for workload increases to maintain current program at the existing rate. Outside gross square feet in-

creases 1.7 percent while the workload growth is a 2.4-percent increase excluding utilities and refuse from the base.

Although past deficiencies in building maintenance funds have resulted in a large deferred maintenance backlog, this backlog may be reduced because of the Regents' allocation of \$2 million of educational fee funds for this purpose. This is discussed under the provisions for allocation function.

10. STUDENT SERVICES

Proposed Budget

	1972-73	1973-74	Change	
			Amount	Percent
Total.....	\$30,273,450	\$30,405,275	\$131,825	0.4%
General funds	7,579,529	7,523,814	-55,715	-0.7

General funds included in this function normally are instructional related and include administrative type functions such as admission, selection, student registration, class scheduling, grade recording and student statistical information.

Budget Reduction but Enrollment Increases

We recommend an augmentation of \$130,000 for workload growth. Enrollment growth shows an increase of 1.7 percent while the General Fund for student services is reduced 0.7 percent. Because workload for student services is directly related to enrollment, failure to fund workload growth results in an arbitrary reduction in services. This is not only a one year reduction. The last time workload growth for student services was fully funded was in the 1969-70 budget. Since that time the budget has required that a portion of student growth workload to be absorbed as follows:

	Percent enrollment increase	Percent dollar increase
1970-71 authorized.....	6.2%	1.5%
1971-72 authorized.....	3.4%	2.7%
1972-73 authorized.....	1.2%	0.5%
1973-74 proposed	1.7%	-0.7%

We have in the past noted that economies of scale would not necessarily require the percentage increase in the budget to be equal to the percentage increase in enrollment. This accounts for some of the difference in the past three years. However, this does not justify a \$55,000 program reduction. Our recommendation would provide the full General Fund workload increase over 1972-73 to maintain existing programs.

Study Needed on Potential Fee Increase

We recommend that the University prepare a special report on the projected income and expenditures from the registration fee to identify the potential for future fee increases. This report should be submitted to the Joint Legislative Budget Committee by October 1, 1973.

In October 1972, the University administration reported to the Regents that "Demands on University Registration Fee income for student services and facilities, including inflationary costs, are now considerably in

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excess of anticipated income. An augmentation of \$1.3 million is needed annually just to cover estimated salary increments." To avoid "drastic" program reductions in 1973-74 and to alleviate pressure to raise the University Registration Fee, currently at \$300 per year, the Regents adopted a policy that the programs funded from University registration fee income be limited to student services and facilities.

Although this policy provided some temporary relief for the need to further increase fees in 1973-74, we believe that a potential exists for increases in the future.

The University has alleged that prior increases in student fees and tuition resulted in discouraging financially marginal students from attending the University thereby contributing to the fall off in enrollment growth. We are concerned that additional fee increases will further restrict student access to the University and this potential should be reviewed by the Legislature. This report should identify the detail and the need of the current and projected expenditures as related to the need for increased fees.

11. STAFF BENEFITS**Proposed Budget**

	1972-73	1973-74	Change	
			Amount	Percent
Total.....	\$36,032	\$379,032	\$343,000	—
General funds	36,032	379,032	343,000	—

Staff benefits consist of the employer's share of retirement, state compensation insurance and health insurance. Also included are funds for the state's share of unemployment insurance claims costs for separated General Fund employees. Funding shown for staff benefits in the budget includes only a minimal residual after transfer in 1972-73 of state support for staff benefits to individual program areas as an augmentation of direct salary support.

Included in the net increase of \$343,000 is a reduction of \$1.1 million in the University provision for unemployment insurance; an increase of \$400,000 for rate increases in OASDI and state compensation insurance; and a general increase of \$1,043 million for staff benefits required for 1973-74 staffing and merit increase funds. Table 11 shows projected 1973-74 allocations for the various types of benefits and the net change over last year's budget.

Unemployment Insurance Estimates Uncertain

We recommend special review of the unemployment insurance estimates for 1972-73 and 1973-74 and the need for additional funding in Section 10.9.

Under federal and state legislation University personnel were covered for state unemployment compensation beginning January 1972. In last year's analysis we noted the University estimate of \$2.8 million cost of this program was not included in the budget. We further questioned the \$2.8 million estimate made by the University on the basis it appeared excessive. Subsequently, the University revised its estimate downward to \$1.9 mil-

Table 11
Proposed Total Staff Benefits for 1973-74 State Funds

Proposed Total Expenditures for Staff Benefits Include the Following Programs:	1973-74	Budget request increase	
		Amount	Percent
Retirement Systems:			
University of California Retirement System	\$21,505,400	\$900,000	4.4%
Public Employees Retirement System	3,259,700	-26,300	-0.8
OASDI	812,400	129,900	19.0
Other (including Faculty Annuities)	3,355,200	149,300	4.7
Total Retirement Systems	\$28,932,700	\$1,152,900	4.2%
Other Staff Benefits:			
Health insurance	\$3,900,000	\$20,000	0.5%
Unemployment insurance	800,000	-1,100,000	-57.9
State compensation insurance	1,321,100	270,100	25.7
Total Other Staff Benefits	\$6,021,100	-\$809,900	-13.5%
Total Staff Benefits—Workload	\$34,953,800	\$343,000	1.0%

lion. Funding was authorized in the final budget for the \$1.9 million total including \$400,000 in the basic support appropriation and \$1.5 million in Section 10.9 which reappropriated unreported savings from the prior year's budget.

The 1973-74 budget provides \$800,000 for unemployment claims or a reduction of \$1.1 million over 1972-73. This downward estimate results from a review of first quarter experience which indicates the \$1.9 million was excessive. Because this was the initial startup quarter, this experience may not be an accurate reflection of the program. We would suggest a more accurate estimate could be made when second quarter claim information is available in March.

The Budget Bill (Section 10.9) also proposes to reappropriate \$800,000 for 1973-74 of the \$1.5 million in savings available in 1972-73. This would provide a potential of \$1.6 million for expenditure in 1973-74. If the March data verifies the \$800,000 budget estimate then this reappropriation may not be necessary and a substantial part of this \$1.5 million could be considered by the Legislature for reappropriation to other uses.

12. PROVISIONS FOR ALLOCATION

Proposed Budget

	1972-73	1973-74	Change
General Funds:			
Price increase	\$1,447,392	\$2,085,242	\$637,850
Merits and promotions	2,841,103	9,854,103	7,013,000
Deferred maintenance	500,000	500,000	—
Budgetary savings	-9,400,000	-9,400,000	—
1972-73 range adjustment	6,205,134	6,205,134	—
Undergraduate teaching (Item 319)	—	1,000,000	1,000,000
Other	1,383,362	1,383,362	—
Totals—General Funds	\$2,976,991	\$11,627,841	\$8,650,850
Restricted funds:			
Endowment income—unallocated	\$1,791,619	\$2,001,410	\$209,791
Student activities and debt service	3,271,972	7,986,922	4,714,950
Deferred maintenance	—	2,000,000	2,000,000
Other UC funds	404,086	404,086	—
Total provisions for allocations	\$8,444,668	\$24,020,259	\$15,575,591

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Funds included in provisions for allocation are universitywide accounts or programs that have not been assigned to specific campuses in the budget. Increases to the General Fund budget of \$8,650,850 include \$637,850 for general price increases, \$7,013,000 for merit increases and promotions and \$1 million in Item 319 to finance a new program for undergraduate teaching excellence.

Inadequate Provision for Price Increase

We recommend an augmentation of \$2 million for general price increases to maintain current programs. The budget includes \$637,850 for general price increases which is a rate of 0.9 percent. This percentage is below the 4-percent rate which the Department of Finance instructed state agencies to use in preparing the 1973-74 budget.

Failure to fund normal price increases in the budget results in an arbitrary across-the-board program cut without specific program review of the effect of the reductions. If it is intended to cut budgets, we believe it is a more reasonable budgeting procedure to specifically identify the program area. Our recommendation for an augmentation of \$2 million would provide for a 4-percent increase to maintain currently authorized programs.

Deferred Maintenance (Item 320)

We recommend approval.

Included as a separate Budget Act appropriation is a \$500,000 state appropriation to assist in lowering the substantial backlog of \$6.3 million in deferred maintenance. The Budget Act item also includes language requiring equal matching by the Regents from nonstate funds.

Beginning in November 1968, and each year since, the University, in response to a request from the Conference Committee on the Budget, has submitted a detailed list of the deferred maintenance backlog. Based on the initial report of 1968, which showed a backlog of \$5.3 million, this item was included in the Budget Act and has been approved each year since then.

The growth of the backlog had been stabilized but the 1972 report shows an increase in the backlog of \$1 million, primarily at Berkeley. In response to this problem, the budget shows a new allocation of \$2 million in Regents funds for this purpose. This represents educational fees (tuition) which formerly were applied to the capital outlay budget.

Table 12 lists the backlog by campus for the past four years.

New Undergraduate Teaching Excellence Program (Item 319)

We recommend special review of the \$1 million program for undergraduate teaching excellence until the program content can be identified. Item 319 of the Budget Bill appropriates \$1 million to the University of California "for financing undergraduate teaching excellence."

Control language included in the bill provides that: "the money appropriated for expenditure in this item shall be available only when the board of regents adopts, publishes, and implements a universitywide

Table 12
Deferred Maintenance Backlog by Campus 1969 through 1972

<i>Campus</i>	<i>1969</i>	<i>1970</i>	<i>1971</i>	<i>1972</i>
Berkeley	\$2,073,000	\$1,372,052	\$1,748,950	\$2,759,000
Davis	1,442,885	1,830,428	828,000	838,840
Irvine	—	—	—	150,963
Los Angeles	776,622	671,719	1,348,234	1,208,841
Riverside	43,250	35,262	129,988	135,475
San Diego	301,300	145,361	157,629	373,487
San Francisco	46,833	111,770	185,700	136,000
Santa Barbara	384,700	752,148	581,631	570,555
Santa Cruz	15,700	41,500	—	77,945
Richmond Field Station	194,359	70,197	156,028	94,512
Total	\$5,274,649	\$5,030,438	\$5,136,160	\$6,345,618

plan which will substantially increase interest in and give special recognition to excellence of undergraduate instruction.”

The narrative in the budget refers to this as a pilot program but as of this writing we have been unable to determine further detail of the program. It would appear that the funds have been made available to generate a program rather than to have program needs generate the dollars.

Until we can identify the planned uses of these funds we are unable to recommend this item.

13. SPECIAL REGENTS' PROGRAM

Proposed Budget

	<i>1972-73</i>	<i>1973-74</i>	<i>Change</i>	
			<i>Amount</i>	<i>Percent</i>
Total	\$16,959,000	\$16,008,000	-\$951,000	-5.9%
General funds	—	—	—	—

In accordance with Assembly Concurrent Resolution No. 66 of the 1967 legislative session, the Governor's Budget contains the planned programs to be financed from the University's share of federal overhead funds. This is shown on page 207 of the Governor's Budget and is not repeated here. In summary \$11.8 million is allocated to student aid, \$2.6 million to educational enrichment and \$1.6 million to miscellaneous items.

14. AUXILIARY ENTERPRISES

Proposed Budget

	<i>1972-73</i>	<i>1973-74</i>	<i>Change</i>	
			<i>Amount</i>	<i>Percent</i>
Totals	\$47,628,371	\$48,012,303	\$383,932	0.8%
General Funds	—	—	—	—

This function includes activities that are fully self-supporting and includes student residence and dining facilities, parking systems, intercollegiate athletics, bookstores and other student facilities. The budget increases in this function are not discussed in the budget, but there is no state funding involved in this activity.

UNIVERSITY OF CALIFORNIA—Continued

15. STUDENT AID

Proposed Budget

	1972-73	1973-74	Change	
			Amount	Percent
Total	\$6,062,839	\$11,136,876	\$5,074,037	83.7%
General Funds	—	—	—	—

Increased Student Aid from Tuition

The budgeted funds for student aid are reported at \$6,062,839 in 1972-73 and these are proposed to increase by \$5,074,037 or 83.7 percent in 1973-74. These increases are identified as (1) a \$2.5 million grant program to improve access to the University for low-income students, (2) \$1.9 million for an educational fee grant program to replace fee deferrals and (3) \$500,000 for financial aid to health science students. These increases will be funded from the educational fee (tuition) which reduces the amount of these funds that would have been available for the capital outlay budget.

No state appropriations are made directly to the student aid budget but a small amount of the Real Estate Education, Research and Recovery Fund allocation is applied to student aid. The greatest portion of the student aid funds is not budgeted and is included as extramural funds.

Supplemental information printed in the budget identifies a total of \$67,107,000 for student aid in 1973-74 including non budgeted funds. Of total funds available, \$6.6 million is state funds granted from programs administered by the State Scholarship and Loan Commission. Also included is \$626,000 nonresident tuition waivers and \$333,000 statutory fee exemptions which are in effect subsidized by state funds. The Regents allocate \$11.8 million of the University share of overhead from federal grants and contracts. Student fees allocated to financial aid include \$9.5 million from the educational fee (tuition).

Aid Totaled \$57.3 million in 1971-72

Based on data reported to us by the University, financial aid expenditures for 1971-72 totaled \$57.3 million. A total of 37,949 students received aid or 36 percent of the enrollment. Aid was granted to 46.9 percent of all graduate students as compared to 31.5 percent of undergraduate students. In addition, aid per student was greater for graduates (\$2,051) than undergraduates (\$1,172). The data for 1970-71 and 1971-72 is displayed in Table 13.

Table 13
Financial Aid Expenditures and Recipient Data

	1970-71			1971-72		
	Under-graduate	Graduate	Total	Under-graduate	Graduate	Total
Financial aid (in millions)	\$21.4	\$26.7	\$48.1	\$27.4	\$29.9	\$57.3
Unduplicated recipients	19,461	13,406	32,867	23,365	14,584	37,959
Average per recipient	\$1,099	\$1,995	\$1,464	\$1,172	\$2,051	\$1,510
Headcount enrollment	73,814	31,521	105,335	74,157	31,084	105,241
Percent of enrollment receiving aid	26.4%	42.5%	31.2%	31.5%	46.9%	36.0%

Unused Student Aid Funds

In last year's analysis we reported that at the end of the 1970-71 fiscal year, the University had unspent student aid fund balances of \$7.4 million. We noted that some balance is normally expected, but the magnitude of the balances are greater than could be attributed to routine management controls. These balances for 1971-72 have been reduced to \$5.9 million. The detail of these fund balances is shown in Table 14.

Table 14
Student Aid Fund Balances

	<i>June 30</i> <i>1971</i>	<i>June 30</i> <i>1972</i>
Federal Programs:		
National direct student loan	\$2,209,897	\$1,588,177
Health professions student loan	387,269	348,654
Nursing student loan	35,143	17,946
Law Enforcement Education Loans	—	4,490
Health professions student grants	6,631	2,258
Nursing student grants	23,545	1,397
Educational opportunity grants	74,502	36,937
College work-study	285,096	83,449
Law Enforcement Education Grants	—	43,624
University Programs:		
University Grant-in-Aid Programs:		
University opportunity fund	54,612	247,416
Registration fee	1,550,994	717,157
The Regents Loan Fund	645,079	929,931
Alumni scholarship program	5,558	10,195
Matching scholarship program newer campuses	27,651	7,907
President scholarship program	19,087	15,297
Community college scholarship program	8,402	4,017
Foreign student tuition increment grants	—	126,495
Regents scholarship program	9,229	24,309
President's work-study	448,383	227,327
Income from endowment scholarship and fellowship funds	1,568,366	1,415,748
Total	\$7,359,444	\$5,852,831

Family Income of Students

Results of the student resources survey conducted by the State Scholarship and Loan Commission indicates that the family income of students appears to be substantially higher than students at the California State University and Colleges or the community colleges. Based on information reported by undergraduate students, the average family income of a University of California student was \$15,390 compared to \$12,330 at the State University and Colleges and \$11,420 at the community colleges. This data plus a percentage breakdown by family incomes is shown in Table 15.

Undergraduate EOP Program

An educational opportunity student at the University of California is defined as a student who is formally admitted to the educational opportunity program by the director of the educational opportunity program on his campus, and who upon being admitted to that program requires one or more of the services available to educational opportunity program

UNIVERSITY OF CALIFORNIA—Continued

Table 15
Percent of Students by Family Income

<i>Family Income</i>	<i>University of California</i>	<i>California State University and Colleges</i>	<i>Community colleges</i>	<i>Independent colleges</i>
Less than \$5,000.....	9%	12%	17%	11%
\$5,000 to \$9,999.....	19	24	23	17
\$10,000 to \$14,999.....	20	23	20	21
\$15,000 and above.....	38	25	20	41
Not reported.....	14	16	20	10
Average family income	\$15,390	\$12,330	\$11,420	\$15,650

students, including (a) admission by special action, (b) tutoring and retention services, (c) counseling services provided by the educational opportunity program, and (d) financial aid.

Again this year the estimated amount of funds available to the University for EOP students in 1973-74 or the numbers of students anticipated is not identified in the budget. It is our understanding that student aid funds are not earmarked by the University for EOP students and these students draw on the normal supply of student aid funds available to the University, estimated to be \$67.1 million in 1973-74. For this reason there is no basis for evaluating the need for additional funding in 1973-74.

The only data available for review is the actual data from the past year. In 1971-72 a total of \$11,292,000 was expended for a program serving 6,390 undergraduates or 9 percent of the undergraduate enrollment. This was an increase of \$2.4 million and 1,169 students over 1970-71. Table 16 shows selected data for the EOP program for 1970-71 and 1971-72.

Table 16
Undergraduate EOP Program Selected Data for
1970-71 and 1971-72

	<i>1970-71</i>	<i>1971-72</i>	<i>Change</i>
Expenditures:			
Financial aid.....	\$8,850,000	\$11,292,000	\$2,442,000
Administrative costs.....	1,389,000	1,563,000	174,000
Total Expenditures.....	\$10,239,000	\$12,855,000	\$2,616,000
Source of Financial Aid:			
University funds.....	\$4,680,000	\$6,626,000	\$1,946,000
Federal funds.....	4,170,000	4,666,000	496,000
Students:			
Enrolled in program.....	5,221	6,390	1,169
Receiving aid.....	4,763	5,723	960
Median Grade Point Averages:			
EOP students.....	2.56	2.53	-.03
All students (including EOP).....	2.87	2.89	.02
Program cost per student.....	\$1,961	\$2,012	\$51
Average financial aid award.....	1,858	1,972	114

University of California
HASTINGS COLLEGE OF LAW

Item 322 from the General
Fund

Budget p. 213 Program p. II-927

Requested 1973-74	\$1,970,380
Estimated 1972-73.....	1,713,327
Actual 1971-72	1,201,040
Requested increase \$257,053 (15.0 percent)	
Total recommended augmentation	\$60,250

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Nonresident students. Augment \$50,000.* Recommend replacement of nonresident tuition to permit a reduction in the budgeted quota of 80 new nonresident students. 792
2. *Student Fees.* Recommend elimination of the new "instruction materials fee" and related expenditures. 793
3. *Faculty. Reduce \$25,300.* Recommend reduction of one faculty position in the budgeted request for three additional positions. 793
4. *Student Aid. Augment \$48,550.* Recommend maintenance of college legal educational opportunity program (LEOP). 794
5. *Student Aid.* Recommend the recent \$21,600 reduction in educational fee deferments (student aid) be applied to other student aid programs rather than operating expense and equipment. 795
6. *Minor Construction Projects. Reduce \$13,000.* Recommend elimination of two previously funded projects. 795

GENERAL PROGRAM STATEMENT

Hastings College of Law was founded in 1878. It is designated by statute as the law arm of the University of California but is governed by its own board of directors. The Chief Justice of the Supreme Court of California is president of the board. All graduates of Hastings are granted the juris doctor degree by the Regents of the University of California. Hastings provides a basic program of instruction with supporting programs of student services and institutional support.

ANALYSIS AND RECOMMENDATIONS

Programs, funding sources, personnel positions and proposed changes are set forth in Table 1.

An overall decline in reimbursements is primarily a consequence of the termination of the federally funded criminal justice project. The proposed General Fund increase of \$257,053 or 15 percent is primarily for program enrichment and cost increases because, as Table 2 reflects, student enrollment will remain unchanged.

HASTINGS COLLEGE OF LAW—Continued

Table 1
Budget Summary

<i>Programs</i>	<i>Actual</i>	<i>Estimated</i>	<i>Proposed</i>	<i>Change</i>	
	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>Amount</i>	<i>Percent</i>
Instruction	\$1,455,036	\$1,735,070	\$1,818,473	\$83,403	4.8%
Student service	382,901	596,931	767,792	170,861	28.6
Institutional Support	643,758	855,741	956,523	100,782	11.8
Totals	\$2,481,695	\$3,187,742	\$3,542,788	\$355,046	11.1%
<i>Funding Sources</i>					
General Fund	\$1,201,040	\$1,713,327	\$1,970,380	\$257,053	15.0%
Reimbursements	1,201,167	1,227,585	1,190,578	-37,007	(3.0)
Federal funds	79,488	246,830	381,830	135,000	54.7
Totals	\$2,481,695	\$3,187,742	\$3,542,788	\$355,046	11.1%
<i>Personnel positions</i>	115.6	142.0	152.0	10.0	7.0%

Enrollment

Table 2 shows a five-year history of student enrollment at Hastings by fall semester, spring semester, the two-semester average and for summer session.

Table 2
Student Enrollment

<i>Year</i>	<i>Fall</i>	<i>Spring</i>	<i>Two-semester average</i>	<i>Summer</i>
1967-68	1,006	960	983	96
1968-69	1,036	951	993	98
1969-70	1,173	1,102	1,138	—
1970-71	1,301	1,256	1,278	84
1971-72	1,523	1,479	1,501	177
1972-73 (est.)	1,526	1,475	1,500	200
1973-74 (projected)	1,525	1,475	1,500	200

Out-of-State Admissions Policy

We recommend an augmentation of \$50,000 to permit and encourage Hastings to reduce its budgeted quota of 80 incoming 1973-74 nonresident students.

Reimbursements from nonresident students are budgeted at \$120,000 for 1973-74. This reflects a policy to admit at least 80 new out-of-state students at a nonresident tuition fee of \$1,500 each.

This recommendation is based on two considerations. First, income from nonresident tuition is considered a reimbursement to Hastings which directly reduces the level of state support for operating expenses. Thus, Hastings would suffer an operating deficiency if its budgeted quota of 80 nonresidents is not filled. This recommendation would permit the college to accept fewer new nonresidents next year without budgetary penalty. It would neutralize financially the decision to select resident as compared with nonresident students.

Second, we question a policy which induces Hastings to accept nonresidents while rejecting qualified California applicants. For example, of the projected 3,300 California applicants in 1973-74, Hastings would enroll 420. Thus, 2,880 Californians would be denied admission while 80 nonresidents

would be admitted, some of whom may be less qualified.

It is the intent of this recommendation that the proposed augmentation be utilized only for a reduction in new nonresident students and only at a rate of \$1,500 for each nonresident less than 80. Any of these additional funds not used for this purpose should be unallotted and returned to the General Fund.

A New Student Fee

We recommend elimination of the "instruction materials fee" for a reduction of \$15,000 in reimbursements and related expenditures.

The college administratively established an "instruction materials fee" at \$10 per student during 1972-73. Since other University of California campuses do not have a comparable fee, and Hastings students otherwise pay all comparable fees, a question of equity arises. We believe the college should maintain a student fee schedule which corresponds to those of other university campuses and utilize the normal budgetary procedures for funding additional instructional services.

New Remedial Writing Program

Hastings instituted a program for teaching legal writing and research during 1972-73 which is proposed for continuance in 1973-74. This program would add 3.5 man-year instructor positions and one related clerical position to the classroom element of the instruction program budget for a total General Fund cost of \$30,000.

Program justification states that students coming to Hastings do not possess adequate training in writing. After speculating about causes for this lack of writing competence, the college concludes, "reasons aside, the deficiency exists, and it falls on the law school to teach writing if students are to graduate with minimal competence in using a fundamental tool of the trade, the written word."

The program is conducted by two part-time faculty members and 23 part-time instructors (3.5 man-years) who are either lawyers serving as clerks to judges in nearby courts or local practicing attorneys. The program consists of lectures and multiple writing assignments. The assignments are critiqued on an individual student basis by an instructor.

Substantial Decline in Student/Faculty Ratio

We recommend that the instruction program budget request for three new faculty positions be reduced by one position for a General Fund savings of approximately \$25,300.

The instruction program budget includes an increase of three faculty positions in the theory practice element. This requested faculty increase is nonworkload related since enrollment remains the same.

Table 3 contrasts Hastings student/faculty ratio with other law schools outside California which reported ratios of 30 or more students for each instructor. Fall, 1971 enrollment data were drawn from a special study based on information published by the American Bar Association.

Table 3 indicates Hastings possessed the highest student/faculty ratio in the nation in 1971. Substantial faculty increases during 1972-73 reduced this ratio to 32.4 to 1. The 1973-74 budget proposal would raise Hastings

HASTINGS COLLEGE OF LAW—Continued

Table 3
National Law Schools Reporting
Student/Faculty Ratios over 30:1
Fall, 1971

<i>Institution</i>	<i>Students</i>	<i>FTE faculty</i>	<i>Student/faculty Ratio</i>
Harvard	1,922	63	30.5 to 1
Louisiana State.....	916	30	30.5 to 1
Illinois.....	792	25	31.7 to 1
University of Texas.....	1,671	48	34.8 to 1
Albany School of Law	609	17	35.8 to 1
Hastings	1,527	41	37.2 to 1

FTE faculty count to 49.2 and would result in a further reduction of the student/faculty ratio to 30.5 to 1. This recent and rapid reduction in the student/faculty ratio has contributed substantially to the escalation of General Fund cost per student. In 1971-72 this per student cost figure was reported at \$788 and is projected at \$1,314 for 1973-74.

Our recommendation raises the question of what constitutes an appropriate student/faculty ratio now that Hastings has achieved some degree of comparability with other major law schools.

Legal Educational Opportunity Program (LEOP) Grants Reduced Again

We recommend an augmentation of \$48,550 to aid 209 legal educational opportunity students with an average grant of \$800 during 1973-74.

The board's new policy would provide for 75 first-year legal educational opportunity program (LEOP) students annually. The former policy provided for 85.

Table 4 shows the recent history of LEOP, the effect of the budget proposal and the effect of our recommendation.

Table 4
Summary of LEOP Students Receiving Aid

	<i>Actual 1970-71</i>	<i>Actual 1971-72</i>	<i>Estimated 1972-73</i>	<i>Proposed 1973-74</i>	<i>Analyst recommendation</i>
First year	39	77	73	68	68
Second year.....	14	35	76	70	70
Third year	—	15	25	71	71
Total	53	127	174	209	209
Budgeted	\$35,650	\$102,650	\$102,650	\$118,650	\$167,200
Per student	\$673	\$808	\$590	\$568	\$800

In last year's Analysis we reported that continuing the same dollar level (\$102,650) into 1972-73 would require either a reduction in the number of new first year awards (to 22) or a reduction in the \$808 average grant. The Legislature augmented the budget to carry the 1971-72 program forward without any reductions. This augmentation was vetoed and the board chose to maintain the number of students being served which, in turn, reduced the average grant from \$808 to \$590.

The college has found from past experience that 90 percent of the students who enter under LEOP require financial aid grants of about \$800. Therefore, to provide support to those second and third year students

already in the program and to provide 68 new grants (i.e., 90 percent of 75 new LEOP students) at an average grant of \$800 requires a funding level of \$167,200.

Because the Governor's Budget would provide \$118,650, the board again would be faced with a choice of reducing the number of new grants to 7 at an average grant of \$800 or, as shown by the table, supporting 68 new LEOP students and reducing the average grant further to \$568. Our recommendation would continue the existing college LEOP at an average \$800 level.

Student Aid Utilized for Operating Expenses and Equipment

We recommend the recent reduction of \$21,600 in student aid educational fee deferments be applied to other student aid programs rather than to general operating expenses and equipment.

We recommended in last year's Analysis that budgeted educational fee deferments, a form of student aid, be reduced by 4 percent (\$21,600) based on a history of the number of deferments actually awarded. We recommended the \$21,600 be applied to augment other student aid programs.

The Legislature chose to maintain the existing level of student aid educational deferments and augment other student aid programs with additional General Fund moneys.

The college subsequently implemented our recommendation by reducing student aid educational fee deferments by \$21,600, but, contrary to our original recommendation, applied the proceeds to fund additional general office space and to purchase equipment.

If this \$21,600 reduction in student aid is to be continued, we would again recommend it be applied to support other student aid programs.

Construction Project Duplication

We recommend a \$13,000 reduction in minor construction projects to prevent potential duplication of two previously budgeted and funded projects.

The 1972-73 budget provided (1) \$10,000 for a special construction project to extend a stairway in one building from the first floor to the basement and, (2) \$3,000 for office alterations. The 1973-74 budget proposal again includes these requests. If these projects were to be deferred to 1973-74, these budgeted amounts should be reported as an unexpended balance. Since they are not, we have assumed the funds will be expended during 1972-73 and our recommendation would eliminate duplicate funding for these projects in 1973-74.

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Items 323-325^a from the General Fund

Budget p. 215 Program p. II-937

^aItem 324 provides for salary increases and is discussed on page 191 of this Analysis. The amounts are not included in these totals.

Requested 1973-74	\$407,883,744
Estimated 1972-73	378,377,700
Actual 1971-72	316,250,107
Requested increase \$29,506,044 (7.8 percent)	
Increase to improve level of service \$1,676,000	
Total recommended reduction	\$576,778

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Department Chairman. Reduce \$243,935.* Recommend reduction in the department chairman conversion program. 807
2. *Management Training. Reduce \$100,000.* Recommend deletion of funds for a proposed management training institute. 811
3. *Innovative Programs. Reduce Item 325 \$300,000.* Recommend \$300,000 in funds for new innovative programs in 1973-74 be deleted. 813
4. Recommend special legislative review of the Center for Advanced Medical Technology at California State University, San Francisco. 814
5. *Indian Teacher Education. Augment \$49,309.* Recommend augmentation of \$49,309 to support the Indian Teacher Education program at Humboldt. 813
6. *Out of State Tuition. Reduce Budget Bill \$200,000.* Recommend out-of-state tuition be increased to \$1,300 in 1973-74 for a reimbursement increase and General Fund savings of \$200,000. 820
7. Recommend chancellor's office critically analyze the academic performance of EOP students at Fullerton, Los Angeles, San Bernardino, Bakersfield, Hayward, Pomona and Sonoma. 821
8. *Educational Opportunity Program. Augment \$1,026,240.* Recommend restoration of student grant funds for 2,451 third and 1,825 fourth year EOP students in 1973-74 for a General Fund augmentation of \$1,026,240. 825
9. *Educational Opportunity Program. Augment \$332,640.* Recommend first year EOP enrollments be increased from 3,500 FTE to 4,220 FTE with related grant funds for an augmentation of \$332,640. Recommend the Legislature critically evaluate the trustees rationale for not implementing authorized new enrollee levels in 1971-72 and 1972-73. 825

10. *Student Affairs. Reduce Budget Bill \$180,000.* Recommend chancellor's office student affairs activity funding be shared by the materials and service fee on a similar basis as the individual campus programs for a 1973-74 General Fund savings of \$180,000. 831
11. *Analytic Studies. Reduce \$77,560.* Recommend analytic studies unit of the chancellor's office be abolished for a 1973-74 General Fund savings of \$77,560. 832
12. *Audit. Reduce \$100,000.* Recommend proposed trustees audit staff augmentation be reduced 5 positions in 1973-74 for a General Fund savings of \$100,000. 833
13. *Housing Expense. Reduce \$49,200.* Recommend \$49,200 budgeted in 1973-74 for college presidents' housing expenses be deleted. 833
14. Recommend General Funds budgeted for support of the Academic Senate be continued as a separate Budget Act item to allow future monitoring of the Academic Senate's role in collective bargaining. 835
15. *Salary Savings. Reduce \$734,272.* Recommend salary savings requirements be maintained at the current year level for a General Fund savings of \$734,272 in 1973-74. 835

**Summary of Recommended Fiscal Changes
to 1973-74 Budget**

Activity	Reductions	Augmentation	Funding	
			General Fund	Fees
1. Twelve-month department chairmen..	\$-243,935		\$-243,935	
2. Management Training Institute	-100,000		-100,000	
3. Innovative Programs	-300,000		-300,000	
4. Indian Teacher Education Program		\$+49,309	+49,309	
5. Out-of-state tuition increase			-200,000	\$+200,000
6. Educational Opportunity Program				
a. Third and fourth-year grants		+1,026,240	+1,026,240	
b. First-year grants		+332,640	+332,640	
7. Student affairs office			-180,000	+180,000
8. Analytic studies unit	-77,560		-77,560	
9. Trustee audit staff	-100,000		-100,000	
10. Housing allowances	-49,200		-49,200	
11. Salary savings.....	-734,272		-734,272	
Totals	-\$1,604,967	+\$1,408,189	-\$576,778	+\$380,000

GENERAL PROGRAM STATEMENT

In accordance with the 1960 Master Plan for Higher Education, the Donahoe Act (Chapter 49, Statutes of 1960, First Extraordinary Session) requires the California State University and Colleges (CSUC) to provide instruction in the liberal arts and sciences and in professions and applied fields which require more than two years of collegiate education and teacher education, both for undergraduate students and graduate students through the master's degree. The doctoral degree may be awarded jointly with the University of California or private institutions. Faculty research, using facilities provided for and consistent with the primary function of the state colleges, is authorized.

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued**Governance**

The California State University and Colleges system is governed by the 21-member board of trustees created by the Donahoe Act. The board consists of five ex officio members including the Governor, the Lieutenant Governor, the Superintendent of Public Instruction, the Speaker of the Assembly and the chancellor, and 16 regular members appointed by the Governor and confirmed by two-thirds of the State Senate for eight-year terms. The trustees appoint the chancellor, who serves at the pleasure of the board. It is the chancellor's responsibility as the chief executive officer of the system to assist the trustees in making appropriate policy decisions and to provide for the effective administration of the system.

The California State University and Colleges presently operate 19 campuses with an estimated 1973-74 fiscal year full-time equivalent enrollment of 233,290. Additional college sites located in Ventura, Contra Costa, and San Mateo Counties have been fully acquired.

Admissions

In accordance with the master plan of 1960, the system has restricted admission of new students to those graduating in the highest third of their high school class as determined by overall grade point averages and college entrance examination test scores. There is an exception which allows admission of no more than 4 percent of the students who would not otherwise be qualified. Transfer students may be admitted from other four-year institutions or from junior colleges if they have maintained at least a 2.0 or "C" average in prior academic work. To be admitted to upper division standing, the student must also have completed 60 units of college courses. Out-of-state students must be equivalent to the upper half of the qualified California students to be admitted. To be admitted to a graduate program, the minimum requirement is a bachelor's degree from an accredited four-year institution. However, individual programs may designate more restrictive standards.

Enrollment Data

In 1973-74 the full-time equivalent student enrollment throughout the state college system is expected to increase 5,120 FTE over the budgeted 1972-73 base of 228,170 FTE for a total of 233,290 FTE. Table 1 reflects the enrollment distribution for the 19 colleges, the off-campus center and the international program.

Table 1
Annual Full-Time Equivalent Students (FTE)

<i>Academic year</i>	<i>Reported</i>			<i>Budgeted</i>	
	<i>1969-70</i>	<i>1970-71</i>	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>
San Diego	18,833	20,247	20,184	22,300	22,350
Long Beach	19,004	19,854	19,954	20,500	20,500
San Jose	18,704	19,074	19,383	20,650	21,000
Northridge	15,613	17,843	18,065	18,920	19,000
Los Angeles	14,673	15,348	15,254	16,500	16,000
San Francisco	13,628	14,446	14,152	15,200	15,600
Sacramento	11,938	12,639	14,146	14,200	15,000

Fullerton	9,508	10,656	11,406	13,100	14,100
Fresno	11,274	12,334	12,666	14,000	14,000
San Luis Obispo	10,668	11,777	11,437	12,000	12,500
Chico	8,690	9,661	10,036	11,000	11,400
Pomona	7,172	7,835	8,755	9,500	10,250
Hayward	7,671	9,149	9,702	10,910	10,200
Humboldt	4,825	5,253	5,428	6,200	6,500
Dominguez Hills	1,582	2,262	2,941	3,940	5,000
Sonoma	3,147	3,866	4,712	4,800	4,800
Stanislaus	1,962	2,355	2,357	2,800	3,100
San Bernardino	1,608	2,003	2,151	2,500	2,500
Bakersfield	—	852	1,495	1,900	2,400
Bakersfield OCC	475	—	—	—	—
International Programs	379	379	340	360	360
Totals—academic year	181,254	197,833	211,705	221,290	226,560
<i>Summer quarter</i>					
Los Angeles	2,720	3,145	3,718	3,330	3,220
Hayward	1,040	1,319	1,199	1,350	1,210
San Luis Obispo	638	888	1,043	1,130	1,200
Pomona	714	894	841	1,070	1,100
Totals—summer quarter	5,112	6,246	6,801	6,880	6,730
Grand totals	186,366	204,079	211,365 ^b	228,170 ^a	233,290
<i>Change</i>					
Numbers	19,775	17,713	7,286	16,805	5,120
Percent	11.9	9.5	3.6	7.9	2.2

^a December 1, 1972, estimate of 223,210.^b Budgeted 221,020 FTE.**Long-Range Enrollment Projections**

Current long-range plans for enrollment growth through 1980-81 are shown in Table 2. The data shown in Table 2 are part of an interim trustee study required by the 1972 Budget Conference Committee and reflect a

Table 2
Enrollment Allocations Annual FTE Projected to 1980-81

Campus	Reported	Projected				
	1971-72	1972-73	1974-75	1976-77	1978-79	1980-81
Bakersfield	1,495	1,900	2,900	3,800	4,600	5,000
Chico	10,036	11,000	11,800	12,600	13,300	13,900
Dominguez Hills	2,941	3,940	5,900	7,400	8,500	9,100
Fresno	12,666	14,000	15,400	17,000	18,200	18,500
Fullerton	11,406	13,100	15,100	16,900	17,800	18,500
Hayward	10,901	10,910	12,060	13,710	15,000	15,700
Humboldt	5,428	6,200	6,800	7,400	8,000	8,400
Long Beach	19,954	20,500	21,400	22,700	23,600	24,300
Los Angeles	18,972	16,500	17,500	18,400	19,200	19,800
Northridge	18,065	18,920	20,800	22,200	23,100	23,800
Pomona	9,596	9,500	10,950	12,250	13,350	14,200
Sacramento	14,146	14,200	16,400	17,700	18,700	19,400
San Bernardino	2,151	2,500	2,900	3,700	4,500	5,100
San Diego ¹	20,184	22,300	22,350	24,250	26,200	26,600
San Francisco	14,152	15,200	16,000	17,300	18,200	18,800
San Jose	19,383	20,650	22,500	24,100	25,200	25,900
San Luis Obispo	12,480	12,000	13,000	14,000	14,700	15,300
Sonoma	4,712	4,800	5,400	7,000	8,000	8,600
Stanislaus	2,357	2,800	3,400	4,000	4,600	5,100
Total	211,025	220,920	242,560	266,410	284,750	296,000

¹ Calexico Center data included as part of California State University, San Diego.

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significant downturn in long-range projections of a year ago. Former projections estimated 315,500 FTE and 321,300 FTE in 1979-80 and 1980-81 respectively. Current projections show a decrease of 25,300 FTE in 1980-81 to 296,000 FTE.

In addition to the enrollment decrease, the ultimate campus sizes for the individual colleges were revised downward by the trustees in December 1972 as shown in Table 3. They also are in response to the 1972 Conference Committee directive.

Table 3
Board of Trustees
Current and Recommended College Ceilings

	<i>Current FTE (8-5) ceiling</i>	<i>Converted 8-10 ceiling</i>	<i>Rec: FTE (annual, academic year) ceiling with 25,000 maximum</i>
Bakersfield	12,000	18,000	12,000
Chico	12,000	18,000	14,000
Dominguez Hills	20,000	30,000	20,000
Fresno	20,000	30,000	20,000
Fullerton	20,000	30,000	20,000
Hayward	15,000	22,500	18,000
Humboldt	8,000	12,000	10,000
Long Beach	20,000	30,000	25,000
Los Angeles	16,800	25,200	25,000
Northridge	20,000	30,000	25,000
Pomona	20,000	30,000	20,000
Sacramento	20,000	30,000	25,000
San Bernardino	20,000	30,000	12,000
San Diego	20,000	30,000	25,000
San Francisco	16,000	24,000	20,000
San Jose	17,000	26,200	25,000
San Luis Obispo	12,000	18,000	15,000
Sonoma	12,000	18,000	10,000
Stanislaus	12,000	18,000	12,000
Totals	312,800	469,900	353,000

Significant Enrollment Decrease

As shown in Table 1 FTE enrollments beginning in 1971-72 have begun to drop dramatically over previous projections. The 1971-72 budget was based on an FTE count of 221,020, but only 211,365 materialized. The most recent 1972-73 estimate is 223,210 FTE or a drop of 4,960 FTE from the budgeted 228,170 FTE.

Immediate conclusions should not be drawn from this data alone. It only represents FTE. Table 4 is a breakdown of full-time (more than 12 units) and part-time (12 units or less) head-count students. This demonstrates the magnitude of the total number of students which must be served in the areas of admissions, library, registration and counseling. These figures differ from FTE figures in that they represent actual head count while one FTE represents the enrollment for 15 units of classwork. As an example, one FTE can be a single student taking 15 units, three students taking five units or five students taking three units.

Table 4
Fall Term Head-Count Enrollment

<i>Fall</i>	<i>Full-time</i>		<i>Part-time</i>		<i>Total</i>
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	
1965.....	98,852	63.8	56,075	36.2	154,927
1966.....	110,274	65.1	59,246	34.9	169,520
1967.....	122,426	66.0	63,175	34.0	185,601
1968.....	141,447	66.8	70,175	33.2	211,568
1969.....	153,634	68.3	71,203	31.7	224,837
1970.....	166,876	69.1	74,683	30.9	241,559
1971.....	172,136	65.6	89,945	34.4	262,081
1972 (est.).....	n/a		n/a		276,550

The data indicate a continued growth in total enrollments, but a recent shift towards part-time status. The effect of this is to decrease the total FTE count as shown in Table 1. Explanations for the shift to part-time and reduced course loads by students include (1) the pressures on male students from the draft system have decreased, (2) a tighter national economic condition has increased part-time job retention and (3) the significantly increased student faculty ratio in 1971-72 has reduced the number of sections offered to students who consequently take less units. This latter situation will be discussed elsewhere in this analysis under the instruction program.

San Diego, San Jose and San Luis Obispo will exceed their recommended ceilings prior to 1980-81. This situation can be corrected by stronger redirection policies.

Self-Support Enrollments

Additional enrollments occur in the self-supporting extension and summer session programs as shown in Table 5.

Table 5
Summer Session and Extension Program Enrollments

<i>Year</i>	<i>Net enrollment</i>		<i>Annual FTE</i>	
	<i>Extension</i>	<i>Summer session</i>	<i>Extension</i>	<i>Summer session</i>
1966-67.....	43,758	72,663	4,718	11,578
1967-68.....	50,768	74,357	5,492	11,294
1968-69.....	56,680	76,744	6,391	11,567
1969-70.....	67,608	75,464	7,084	12,331
1970-71.....	76,881	72,947	7,724	11,768
1971-72.....	79,800	69,554	7,930	11,303

1973-74 Budget Overview

The 1973-74 Governor's Budget request for operation of the California State University and Colleges system totals \$407,883,744 from the General Fund and \$595,527,150 from all sources of funds. In addition, \$34,260,000 is requested from the General Fund for salary increases which makes the total General Fund request \$442,143,744 as follows.

<i>Budget Act Item</i>	<i>Activity</i>	<i>1973-74 Amount</i>
323	Support.....	\$406,301,105
324	Salary increase.....	34,260,000
325	Innovation.....	1,582,639
Total.....		\$442,143,744

CSUC salary increases contained in Item 324 are discussed on page 191 of this analysis.

Table 6 reflects the total 1973-74 budget by program classification structure and source of funds.

Table 7 is the budget by program over a three-year period.

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Table 6
Source of Funds by Subprogram
(1973-74 Governor's Budget)

Program	General Fund			Special funds Continuing education		
	Net General Fund	Reim- bursements	Total General Fund	Summer session	Extension	Total
Instruction						
Regular instruction	\$272,389,623	\$14,230,477	\$286,620,100			
Special session instruction	—	—	—	\$6,107,112		\$6,107,112
Extension instruction	—	—	—		\$3,055,089	3,055,089
Total Instruction	\$272,389,623	\$14,230,477	\$286,620,100	\$6,107,112	\$3,055,089	\$9,162,201
Research						
Institutes and research centers	—	—	—			
Individual and project research	—	238,009	238,009			
Total Research	—	\$238,009	\$238,009			
Public service						
Continuing education	—	—	—			
Campus community service	—\$100,000	412,934	312,934		160,794	160,794
Total public service	—\$100,000	\$412,934	\$312,934		\$160,794	\$160,794
Academic support						
Libraries	25,780,994	406,810	26,189,804	29,224	1,028	30,252
Audiovisual services	4,774,602	441,652	5,216,254	22,771	8,328	31,099
Computing support	5,175,990	—	5,175,990	29,459	18,645	48,104
Ancillary support	6,805,180	—	1,805,180	—	—	—
Total academic support	\$37,536,766	\$850,462	\$38,387,228	\$81,454	\$28,001	\$109,455
Student services						
Social and cultural development	103,637	1,628,347	1,731,984	—	—	—
Supplementary educational services	108,650	—	108,650	—	—	—
Counseling and career guidance	1,767,731	8,587,416	10,355,147	20,116	—	20,116
Financial aid	4,365,888	32,261,625	36,626,513	96	—	96
Student support	883,412	8,141,725	9,025,137	6,928	—	6,928
Total student services	\$7,229,318	\$50,618,113	\$57,847,431	\$27,140	—	\$27,140
Institutional support						
Executive management	11,374,059	1,363,618	12,737,677	1,231,839	1,249,699	2,481,538
Financial operations	4,944,249	1,318,155	6,262,404	133,165	162,040	295,205
General administrative service	14,576,491	4,240,060	18,816,551	155,094	62,176	177,270
Logistical services	15,464,712	—	15,464,712	132,505	58,125	190,630
Physical plant operations	40,512,756	331,873	40,844,629	90,591	4,276	94,867
Faculty and staff services	2,588,638	—	2,588,638	—	—	—
Community relations	1,367,132	211,660	1,578,792	60,800	35,159	95,959
Total institutional support	\$90,828,037	\$7,465,366	\$98,293,403	\$1,763,994	\$1,571,475	\$3,335,469
Independent operations						
Institutional operations	—	4,956,775	4,956,775	—	—	—
Outside agencies	—	5,788,786	5,788,786	—	—	—
Total independent operations	—	\$10,745,561	\$10,745,561	—	—	—
Grand Total	\$407,883,744	\$84,560,922	\$492,444,666	\$7,979,700	\$4,815,359	\$12,795,059

Special funds				Auxiliary organizations				Foundations		
Dormitory	Auxiliary	Parking	Total special funds	(Activity)	(Activity)	(Activity)	Total	Special educational project	Research	Grand totals
			—							\$286,620,100
			\$6,107,112							6,107,112
			3,055,089							3,055,089
			\$9,162,201							\$295,782,301
			—						\$5,721,000	5,721,000
			—							2,381,009
			—							\$5,959,009
			160,794							160,794
			—							312,934
			\$160,794							\$473,728
			30,252							26,220,056
			31,099							5,247,353
			48,104							5,224,094
			—							1,805,180
			\$109,455							\$38,496,683
—	—	—	—	(Student activities)						11,543,984
—	—	—	—	\$9,812,000			\$9,812,000			108,650
—	—	—	20,116		(Food Service)	(Housing)				10,375,263
—	—	—	96	(Bookstore)						36,626,609
\$1,719,635	\$12,938	—	\$1,739,501	\$25,550,000	\$13,900,000	\$2,400,000	\$41,850,000			52,614,638
\$1,719,635	\$12,938	—	\$1,759,713	\$35,362,000	\$13,900,000	\$2,400,000	\$51,662,000			\$111,269,144
				(Other misc.)						
—	—	—	\$2,481,538							15,219,215
436,891	8,705	207,500	948,301	\$2,125,000			\$2,125,000			9,335,705
—	—	—	177,270							18,993,821
855,559	99,131	1,250,304	2,395,624							17,860,336
3,510,471	139,066	550,225	4,294,629							45,139,258
—	—	—	—							2,588,638
—	—	—	95,959							1,674,751
\$4,802,921	\$246,902	\$2,008,029	\$10,393,321	\$2,125,000			\$2,125,000			\$110,811,724
			—	(Spec. proj.)	(Agriculture)					26,945,775
			—	\$1,950,000	\$1,760,000		\$3,710,000	\$18,279,000		5,788,786
			—							
			—	\$1,950,000	\$1,760,000		\$3,710,000	\$18,279,000		\$32,734,561
\$6,522,556	\$259,840	\$2,008,029	\$21,585,484				\$57,497,000	\$18,279,000	\$5,721,000	\$595,527,150

Table 7
CSUC Budget Summary 1971-72 to 1973-74

<i>Summary of program requirements¹</i>	<i>Personnel</i>			<i>Actual</i>	<i>Estimated</i>	<i>Proposed</i>	<i>Change</i>	
	<i>71-72</i>	<i>72-73</i>	<i>73-74</i>	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>Amount</i>	<i>Percent</i>
Primary programs:								
I. Instruction	16,859.1	17,820.2	18,266.6	\$236,151,846	\$278,453,992	\$295,782,301	\$17,328,309	6.2%
II. Research	4.2	21.7	18.7	5,841,486	6,054,343	5,959,009	995,334	-14.3
III. Public service	10.7	29.7	29.8	360,787	452,872	473,728	20,856	4.9
Support Programs:								
IV. Academic support	2,158.4	2,396.2	2,426.3	31,947,364	38,125,337	38,496,683	371,346	1.0
V. Student service	1,690.2	2,038.1	2,106.9	97,457,343	110,206,555	111,269,144	1,062,589	1.1
VI. Institutional support	6,276.1	7,022.7	7,296.4	89,488,854	100,744,626	110,811,724	10,067,098	10.0
VII. Independent operations	662	772.4	818.3	30,497,306	32,217,801	32,734,561	516,760	1.6
Totals, programs	27,660.7	30,101	30,963	\$491,744,986	\$566,255,526	\$595,527,150	\$29,271,624	5.2%
<i>Reimbursements</i>	<i>-656.4</i>	<i>-810.1</i>	<i>-853</i>	<i>-78,734,266</i>	<i>-87,211,219</i>	<i>-84,560,922</i>	<i>-2,641,297</i>	<i>-3.0</i>
Net totals, programs	27,004.3	29,290.9	30,110	\$413,010,720	\$479,044,307	\$510,966,228	\$31,921,921	6.7%
<i>General Fund</i>				<i>316,250,107</i>	<i>378,377,700</i>	<i>407,883,744²</i>	<i>29,506,044</i>	<i>7.8</i>
<i>Continuing Education Revenue Fund</i>				<i>11,890,693</i>	<i>13,668,143</i>	<i>12,795,059</i>	<i>-873,084</i>	<i>6.4</i>
<i>Dormitory Revenue Fund</i>				<i>5,184,334</i>	<i>5,544,965</i>	<i>6,522,556</i>	<i>977,591</i>	<i>17.6</i>
<i>Auxiliary Enterprise Fund</i>				<i>219,984</i>	<i>225,705</i>	<i>259,840</i>	<i>34,135</i>	<i>15.0</i>
<i>Parking Revenue Fund</i>				<i>1,657,329</i>	<i>1,873,794</i>	<i>2,008,029</i>	<i>134,235</i>	<i>9.9</i>
<i>Foundations</i>				<i>24,121,310</i>	<i>24,000,000</i>	<i>24,000,000</i>	<i>—</i>	<i>—</i>
<i>Auxiliary operations</i>				<i>53,686,963</i>	<i>55,354,000</i>	<i>57,497,000</i>	<i>2,143,000</i>	<i>3.9</i>
<i>Federal (reimbursements)</i>				<i>(28,899,716)</i>	<i>(35,571,945)</i>	<i>(30,476,850)</i>	<i>-5,095,095</i>	<i>14.3</i>

¹ Includes expenditures, but not personnel man-years, for auxiliary operations and foundations—special projects.

² Does not include \$34,260,000 proposed for salary increases.

The \$29,506,044 General Fund increase in 1973-74 over the 1972-73 base is the result of (1) enrollment growth of 5,120 FTE (\$4,130,970), (2) price and nonenrollment related workload increases (\$23,699,074) and (3) new program funds (\$1,676,000).

The second factor is a significant one. It reflects that without enrollment growth the California State University and Colleges budget would increase 6.3 percent. In analyzing the details of this increase, the following factors apply.

<i>Factors</i>	<i>Cost</i>	<i>Total</i>
Salaries		
1. Merit salary adjustments	\$3,460,360	
2. Full year funding of 1972-73 positions	2,062,670	
3. Faculty promotions	1,898,111	
Subtotal		\$7,421,141
Fringe benefits		
4. Workmen's compensation	\$64,850	
5. Unemployment compensation	767,850	
6. Health benefits	458,391	
7. OASDI	5,132,262	
Subtotal		\$6,423,353
Price increases		
8. General	\$3,716,580	
Special increases		
9. New buildings	\$666,395	
10. Salary savings reduction	734,272	
11. Sabbatical leaves	319,028	
12. Communications	550,000	
13. Utilities	100,000	
Subtotal		\$6,086,275
Personnel increases indirectly related to enrollment growth		
14. Instructional administration	\$400,000	
15. Master teacher funds	160,000	
16. Library staff	220,000	
17. EDP staff	609,000	
18. Counseling	100,000	
19. Executive management	327,000	
20. Business management	200,000	
21. Security	100,000	
22. Admissions and records	100,000	
23. Physical plant	400,000	
Subtotal		\$2,616,000
24. Systemwide provisions and offices		680,827
Miscellaneous		
25. Reclassification, overtime, training, miscellaneous		471,478
Total		\$23,699,074

A significant amount of the increase occurs in costs related to existing personnel (\$14,897,794) such as increased OASDI payments, merit salary increases, and full-year funding of positions established in 1972-73. Other of the increases occur due to (1) the opening of new buildings (\$666,395),

Table 8
Instruction Program Expenditures
1971-72 to 1973-74

<i>Instruction</i>	<i>Personnel</i>			<i>Expenditures</i>			<i>Change</i>	
	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>Amount</i>	<i>Percent</i>
Program elements								
A. Regular instruction	16,103.0	16,943.0	17,492.6	\$227,262,823	\$268,345,050	\$286,620,100	\$18,275,050	6.8%
B. Special session instruction	553.2	617.5	511.2	6,524,015	7,130,762	6,107,112	-1,023,650	-14.1
C. Extension instruction (for credit)	202.9	259.7	262.8	2,365,008	2,978,180	3,055,089	76,909	2.6
Total Program costs	16,859.1	17,820.2	18,266.6	236,151,846	278,453,992	295,782,301	17,328,309	6.2
General Fund	16,103.0	16,943.0	17,492.6	211,802,258	253,302,516	272,389,623	19,087,107	7.5
Reimbursements	—	—	—	15,460,565	15,042,534	14,230,477	-812,057	-5.4
Continuing Education Revenue Fund	756.1	877.2	774.0	8,889,023	10,108,942	9,162,201	-946,741	-9.4

(2) utility and communication rate increases (\$650,000), (3) general price increases (\$3,716,580), and (4) workload increases.

I. Primary Programs

Instruction

The instruction program consists of all formal instructional activities in which a student engages to earn credit toward a degree. The program consists of three subprograms which include regular instruction, summer session instruction and extension instruction.

Proposed Budget

The expenditures for the instruction program are shown in Table 8.

Regular Instruction

The regular instruction subprogram includes all state-funded expenditures for the normal classroom, laboratory and independent study activities. Instructional administration which includes deans and department chairmen are also included in this item. Collegewide administrators above the dean of school level are under institutional support elsewhere in the budget.

Instructional Administration

Positions for instructional administration up to but not including the vice president for academic affairs are included in the instruction program. Such positions are authorized according to specific formulas and include (a) deans of academic planning, deans of undergraduate studies, deans of instructional services, deans of graduate studies and deans of schools, (b) coordinators of teacher education, (c) academic planners, (d) department chairmen and (e) related clerical positions.

Twelve-Month Department Chairman

In the 1972-73 budget \$1,187,926 was provided for the conversion of 50 percent of the department chairmen positions (those with more than 25 faculty positions) from nine-month appointments to 12-month appointments. In September 1972 implementation of the program was made wherein each campus was required to convert to a 12-month appointment each chairman of a department to which 25 or more FTE faculty positions are assigned or where special workload factors justified the conversion. Some waivers were granted and most positions were allowed to carry a teaching load of one course if required. As of December 1972 approximately 218 positions have been converted systemwide with a corresponding expenditure obligation of \$928,076. 127 conversions were based on departmental size and 91 were based on special workload factors.

We recommend a 1973-74 reduction of \$243,935 in the department chairman conversion program. The 1973-74 budget contains \$1,251,453 for full-year funding of the program authorized in 1972-73. In evaluating the documentation presented, it appears that the 1972 program was overfunded by approximately 12 percent. Of the \$1,187,926 provided in 1972-73, colleges only requested and were allocated approximately \$928,076 on a full-year basis with nearly 40 percent allocated to departments with less than 25 faculty. The chancellor's office wants to allocate all the funds.

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

However, we believe that such action is premature in light of the newness of the program and the reduced college demand. An important component of the program authorized by the Legislature was the language "subject to an annual report being submitted to the trustees by the colleges on the results of administrative procedures employed to assure that faculty meet their assigned duties, particularly classroom teaching." Until such a report is evaluated, it appears more prudent to maintain the 1972-73 status.

1973-74 Faculty Staffing

The 1973-74 budget authorizes 369.3 FTE additional faculty positions than in 1972-73 to meet the enrollment increase of 5,120 FTE students. This increase represents (a) a continuation of the 1972-73 student faculty ratio of 17.9 to 1 implemented by the Legislature and approved by the Governor, and (b) an augmentation of 75.3 additional faculty positions with related clerical support. We believe that this additional faculty support is justified particularly in light of the decrease in student courseload discussed in the enrollment section of this analysis. It is proposed that 252 of the 369.3 positions be selectively allocated by the chancellor's office for additional sections to be offered in high demand academic areas. We believe that a system of selective allocation of faculty positions is fundamental to academic management and concur with the proposal.

Table 9 reflects the systemwide growth in faculty positions and the related student-faculty ratio.

Table 9
Estimated and Actual Student-Faculty Ratios

Year	Faculty		Student-Faculty ratio	
	Estimated	Actual	Estimated	Actual
1966-67	8,154.5	7,722.7	15.83:1	16.86:1
1967-68	8,842.9	8,545.8	16.27:1	17.21:1
1968-69	10,001.3	9,592.7	16.10:1	17.35:1
1969-70	11,333.0	11,176.1	15.92:1	16.67:1
1970-71	12,343.5	11,749.0	16.36:1	17.34:1
1971-72	12,081.3	11,785.3	18.27:1	17.91:1
1972-73	12,698.8	—	17.94:1	—
1973-74 (est.)	13,068.1	—	17.82:1	—

Faculty characteristics and workload indicators are shown in Table 10.

1973-74 Faculty Staffing Method

The 1973-74 budget initiates the use of a new technique for determining faculty position requirements. This method is based upon expected output, as measured by average number of student credit units taught per full-time equivalent faculty position. The approach is expected to provide (a) a programmatic (output) oriented expression of resource requirements and (b) campus flexibility in such matters as class size and mode of instruction.

The major factors which led to the decision to change are (a) for the past two budget cycles (1971-72 and 1972-73), the Department of Finance

Table 10
Faculty Workload Indicators¹

<i>Indicators</i>	<i>Fall 1969</i>	<i>Fall 1970</i>	<i>Fall 1971</i>	<i>Change</i>
Faculty FTE ²	10,425.0	11,542.1	11,336.0	-274
Percent of regular faculty with Ph.D.	56.2	58.1	60.2	+2.1
Enrollment FTE ³	181,254	199,127	208,268	+9,142
Student-faculty ratios	17.4	17.3	18.4	+1.1
Regular instruction section load per FTE faculty	3.9	3.8	3.7	-0.1
Lecture and lab contact hours per faculty FTE	12.8	12.5	12.5	—
Independent study contact hours per fac- ulty FTE	3.6	4.2	4.4	+0.2
Total contact hours per faculty FTE	16.4	16.7	16.9	+0.2
Average class size	28.4	27.9	28.4	+0.5
Lecture and lab WTU per faculty FTE ..	10.9	10.8	11.1	+0.3
Independent study WTU per faculty FTE ..	1.4	1.6	1.7	+0.1
Total WTU per faculty FTE	12.4	12.4	12.8	+0.4
SCH per WTU ⁴	21.75	21.63	22.96	+1.33
SCH per faculty FTE	260	259	276	+17.0

¹ Based on actual experience not budgeted.

² A full-time-equivalent (FTE) faculty teaches 12 weighted teaching units (WTU).

³ A full-time-equivalent (FTE) student enrolls in 15 credit units.

⁴ Student credit-hours per weighted teaching unit.

has rejected the traditional faculty staffing formula in favor of a student faculty ratio for the entire system; (b) a study of this matter by a statewide task force consisting of representatives of the Department of Finance, the Legislature, the coordinating Council for Higher Education, the University of California, and the California State University and Colleges produced a recommendation that a new budgeting method based on output rather than input measures be used; and (c) there has always been some concern about the workload associated with the preparation of worksheets required by the old faculty staffing formula. Its detailed outline of proposed courses and sections was prepared 18 months before the courses were offered and produced data of limited value since the proposed course offerings were significantly changed when the instructional program offerings were finalized.

The new faculty staffing approach uses the experience of the past three years (1969-70, 1970-71 and 1971-72) on student credit units (SCU) per full-time equivalent faculty (FTEF) position (the SCU/FTEF ratio), expressed by campus and by instructional discipline categories. The ratios are then divided into projections of SCU to obtain the number of faculty required by campus and discipline as summarized for the system in Table 11.

Table 12 shows the past and proposed systemwide average student-faculty ratios and the comparable student credit unit/full-time-equivalent faculty ratios.

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

Table 11
System Average Productivity Measure
Student Credit Unit per Full-Time-Equivalent Faculty

<i>Discipline category</i>	<i>Fall 1969¹</i>	<i>Fall 1970</i>	<i>Fall 1971</i>	<i>3 yr. avg.</i>
Agriculture and natural resources.....	210	197	224	210
Architecture and environmental design	207	192	188	196
Area studies.....	379	333	452	388
Biological sciences.....	228	244	267	246
Business and management	312	299	324	312
Communications	240	254	289	261
Computer and information sciences.....	261	246	268	258
Education.....	NA	217	236	227
Physical education.....	NA	199	198	198
Industrial education	NA	223	231	227
Engineering.....	165	165	172	167
Fine and applied arts.....	219	213	223	218
Foreign languages	227	220	236	226
Health professions.....	NA	311	334	323
Nursing.....	NA	92	111	102
Home economics	253	270	298	274
Letters	289	283	298	290
Library science.....	230	205	265	233
Mathematics.....	270	270	271	270
Physical sciences	229	233	245	235
Psychology.....	324	337	356	339
Public affairs and services.....	252	241	288	260
Social sciences.....	361	342	362	355
Interdisciplinary studies.....	340	384	314	346
All categories	261	259	276	265

¹ Separate data not available on education, physical education, and industrial education, nor on health professions and nursing for fall 1969. The entry in the last column for these five categories therefore represents a two- rather than a three-year average.

Table 12

<i>Budget Year</i>	<i>Student Faculty Ratio</i>	<i>Student Credit Unit Per FTE Faculty</i>
1967-68	16.38	246
1968-69	16.21	243
1969-70	15.98	240
1970-71	16.26	244
1971-72	18.25	274
1972-73 (est.)	17.90	269
1973-74 (proposed)	17.82	267

1973-74 Trustees Request

The trustees requested a 17.01 student-faculty ratio or 255 SCU/FTEF producing a need for 666.7 additional faculty over the Governor's budget at a cost of \$8.9 million.

The chancellor's office maintains that the higher student-faculty ratios of recent years has forced a reduction in the number of sections offered students and a resultant reduction of student courseload. We are aware of the reduced student courseload, but factors mitigate the Chancellor's argument such as (a) it is not a consistent phenomenon systemwide, (b) male students do not feel compelled to maintain full-time status since pressure from the military draft has been reduced, and (c) faculty work-

load has not been noticeably increased to add extra sections. We have reviewed the request in light of the chancellor's office data and believe that there is insufficient justification for the trustees proposal. We recommend the Governor's Budget containing a student-faculty ratio of 17.82 and 369.3 new faculty.

Failure to Comply with Legislative Mandate

The 1971 Conference Committee directed:

"The Department of Finance in cooperation with the California State Colleges, the University of California, the Coordinating Council for Higher Education and the Office of Legislative Analyst initiate a study of alternative methods of budgeting for faculty positions based on the concept of faculty productivity. Evaluations of the new budgeting system shall be made by the Coordinating Council for Higher Education and the Office of the Legislative Analyst for consideration by the 1972 Regular Legislative Session."

While a study was made of this issue, the department did not issue a report for subsequent evaluation. The exact policy of the Department of Finance towards faculty budgeting remained vague during the 1972 legislative hearings to the extent that the 1972 Budget Conference Committee specifically directed:

"The Department of Finance report on faculty budgeting mandated by the 1971 Conference Committee be submitted to the Legislature by January 1, 1973."

As of January 1973 such a report has not been submitted. The department maintains the report will be completed prior to the legislative hearings.

Management Development Institute Proposed

We recommend deletion of \$100,000 in funds for a management training institute.

The 1973-74 budget proposes the establishment of a management training institute budgeted at \$100,000. The concept of the institute would be to upgrade management skills of California State University and Colleges personnel. While we do not disagree that such a program is desirable we have some difficulty with this proposal since there is no detailed proposal available for legislative review. This proposal was not included in the trustees request. In subsequent negotiations between the Chancellor's staff and the Department of Finance \$100,000 was included in the Governor's Budget based on a general policy decision without a specific written proposal. We believe that it is bad budgeting to fund unspecified proposals and consequently recommend deletion of the 1973-74 \$100,000 appropriation.

Innovative Programs

The 1972-73 budget established a state funded innovative and improvement program for instruction at a level of \$1.3 million. With these funds the chancellor's office established a central staff which reviewed 138 individual campus proposals. From the 138 proposals 37 were funded as shown in Table 13.

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Table 13
1972-73 Innovative and Improvement Pilot Projects
Budget Items 292 and 291

<i>Campus</i>	<i>Project</i>	<i>Item 292</i>	<i>Item 291</i>	<i>Amount</i>
Bakersfield	Modules for individualized instruction	\$74,622		\$74,622
Chico	1. Credit by Examination.....	—	\$24,840	
	2. Faculty Development Center	6,921	—	
	3. Innovative Uses of Media in Mathematics	6,490	—	
	4. ITV—Art	49,033	—	
	Total Chico			87,284
Dominguez Hills	1. Teaching large classes	4,635	—	
	2. Science data base.....	36,028	—	
	3. Support for Carnegie project.....	7,722	24,833	
	Total Dominguez Hills.....			73,218
Fresno	Alternative modes of instruction	22,572	3,752	26,324
Fullerton	1. Minicourses in natural science.....	22,801	6,211	
	2. Basic finances self-paced learning modules	7,576	15,919	
	3. General education alternative approaches.....	11,671	9,676	
	Total Fullerton			73,854
Hayward	Business administration competency based program	36,300	1,447	37,747
Humboldt	Science General Education	43,946	—	43,946
Long Beach	1. Learning Assistance Center-Academic Aids	35,549	—	
	2. Weekend College	145,846	38,176	
	Total Long Beach.....			219,571
Los Angeles	1. Nursing self-paced learnings.....	7,477	15,918	
	2. Nursing equipment.....	39,779	—	
	3. Nursing ITV	69,541	—	
	Total Los Angeles.....			132,715
Northridge	Informational Retrieval by Television.....	84,560	—	84,560
Pomona	1. Project Alliance	23,739	44,373	
	2. Biological Sciences-Audio Tutorial	160	12,454	
	Total Pomona			80,726
Sacramento	1. Engineering Productivity	32,408	—	
	2. Engineering self-paced instruction	20,466	—	
	3. U-Curve plotting	16,066	—	
	Total Sacramento			68,940
San Bernardino	1. Chemistry labs	2,040	8,088	
	2. Credit by Examination.....	10,450	22,547	
	3. Comprehensive Examination	19,774	—	
	Total San Bernardino.....			62,899
San Diego	1. ETV Education	57,339	—	
	2. Chemistry Lab Integration	35,063	—	
	3. Mathematics	27,048	—	
	Total San Diego			119,450
San Francisco	1. Peer Instruction	9,386	—	
	2. General Studies—Project.....	3,921	13,832	
	Total San Francisco			27,139

Items 323-325

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San Jose	1. Special Education-ITV	\$37,243	—	
	2. Instructional Development	45,948	\$16,026	
	Total San Jose			\$99,217
San Luis Obispo			
Sonoma	1. English Major	10,130	9,676	
	2. Mentorship Teaching Model	29,749	—	
	3. Integrated Studies AB	25,903	—	
	Total Sonoma			75,458
Stanislaus			
Open System	Computer Assisted Instruction	46,677		
	Total			46,677
	Total All Colleges	\$1,166,579	\$267,768	\$1,434,347
Central Administration			\$106,396
	Grand Total			\$1,540,743

1973-74 Proposed Innovation Budget

We recommend that \$300,000 in funds for new innovative programs in 1973-74 be deleted from Item 325.

The 1973-74 budget proposes the continuation of this program at a level of \$1,582,639. The proposal is that most of the existing projects (\$949,584) continue with the addition of a few unspecified additional projects (\$633,055). We supported the concept of this program in 1972-73. However, we have several concerns as to the program implementation: (1) we are concerned with the use by this program in 1972-73 of \$267,768 and 21.4 faculty positions budgeted separately in the regular instruction budget (Item 291) to meet innovative program needs. (After inquiring into the matter we have been assured that they were utilized in student contact situations and that this will not occur in 1973-74), (2) the 37 1972-73 projects have not been critically evaluated by the chancellor's staff as to their success or failure, and (3) the 1973-74 budget contains \$633,055 for approximately 20 additional new programs.

We believe that new program funds of this magnitude are premature. The current 37 pilot projects covering a wide spectrum of program activities have just been initiated. Until there has been some evaluation of these efforts to be used as input for future program direction, we believe that the addition of new projects should be tightly controlled. Our proposal allows \$333,055 for approximately 10 new projects which is sufficient for program stability.

Humboldt Indian Teacher Education Program

We recommend that the 1973-74 budget be augmented \$49,309 to support the Indian teacher education program at Humboldt. In 1969-70 the Humboldt campus initiated with the use of federal funds a unique teacher education program in order that Native American Indian students could within four years complete a teaching credential specializing in the needs of the Indian community schools. Eighteen students were enrolled in 1969-70 followed by 12 additional in 1970-71 and 14 in 1972-73. The uniqueness of the program involves (1) the type of student enrolled, (2)

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a requirement that each student spend at least eight hours per week, in addition to normal student teaching, in community classrooms and (3) a special six-week summer training institute involving Indian education matters.

In the current 1972-73 year the program has been frozen at an enrollment level of 48 students with only five new enrollees. This situation occurs mainly due to federal plans to withdraw funding by 1975-76. The federal government assumes that if the program meets California's needs then the state will fund it. The trustees have reviewed the need and supported the program through a request for \$49,309 to allow for the addition of 10 new enrollees in 1973-74 and the continuation of the summer institute. This request is not included in the Governor's Budget. However, we believe that it does have merit and should be funded by the Legislature.

San Francisco Center for Advanced Medical Technology

We recommend special legislative review of the Center for Advanced Medical Technology at San Francisco. In recent years health care facilities have been subject to the utilization of new sophisticated diagnostic equipment. This equipment is usually handled by staff level medical technologists who are trained by institutions of higher education and certified by the state. To aid in this effort, the San Francisco campus, Division of Biology, used federal grants to equip and operate a series of diagnostic laboratories in a center for advanced medical technology which offers a postbaccalaureate program for allied health science personnel.

In 1970-71 federal funds for the program's operation were withdrawn and a General Fund augmentation request was made to the Legislature but denied. In 1972-73 augmentation funds were again requested and the conference committee included \$27,000 in the budget for the center presumably as matching funds for a new \$157,000 federal grant. The federal grant was denied.

The program has managed to continue at a minimum level of service in 1972-73 by utilizing the \$27,000 and small amounts of private funding. \$104,000 has been requested by the Trustees to continue the program in 1973-74 but the program is not included in the Governor's Budget. We have requested specific data as to the scope of the project proposed by the trustees in 1973-74 and thereafter. The scope has not been presented at this time. However, due to previous legislative interest in the matter we recommend that the issue be addressed by the legislative fiscal committees.

International Programs

	<i>Actual</i> 1971-72	<i>Estimated</i> 1972-73	<i>Proposed</i> 1973-74
Expenditures.....	\$476,500	\$556,598	\$556,598
Man-years	17.2	17	17
Enrollment	340 FTE	348 FTE	360 FTE

In 1973-74 the California State University and Colleges system will oper-

ate centers in 11 foreign countries as shown in Table 14.

Table 14
International Programs Student Assignments 1972-73 and 1973-74

	1972-73	1973-74
Denmark	—	10
France	55	50
Germany—Berlin	7	—
Heidelberg	28	35
Israel—Jerusalem	10	8
Tel Aviv	10	8
Italy	79	62
Japan	10	10
Mexico	—	30
Spain—Granada	20	25
Madrid	27	25
Sweden—Stockholm	5	—
Uppsala	62	65
Taiwan	18	20
USSR	1	—
United Kingdom	16	12
Totals	348	360

Under this program upper division and graduate students can study abroad at a cost which would be similar to studying in California in an on-campus residency situation. The academic programs are restricted to complement a student's degree program. The state expenditure program supports the program's administration, program directors and supplemental tuition expenses.

In 1971-72 the program administration was reorganized to operate out of the Chancellor's office as a supplement to the regular academic program instead of as an independent operation. In addition, refunds totaling approximately \$260,000 were made to previous students. This action was necessary in light of certain management improprieties under its former operation. We believe that the program is an important one insuring academic variety and experience in specified areas of study.

2. Research and Public Service

The California State University and Colleges faculty is authorized to perform research activities which are consistent with the primary teaching function. Public service is concerned with making available to the various communities services and capabilities that exist within the college system. Examples of such service include extension courses which are not part of a degree curriculum, conferences, institutes, radio, San Diego educational television and consultation.

Proposed Budget

	Actual 1971-72	Estimated 1972-73	Proposed 1973-74	<u>Change</u> Amount Percent	
Research	\$5,841,486	\$6,054,343	\$5,959,009	\$ -95,334	1.5
Public service	360,787	452,872	473,728	20,856	4.8
Reimbursements and special funds	6,202,273	6,507,215	6,432,737	-74,478	1.2

The amounts shown for research include those projects handled

Table 15
Academic Support Program
Expenditures 1971-72 to 1973-74

<i>Academic support</i>	<i>Personnel</i>			<i>Expenditures Academic support</i>			<i>Change</i>	
	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>Amount</i>	<i>Percent</i>
Program elements:								
A. Libraries.....	1,539.0	1,639.5	1,665.4	\$22,643,606	\$26,580,404 ¹	\$26,220,056	\$-360,348	-1.3%
B. Audiovisual services	274.3	337.1	343.6	3,398,473	4,139,378	4,379,653	240,275	4.8
C. Television services.....	48	48	48	703,645	842,131	867,700	25,569	2.4
D. Computing support.....	194.3	227.8	229.2	3,890,918	4,785,963	5,224,094	438,131	9.7
E. Ancillary support	102.8	143.8	140.1	1,310,722	1,777,461	1,805,180	27,719	1.6
Total Program costs	2,158.4	2,396.2	2,126.3	31,947,364	38,125,337	38,496,683	371,346	1.0
<i>General Fund</i>	<i>2,148</i>	<i>2,386.1</i>	<i>2,416.4</i>	<i>31,131,070</i>	<i>37,178,122</i>	<i>37,536,766</i>	<i>358,644</i>	<i>0.9</i>
<i>Reimbursements</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>730,954</i>	<i>814,729</i>	<i>850,462</i>	<i>35,733</i>	<i>4.3</i>
<i>Continuing Education Revenue Fund</i>	<i>10.4</i>	<i>10.1</i>	<i>9.9</i>	<i>85,340</i>	<i>132,486</i>	<i>109,455</i>	<i>-23,031</i>	<i>-17.4</i>

¹ Includes roll forward of \$2 million from 1971-72 savings.

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through the system's foundation operations. This action is in accordance with the 1972 Legislative Conference Committee directive. The San Diego educational television is budgeted at the current year funding level.

II. SUPPORT PROGRAMS**1. Academic Support Program**

The academic support program is composed of those subprograms which aid through the retention, presentation and display of materials, or provide services which directly assists the academic functions of the system. The budget identifies five subprograms for academic support which include (a) libraries, (b) audiovisual services, (c) television services, (d) computing support and (e) ancillary support. Expenditures for the academic support program are shown in Table 15.

Libraries

The library function includes such operations as the acquisition and processing of books, pamphlets, periodicals and documents, the maintenance of the catalog and indexing systems, the distribution of reference services to students and faculty and the administration of these activities.

Current systemwide holdings are shown in Table 16. The 1973-74 budget proposes to extend the current year workload level and book acquisition program. These levels were reviewed extensively by the Legislature in 1972-73 and were established after deleting approximately \$2 million from a more ambitious program proposed by the trustees.

Table 16
CALIFORNIA STATE UNIVERSITY AND COLLEGES LIBRARY HOLDINGS

<i>Campus</i>	<i>Holdings as of 6/30/72</i>	<i>1972-73 budgeted acquisitions*</i>	<i>Total holdings as of 6/30/73</i>	<i>Estimated FTE enrollments 1972-73</i>	<i>Holdings per FTE</i>
San Diego	580,862	37,569	618,431	22,300	27.7
San Jose	582,802	33,255	616,057	20,650	29.8
Long Beach	522,663	38,926	561,589	20,500	27.4
Los Angeles	536,458	33,284	569,742	19,830	28.7
Northridge	473,865	41,569	515,434	18,920	27.2
San Francisco	455,996	26,055	482,051	15,200	31.7
Sacramento	412,358	36,212	448,570	14,200	31.6
Fresno	405,292	33,569	438,861	14,000	31.3
San Luis Obispo	332,825	27,427	360,252	13,130	27.4
Fullerton	319,737	28,784	348,521	13,100	26.6
Hayward	373,253	28,212	401,465	12,260	32.7
Chico	342,709	30,069	372,778	11,000	33.9
Pomona	222,046	22,356	244,402	10,570	23.1
Humboldt	167,483	14,927	182,410	6,200	29.4
Sonoma	162,405	20,213	182,618	4,800	38.0
Dominguez Hills	110,913	12,785	123,698	3,940	31.4
Stanislaus	110,995	12,113	123,108	2,800	44.0
San Bernardino	143,968	12,499	156,467	2,500	62.6
Bakersfield	67,027	10,142	77,169	1,900	40.6
Total	6,323,657	499,966	6,823,623	227,800	30.0
Budgeted 1973-74	—	—	500,000	—	—

* Does not include approximately 89,250 library volume acquisitions to be funded by special augmentations from 1971/72 fiscal year savings pursuant to Section 10.12 of the 1971 Budget Act.

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued**Computing Support**

In addition to normal cost increases, the 1973-74 budget provides \$105,000 for increases in the systemwide timesharing capacity to keep up with increasing instructional demands. Time sharing allows for the use of interactive computer terminals, usually teletypes, to support various instructional programs on the campuses on a "time-shared" basis. This means that one computer is being "shared" by up to 126 students or instructors at one time.

Funds in the amount of \$116,000 are also provided for specific conversions of CDC 3150 computers on the campuses. After conversion, these smaller computers will be able to utilize the state and national standard computer programming language, ANSICBOL. Primary advantages to using this standard language are the easy interchange of programs between campus and chancellor's office users (regardless of computer used) and fewer program conversions in case of future computer changes.

The balance of \$150,000 is provided for pilot implementations at four campuses of an automated student registration and scheduling system. The system will be standard with the exception of minor local differences. It is anticipated that there will be improved utilization of instructional facilities, scheduling of classes, and standardization of student records for faster processing.

2. Student Services Support Program

The student services support program includes a variety of services to students which are financed partially or completely from revenues from the student materials and service fee. For budgetary purposes, services are identified by social and cultural development, supplementary educational service, counseling and career guidance, financial aid and student support.

The expenditures for the student services program is shown in Table 17.

Student Fees

Students in the California State University and Colleges system are subject to one of the lowest fee schedules in the country. This situation arises from one of the basic recommendations of the 1960 master plan which was for the respective governing boards to "reaffirm the long-established principle that state colleges and the University of California shall be tuition free to all residents of the state." A review of historical practice indicates that neither segment has, as a matter of fact, been entirely tuition free.

Tuition has been authorized by statute since 1862 at the state colleges. Prior to 1933 various course fees were charged depending upon the individual course taken. From 1933 to 1953 the state colleges charged a small tuition which amounted to \$17 per year until 1953 when it was merged with the materials and service fee. Although no "tuition" has been

Table 17
Student Services Program Expenditures
1971-72 to 1973-74

<i>Student services</i>	<i>Personnel</i>			<i>Expenditures</i>			<i>Change</i>	
	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>Amount</i>	<i>Percent</i>
Program Elements								
A. Social and cultural development	122.1	130.6	134.2	\$10,616,171	\$11,053,072	\$11,543,981	\$490,912	4.5%
B. Supplementary educational service	11.7	30.7	30.7	76,878	148,588	151,123	2,835	1.9
C. Counseling and career guidance	671.8	787	802.4	7,838,378	9,723,557	10,332,490	608,933	6.3
D. Financial aid	198.2	207.5	209.9	32,709,093	39,705,079	36,626,609	-3,078,470	-7.7
E. Student support	686.4	882.3	929.7	46,216,823	49,576,259	52,614,638	3,038,379	6.1
Total Program costs	1,699.2	2,038.1	2,106.9	97,457,343	110,206,555	111,269,141	1,062,589	1.0
<i>General Fund</i>	<i>1,422.1</i>	<i>1,726.5</i>	<i>1,763.5</i>	<i>1,830,214</i>	<i>6,567,643</i>	<i>7,229,318</i>	<i>664,675</i>	<i>10.0</i>
<i>Reimbursements</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>46,538,546</i>	<i>53,049,793</i>	<i>50,618,113</i>	<i>-2,431,650</i>	<i>4.6</i>
<i>Dormitory Revenue Fund</i>	<i>261.2</i>	<i>307.7</i>	<i>338.8</i>	<i>1,557,797</i>	<i>1,105,166</i>	<i>1,719,635</i>	<i>614,469</i>	<i>55.4</i>
<i>Auxiliary Enterprise Fund</i>	<i>0.9</i>	<i>2.4</i>	<i>2.4</i>	<i>4,675</i>	<i>7,242</i>	<i>12,938</i>	<i>5,696</i>	<i>79.1</i>
<i>Auxiliary organizations</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>47,471,412</i>	<i>49,458,000</i>	<i>51,662,000</i>	<i>2,204,000</i>	<i>4.4</i>
<i>Continuing Education Revenue Fund</i> ..	<i>6</i>	<i>1.5</i>	<i>2.2</i>	<i>5,469</i>	<i>21,711</i>	<i>27,140</i>	<i>5,429</i>	<i>24.5</i>

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charged since then, statutory authorization still exists in Section 23753 of the Education Code which limits the yearly tuition that may be charged to \$25. The materials and service fee for 1973-74 is proposed to continue at \$118 per academic year.

Fee Schedule

The proposed budget includes the fees and related revenues shown in Table 18.

Table 18
Student Fees and Related Revenue
1971-72 to 1973-74

Type of Fee	Actual 1971-72		Estimated 1972-73		Estimated 1973-74	
	Fee	Revenue	Fee	Revenue	Fee	Revenue
Materials and service fee	\$118	\$29,593,706	\$118	\$30,668,524	\$118	\$32,000,000
Nonresident fee	1,110	5,570,073	1,110	5,480,441	1,110	3,742,807
Application fee	20	4,178,831	20	4,240,789	20	4,508,800
Miscellaneous	—	1,414,756	—	1,510,346	—	1,474,360
Student body fee	up to \$20	5,218,000	up to \$20	5,408,000	up to \$20	5,598,000
Totals		\$45,975,366		\$47,308,100		\$47,323,967

Out-of-State Tuition

We recommend that out-of-state tuition be increased to \$1,300 in 1973-74 for a reimbursement increase and General Fund savings of \$200,000.

As shown in Table 18 out-of-state tuition revenues are decreasing significantly. This situation arises primarily from the recent legislation lowering the age of majority to 18 which allows students to declare residency after one year. Previously an out-of-state student under the age of 21 was required to pay the current \$1,110 fee annually. The full cost impact in 1973-74 is estimated to be \$1,367,156 in lost reimbursements.

This fee which is designed to cover a student's cost of instruction has not been increased since 1970-71. We believe that in light of the new residency law and in light of annual inflation factors since 1970-71, an increase of the fee to \$1,300 is appropriate. The increase would be approximately 15 percent or 5 percent per annum. Including a 10-percent factor for diversion the increased 1973-74 reimbursements would be approximately \$200,000.

Educational Opportunity Program

The California State College Educational Opportunity Program was established by Chapter 1336, Statutes of 1969. This program consists of authorizing state grants to economically disadvantaged students up to a \$700 maximum grant per academic year to be administered by the trustees. The amount shall be sufficient to cover the cost of the student's tuition, books and room and board as determined by the trustees along with other financial aid resources. The students must be residents who are nominated by agencies authorized by the trustees. The trustees set standards and select from the list of nominations. Each college must receive program approval and may receive program funds for directors, counse-

lors and advisers from the trustees. Academic progress records of each student receiving a grant must be kept by the trustees.

The Scholarship and Loan Commission's regular state competitive scholarship program funds cannot be used for Educational Opportunity Program (EOP) grants authorized by Chapter 1336.

In the state college program the EOP students are selected through special admissions criteria. Up to 4 percent of entering students are granted admission despite the fact that they are ineligible under normal academic admissions criteria which are restricted to qualifying only the upper one-third of high school graduates. Chapter 1336, 1969, specifies that EOP students are to receive special state grants to offset their economic disadvantages and tutoring and counseling services to offset the disadvantages of their previous educational training.

The program was initially funded in 1969-70. Enrollments and state funding through 1973-74 are shown in Table 19.

Table 19
State College Educational Opportunity Program Enrollments
and State Funding Authorizations

<i>Year</i>	<i>New FTE enrollments</i>	<i>Total FTE enrolled</i>	<i>Student grants (in millions)</i>	<i>Tutoring and counseling services (in millions)</i>
1969-70.....	3,150	3,150	\$1.2	\$1.1
1970-71.....	3,500	6,020	1.9	1.3
1971-72.....	3,500 ¹	8,428	0.4	1.3
1972-73 (est.).....	3,500 ²	10,384	2.2	1.5
1973-74 (proposed).....	3,500 ³	10,576	2.3	1.6

¹ Legislature authorized 3,755 FTE

² Legislature authorized 4,130 FTE

³ Trustees requested 3,661 FTE

Ethnic Composition

EOP enrollments for fall 1971 totaled 3,689 students with an ethnic composition as follows: American Indian 147 (4%); black 1,608 (43.6%); Chicano 1,508 (40.9%); Oriental 224 (6.1%); white 150 (4.1%); and other 52 (1.4%).

Performance

We recommend that the chancellor's office critically analyze the academic performance of EOP students at Fullerton, Los Angeles, San Bernardino, Bakersfield, Hayward, Pomona and Sonoma. Academic performance at the first six colleges appears to be deficient while conversely, Sonoma's performance appears to be remarkable.

Academic performance data for fall 1971 EOP enrollees is shown in Tables 20a and 20b. Persistence data on a sample group of fall 1969 enrollees is shown in Table 21.

The attrition rate in the sample for 1969 Educational Opportunity Program enrollees admitted as first-time freshman exceptions was slightly higher than that for Educational Opportunity Program transfer exceptions. The difference may be attributed to the fact that transfer students have become more acclimated to the college experience. The differences

Table 20a
Mean Entering and First-Year College Grade Point Average by Exception Basis of Admissions
Fall 1971 Educational Opportunity Program Enrollees

Campus	No.	<i>First-time freshman exception</i>		No.	<i>Lower division transfer exception</i>		No.	<i>Upper division transfer^a (probationary)</i>	
		<i>Entering GPA</i>	<i>First-year^b college</i>		<i>Entering GPA</i>	<i>First-year college</i>		<i>Entering GPA</i>	<i>First-year college</i>
Bakersfield.....	22	2.55	1.70	11	2.39	1.63	1	1.77	2.12
Chico.....	45	2.16	1.91	19	2.10	2.28	5	1.86	2.56
Dominguez Hills ..	79	2.10	1.74	72	1.89	2.17	9	1.84	(2.74)
Fresno.....	114	2.47	2.11	54	2.26	2.25	10	1.87	2.08
Fullerton	94	2.32	1.66	20	1.90	1.33	11	1.70	1.81
Hayward	111	2.32	2.00	85	2.28	1.86	2	1.90	1.80
Humboldt	26	2.43	2.26	31	2.30	2.44	0	0	0
Long Beach.....	231	2.24	2.06	69	1.87	2.16	27	1.79	2.15
Los Angeles.....	296	2.37	1.79	150	1.89	1.95	23	1.73	1.96
Northridge.....	244	2.26	1.99	93	2.09	2.11	5	1.99	1.73
Pomona	49	2.40	1.95	14	2.28	1.78	3	1.86	2.12
Sacramento	59	2.29	2.41	41	2.33	2.65	3	1.43	1.77
San Bernardino ...	42	2.30	1.88	15	2.02	1.53	2	1.86	2.68
San Diego	208	2.31	1.94	181	2.29	2.05	22	1.89	2.09
San Francisco	69	2.17	2.40	107	2.41	2.59	40	1.73	2.50
San Jose	260	2.37	2.04	113	2.15	2.28	30	1.82	2.33
San Luis Obispo....	38	2.44	1.93	16	2.19	2.19	3	1.95	2.21
Sonoma.....	30	1.82	2.46	27	1.89	2.60	8	1.76	3.19
Stanislaus	20	2.00	2.24	48	2.33	2.13	2	1.82	1.77
Systemwide	2,037	2.28	2.02	1,166	2.15	2.10	206	1.81	2.18

^a The systemwide first-year college grade point average for upper division transfer (probationary) does not include CSC Dominguez Hills. The campus reported grades for only three of its nine upper division transfer (probationary) students.

^b The column "first-year college" refer to grades earned in the first year in the CSUC system.

Table 20b
Mean Entering and First Year College Grade Point Averages
for Fall, 1971 Educational Opportunity Program Enrollees
who met regular eligibility requirements

<i>Campus</i>	<i>First-time freshman</i>			<i>Transfer</i>		
	<i>No.</i>	<i>Entering GPA</i>	<i>First year</i>	<i>No.</i>	<i>Entering GPA</i>	<i>First year</i>
Bakersfield	-	*	*	-	*	*
Chico	6	3.10	2.72	18	2.88	2.88
Dominguez Hills	4	3.00	2.52	11	2.46	2.81
Fresno	-	*	*	10	2.28	2.25
Fullerton	25	3.14	1.89	13	2.47	1.82
Hayward	2	2.54	2.55	7	2.38	1.52
Humboldt	1	3.14	2.44	2	2.26	2.14
Long Beach	3	3.08	2.13	11	2.19	2.33
Los Angeles	15	2.92	2.21	15	2.38	2.07
Northridge	1	3.03	1	10	2.63	1
Pomona	10	3.09	2.52	16	2.42	2.31
Sacramento	14	2.58	2.46	23	2.51	2.66
San Bernardino	-	*	*	-	*	*
San Diego	4	3.31	2.01	12	2.67	2.65
San Francisco	-	*	*	-	*	*
San Jose	4	2.63	1.47	3	2.13	3.50
San Luis Obispo	18	3.18	2.42	11	2.62	2.14
Sonoma	-	*	*	-	*	*
Stanislaus	2	2.90	2.50	3	2.35	2.04
Systemwide ²	109	2.97	2.30	165	2.43	2.37

* Indicates that the campus admitted no students in category indicated.

¹ California State University, Northridge, admitted one first-time freshman regular and 10 transfer regular students to its Educational Opportunity Program in fall 1971. First-year college grade-point averages for these students were not reported.

² The systemwide grade point average excludes California State University, Northridge.

Table 21
Comparison of Cumulative Grade Point Average and Attrition Rate
For a Sample of Fall 1969 Entering Educational Opportunity Program and Regular Students by
First-time Freshman (FTF) and Transfer Categories

Campus	Cumulative median grade point average through June 1972				Attrition rates			
	Regular		EOP		Regular		EOP	
	FTF	Transfer	FTF	Transfer	FTF	Transfer	FTF	Transfer
Bakersfield.....					Not included in study			
Chico.....	2.62	2.49	2.20	2.61	23%	14%	36%	12%
Dominguez Hills	2.43	2.99	1.99	2.62	67	56	47	77
Fresno.....	2.79	2.62	2.12	2.24	37	59	62	73
Fullerton	2.72	2.84	2.49	2.12	40	29	38	79
Hayward.....	2.87	2.99	2.55	2.49	33	58	45	38
Humboldt.....					Not included in study			
Long Beach.....	2.74	2.49	2.49	2.34	32	50	41	42
Los Angeles.....	2.60	2.77	1.99	2.25	34	99	67	56
Pomona.....	2.85	2.29	1.81	2.37	37	38	28	10
Sacramento	2.79	3.12	2.05	2.00	35	50	69	62
San Bernardino.....	2.58	2.12	1.81	2.37	57	75	21	36
San Diego	2.85	2.99	2.37	2.58	32	36	43	22
San Fernando Valley.....	2.68	2.62	2.28	2.16	38	47	38	29
San Francisco	2.54	2.37	2.30	2.28	33	52	43	42
San Jose	2.71	2.74	2.29	2.31	41	33	42	46
San Luis Obispo.....	2.61	2.31	2.34	No trans.	35	47	37	0
Sonoma.....	2.62	3.12	2.54	2.99	24	40	58	37
Stanislaus	2.87	2.49	2.00	2.49	50	56	56	33
Systemwide	2.70	2.67	2.21	2.39	38.1	49.4	45.4	40.8

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in attrition rate for regularly eligible and EOP students for the combined groups is not statistically significant. Thus, while there are some instances where one category of students persists at a markedly higher rate than the other, it can be said in general that EOP students and regular students display comparable persistence characteristics.

The fall 1969 Educational Opportunity Program enrolled 3,150 new EOP students. Of this group 1,417 are still enrolled in 1972-73. Among those who have left are graduates and those who transferred to other institutions as well as those who withdrew or were disqualified for inadequate academic performance. This group of students represent the first numerically significant Educational Opportunity Program enrollee group. The retention rate systemwide is 45.0 percent of the entering population.

1973-74 EOP Budget Request

We recommend the restoration of student grant funds for 2,451 third and 1,825 fourth year EOP students in 1973-74 for a General Fund augmentation of \$1,026,240.

We recommend that first-year EOP enrollments be increased from 3,500 FTE to 4,220 FTE with related grant funds for an augmentation of \$332,640.

We recommend that the Legislature critically evaluate the trustees rationale for not implementing authorized new enrollee levels in 1971-72 and 1972-73.

Grants

State-funded grants to EOP students are authorized by Chapter 1336, Statutes of 1969, at a level not to exceed \$700 per enrollee. The funding formula adjusted for inflation provides \$462 for first year enrollees and \$231 for continuing enrollees. Such grants are then combined with additional financial aid programs including NDEA loans, work study and federal grants to complete a financial aid package. Budget policy on funding student grants has differed between the legislative and executive branches of government.

As shown in Table 22 the Legislature has continually augmented grant funds primarily on the policy that all EOP enrollees through their fourth year of college should be provided for by the state program. However, the budget reflects that only the first two years of enrollment are to be covered by the program.

Table 22
Legislative and Executive
EOP Grant Funding
1969-70 to 1972-73

Year	Executive budget request (millions)	Legislative budget (millions)	Final budget (millions)
1969-70.....	-	\$1.2	\$1.2
1970-71.....	\$1.4	1.9	1.9
1971-72.....	0.4	2.7	0.4
1972-73.....	-	3.3	2.2
1973-74.....	2.3	n/a	n/a

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Table 23
CSUC Administered Financial Aid Programs

	<i>Actual</i> <i>1971-72</i>	<i>Estimated</i> <i>1972-73</i>	<i>Budgeted</i> <i>1973-74</i>	<i>Change</i>	
				<i>Amount</i>	<i>Percent</i>
Administration	\$1,845,229	\$2,312,454	\$2,397,039	\$84,585	3.7%
NDEA loans	13,175,891	14,925,000	13,326,081	-1,598,919	-10.7
Law enforcement (grants and loans)	1,128,710	1,977,000	1,886,096	-90,904	-4.6
Nursing	(750,926)	(829,000)	(851,967)	(22,967)	2.8
Loans	498,003	443,000	452,608	9,608	2.2
Scholarships	252,923	386,000	399,359	13,359	3.5
Educational opportunity	(7,699,890)	(9,687,875)	(10,059,479)	(371,604)	(3.8)
Federal	6,892,390	7,531,875	7,773,041	241,166	3.2
State	807,500	2,156,000	2,286,438	130,438	6.1
Cuban loan program	22,720	—	—	—	—
Work-study	(8,085,727)	(9,973,750)	(8,105,947)	(-1,867,803)	(-18.7)
On-Campus	4,133,263	4,298,600	3,614,702	-683,898	-15.9
Off-Campus	3,952,464	5,675,150	4,491,245	-1,183,905	-20.9
Total financial aids	\$32,709,093	\$39,705,079	\$36,626,609	-3,078,470	-7.8

We believe that the legislative policy should be implemented. Economic disadvantage is one of the major characteristics of EOP students through program design and administration. To assume that such students are in better financial condition in their third and fourth year of college enrollment is not a realistic expectation. To assume that other forms of financial aid can be relied on to fund the need is again unrealistic particularly in light of decreasing financial aid resources as shown in Table 23.

EOP Enrollment Cutback

The second issue in the EOP program is that of enrollment level. The initial 1969-70 program was funded at a new enrollee level of 3,150 FTE. In 1970-71 the level was increased to 3,500 FTE corresponding to system-wide enrollment growth. In 1971-72 and 1972-73 the Legislature authorized continued growth to 3,755 FTE and 4,130 FTE respectively for new enrollees. The Legislative authorization included direct budget support and, in case of veto action, special budget act language in Section 28.7 for savings reallocations to be allocated to EOP. However, through chancellor's office administrative restrictions, actual new enrollments in these two years were held at 3,500 FTE each. The 1973-74 budget again limits new enrollments to 3,500 FTE despite a systemwide enrollment increase of 2.2 percent. The effect of these administration actions has been to reduce the EOP program in relationship to total enrollment as shown in Table 24.

Table 24
New EOP Enrollment Related
To Total Academic Year Enrollment

<i>Year</i>	<i>New EOP enrollees</i>	<i>Academic year enrollment</i>	<i>EOP Percent of Total</i>
1969-70	3,150 FTE	181,254 FTE	1.7%
1970-71	3,500	197,454	1.8
1971-72	3,500 *	204,224	1.7
1972-73 (est.)	3,500 *	216,480	1.6
1973-74 (est.)	3,500	226,200	1.5

* Legislature authorized 3,755 and 4,130 in 1971-72 and 1972-73 respectively.

Failure to Implement Legislative EOP Policy

As mentioned previously, the Legislature authorized new EOP enrollments of 3,755 FTE and 4,130 FTE in 1971-72 and 1972-73 but these ceilings were not implemented. Under the legislative program enrollments for 1973-74 would be 4,220 FTE instead of the 3,500 FTE budgeted. We recommend the higher enrollment figure but caution that the level

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should be authorized only if the chancellor's office commits itself to implementation.

Additional grant funding need for the 4,220 FTE level would be \$332,640 at the formula level of \$462 per FTE. The chancellor's office has maintained that it would be risky to authorize the higher enrollment levels since full funding of their grant request has been consistently vetoed in the last several years. Legislative policy (Section 28.7 of the Budget Act) provides that highest priority for internal relocation of savings be given to the EOP activities. In 1971-72 over \$2,000,000 in savings were reallocated elsewhere.

Student Counseling Study

The 1972 Conference Committee directed "that the chancellor's office in conjunction with the student body presidents association conduct an extensive investigation of student counseling services and report to the Joint Legislative Budget Committee by February 1, 1973." The study is in the process of being concluded and should be available prior to legislative hearing on the 1973-74 budget which proposes an expenditure of \$10,332,-490 for counseling and career guidance services.

3. Institutional Support Program

The institutional support program consists of activities which provide collegewide service to the other programs of instruction, organized research, public service and student support. The activities include executive management, financial operations, general administrative services, logistical services, physical plant operations, faculty and staff services and community relations.

Proposed Budget

The expenditures for the institutional support program are shown in Table 25.

Executive management consists of all central executive-level program elements and other program elements concerned with the management and long-range planning of the state college system, as contrasted to any one program within the system. Included within this subprogram are such central operations as legal services and executive direction, which consists of the trustees, the chancellor's office, and the senior executive officers. Planning and programming which is included are those central operations related to the management and planning for the institution, including analytical studies and institutional research.

Financial operations includes those central operations related to fiscal control, investments, and functional program elements related to the fiscal operations of the colleges.

General administrative services includes program elements which provide central administrative services such as administrative data processing, student admissions and record management.

Logistical services contains program elements which provide procure-

Table 25
Institutional Support Program Expenditures
1971-72 to 1973-74

	<i>Personnel</i>			<i>Expenditures</i>			<i>Change</i>	
	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>Amount</i>	<i>Percent</i>
Institutional support								
Program elements:								
A. Executive management	698.5	746.8	802.0	\$12,411,336	\$13,741,413	\$15,219,215	\$1,477,802	10.7%
B. Financial operations	547.3	672.9	701.6	8,078,924	8,956,047	9,335,705	379,658	4.2
C. General administrative services ..	1,135.3	1,350.9	1,399.9	14,801,668	17,653,977	18,993,821	1,339,844	7.6
D. Logistical services	913.9	956.8	979.0	14,935,300	16,667,042	17,360,336	1,293,294	8.1
E. Physical plant operations	1,907.4	3,223.9	3,342.0	36,655,369	41,293,258	45,139,258	3,846,000	9.3
F. Faculty and staff services	—	0.4	0.4	1,320,726	1,437,339	2,588,638	1,151,299	85.7
G. Community relations	46.7	71.0	71.5	1,285,531	1,595,550	1,674,751	79,201	4.9
Total Program costs	6,276.1	7,022.7	7,296.4	89,488,854	100,744,626	110,811,724	10,067,098	10.0
General Fund	5,694.3	6,350.5	6,596.3	71,810,724	81,432,419	90,828,037	9,395,618	11.6
Reimbursements	—	—	—	7,017,701	7,355,893	7,463,366	109,473	1.5
Parking Revenue Fund	159.7	170.3	181.7	1,657,329	1,873,794	2,008,029	134,235	7.1
Dormitory Revenue Fund	227.5	261.7	266.8	3,626,537	4,439,799	4,802,921	363,122	8.2
Auxiliary Enterprise Fund	8.2	10.6	10.6	215,309	218,463	246,902	28,439	12.7
Auxiliary organizations	—	—	—	2,467,768	2,176,000	2,125,000	-51,000	2.3
Continuing Education Revenue Fund	186.4	229.6	241.0	2,639,486	3,248,259	3,335,469	87,210	2.7

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ment services, supply and maintenance of provisions, and the movement of support materials for the campus operation. Included within logistical services are central program elements related to the health and safety of the staff and students.

Physical plant operations are those program elements established to provide services related to the campus grounds and facilities. The maintenance operations program category includes program elements related to maintaining the existing grounds and facilities. Included within the maintenance operation program category are those program elements which have been established to provide institutionally operated utility services, e.g., campus heating plants. The plant expansion and modification program category contains program elements which represent institutional resources committed to creating new facilities or modifying existing facilities and grounds. Included within this program category are the program elements established by the institution to assist in expansion, maintenance and modification functions, e.g., campus planning, repairs, ground maintenance and custodian services.

Faculty and staff services include funds budgeted for overtime and reclassifications.

Community relations are those program elements which have been established to maintain relationships with the general community or the institution's alumni and activities related to development and fund raising. The governmental affairs office in Sacramento is also included in this element.

Chancellor's Office

The chancellor is the chief executive officer of the State College Board of Trustees and is responsible for the implementation of all policy determinations enacted by the board. The administrative office, located in Los Angeles, carries out this overall responsibility in several ways. It conducts research into college operations for the purpose of providing the trustees with information needed to allow them to make decisions on the system's management. It compiles the annual budget based on the individual requests of the colleges, formulates salary requests and performs a fiscal management function which consists of administering the annual budget within the limits of controls specified by the Legislature and coordinating its activities with the Departments of Finance and General Services which are required by law to approve certain contracts and expenditures. The office has principal divisions concerned with student affairs, legal affairs, academic affairs, physical planning, fiscal affairs and faculty and staff affairs which enable it to carry out its coordinative responsibilities. The 1973-74 Budget proposes a General Fund expenditure of \$8,161,463 for this office which is an increase of \$843,727 over the current year level of \$7,317,736. A detailed breakdown of this request is shown in Table 26.

The trustees have requested 7.5 additional positions for general administration in 1973-74, 6.5 of which are included in the Governor's Budget. These positions are to be used for workload increases in student affairs, government affairs, legal, budget planning and administrative services.

Table 26
Chancellor's Office Expenditures

	1972-73		1973-74		Change	
	Positions	Dollars	Positions	Dollars	Positions	Amount
Chancellor's office personnel:						
Main office	13.5	\$262,690	14.5	\$272,863	1.0	\$10,173
Legal affairs	17.5	320,941	18.5	347,893	1.0	26,952
Academic affairs	52.0	939,326	52.0	963,939	—	24,613
Faculty and staff	19.0	358,481	19.0	365,560	—	7,079
Business affairs	99.8	1,365,965	99.2	1,399,441	-0.6	33,476
Physical planning	22.0	403,228	22.0	413,130	—	9,902
Government affairs	8.0	120,721	8.0	125,951	—	5,230
Institutional records	13.0	216,695	13.0	220,464	—	3,769
Analytical studies	(4.0)	(77,560)	(—)	(—)	(-4.0)	(-77,560)
Public affairs	4.0	83,616	4.0	83,557	—	-59
Subtotal	248.8	\$4,071,663	250.2	\$4,192,798	1.4	\$121,135
Operating expense and equipment	—	1,105,728	—	1,296,885	—	191,157
Total	248.8	\$5,177,391	250.2	\$5,489,683	1.4	\$312,292
Audit staff:						
Personnel	7.0	\$115,355	11.0	\$189,466	4.0	\$74,111
Operating expense and equipment	—	17,998	—	54,581	—	36,583
Total	7.0	\$133,353	11.0	\$244,047	4.0	\$110,694
Information systems:						
Personnel	71.0	\$842,196	82.0	\$1,053,730	11.0	\$211,534
Operating expense and equipment	—	1,861,197	—	2,129,467	—	268,270
Total	71.0	\$2,703,393	82.0	\$3,183,197	11.0	\$479,804
Grand total	326.8	\$8,014,137	343.2	\$8,916,927	16.4	\$902,790
Funding sources:						
General Fund	291.3	\$7,317,736	307.7	\$8,161,463	16.4	\$843,727
Reimbursements	35.5	696,401	35.5	755,464	—	59,063

During the past year we have reviewed the chancellor's office operations in detail and believe the proposed 6.5 requested positions are justified.

Student Affairs Funding

We recommend that the chancellor's office student affairs activity funding be shared by the materials and service fee on a similar basis as the individual campus programs for a 1973-74 General Fund savings of \$180,000.

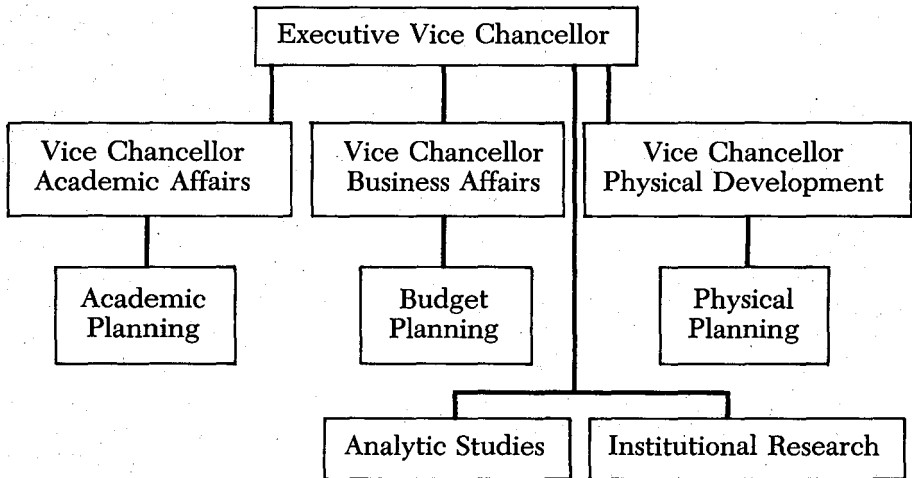
In the 1970-71 fiscal year the Legislature determined that the student material and service fee should support at least one-half of the dean of student's office on campuses since much of the activities of that office went toward the management and service of the material and service fee supported student service programs of health, counseling and instructional related programs. The chancellor's office student affairs staff deals with the same issues on a statewide basis and is currently funded from the General Fund (approximately \$360,000 in 1973-74). We believe that the rationale used in the 1970-71 decision equally applies to the chancellor's activity and funding should be shared accordingly.

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued**Abolition of Analytic Studies Office**

We recommend that the analytic studies unit of the chancellor's office be abolished for a 1973-74 General Fund savings of \$77,560.

Effective long-range management requires the coordination of academic program, budgets, instruction programs and institutional research. At the University of California most of these activities are coordinated in one operations unit for planning. At the California State University and Colleges chancellor's office they are separated into five units reporting separately to four different vice chancellors as shown in Figure A.

Figure A
Chancellor's Office Planning Activities



The effectiveness of planning under an organization which features fragmented responsibilities is greatly diminished. Of the various units, analytic studies appears to have the least defined mission. Its documented justification addresses three objectives:

1. Provide improved information for management decisionmaking, principally based on the emerging technology of planning and management systems and the improved analysis resulting from data processing techniques.
2. Develop and assist the campuses in implementing improved management techniques based on the improvements of planning and management systems.

3. Provide a resource for the study of specific policy issues where either of several functional areas were involved—hence the systems approach, or where the specific skills of management sciences were required.

The first two objectives relate to activities normally assigned to budget planning activities needed to implement new materials being developed by WICHE for program budgeting and the third is a normal function of institutional research offices. We find that there is little justification for the services provided by the analytic studies office under the current arrangement.

Trustees Audit Staff

We recommend that the proposed trustees audit staff augmentation be reduced 5 positions in 1973-74 for a General Fund savings of \$100,000.

An internal audit staff was authorized to the trustees by Chapter 1406, Statutes of 1969, for the purpose of auditing and analyzing operating procedures of the colleges, foundations and the chancellor's office. The total staff has been 3.5 positions until 1972-73. In 1972-73 administrative adjustments (\$61,888) made by the trustees increased the staff to 7.5 positions, six of which are professional positions. The 1973-74 Budget proposes an additional staff increase of three positions for a total staff of nine professionals and two clerks costing \$244,047.

In seeking justification for such a threefold increase in staff over a one-year period, we have not been presented with a clear statement of need. Regular audits of the California State University and Colleges system and its auxiliaries are performed by the Department of Finance Audits Division and private audit firms. The trustees audit staff to date has been utilized on an "as required" basis. We believe that the program as established by the Legislature is an important one which should be sufficiently staffed to meet workload needs throughout the 19 college system. Specifically, we are concerned that (a) a staff of three auditors as currently authorized is too small for minimum coverage, (b) an immediate staff increase at this time to nine professionals is premature until workload is better defined and (c) all reports and findings of the audit staff be made available to the Joint Legislative Budget Committee, on a confidential basis if necessary, in order to evaluate the productivity and effectiveness of this legislatively created program. Within this context we recommend a 1973-74 staff level of five professionals and one clerk for a savings of approximately \$100,000.

College Presidents Housing Allowance

We recommend that \$49,200 budgeted in 1973-74 for college presidents housing expenses be deleted.

The 1973-74 Budget contains \$49,200 to initiate a new program to pay housing allowances to state college presidents. The proposal includes \$3,600 per year to 11 presidents in high cost urban areas and \$2,400 per year to four in less urban areas. The remaining four campuses which have traditionally provided houses through other than state sources are excluded from the proposal (Fresno, Kellogg-Voorhis, Chico and Humboldt).

The chancellor's office argues (1) that housing allowances are benefits

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

offered many presidents nationwide and should be accordingly offered in California, (2) such a benefit will aid recruitment and (3) it will aid in reimbursing for necessary entertainment. While we can understand the desirability of this program from the CSUC point of view, we believe that such an expense is less than necessary. College president salaries currently range up to a maximum of \$44,448, a range which was established with the knowledge that some entertainment might be necessary. This new benefit will in effect be an additional salary increase providing maximums of \$48,000 per year before 1973-74 salary increases are granted.

Chancellor's House

During December of 1972, the trustees took action to accept a gift of a \$350,000 home in Bel Air, California, to be utilized as a CSUC chancellor's house. The 1973-74 Budget requests \$8,000 for groundskeeping expense. A chancellor's house must be used extensively for college functions if it is to justify this level of expenditure. To date, there has been little evidence that the role and function of the state colleges has demanded and justified such amenities. If faculty, student and public participation is heavy, the expenditure can be justified. Without the active use of the facility, it is merely unnecessary added compensation.

Academic Senate

The Academic Senate is the official organization representing the faculty on all campuses. Its 50 members are chosen by the full-time faculty on each campus and they hold meetings on the average of five times per year. Representatives of the senate attend meetings of the board of trustees and are consulted on various matters affecting academic policy.

\$237,407 is provided for this activity. These funds provide primarily for meeting expense and release time from teaching duties for the senate principal officers. The release time is distributed as follows:

<i>Position</i>	<i>Time</i>	<i>Budgeted position total</i>	<i>Actual personnel</i>
Chairman	Full	1.0	1
Vice chairman	Half	0.5	1
Secretary	Half	0.5	1
Three executive members	Half	1.5	3
Five standing committee chairmen	Half	2.5	5
Subtotal		6.0	11
Proposed 1973-74 addition:			
20 members of standing committees	20%	4.0	20
Total		10.0	31

The granting of release time is justified on the basis that members of the Senate are expected to participate in administrative matters of the California State University and Colleges system which are in addition to their normal academic load of 15 WTU. These duties include working on projects with the chancellor's office, the College Presidents Council and approximately 10 meetings of the respective Academic Senate committees per year. We believe that the release time proposal is reasonable and recommend approval.

The Academic Senate and Collective Bargaining

We recommend that General Funds budgeted for support of the Academic Senate be continued as a separate Budget Act item to allow future monitoring of the Academic Senate's role in collective bargaining.

In our 1969-70 Analysis we noted that the state college Academic Senate was proposing to be the collective bargaining agent for the faculty. We raised the question of providing state financial support to collective bargaining agents who will negotiate contracts with the state. In response, the Legislature placed the Academic Senate funds in a separate budget item and included restrictive language in the Budget Act of 1969 halting the availability of state funds to the academic senate if and when it became such an agent.

The 1973-74 budget proposes to place the Senate into the regular budget act item instead of continuing it separately. The collective bargaining issue with the Senate is a continuing one. At its October 4-5, 1972, meeting the Senate adopted 14 resolutions outlining a collective negotiations system.

The resolutions favor (1) a single statewide faculty bargaining unit, with exclusive recognition of a single negotiating agent; the unit should include regular faculty, department chairmen, professional librarians, and professional counselors with academic rank; (2) an unlimited scope of negotiations with the outcome of bargaining being a legally binding contract; (3) legally required impasse procedures including mediation, factfinding, and arbitration, and no "generalized" prohibition of public employee strikes; (4) provision for an agency shop; and (5) that once a negotiating agent has been chosen, the Academic Senate of the CSUC should continue to exist, as it has an effective role to play.

A subcommittee is now in the process of developing a set of recommendations dealing with the Senate's proper relationship to any future negotiating agent selected by its constituents. Also under consideration is the possibility of Senate sponsorship of an entirely new faculty bargaining organization (a step recently taken by the campus academic Senate at the University of California at Berkeley). In light of these circumstances we believe that funding for the Academic Senate should continue in a separate budget act item.

Salary Savings

We recommend that salary savings requirements be maintained at the current year level for a General Fund savings of \$734,272 in 1973-74. Salary savings is the amount budgeted for personal services that is not spent due to vacancies, delays in filling authorized positions and turnover where an employee leaves and is replaced by another employee at a lower salary. Each year the Department of Finance establishes a minimum level of salary savings for the budget year, a level which the colleges are expected to meet in the dollar equivalent of a specified number of positions. In 1973-74 this level is \$10,431,465.

The above estimate is \$734,272 less than what the 1972-73 budgeted level of salary savings would have generated due to a formula change. For

Table 27
Independent Operations Program Expenditures 1971-72 to 1973-74

	<i>Personnel</i>			<i>Expenditures</i>			<i>Change</i>	
	<i>71-72</i>	<i>72-73</i>	<i>73-74</i>	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>Amount</i>	<i>Percent</i>
Independent operations								
Program elements								
A. Institutional operations	334.8	318.6	381.6	\$26,863,201	\$26,103,763	\$26,945,775	\$842,012	3.2%
B. Outside agencies	327.2	453.8	436.7	3,634,105	6,114,038	5,788,786	325,252	4.8
Total Program costs	662	772.4	818.3	30,497,306	32,217,801	32,734,561	516,760	1.6
<i>General Fund</i>	—	—	—	—332,210	—	—	—	—
<i>Reimbursements</i>	652.2	772.4	818.3	8,622,750	10,257,801	10,745,561	487,760	4.7
<i>Auxiliary organizations</i>	—	—	—	3,747,783	3,720,000	3,710,000	-10,000	.3
<i>Foundations</i>	—	—	—	18,361,310	18,240,000	18,279,000	39,000	—
<i>Continuing Education Revenue Fund</i>	9.8	—	—	97,673	—	—	—	—

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

the past several years faculty salary savings has been budgeted at 2 percent of wages while nonfaculty salary savings has been budgeted at 4 percent. In 1973-74 it is proposed to decrease the nonfaculty formula to 3.5 percent producing the \$734,272 difference.

We do not believe that there is a demonstrated need to decrease salary savings in the CSUC system. The system has consistently achieved savings in excess of its budget target. In the past year 1971-72 the excess savings amounted to \$1.7 million in addition to \$2 million in savings which were reappropriated for library purposes. Actual savings achieved in the current year have not yet been determined, but with normal savings and the large enrollment shortfall discussed previously the savings should again exceed the budget.

4. Independent Operations

The independent operations program consists of institutional operations and outside agencies which add to the college community but are independent of its main instructional activity. Dining halls, bookstores, college unions and special projects are examples of such activity. Table 27 displays the expenditures for this program all of which come from sources other than the State General Fund.

CALIFORNIA MARITIME ACADEMY

Item 326 from the General
Fund

Budget p. 223 Program p. II-1237

Requested 1973-74	\$1,137,000
Estimated 1972-73	933,500
Actual 1971-72	792,643
Requested increase \$203,500 (21.8 percent)	
Total recommended augmentation	\$12,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. **Planning Services.** Recommend special review of the \$45,000 for development of curriculum and facilities plans and the \$50,000 for instructional program expansion. 840
2. **Contract Services. Reduce \$8,000.** Recommend reduction in special contract services item contingent upon enabling legislation. 840
3. **Student Aid. Augment \$20,000.** Recommend augmentation for new student aid programs. 841

CALIFORNIA MARITIME ACADEMY

GENERAL PROGRAM STATEMENT

The California Maritime Academy, located at Vallejo, provides a program for men who seek to become licensed officers in the United States Merchant Marine. It was established in 1929 and is one of six such institutions in the country that are supported jointly by the states and federal government.

The three-year training program, during which the student attends school 11 months each year, offers standard academic courses and deck or marine engineer training. A three-month sea training period is conducted each year aboard a merchant-type ship loaned California by the Federal Maritime Administration. Students, upon successful completion of the entire program, must pass a U.S. Coast Guard examination for either a third mate or third assistant engineer license before they receive a bachelor of science degree.

Previously, the academy was located within the Department of Education. As a result of 1972 legislation (Chapter 1069, Statutes of 1972) the academy will be governed by an independent seven member board of governors appointed by the Governor for terms of four years. At this time of writing, board appointments have not been made. The legislation states that two members must be educators, three must be public lay members and the remaining two will represent the maritime industry. The board sets admission standards which include an entrance examination, and appoints a superintendent who is the chief administrative officer of the academy.

ANALYSIS AND RECOMMENDATIONS

The academy's total budget as proposed for fiscal year 1973-74 is \$1,655,400. This includes \$1,137,000 from the General Fund which represents an increase of \$203,500 or 21.8 percent over the current year. Programs, funding sources, personnel positions and proposed changes are set forth in Table 1.

Table 1
Maritime Academy Budget Summary

<i>Programs</i>	<i>Actual 1971-72</i>	<i>Estimated 1972-73</i>	<i>Proposed 1973-74</i>	<i>Change</i>	
				<i>Amount</i>	<i>Percent</i>
Classroom instruction	\$285,912	\$372,352	\$389,487	\$17,135	4.6%
Sea training	291,300	346,192	362,123	15,931	4.6
Residential	200,161	236,472	247,353	10,881	4.6
Administration and service	488,725	424,884	656,437	231,553	54.5
Totals	\$1,226,098	\$1,379,900	\$1,655,400	\$275,500	20.0%
<i>Funding sources</i>					
General Fund	\$792,643	\$933,500	\$1,137,000	\$203,500	21.8%
Reimbursements	251,684	246,000	300,000	54,000	22.0
Federal funds	221,771	200,400	218,400	18,000	9.0
Totals	\$1,266,098	\$1,379,900	\$1,655,400	\$275,500	20.0%
Personnel positions	83.8	85.8	86.8	1.0	1.2%

An increase in reimbursements results from a 1972 board action to

increase tuition fees from \$1,050 to \$1,335 per year in 1973-74 to compensate for increased costs of feeding, medical and housekeeping expenses. The last tuition increase (\$150) was imposed in 1971-72.

The proposed new position is for an instructor of continuing education to coordinate the development and conduct of maritime specialty courses for private industry and part-time students. The budget anticipates an additional \$18,000 in federal funds to support this position and its related costs. However, the academy has been unable to determine if this additional federal support will be available in 1973-74.

Table 1 indicates all budgeted programs except administration and institutional services have been held to a projected 4.6 percent inflationary cost increase. Table 2 details proposed increases to the administration and institutional service program.

Table 2
Administration and Institutional Service Program
Detail of Proposed Increases

<i>Description</i>	<i>Amount</i>
1. Contract services for development of curriculum and facilities plans (unspecified recipient)	\$20,000
2. Contract services for development of curriculum and facilities plans (to California State University and Colleges)	25,000
3. Reserve for instructional program expansion pending an approved curriculum plan	50,000
4. Contract for legal and accounting services (to Department of Education and CSUC)	14,000
5. Instructor, continuing education (reimbursed from anticipated federal funds.)	18,000
6. Minor capital outlay (e.g., boat basin, stairway, sunroof and fire alarm)	45,000
7. Miscellaneous operating expense items (unspecified)	40,000
8. Inflationary cost increase of 4.6 percent (on 1972-73 program base of \$424,884)	19,553
Total Proposed Increase	\$231,553

Items 1 through 4 of Table 2 reflect proposed efforts to deal with historical and persistent academy problems.

Academy Problems

Since 1969 major academy problems have been reviewed and generally acknowledged. They include: (1) merchant marine licenses are a prerequisite for a degree although most graduates are employed in maritime occupations which do not require the deck officer or engineer license, (2) employment as a licensed officer is limited, (3) the cost of training is high, (4) the academy is not accredited and graduates subsequently have difficulty in extending their education, (5) the lack of physics and chemistry laboratory facilities, a small library, and the three-year program are key obstacles to accreditation, (6) limited land area, a specialized curriculum, specialized facilities, military training, residence requirements, static federal support, and limited enrollment applications have militated against any previous major program improvement or facility expansion, (7) publicity of these problems has resulted in minimal budgets pending resolution of the academy's future which, in turn, serves to depress enrollment.

After reviewing these problems the Legislature proposed to transfer the academy to the jurisdiction of the Trustees of the California State University and Colleges system. This 1971 legislation was vetoed and the Governor subsequently appointed a task force to study the feasibility and

CALIFORNIA MARITIME ACADEMY—Continued

desirability of any program and/or jurisdictional change.

Task Force Report

On March 20, 1972 the Governor received his task force report. It advocated (1) a broader academy mission (which still includes the licensing prerequisite), (2) an independent status under governance of a reconstituted board, (3) cooperation with other segments of higher education, and (4) curriculum modernization. Legislation implementing this task force report was subsequently enacted as Chapter 1069, Statutes of 1972. In addition, the 1972 Budget Bill Committee on Conference recommended the academy "instructional program be redesigned to provide an accredited degree in marine or maritime sciences or other related academic areas and that annual reports on progress towards this goal be submitted to the Joint Legislative Budget Committee on November 1."

First Accreditation Progress Report

The academy's required report to the Legislature on its progress toward accreditation states that the "main effort of the faculty has been directed toward updating and strengthening its present curriculum." The superintendent subsequently reported that a curriculum to gain accreditation has been developed which could be implemented at increased costs in 1973-74. However, this curriculum could not be considered by the Legislature until the new board has been appointed and its approval gained. This plan would include a four-year course of instruction and additional residence and classroom buildings. Cost estimates were not available.

Special Legislative Review Recommended

We recommend special reviews of the \$45,000 budgeted for contract services to develop curriculum and facilities plans and the \$50,000 for unspecified instructional program expansion.

The budget provides \$45,000 for planning changes in academy curriculum and facilities. However, budget details do not provide information on how this amount was arrived at or on how it will be spent. In addition, the budget provides \$50,000 for the purpose of implementing this anticipated plan.

We believe the academy should provide the Legislature with specifics as to proposed program changes, alternatives, anticipated results, and cost estimates as a basis for legislative action. Hopefully, this information will be available for legislative hearings on this item.

Contract Services Increase 400 Percent

We recommend that contract services be reduced for a General Fund savings of \$8,000 contingent upon enabling legislation.

Chapter 1069, in transferring the jurisdiction of the academy from the Department of Education to an independent status, specified legal services and legislative representation would be provided by the Trustees of the California State University and Colleges on a direct cost or exchange of services reimbursement basis.

The Department of Education estimated its past cost of providing these

services at \$2,000 annually. In contrast, the trustees and the proposed budget set the cost of these services at \$10,000. Because of this considerable disparity, we believe Chapter 1069 should be amended to allow the academy to contract with the Department of Education or other appropriate state agency for such services on more favorable terms. Chapter 1069 already provides the academy this flexibility with regard to personnel services.

Budget Ignores Student Aid Legislation

We recommend an augmentation of \$20,000 for new student aid programs.

Chapter 1069, contains explicit instructions for developing a student aid program at the academy: "attendance at the academy is a full-time occupation which does not allow opportunity for student employment. For that reason, it is impossible for students attending the academy to contribute to the cost of their education through employment while attending. For these reasons, the board of governors shall develop a positive policy providing opportunities for financial help for students to attend the academy and to actively recruit students from economically disadvantaged backgrounds."

In order to implement this policy the legislation further states, "the board may make full use of any and all state and federal funds available and may receive private contributions, including those from the maritime industry . . . and the board is encouraged to present a proposal to the Legislature to provide funds for an educational opportunity program."

In response, the academy initiated an application for 1973-74 federal funding of (1) the educational opportunity grant program, (2) the college work-study program and (3) the national direct student loan program. Most California educational institutions have been receiving support under these three federal programs for several years. A panel review of the academy's initial request indicates \$133,260 in federal student aid will probably be provided in 1973-74 contingent upon a matching 10 percent institutional commitment. However, the budget fails to provide for this 10 percent (\$13,300) matching requirement.

Further, the budget fails to offer any educational opportunity program (EOP) plans. The academy estimates \$1,000 per year would be necessary to recruit and support each economically disadvantaged student. Our recommendation would provide for at least six EOP students in 1973-74 as well as the required matching funds to implement the three federal student aid programs.

Board of Governors of the CALIFORNIA COMMUNITY COLLEGES

Items 327-328 from the General

Fund

Budget p. 225 Program p. II-1243

Requested 1973-74	\$6,202,339
Estimated 1972-73	5,912,139
Actual 1971-72	4,262,272
Requested increase \$290,200 (4.9 percent)	
Total recommended augmentation	\$4,960

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Facilities Planning. Augment \$49,460.* Recommend addition of a principal architect and one planning specialist. 844
2. *Facilities Planning. Reduce \$90,000.* Recommend increase in plans checking fee. 845
3. *EOP (Item 228). Augment \$245,500.* Recommend maintaining current percentage of community college students being served. 846
4. *Credentials. Reduce \$200,000.* Recommend excess credential fee revenue be applied as a one-time General Fund savings. 847
5. *Credentials.* Recommend elimination of specified credentials for holders of master's degree. 847
6. *Credentials.* Recommend study and feasibility report on (1) eliminating credentials and (2) contracting for credentialing services with Commission on Teacher Preparation and Licensing. 848

GENERAL PROGRAM STATEMENT

The Board of Governors of the Community Colleges was created by Chapter 1549, Statutes of 1967, to provide leadership and direction for the continuing development of community colleges as one segment within the overall structure of public higher education in California. The board is composed of 15 members appointed by the Governor for four-year terms. The functions of this board are specifically designed to preserve local autonomy in the relationship between the board and the 68 governing boards of California's 96 community colleges.

The chancellor's office is the administrative staff of the board. As a result of the policy of local autonomy, the board and its staff are charged with few operational responsibilities. For example, the board's primary functions consist of planning, coordinating, reporting, advising, and regulating. However, the board directly administers a credentialing program, the state-funded Educational Opportunity Program (EOP) and certain aspects of federally funded occupational programs.

ANALYSIS AND RECOMMENDATIONS

State Support Percentage Declines for Local Community Colleges

Table 1 contrasts total expenditures for community colleges with state support since 1969-70. The percent of total current expense of education supported by state allocations will decline from 36 to 34 percent in 1973-74. In contrast, passage of Senate Bill 90 (Chapter 1406, Statutes of 1972) provides elementary and high schools with an additional \$450 million for increased foundation program allowances in 1973-74. Community colleges will not share in these provisions. Further, inflationary cost increases will not be provided community colleges in 1973-74 under existing statutes or in this budget. A recommendation to correct the inflationary cost deficiency is set forth on page 735.

Table 1
Summary of Fiscal Support for Community Colleges Since 1969

	<i>Actual</i> 1969-70	<i>Actual</i> 1970-71	<i>Actual</i> 1971-72	<i>Estimated</i> 1972-73	<i>Projected</i> 1973-74	<i>Change</i>	
						<i>Amount</i>	<i>Percent</i>
Average daily attendance	464,565	517,339	552,208	588,600	616,900	28,300	4.8%
Total expense (in millions)	\$376.5	\$451.0	\$509.9	\$565.1	\$621.8	\$56.5	10.0%
Total expenditure per student	\$811	\$875	\$923	\$960	\$1,008	\$48	5.0%
Total state allocation (in millions)	\$126.8	\$162.6	\$175.9	\$203.8	\$213.1	\$9.3	4.6%
State allocation per student	\$273	\$315	\$319	\$346	\$346	0	0
Percent state allocation to total expense....	34%	36%	35%	36%	34%	-2%	-5.6%

Enrollments

Table 2 shows enrollment and average daily attendance (ADA) statistics since 1968. The rate of enrollment growth has been decreasing since 1970-71. Nevertheless, community colleges are expecting an increase of 28,300 ADA in 1973-74.

Table 2
Student Enrollment and ADA in Community Colleges Since 1968

<i>Year</i>	<i>Total enrollment</i>	<i>Fall graded students</i>		<i>Ungraded students</i>	<i>Total ADA</i>	<i>Percent increase ADA</i>
		<i>Full-time</i>	<i>Part-time</i>			
1968-69	649,923	233,711	334,435	81,777	418,805	10.9%
1969-70	704,768	258,998	343,919	101,851	464,565	10.9
1970-71	825,129	282,388	269,553	173,188	517,339	11.3
1971-72	873,784	295,646	399,590	178,548	552,208	6.7
1972-73 (est.)	930,000	296,000	441,000	193,000	588,600	6.6
1973-74 (est.)	975,000	300,000	470,000	205,000	616,900	4.8

Board of Governors Budget (Item 327)

The board's total program budget as proposed for 1973-74 is \$7,196,206. This figure includes \$6,202,339 from the General Fund which represents an increase of \$290,200 or 4.9 percent over the current year's estimated expenditures. The Budget Bill divides this total General Fund expenditure into two items: Item 327 (\$1,087,839) for personnel services, operating

CALIFORNIA COMMUNITY COLLEGES—Continued

expenses and equipment and Item 328 (\$5,114,500) for EOP allocations to local community colleges. Programs, funding sources, personnel positions and proposed changes are set forth in Table 3.

Table 3
Board of Governors Program Budget Summary

<i>Programs</i>	<i>Actual</i>	<i>Estimated</i>	<i>Proposed</i>	<i>Change</i>	
	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>Amount</i>	<i>Percent</i>
I. Executive	131,394	\$162,464	\$168,502	\$6,038	3.7%
II. Administration and public affairs	172,806	238,768	241,481	2,713	1.1
III. Credentials	143,677	154,826	160,081	5,255	3.4
IV. Fiscal affairs	387,118	437,249	435,719	-1,530	-3.4
V. Academic and student affairs	258,408	294,072	209,911	-84,161	-28.6
VI. EOP (administration)	115,375	139,416	157,990	18,574	13.3
VII. EOP (allocations) ¹	3,350,000	4,850,000	5,114,500	264,500	5.4
VIII. Occupational education	557,660	691,297	708,022	16,725	2.4
IX. Psychiatric technician training	98,000	0	0	0	0
Totals	\$5,214,438	\$6,968,092	\$7,196,206	\$228,114	3.3%
<i>Funding sources</i>					
General Fund	\$4,262,272	\$5,912,139	\$6,202,339	\$290,200	4.9%
Reimbursements	854,166	1,055,953	993,867	-162,086	-15.3
Psychiatric Technician Fund	98,000	0	0	0	0
Totals	\$5,214,438	\$6,968,092	\$7,196,206	\$228,114	3.3%
<i>Personnel positions</i>	84.7	97.3	94.3	-3.0	-3.1%

¹ Item 328; all other programs are under Item 327 of the Budget Bill.

No program receives more than normal inflationary cost increases over 1972-73 budgeted levels. The decline in academic and student affairs primarily results from the 1972-73 termination of the federally funded Community Action Program and its six related positions. The budget also provides for continuing four new positions administratively established during 1972-73. These four positions will be discussed in our analysis of community college credentialing.

Facilities Planning Section Augmentation

We recommend the addition of a principal architect and one planning specialist to the facilities planning section at an increased cost of \$49,460.

The facilities planning section within the fiscal affairs program (1) reviews, evaluates and updates required campus 10-year construction master plans, (2) reviews and approves new community college facilities and sites and (3) updates required annual inventories of facilities.

A. Principal Architect

With some \$100 million a year expended on community college capital construction projects we believe substantial savings to local and state taxpayers could result from the addition of an architect. The architect's duties would include consultation with districts and their architects on plans for campuses, buildings, traffic, grounds and on environmental impact reviews. The chancellor's office, while required to review plans, now lacks the professional expertise to promote good community college architectural design and to consult with local architects on a professional level. The chancellor's office has estimated potential savings of between \$500,-

000 and \$1 million annually. These savings would be shared on the same average 50-50 state-local ratio now used for funding capital construction projects. Increased cost of this position is estimated at \$27,716 including staff benefits and support costs.

B. Facilities Planning Specialist

The facilities planning section now consists of one chief administrator, four planning specialists and two associate construction analysts. A heavy workload has been placed on this section by the growth of community colleges over recent years. For example, there are 96 operating colleges, nine new campuses in planning and design stages, four existing colleges which are building new campuses and eight others which are making substantial facility additions. Processing the project evaluations and approvals that are required by the Community College Construction Act has already necessitated more than 1,000 hours of overtime within this section. Not only is this workload extreme, it also could result in superficial and costly approvals on marginal projects. Added to the current workload will be new projects enabled by the November 1972 voter approval for \$160 million in new community college construction funds. Costs for one additional facilities planning specialist are estimated at \$21,744 including staff benefits and support.

Plans Checking Fees

We recommend an increase in plans checking fees for a General Fund savings of \$90,000. This recommendation requires enabling legislation.

A plans checking fee is now charged local districts. The rate is one-twentieth of 1 percent of the estimated project cost as determined by the chancellor's office. We have learned that under current procedures a charge is not imposed for plans which are not approved. This encourages districts to submit minimal plans on the chance that they will get by. Further, fees are collected only for structural plans. However, additional plans must be checked for utilities, site development, landscaping, etc. Although plan evaluation is as much a service and potential savings to districts as to the state, the traditional 50-50 construction cost sharing policy has not been maintained for funding these plan evaluation services. Currently, only 16 percent of the cost of checking plans is reimbursed from plan checking fees.

The facilities planning section has estimated that a plans checking fee of one-seventh of 1 percent of project costs for all evaluative services would result in approximately a 45 percent local to 55 percent state sharing ratio. We believe this would result in a more reasonable fee for these required but mutually beneficial services. Increased reimbursements of \$90,000 are estimated from these proposed changes which would more than offset our previous recommendation for increased staffing in this function.

Educational Opportunity Program (Item 328)

This program was initially funded by the 1969 Budget Conference Committee and subsequently defined by Chapter 1479, Statutes of 1969. It requires special community college programs to (1) identify students affected by language, social, and economic handicaps, (2) establish and

CALIFORNIA COMMUNITY COLLEGES—Continued

develop services, techniques, and activities directed to recruiting and retaining such students in community colleges, and (3) stimulate student interest in intellectual, educational and vocational attainment.

We noted a number of problem areas in EOP last year and the Legislature implemented our recommendation by requiring the chancellor "to develop, publish and require districts to report standardized data which will permit annual evaluation of EOP projects and allocation of funds on a cost-effective basis." A progress report has been received and reviewed.

The report indicated program and cost effective guidelines were being developed to include a working definition for cost effectiveness and the degree to which EOP components provide effective support for a disadvantaged student to complete 24 units in an academic year. Some new standards will be implemented during the evaluation of applications for 1973-74 programs.

EOP Program Cut

We recommend an augmentation of \$245,500 for educational opportunity programs to maintain the current percentage of community college students being served.

The budget provides \$5,114,500 for EOP allocations to local districts. This includes a \$264,500 inflationary cost increase above the current funding level. Table 4 summarizes EOP funding levels and students served since the program began.

Table 4
Educational Opportunity Program Summary

	1969-70	1970-71	1971-72	Estimated 1972-73	Proposed 1973-74	<u>Change</u>	
						Amount	Percent
<i>Local allocations</i>							
	\$2,870,000	\$4,350,000	\$3,350,000	\$4,850,000	\$5,114,500	\$264,500	5.4%
<i>Students served</i>							
	13,943	19,725	17,000 (est.)	19,300	19,300	0	0

The 19,300 students served in 1972-73 represent 3.3 percent of total average daily attendance (ADA) in community colleges. By proposing no increase in this number in 1973-74, the budget ignores a projected 4.8 percent increase in community college ADA. Our recommendation would increase the number of students served in 1973-74 by 4.8 percent to a total of 20,226 and maintain the percentage of EOP students at 3.3 percent of enrollment. Support for these new students will require an additional \$245,500.

Credentialing Program Review

The credentialing program is self-supporting from a \$15 credential fee charged each applicant. Expenditure, workload and position data are summarized in Table 5. There are no apparent workload increases. The table also indicates this section has been receiving administrative authorization to add temporary help above budget authorizations.

The budget proposes to make permanent one senior certification analyst and three temporary help positions which were administratively authorized during 1972-73.

Table 5
Credential Program Summary

	<i>Actual</i> 1971-72	<i>Estimated</i> 1972-73	<i>Proposed</i> 1973-74	<i>Change</i>	
				<i>Amount</i>	<i>Percent</i>
Expenditures	\$143,677	\$154,826	\$169,081	\$5,255	3.4%
Applications	12,282	12,500	12,500	—	—
Budgeted positions	3.0	3.0	7.0	4.0	133.0%
Positions filled	8.4	7.0	7.0	—	—

Overcharge Creates Surplus

We recommend \$200,000 in excess credential fee revenues be applied as a one-time General Fund savings.

Prior to August 1972, a credential fee of \$20 was charged which produced revenue substantially in excess of expenditure requirements. This overcharge resulted in surplus fund balances which have not been reported to the Legislature in the budget. As a result, the Legislature has been precluded from determining the appropriate disposition of these funds.

A special drawing account has been established by the Department of General Services for deposit of these funds and the current balance exceeds \$200,000. Because the existing \$15 fee is adequate to fund the 1973-74 expenditure program, these surplus funds are in excess of current need.

Because a substantial administrative cost would be involved in attempting to return these overcharges to former applicants, we believe \$200,000 of the current balance should be transferred to the General Fund.

Eliminate Credentials for Holders of Master's Degree

We recommend the elimination of the requirement for individuals with a master's degree from an accredited institution to be credentialed for employment in community colleges as chief administrative officers, supervisors or instructors. An estimated reduction of \$80,000 in expenditures would be offset by an equal reduction in fee revenue.

Currently, applicants who possess a master's degree in a field other than education meet all professional and experience requirements for the lifetime instructor (teaching) credential. Applicants who possess the master's and can also demonstrate two years' experience in dealing predominantly with persons who have completed their elementary and secondary education requirements, meet professional and experience requirements for a lifetime chief administrative officer and/or supervisory credential.

Of the 11,765 credentials actually awarded in 1971-72 (95 percent of all applicants), 110 were for chief administrative officer, 460 were supervisory, and 6,138 were for fully satisfied lifetime instructor credentials. These three credential classifications represent 57 percent of all credentials awarded. Information provided by the credentials section indicates that the awarding of credentials is virtually assured for those with a master's degree. We estimate this unnecessary processing of applications for these three credential classifications from holders of a master's degree account for approximately 50 percent of this section's workload.

Our recommendation is based on (1) an immediate elimination of this workload and (2) the denial of the proposed addition of four positions. Our

CALIFORNIA COMMUNITY COLLEGES—Continued

savings estimate represents approximately 50 percent of the budgeted 1973-74 expenditures for this function.

Possible Further Reduction in Credentials

We recommend the Chancellor, California Community Colleges, study and report to the Joint Legislative Budget Committee prior to December 1, 1973, the feasibility of (1) eliminating credentials altogether and (2) contracting for credentialing services from the Commission on Teacher Preparation and Licensing.

Community colleges represent the only segment of higher education requiring administrative and teaching credentials. This requirement appears to have carried over from prior years when community colleges were a part of public secondary education and were administered by the State Board of Education. Therefore, we suggest the current credentialing requirement (1) is not representative of higher education, (2) limits local autonomy, (3) is inadequate for local hiring purposes, and (4) is unnecessarily expensive for applicants. Further, attempts to demonstrate either the necessity for or benefits of most credentials appear unconvincing at this time. For example, a recent study of credentialing by the chancellor's office concludes by enumerating the following current disadvantages:

1. "The major disadvantage of present community college credentials is that life credentials are granted with no requirement of professional education, recency of educational experience, or updating subject matter and teaching skills.
2. "Present credentials do not provide for approved internships or professional preparation programs.
3. "Subject matter areas listed (on the instructor credential) are based only on academic courses, with no provision for alternative approaches, such as private study or research in lieu of units.
4. "Credentials suggest limitation of local authority because minimum qualifications must be met before a person can be employed by a district.
5. "Credential requirements restrict access to community college employment."

However, recommendations in the chancellor's report would perpetuate, expand and complicate the existing credentialing process. In contrast, our recommendation would require the chancellor's office to study credentialing for the purpose of either eliminating credentials altogether or establishing a minimum essential program.

Our recommendation would also require a report on the feasibility of contracting for any essential credentialing services from the Commission on Teacher Preparation and Licensing. This agency was established in 1970 outside the Department of Education to develop broad minimum standards and guidelines for all public teacher preparation and licensing. Commission functions include (1) approving teacher education programs of higher education institutions, (2) developing and administering credential examinations, (3) issuing credentials and (4) enforcing moral and medical standards prescribed in the Education Code. To the degree that

some limited credentialing is deemed appropriate in community colleges we believe the commission is the logical agency to perform this function effectively. Potential savings could result from economies of scale and administrative centralization.

STATE SCHOLARSHIP AND LOAN COMMISSION

Items 329-330 from the General
Fund and Item 331 from the
State Guaranteed Loan Fund

Budget p. 227 Program p. II-1271

Requested 1973-74	\$38,589,711
Estimated 1972-73.....	30,998,723
Actual 1971-72	19,455,013
Requested increase \$7,590,988 (24.5 percent)	
Total recommended reduction	\$115,200

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Research program. Reduce Item 329 by \$60,000.* Recommend elimination of 3.2 new proposed positions and related expenditures. 851
2. *Administration. Reduce Item 329 by \$48,200.* Recommend elimination of 9.6 new proposed positions. 851
3. *Occupational training program. Reduce Item 329 by \$7,000.* Recommend elimination of 1.6 new proposed positions. 855

GENERAL PROGRAM STATEMENT

Statewide student financial assistance programs are provided through the State Scholarship and Loan Commission. The commission consists of nine members appointed by the Governor to represent public and private institutions of higher education as well as the general public. The commission was first established in 1955 to administer the State Scholarship program. Since then, seven additional programs have been implemented under the commission's administrative cognizance.

ANALYSIS AND RECOMMENDATIONS

Funding for the commission incorporates the following Budget Bill items. Item 329 funds all administrative type expenses. Item 330 funds all student awards and institutional payments. Item 331 appropriates funds from interest earned on federal deposits to offset administrative costs of the Guaranteed Loan program.

<i>Item</i>	<i>Funding source</i>	<i>Amount</i>
329	General Fund	\$1,219,520
330	General Fund	37,351,160
331	Guaranteed Loan Reserve Fund	19,031
Total proposed expenditures		\$38,589,711

STATE SCHOLARSHIP AND LOAN COMMISSION—Continued

Expenditures identified in the Governor's Budget as "administration distributed" include only executive and central staff costs. Administrative costs for each program are not shown. In contrast, our analysis will focus on (1) all administrative costs (commission personnel, operating expense and equipment) and (2) amounts expended on award and contract programs.

A summary of administrative costs, award and contract programs, funding sources, personnel positions and proposed changes are set forth in Table 1. For continuing operation of the commission, and all its programs, \$38,589,711 is budgeted for 1973-74. Of this amount \$38,570,680 is from the General Fund. This represents an increase of \$7,605,135 or 24.6 percent over estimated expenditures for 1972-73.

Table 1
Commission Budget Summary

<i>Programs</i>	<i>Actual 1971-72</i>	<i>Estimated 1972-73</i>	<i>Proposed 1973-74</i>	<i>Change</i>	
				<i>Amount</i>	<i>Percent</i>
I. <i>Administration</i>	\$722,882	\$1,051,529	\$1,238,551 ¹	\$187,022	17.8
II. <i>Awards and contracts</i>					
State scholarships.....	\$16,245,135	\$23,406,305	\$28,097,190	\$4,690,885	20.0
Graduate fellowship	330,844	958,239	1,000,000	41,761	4.4
College opportunity grant	2,156,172	4,402,650	6,111,970	1,709,320	38.9
Occupational training..	—	—	500,000	500,000	0
Guaranteed loan	—	—	—	—	0
Peace officers	—	20,000	20,000	—	0
Medical contract	—	660,000	1,122,000	462,000	70.0
Clinical internship.....	—	500,000	500,000	—	0
Subtotal awards and contracts	\$18,732,151	\$29,947,194	\$37,351,160 ²	\$7,403,966	24.7
Grand totals (I plus II)	\$19,455,033	\$30,998,723	\$38,589,711	\$7,590,988	24.5
<i>Funding sources</i>					
General Fund.....	\$19,433,011	\$30,965,545	\$38,570,680	\$7,605,135	24.6
Reimbursements	20	—	—	—	0
Guaranteed Loan Fund	12,002	33,178	19,031	-14,147	-42.6
Totals	\$19,455,033	\$30,998,723	\$38,589,711	\$7,590,988	24.5
<i>Personnel positions</i>	54.8	84.4	98.0	13.6	8.4

¹ Budget Bill Item 329 plus Item 331.

² Budget Bill Item 330.

I. ADMINISTRATION**Costs Double but No Student Financial Aid Report**

The 1969 Legislature augmented the commission's budget by \$6,300 to provide for an inventory of student financial aid as recommended in our Analysis of the 1969-70 budget. The commission was required to establish

reporting procedures and format so that this type of inventory could be accomplished on a continuing basis. The project was undertaken, a consultant hired, a format was developed, and a timely report was received and subsequently utilized in our 1971-72 Budget Analysis. The following year a new research associate position was included in the budget request in order to "establish the commission as a student financial aid information center, and to conduct the periodic inventory of student financial aid resources first requested by the Legislature."

We were concerned over increased costs (more than double the original \$6,300) represented by the new position but believed the commission's desire for expanding its research capacity beyond that of continuing the annual student aid inventory was justified at the time. However, to insure priorities were clearly defined, the budget bill committee on conference adopted our recommendation by approving the position and directing the commission "to submit an inventory of student financial aid to the Joint Legislative Budget Committee prior to December 1, on an annual basis." At this date of writing neither a report nor acceptable reason for noncompliance has been received.

New Research Program

We recommend the requested 3.2 new positions and all related expenditures for the research program be eliminated for a General Fund savings of \$60,000.

The budget proposes the establishment of a new separate research program at a General Fund cost of \$76,400. Staffing would consist of the research associate position established through the budgetary process last year and discussed above plus an additional 3.2 clerical positions and related support requested this year.

The commission recently has failed to demonstrate that it can meet legislative needs by providing a timely student aid inventory. As a result, we believe further staffing or expenditures for this function cannot be justified at this time. Based on an evaluation of the usefulness to the Legislature of the required 1973 student aid inventory (if and when submitted) we will review the research associate position costs and output to determine if future savings would be possible by returning to the original funding levels that produced the first report.

Commission Growth Analyzed

We recommend deletion of the request for 6.7 new positions in the State Scholarship program, 0.5 new position in the Graduate Fellowship program and 2.4 new positions in the College Opportunity Grant program for a total reduction of 9.6 positions and a General Fund savings of \$48,200.

Commission Growth

The commission has traditionally utilized individual program workload formulas to support requests for increased administrative staff. As the numbers of programs have increased these calculations have failed to reflect economies of scale and coordination. Further, we believe that once an administrative processing routine is established, increasing the number of actual awards or dollar amount of an award may contribute little to

STATE SCHOLARSHIP AND LOAN COMMISSION—Continued

actual workload demands. If anything, sufficient increased volume should allow increased automation of processing and result in personnel savings. A recent report by the Department of Finance also indicates the commission has failed to utilize automation sufficiently to achieve workload economies.

Economies of scale aside, one acceptable measure of workload is the number of applications received and processed. Table 2 compares personnel positions with total applications over a five-year span for the commission's three main programs. The table shows that the commission will experience an 81.8 percent increase in applications since 1969 while its corresponding administrative personnel growth will be 162.5 percent.

Table 2
Application Workload and Personnel Summary Since 1969

<i>Programs</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Estimates</i>	<i>Proposed</i>	<i>Five-year change</i>	
	<i>1969-70</i>	<i>1970-71</i>	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>Number</i>	<i>Percent</i>
State Scholarship	30,331	33,442	38,363	41,949	48,000	N/A	N/A
Graduate Fellowship	1,475	3,028	3,661	4,154	3,500	N/A	N/A
College Opportunity Grant	2,034	4,092	5,926	8,929	10,000	N/A	N/A
Totals	33,836	40,542	47,950	55,032	61,500	27,664	81.8
Personnel positions ¹	33.1	39.8	53.8	77.2	86.9	53.8	162.5

¹ Excludes positions assigned to other programs.

Not only do overall workload statistics suggest excessive overstaffing resulting from the commission's historical formulas, but the same observations can be made relative to specific programs. For example, Table 3 shows a summary of the Graduate Fellowship program. The actual workload (processing new and renewal applications) remains relatively stable and is actually projected to decline in 1973-74. The number of awards granted have also declined substantially since 1970. Yet, the commission would require over twice the number of personnel to process this workload in 1973-74 as in 1970-71. We do not believe the dollar size of the award constitutes a significant workload variable.

Table 3
Graduate Fellowship Program Workload Summary

	<i>Actual</i>	<i>Actual</i>	<i>Estimated</i>	<i>Projected</i>	<i>Change since 1970</i>	
	<i>1970-71</i>	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>Number</i>	<i>Percent</i>
Total applicants ¹	3,028	3,661	4,154	3,500	472	15.6
Total winners	938	384	569	600	-338	-36.0
Average fellowships	\$933	\$862	\$1,694	\$1,666	\$733	78.6
Personnel positions	1.8	2.2	3.3	3.8	2.0	111.1

¹ New and renewal.

If administrative staffing for the three programs shown in Table 2 were based on application workload growth since 1970, a total of 60.2 personnel positions for 1973-74 would result. In contrast, the commission already possesses 77.2 positions and would add 9.6 next year. We believe the commission can absorb the projected additional workload with existing staff

and our recommendation would eliminate all 9.6 positions requested.

We believe our recommendation should have at least four immediate consequences. First, staffing formulas for each program should be replaced by a total commission staffing formula. This would also result in fewer supervisors. Second, workload (e.g., application cutoff dates) should be staggered to allow permanent administrative staff to process applications from several programs. Third, temporary help (which now represents 11 percent of staffing) and overtime (currently the equivalent of 2.4 percent of staff) should be increased to handle peak application periods rather than adding permanent positions. Fourth, increased mechanization of application and award processing should occur.

Potential for Reducing Workload

A potential for reducing workload in terms of applications also exists. For example, 15 percent of all high school graduates (48,000) will apply for state scholarships in 1973-74. Only 3.5 percent (11,000) will receive an award.

Commission procedures encourage and perpetuate this workload by processing all applications and notifying students of their academic qualification first. This preliminary notification to "semifinalists" (about 75 percent of all applicants) has come to be considered informally as a state honor roll.

Over 60 percent of the semifinalists are subsequently eliminated because they lack financial need. We believe the fiction of the "state honor roll" and a substantial reduction in applicants would result if the commission provided potential applicants with qualifying data on the previous years' awards and did not publish a list of semifinalists.

II. AWARDS AND CONTRACTS

State Scholarship Program

This program was established in 1955 when the Scholarship Commission was created. Scholarships are granted to academically able students who are in need of financial assistance to meet their tuition and fee costs. Award levels are determined for each student on the basis of standardized need assessment formulas and procedures established by the College Scholarship Service of the College Entrance Examination Board. Once the initial award is granted, a student may apply for annual renewal if he maintains academic eligibility and continues to meet financial need standards. Awarded scholarships are held in reserve for students while they are attending a community college.

Table 4
Summary of State Scholarship Program Since 1968

<i>Year</i>	<i>Number of high school graduates</i>	<i>New state scholars</i>	<i>Total awards</i>	<i>Average award</i>
1968-69.....	279,800	5,596	10,467	\$715
1969-70.....	288,894	5,778	13,541	816
1970-71.....	301,100	6,023	15,914	829
1971-72.....	307,100	9,214	20,201	804
1972-73 (est.).....	317,415	9,526	23,090	962
1973-74 (est.).....	319,789	11,193	27,819	1,010

STATE SCHOLARSHIP AND LOAN COMMISSION—Continued

As a result of Chapter 1111, Statutes of 1972, the number of new state scholarships was increased from 3 to 3.5 percent of high school graduates and the maximum award was increased from \$2,000 to \$2,200. Table 4 summarizes state scholarship participation and average awards since 1968.

Graduate Fellowship Program

Financial assistance to graduate students began in 1965 with the establishment of the Graduate Fellowship program. The original goal of the program was to increase the supply of candidates for college and university faculties. Chapter 1597, Statutes of 1971, eliminated the teaching objective and redesigned the program to parallel the objectives of the State Scholarship program. A summary of this program to include participation and average awards was presented earlier in Table 3. Table 5 suggests the need for a limit on the number of years a student should be aided in graduate school.

Table 5
Distribution of Graduate Fellowship Students
by Level (1972-73)

<i>Year in graduate school or professional school</i>	<i>Number of students</i>	<i>Percent of total awards</i>
1	167	29.4
2	172	30.2
3	119	20.9
4	70	12.3
5	25	4.4
6	11	1.9
7	3	0.5
8	2	0.4
Totals	569	100.0

College Opportunity Grant Program

The College Opportunity Grant program (COG) authorized by Chapter 1410, Statutes of 1968, has the goal of increasing access to higher education for disadvantaged students. To accomplish this goal the program was established as a four-year pilot demonstration to assist disadvantaged students who are selected by experimental methods and subjective judgments as well as the more conventional academic methods.

Chapter 1406, Statutes of 1971, increased the number of new grant awards from 1,000 to 2,000 for each year from 1972-73 through 1976-77, thereby extending the original program. Table 6 summarizes COG participation and average awards since the program began in 1969.

Table 6
Summary of College Opportunity Grant Program Since 1969

<i>Year</i>	<i>Number of applicants</i>	<i>Number of new grants</i>	<i>Total grants</i>	<i>Average grant</i>
1969-70.....	2,034	1,000	1,000	\$833
1970-71.....	4,092	1,000	1,720	869
1971-72.....	5,926	1,000	2,393	941
1972-73 (est.).....	8,929	2,000	3,811	1,129
1973-74 (est.).....	10,000	2,000	4,825	1,266

Community College COG Participation Declines Further

We noted in our analysis last year that we did not believe the statutory objective of supporting students whose destination is community colleges was being effectively accomplished. Implementing statutes recognize the community colleges as the least expensive level of California higher education and set forth the intent "that the additional opportunities for education provided (by the COG program) shall be initiated primarily on the community college level."

Table 7 indicates a further decline in the number of community college students being served and a decrease in the percent of funds expended by COG students at community colleges.

Table 7
COG Program Participation Summary
(percentage by segment)

	1970-71		1971-72		1972-73	
	students	funds	students	funds	students	funds
Community colleges	85.1%	76.4%	58.9%	50.0%	43.2%	33.8%
University of California	3.7	5.3	11.2	13.0	17.6	19.7
State University and Colleges	7.0	7.3	20.5	18.0	26.8	23.4
Independent colleges	4.2	11.0	9.4	19.0	12.4	23.1
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Occupational Training Program

We recommend the requested 1.6 new positions be eliminated for a General Fund savings of \$7,000.

This program was established by Chapter 987, Statutes of 1972. Its objectives include assistance to financially needy students who desire to undertake postsecondary occupational training. Five hundred grants at an estimated average award of \$1,000 would be authorized for 1973-74.

A \$50,000 appropriation in 1972-73 allowed the commission to fill three administrative positions in anticipation of applications for the first awards in 1973-74. This budget proposal would add 1.6 more positions for a total program staffing level of 4.6.

For comparative purposes, we found this year that the Graduate Fellowship program will approximate the application workload estimated for the new occupational program. This is, the graduate program administrative staff (3.3 positions) is expected to process 4,154 applications and make 569 awards at an average level of \$1,694 during 1972-73. Similarly, the commission estimates the occupational training program will receive 4,500 applications and make 500 awards at an average level of \$1,000.

Since there is no workload history for this new program we find little support, based on our comparison with the authorized 1972-73 staffing level of the graduate program, for recommending approval for positions above the three currently authorized. Therefore, our recommendation serves to eliminate the additional 1.6 positions that have been requested for 1973-74.

STATE SCHOLARSHIP AND LOAN COMMISSION—Continued**Guaranteed Loan Program (Item 331)**

This program was authorized in 1966 to provide central state administration for a federal loan program. The program was designed to provide low-interest loans to college students. All federal funds were encumbered in 1967, and since that time the commission has been unable to guarantee additional loans. The present function of the state program is to provide necessary administrative services for outstanding loans. The federal government has directly administered subsequent loan programs. However, the commission reported that the federal government will not assume administrative responsibility for this program as we suggested last year.

Funding is from a special appropriation (Budget Item 331) from the State Guaranteed Loan Reserve Fund. The \$19,031 proposed for administrative support in 1973-74 is reimbursed from earned interest generated by federal funds deposited in the special fund reserve. This reserve fund is used to offset loan defaults.

Dependents of Deceased or Disabled Peace Officers

This program was authorized by Chapter 1616, Statutes of 1969, but was not funded in 1970-71. Chapters 919 and 920, Statutes of 1971, funded the program at \$20,000 and opened eligibility to dependents of totally disabled as well as deceased peace officers. The program goal is to assure a college education for financially needy dependent children of peace officers totally disabled or killed in the line of duty. The budget again includes \$20,000 for stipends on the assumption there will be 20 grants averaging \$1,000. Three grants were awarded in 1972-73.

Medical Contract Program

This program was authorized by Chapter 1519, Statutes of 1971. The program goal is to increase the number of physicians and surgeons graduated by private medical colleges and universities in California. The commission is authorized to contract with private institutions for state payments of \$12,000, minus federal capitation grants, for each student enrolled above a 1970-71 enrollment base. The budget indicates 55 students were contracted for in 1972-73 at \$12,000 each for a total of \$660,000. The 1973-74 budget proposes to fund an additional 55 students (110 total) at an average contract amount of \$10,200 each for a total program request of \$1,122,000. The projected average contract amount of \$10,200 per student reflects an estimated federal capitation offset grant of \$1,800 each.

Commission Fails to Report Incremental Costs of Medical Contract Program

The Legislature adopted our recommendation last year and directed the commission to collect data from private medical schools on their incremental costs of increasing enrollment under the medical contract program. A report was due prior to December 1, 1972. We believe the state could and should support more students at those institutions where incremental costs may be less than \$12,000 and in no case should the state pay more than the actual incremental cost of increasing enrollment. At this date of writing neither a report nor acceptable reason for noncompliance

has been received.

Clinical Internship Program

This new program was established by Chapters 85 and 933, Statutes of 1972. It provides medical schools a payment of \$10,000 for each student enrolled in a special clinical internship program. This special program provides additional clinical training for students who attended a medical school in the Republic of Mexico. At least three such students must be enrolled for a medical school to qualify for payments.

It is estimated the \$500,000 appropriated to the commission to initiate this program in 1972-73 will be expended. The same amount is proposed for expenditure in 1973-74.

CAPITAL OUTLAY

Summary

The 1973 Budget Bill includes a total of \$252 million for capital outlay from all sources. This is 32.4 percent greater than the \$190.4 million appropriated in the Budget Act of 1972.

Approximately \$10.7 million (4.2 percent) of the grand total represents proposals from the General Fund. This is a reduction of nearly \$2.1 million from the General Fund appropriation for the current year. It should be pointed out that \$7.9 million of the current appropriation is for purchase of the Sacramento Medical Center and \$2.1 million of the proposed program is to repay the Veterans Farm and Home Building Fund of 1943, for funds borrowed in 1964. The General Fund program provides projects in the Departments of Agriculture, General Services, Conservation, Health and Corrections as well as minor amounts in Youth Authority and Finance.

The major portion of the capital outlay program is concerned with the three segments of public higher education. The total for this area is \$170.9 million or 67.8 percent of the grand total. It is financed from funds transferred into the Capital Outlay Fund for Public Higher Education (COFPHE) by Chapter 1, Statutes of 1971 extra session (\$35,881,000), COFPHE (oil royalties) (\$29,468,000), University Education Fee Fund (EFF) (\$14,965,000), State Construction Program Fund (\$35,990,100 bonds) and the Health Sciences Facilities Construction Program Fund (\$54,651,000 bonds). Within the total higher education amount, approximately \$87 million (51 percent) is for the University, \$48.1 million (28 percent) for the State University and Colleges and \$36 million (21 percent) for the Community Colleges.

The other major elements are in the Departments of Parks and Recreation, and Education. Proposals for parks and recreation total \$24.6 million (not including \$188,824 for local assistance), which is funded from the Bagley Conservation Fund (\$10,150,000), State Beaches and Parks Recreation and Historical Facilities Fund (\$4,624,600) and the Recreation and Fish and Wildlife Enhancement Fund (\$9,797,658). The Department of Education proposes \$20 million from the COFPHE (oil) fund.

The remaining \$25.8 million is from conventional special funds. Over \$10.6 million is from the Motor Vehicle Account in the State Transportation Fund for projects proposed for the Department of Motor Vehicles and

the California Highway Patrol. The balance is for the Departments of Fish and Game, Navigation and Ocean Development and the district fair construction program.

University

The program for the University is funded from four sources. The major share (63 percent) is from the Health Science Facilities Construction Program Fund (bonds), which was approved by the electorate in the 1972 general election. The balance is funded from the COFPHE (Chapter 1/1971 Extraordinary Session) (14 percent), the COFPHE (oil royalties) (6 percent), and University student fees (EFF) (17 percent).

The health sciences construction program has been significantly reduced from that prepared for the 1972 bond issue. It was based on anticipated federal grants of \$97.7 million and \$71.3 million from other non-state sources to supplement the \$155.9 million bond funds. These have now been deferred or canceled by the federal administration or the nonstate sources. The revised program is based on full funding from state bond sources except for certain prefunded amounts and minor allocations of nonstate funds. The new program, which has not yet been presented to the regents, provides a reduction of planned enrollments in several health science disciplines and, accordingly, the total construction program has been reduced.

The three major projects proposed are: (1) Construction of the first permanent facilities at Davis and Irvine (Medical Sciences Unit 1) and modernization of Moffitt Hospital at San Francisco. Funds for these projects are requested in the amounts of \$20,460,000, \$6,485,000 and \$15,324,000 respectively, the sum of which represents 77.3 percent of the total health sciences' request. The remaining projects include additions, alterations, working drawings and preliminary plans.

For general campuses, the total request is for \$29.8 million. Proposals from the Education Fee Fund and the COFPHE (Chapter 1/1971, ES) total \$26.8 million. The remaining \$3 million is for minor capital improvements projects from the COFPHE fund. There are five major construction projects totaling over \$14.3 million, three of which provide additional academic instruction space, one library addition and one auxiliary facility expansion. These are Third College Academic Unit I at San Diego, Academic Unit 8, alterations and completion of unfinished space and library addition at Santa Cruz and service yard expansion at Los Angeles. Also included are several small projects related to utilities and site development, alterations, ancillary facilities and planning.

State University and Colleges

The State University and Colleges proposal totals \$48,096,000 funded almost equally from the COFPHE (oil) fund and the COFPHE (Chapter 1/1971, Extraordinary Session). The major thrust of this program is for projects which provide instructional capacity, administrative space and ancillary facilities, the aggregate of which is in excess of \$31.7 million. Over \$11 million is for construction of administrative buildings at Long Beach and San Francisco. Equipment requests for existing buildings and buildings under construction total over \$4.9 million. Library expansion projects

total \$5,481,000 of which \$4,325,000 is for the library expansion at Humboldt. The balance of the appropriation is for minor capital improvements, utilities and site development, improvements to existing structures to correct structural deficiencies and statewide planning funds.

The schedule of projects for the State University and Colleges includes the library building at San Jose and the science building at Pomona, both without an appropriation the meaning of which is unclear. The trustees' five-year capital improvement program indicates a total project cost for these facilities of \$15,850,000 and \$8,726,000 respectively.

It should also be pointed out that many of the proposals represent increments with more to follow. Some of these are for planning; others are increments of construction and equipment. For example, the proposal for an art building at Sonoma indicates a future requirement for nearly \$3.4 million. The total proposed program carries a future requirement of over \$43 million.

Community Colleges

The proposals for the community college system provide nearly \$36 million from bond funds approved by the electorate in the 1972 general election. This, coupled with the districts' share of over \$34 million would make available a total construction program of over \$70 million for 81 projects. Nearly 73 percent of the total program is for working drawings, construction or equipment for general academic facilities with an additional 10.6 percent for construction and equipment for vocational/technical facilities. The balance is for site acquisition, utilities and site development, and facilities for administration, maintenance and physical education.

Space Utilization—Higher Education

In 1970 the Legislature adopted a new standard for classroom utilization, which all three segments of higher education were directed to implement. The legislative standard extended the day from an 8 a.m. to 5 p.m. period to an 8 a.m. to 10 p.m. period resulting in a standard of 53 hours of utilization per room per week. In our understanding, it was not the intent of the Legislature that the 53 hours be evenly distributed throughout the week, merely, that 53 hours of use was to be achieved by greater intensification during the 8 a.m. to 5 p.m. period or by a combination throughout the 8 a.m. to 10 p.m. period.

Probably the best way to make comparisons between campuses and the standard is to use "weekly student hours per station," which is the product of the room hours per week multiplied by the station occupancy percentage. The standard station occupancy for classrooms is 66 percent, which applied to the legislative standard of 53 hours per week produces a station utilization of 35 hours. It is interesting to note the systemwide average for the State University and Colleges has, in fact, gone down from 28.8 hours in 1969, to 28.4 hours in 1970, to 27.5 hours in 1971. The campuses vary in utilization rates from 14.2 hours at San Bernardino to 31.4 hours at Pomona. While none of the campuses approach the standard of 53 hours per week, nearly all exceed the station occupancy percentage of 66. Only Chico, Fresno and Stanislaus fall below the 66-percent level. The highest

scheduled weekly room hours are 43.4 at Fresno and the lowest 19.1 at San Bernardino. Thus as a total system they are crowding the classrooms and using them less hours.

We recognized that this change in utilization standard would necessarily be implemented over a longer period than one or two years. It is obvious that many complex factors enter into the utilization of stations. Also factors such as students dropping out from classes after the first few weeks tend to distort the resulting utilization rates. Nevertheless, the steady decline in average station utilization is both revealing and disturbing.

We have no recent comparative figures for the University or community college systems. We understand however, that the new standard has not been attempted in the community college system.

Laboratory Utilization

The Coordinating Council for Higher Education (CCHE) in response to ACR 151 (1970) issued a report entitled "Inventory and Utilization Study for Public Higher Education Fall 1969". A conclusion of that report was that all three segments of public higher education could extend the scheduling period for class-laboratories from 8 a.m.-5 p.m. to 8 a.m.-10 p.m. Accordingly CCHE recommended that when enrollment demands upon class laboratories exceeded the computed capacity for 8 a.m.-5 p.m. operations, class laboratories should be used for an extended day with a standard of 33.1 weekly student hours per station in lower division and 24.8 in upper division. This represents an increase of 11.8 hours and 8.8 hours respectively in the 8 a.m. to 5 p.m. standard. The State University and Colleges systemwide average for fall 1971 exceeds the 8 a.m. to 5 p.m. standard in both lower and upper division class laboratories averaging 22.4 hours and 19.6 hours respectively. In lower division the utilization ranges from 10.3 hours at San Bernardino to 30.8 hours at Bakersfield. Upper division class laboratory utilization ranges from 8.5 at San Bernardino to 39.8 hours at Bakersfield.

We recognize that there are inherent physical limitations in some laboratories, particularly with respect to student lockers. In these cases alteration projects to correct such limitations should be undertaken to allow the necessary utilization. Laboratory space is the most costly to construct and has the lowest occupancy rate. It is essential that every effort be made to maximize the use of available facilities, in all segments of public higher education, before any money is expended to provide additional laboratory space.

Other Programs

The major element in the Budget Bill following higher education is concerned with the beach and park program and wildlife enhancement. The Budget Bill proposes more than \$4.6 million from the State Beach, Park, Recreational and Historical Facilities Fund, most of which is for development of the state beaches at Bolsa Chica and San Onofre. The balance is for land acquisition, relatively minor developments and planning for future projects.

Proposals from the Recreation and Fish and Wildlife Enhancement

Bond Act program total nearly \$14 million of which approximately \$10 million is for development of various state water project reservoirs. The remaining portion is for improvements to fish hatcheries to increase fish production, purchase of fishing access sites and other related purposes including planning for future projects. Together the two funds provide over \$18 million for the purposes described. The total request is for continuation of the type of development programs undertaken in prior years.

The General Fund contribution amounts to approximately \$10.7 million of which more than \$5 million is for projects in the Departments of Health and Corrections. The most significant of these projects is air conditioning of Porterville State Hospital and working drawings for two maximum security units. As pointed out earlier, over \$2.1 million from the General Fund is for repayment to the Veterans' Farm and Home Building Fund for funds borrowed in 1964. The balance is for relatively minor alterations and new construction projects, site acquisition and planning for future proposals.

Appropriation requests from the Motor Vehicle Account in the State Transportation Fund exceed \$10.6 million. More than \$7 million is for the Department of Motor Vehicles for land acquisition, working drawings and construction related to new field offices. The balance of approximately \$3.3 million is for the California Highway Patrol principally for construction of new field offices but also for purchase of both communications equipment and leased facilities.

As previously noted, for the first time, the Budget Bill proposes \$20 million from the Capital Outlay Fund for Public Higher Education (oil revenues) for working drawings and construction of new schools for the blind, deaf and multihandicapped which are not part of higher education. These are to replace present facilities at Berkeley and are to be located at an undesignated site or sites.

The balance of the capital outlay program is from a variety of special funds. Over \$3 million is for district fairs from the Fair and Exposition Fund. The Fish and Game Preservation Fund provides nearly \$2.2 million for hatchery projects and the Consumer Affairs Fund provides \$669,800 for upgrading of air conditioning in the Consumer Affairs Building in Sacramento.

Environmental Impact Reports

Sections 21100, 21102 and 21105 of the Public Resources Code require all state agencies, boards or commissions to include an environmental impact report on any project they propose to carry out which would have a significant effect on the environment of the state. Many of the proposed projects in the Budget Bill do not include such a report. The requesting agency, board or commission should provide for each project, an environmental impact report or certification that the project does not have a significant impact on the environment of the state. Appropriations for proposed projects should be withheld until receipt of either the report or certification.

MILITARY DEPARTMENT

Item 332 from the General
Fund

Budget p. 39 Program p. I-193

Requested 1973-74	\$86,020
Recommended for approval.....	86,020
Recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The Military Department is requesting \$86,020 for project planning, working drawings and supervision of construction. The federal government provides construction funds for projects that are planned and supervised by the state. These projects vary in size and include projects such as construction of maintenance buildings, storage space, airport runway overlays, etc. The requested funds are based on projects the Military Department anticipates submitting to the federal government for funding. Expenditures will be made only after federal funding is assured.

UNALLOCATED

Item 333 from the General
Fund

Budget p. 57 Program p. I-267

Requested 1973-74	\$75,000
Recommended for approval.....	75,000
Recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item provides funds for preliminary planning for future projects to be financed from the General Fund. Allocations are proposed by the Department of Finance subject to approval by the State Public Works Board.

The proposed amount would provide for approximately \$5 million in construction cost, based on 1½ percent for preliminary planning. Based on projected proposals a construction program of this amount appears reasonable.

DEPARTMENT OF AGRICULTURE

Item 334 from the General
Fund

Budget p. 61 Program p. I-302

Requested 1973-74	\$250,000
Recommended for approval.....	100,000
Recommended for special review	150,000
Recommended reduction	None

SUMMARY OF RECOMMENDATIONS

	Amount	Analysis Page
1. Special review—construct inspection facility	\$150,000	863

ANALYSIS AND RECOMMENDATION

- (a) Feasibility study, working drawings and relocation of chemistry laboratory, Davis..... \$100,000

We recommend approval.

This request is for working drawings for a new chemistry laboratory for the Department of Agriculture to be constructed on the Davis Campus of the University of California. The project will provide a 24,500 gross-square-foot building containing laboratory and office space. The present facilities for the chemistry laboratory operation are located on three floors in the Agriculture Building in Sacramento. These facilities are overcrowded and inefficient. The facilities are also operating at minimal safety levels creating hazardous conditions. We are in agreement with the needs for improved facilities for this function and the requested project is appropriate. It should be pointed out that the Davis Campus has apparently agreed to lease three acres to the state for 35 years at \$540 per year. This rental amount is reasonable and more economical than purchasing a comparable site.

- (b) Construct—inspection station..... \$150,000

We recommend special review.

This request is for the construction of a border agricultural station in the north state adjacent to Interstate 5. The new facility will replace two existing stations, at Doris and at Hornbrook. The exact location for this facility has not been determined, but the department is presently considering the Weed or Mt. Shasta areas. The Doris and Hornbrook stations are currently operated on a schedule of 24 hours per day, year around for trucks and June 15th through September 15th for automobiles. Automobiles are spot checked an average of two days per month over the remaining nine months. The number of shipments infested with serious pests or in violation of plant quarantines which were prevented entry into California total 1,480 at Doris and 4,629 at Hornbrook.

The requested funds for this project will finance approximately one-third the total project cost. The remaining \$300,000 is to be provided by the Highway Fund. The Highway Commission has voted to support the cost of replacement facilities for the Hornbrook facility, due to the relocation of Interstate 5. The commission has set a limit of \$300,000 allowable

DEPARTMENT OF AGRICULTURE—Continued

for this project. The construction cost estimate of \$450,000 was provided by the Division of Highways for constructing a facility near Redding. This estimate is tentative and not based on preliminary plans for construction of a facility in an area of extreme weather conditions. We recommend special review for this project in order to give the Office of Architecture and Construction an opportunity to review the project and provide a cost estimate based on actual needs and building location.

**Department of Food and Agriculture
DISTRICT FAIR CONSTRUCTION PROGRAM**

Item 335 from the Fair and Exposition Fund

Budget p. 61 Program p. I-296

Requested 1973-74	\$80,730
Recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item appropriates the sum of \$80,730 from the \$2.25 million continuing statutory appropriation payable from the Fair and Exposition Fund for county and district agricultural fairs or citrus fruit fairs. The money is used for engineering services performed by the Division of Fairs and Expositions of the Department of Food and Agriculture. The services cover construction supervision on local fair projects financed under Business and Professions Code, Section 19630 for (1) permanent improvements, (2) purchase of equipment for fair purposes, and (3) acquisition or purchase of real property, including appraisal and incidental costs.

DISTRICT FAIR CONSTRUCTION PROGRAM

Item 336 from the Fair and Exposition Fund

Budget p. 61 Program p. I-315

Requested 1973-74	\$35,850
Recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item appropriates the sum of \$35,850 from the Fair and Exposition Fund to the 1-A District Agricultural Association at San Francisco, known as the Cow Palace. The money is for payment to the Cow Palace of the full cost of repair and equipment replacement due to a fire in September 1972 which occurred in a warehouse structure. As a state agency, the Cow Palace is self-insured, necessitating payment for repairs from operating revenues or other funds. In the current year the Cow Palace received a

payment of \$194,100 as partial payment of repair costs stemming from an earlier fire. The payment in the budget year is for a more recent fire and is not related to the \$194,100 expended for the previous fire. A Budget Bill appropriation is needed to provide this money because the Cow Palace is not eligible for an allocation from the continuing appropriation for construction of local fairs.

Department of Food and Agriculture
FINANCIAL ASSISTANCE TO LOCAL FAIRS

Item 337 from the Fair and Exposition Fund

Budget p. 61 Program p. I-315

Requested 1973-74	\$3,000,000
Recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item appropriates the sum of \$3 million from the Fair and Exposition Fund in augmentation of the annual continuing capital outlay appropriation of \$2.25 million for county and district agricultural and citrus fruit fairs under Section 19630 of the Business and Professions Code. The funds in this item are to be made available on allocation by the Director of Food and Agriculture and may generally be expended for permanent improvements at designated fairs, as well as, the purchase of equipment or acquisition of real property.

The requested appropriation in this item would fund those local fair projects which are designated as priority one in the five-year fair capital outlay program. Priority one covers projects required for public health and safety. The other categories which are of lower priority in the five-year capital outlay plan involve replacement, addition of new added features for interim use and miscellaneous projects. The total five-year capital outlay program is in excess of \$46 million.

The funds in this item are allocated by the Director of Food and Agriculture with approval of the Public Works Board. Because this item provides a major addition to the local fair system, it would be appropriate that each project financed by it be reviewed carefully by the board for conformity to the public health and safety standard. Such a directive should be given the Public Works Board by language in the supplemental report on the Budget Bill.

DEPARTMENT OF GENERAL SERVICES

Items 338-339 and 340 from the
General Fund, Bagley Conser-
vation Fund and Consumer
Affairs Fund.

Budget p. 73 Program p. I-436

Requested 1973-74	\$2,535,720 total
Item 338.....	\$915,920 (General Fund)
Item 339.....	\$950,000 (Bagley Conservation Fund)
Item 340.....	\$669,800 (Consumer Affairs Fund)
Recommended for approval.....	564,000 (General Fund)
Recommended for special review	950,000 (Bagley Conservation Fund)
Recommended reduction	\$351,920 (General Fund)
	\$669,800 (Consumer Affairs Fund)

SUMMARY OF RECOMMENDATIONS	Amount	Analysis Page
1. Delete—construct—upgrade air conditioning Agriculture Build- ing (General Fund)	\$351,920	867
2. Delete—upgrade air conditioning, Consumer Affairs Building (Consumer Affairs Fund)	\$669,800	867
3. Special review—construct—Governor's residence, Bagley Conser- vation Fund	\$950,000	867

ANALYSIS AND RECOMMENDATIONS

The department's request for major capital outlay covers five projects, three of which are to be funded from the General Fund and one each from the Consumer Affairs Fund and the Bagley Conservation Fund. the project to be funded from the Consumer Affairs Fund is the upgrading of the air-conditioning system in the Consumer Affairs Building in Sacramento. The project for funding from the Bagley Conservation Fund is the construction of the Governor's residence in Carmichael adjacent to the American River. A description of the requested projects and our recommendation for each follows.

Item 338(a) Construct—fire safety phases II and III— Library and Courts Building, Sacramento (General Fund)	\$345,000
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We recommend approval.

This project is for the correction of fire safety deficiencies which have been identified by the State Fire Marshal, and will complete the correction of all such deficiencies. The work includes alterations and additions to the five-story building and to the basement. It will provide for the demolition of portions of building interior, installation of metal door and window frames, solid core wood doors, smoke detection and automatic fire sprinkler systems, new water and gas connections, exit lighting and an emergency electrical generator.

Item 338(b) Construct—upgrade air conditioning Agriculture Building, Sacramento (General Fund)	\$351,920
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Item 340 (a) Construct—upgrade air conditioning Consumer Affairs Building (Consumer Affairs Fund)	\$669,800
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We recommend deletion of the above two projects.

The requests propose to upgrade the air-conditioning systems by changing the existing zone control system to a costly individual room control system. This will be accomplished by the installation of hot water reheat coils and thermostatic controls for each room in the building. While the proposed system is an ideal solution, we do not believe the additional installation and operational (energy) costs related to such a system to be justified. Furthermore, future remodeling is complicated by such a system. We recommend the department reevaluate and redesign the proposal to provide more effective and economical zone control.

Item 338(c) Site acquisition—second well—central heating and cooling plant, Sacramento (General Fund)	\$219,000
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We recommend approval.

This request is to purchase a well site to assure condenser cooling water capacity for future additions to the central plant. Currently, the plant and well water supply are operating at maximum capacity. Therefore, before any cooling capacity can be added to the plant, additional well water will be needed. Purchase of a new site at this time appears appropriate.

Item 339(a) Construct—Governor's residence (Bagley Conservation Fund)	\$950,000
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We recommend special review.

The general program for the Governor's residence has been completed. This program indicates the construction of a 17,000-square-foot residence at \$40 per square foot. The building is to be a two-story structure with basement. Auxiliary structures are to be a five-car garage, 24- by 48-foot swimming pool with terraces and decking, and a tennis court. Landscaping and site development is estimated to cost \$95,000. The program is a general outline of the space and auxiliary facility requirements for the Governor's residence. Preliminary plans have not been completed at this time. Therefore, we think it is premature to recommend approval of a specific amount for working drawings. Hopefully, this information will be available for review during budget hearings.

DEPARTMENT OF GENERAL SERVICES

Item 341 from the General
Fund

Budget p. 85 Program p. I-544

Requested 1973-74	\$2,134,887
Recommended for approval.....	2,134,887
Recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The Budget Act of 1964, Item 409, appropriated \$2,271,500 as a loan from the Veterans' Farm and Home Building Fund to acquire land in Sacramento on which to construct parking facilities and to prepare working drawings for an office building for the Department of Veterans Affairs.

The Department of General Services was made a part of this action, in that it was to occupy, improve and maintain the property, and to apply rent received for operation and maintenance of the property. Any remaining revenue was to be used for payment of principal and interest at 4 percent to the Veterans' Farm and Home Building Fund until the loan was repaid. The property would then be totally under the jurisdiction and control of the Department of General Services. This was an unrealistic assumption under the rental rates by General Services. Accordingly, to date the Department of General Services has not been able to produce sufficient revenue beyond an amount required to pay the interest on the loan. A total of \$2,134,887 was expended in the process of acquiring the land and preparing it for use. The balance was reverted to the original source. This item proposes to repay the outstanding balance of the loan in a single lump sum so that the Veterans' Farm and Home Building Fund may have the use of these moneys for the normal lending purposes for which the fund is employed.

It appears reasonable that, in view of the surplus available in the General Fund, the loan should now be repaid in a lump sum, particularly since it does not appear likely that the use of the land would now, or in the near future, generate sufficient revenues to make payments on the principal.

Department of Veterans Affairs
VETERANS' HOME OF CALIFORNIA

Item 342 from the General
 Fund

Budget p. 84 Program p. I-544

Requested 1973-74	\$590,350
Recommended for approval.....	590,350
Recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

The department is requesting three major capital outlay projects all of which are related to health, fire, and life safety.

(a) Fire and life safety improvements—hospital building \$104,000

We recommend approval.

This request is for modification to the interior of the hospital building for conformance to the Fire and Life Safety Codes as prescribed by the State Fire Marshal. The project will remedy the most critical items indicated in the State Fire Marshal's survey of this building. It consists of enclosure of interior stairways and ramps, installation of fire resistant doors in corridor walls, elimination of interior corridor glazed openings, installation of fire dampers and installation of a fire sprinkler system in the basement storage area.

(b) Emergency power supply and lighting—Hospital
 Building \$95,350

We recommend approval.

This request will provide an increase in the emergency electrical power supply and improve the lighting system within the building. The emergency electrical power is currently supplied by a 60-kilowatt (kw) and a 15-kw diesel-engine-driven generator. These generators are not adequate for the needs of the hospital during a power failure. For example, the intensive care facilities are not connected to emergency power sources due to the inadequate emergency power supply. This project will provide a 300-kw diesel-engine-driven generator connected to the existing electrical supply to the building and is of sufficient capacity to serve the total building. Fluorescent light fixtures will also be installed to replace existing incandescent fixtures in several areas of the hospital which are inadequately lighted by the existing fixtures.

(c) Construct—filtration plant, Rector Reservoir \$391,000

We recommend approval.

This project is for the installation of a filtration system, chemical treatment and chlorination equipment at Rector Reservoir, the source for domestic water for the Veterans' Home. The Departments of Public Health and Water Resources have recommended construction of these facilities to provide assurance of water free from disease bacteria and of generally satisfactory quality. The Department of Public Health (DPH) has noted that on four occasions since July 1969, the water from this source failed to meet United States drinking water standards. The department

VETERANS' HOME OF CALIFORNIA—Continued

also states that the chlorination treatment currently used provides marginal safety and that ineffective disinfection has been found to be caused by high turbidity and/or excessive plankton growths. It recommends that in order to provide positive assurance of adequate disinfection with chlorine and to remove suspended material and plankton growth, water filtration is required. It should be pointed out that this water system also serves the Cities of Yountville and Napa and the Napa State Hospital. A new fee schedule should be established to assure that all users of this water system pay their fair share of the amortization cost of this improvement.

CALIFORNIA HIGHWAY PATROL

Item 343 from the Motor Vehicle Account, State Transportation Fund

Budget p. 106 Program p. I-630

Requested 1973-74	\$3,348,040
Recommended for approval.....	2,830,540
Recommended for special review	387,300
Recommended reduction	\$130,200

SUMMARY OF RECOMMENDATIONS	<i>Amount</i>	<i>Analysis Page</i>
1. Reduce—statewide communications program	\$17,000	870
2. Special review—statewide communications program.....	\$120,000	870
3. Reduce—construct area office, West Valley	\$29,000	872
4. Reduce—working drawing and construct area office, Fairfield (Vallejo)	\$29,500	872
5. Reduce—construct area office, Ventura.....	\$29,700	872
6. Reduce—construct area office El Cajon.....	\$25,000	872
7. Special review—purchase of leased facilities at Oroville, Quincy and Red Bluff	\$267,300	873

ANALYSIS AND RECOMMENDATIONS

The department's capital outlay request for the budget year is \$3,348,040, for a total of 12 projects including: one for communications, one for planning, four for construction, two site acquisitions, one for working drawings and four lease purchase requests. The construction projects are for facilities which were approved for site acquisition in the current budget. The two site acquisition projects are new requests to replace existing lease facilities which are no longer adequate for the department's needs.

Following is a brief summary of each project and our recommendation:

(a) Communications equipment program, statewide \$1,012,710

We recommend a reduction of \$17,000 and special review of \$120,000.

This project will provide for the purchase of communication equipment required for replacement (\$496,400) and for expansion of radio and microwave systems (\$516,310). General Services Communications Division has established a replacement schedule for this equipment based on ex-

pected equipment life. To be replaced are 12 radio frequency terminals, 60 multiplex terminals, 22 VHF base stations, 12 control and repeater stations and 6 standard radio consoles. We recommend approval of this portion of the request. The request for additional equipment includes \$279,450 for various radio equipment in the Los Angeles Basin. This equipment will upgrade the Los Angeles Basin area and will allow the use of microwave in lieu of leasing telephone lines, and also allow communications between vehicles and dispatchers in areas where this is not now possible. The additional equipment request also includes the replacement of "blue" frequency as the primary radio frequency in several areas of the state, the installation of tape recorders, 19 new multiplex terminals, one base station, four microwave alarms and the upgrading of two remote radio sites. We recommend approval of all aspects except for the replacement of "blue" frequency and we recommend special review for the installation of tape recorders.

The "blue" frequency is one which has been established by the department as a common frequency which could be used by any unit dispatched to any part of the state. In doing this the department must eliminate the "blue" system as the primary frequency in areas which adjoin each other and hence cause radio interference. This request is for the replacement of the "blue" primary system in eight areas throughout the state. We recommend approval for all areas except in the Merced and San Luis Obispo areas. These two areas do not interfere with each other but both interfere with the Bakersfield area. The "blue" primary frequency used at Bakersfield is scheduled for replacement in this request. Hence, the interference with the other two areas will no longer exist and the number of multiplex terminals necessary to make these changes can be reduced from 35 to 25, a savings of \$17,000.

The department is requesting the purchase of two 20-channel recorders and two 40-channel recorders all complete with necessary accessories. The department plans to install a 20-channel recorder at Sacramento and San Bernardino and a 40-channel unit at Los Angeles and San Francisco. The department began tape recording operations in central dispatch centers at Sacramento, San Francisco and Los Angeles this year. The 10-channel units at Sacramento and San Francisco are to be assigned to San Diego and Fresno with the 20-channel unit at Los Angeles going to Oakland. The department currently records all conversations between highway patrolmen and radio dispatchers, freeway telephones, and support telephone positions which might accept incoming emergency telephone calls.

The units are manufactured in 10, 20, and 40 channel sizes, with each channel capable of recording one position. Justification for the larger units at Sacramento and San Francisco is to increase the number of recorded support positions by one which increases the total number of recorded positions from 10 to 11 thus necessitating a 20-channel recorder unit. We have requested the department to reevaluate and further justify the need for recording the one additional support position. Unless further justification is indicated we recommend that the San Francisco and Sacramento areas continue to use the existing 10-channel recorders.

The request for a 40-channel recorder at Los Angeles is based on a need

CALIFORNIA HIGHWAY PATROL—Continued

to record 26 positions. The 20-channel recording unit currently in use at the Los Angeles office plus the addition of a new 10-channel unit would provide 30 channels or 4 channels in excess of the need. Hence, we would recommend the purchase of a 10-channel unit at Los Angeles in lieu of the requested 40-channel unit.

Unless there is further justification for the San Francisco and Sacramento areas, we recommend the purchase of only five 10-channel recorder units, one each to be installed at Los Angeles, San Bernardino, Oakland, San Diego, and Fresno. This recommendation would provide a reduction of \$48,500 in the requested amount.

We also recommend that the department be required to submit an annual report to the Legislature indicating the telephone positions which are recorded and the necessity for recording such positions. The report should also indicate the department's evaluation and description of the benefits derived through the use of these recorders.

(b) Construction program—planning, statewide \$20,000
We recommend approval.

This proposal is to provide funds for preparation of preliminary plans for proposed major projects in the 1974-75 fiscal year. The amount is approximately 1½ percent of the anticipated program for that year and should be adequate for the purpose.

(c) Construct area office, West Valley \$386,615
We recommend a reduction of \$29,000.

(d) Working drawings and construct—area office, Fairfield (Vallejo) \$406,715
We recommend a reduction of \$29,500.

(e) Construct—area office, Ventura \$397,100
We recommend a reduction of \$29,700.

(f) Construct area office, El Cajon \$331,400
We recommend a reduction of \$25,000.

The above projects will provide area offices with a capacity of 100 traffic officers except at El Cajon which will be sized for 75 traffic officers. Working drawing funds for each of these projects was provided in the current budget and should be deleted from the request. The respective amounts budgeted were \$12,000, \$19,500, \$13,000, and \$15,000.

The department has been working with the Department of General Services and the Office of Architecture and Construction to develop standard floor plans for the various sized buildings. The standard plans have been agreed upon and they are all designed to facilitate expansion in the future when such expansion is justified. The cost for construction of these buildings should be fairly consistent and should be approximately \$24 per gross square foot at the California construction cost index of 650. This estimate is based on the most recent building designed to the standard plans and specifications. We recommend that the above four requests be reduced to reflect this cost except for the building at Fairfield. Construction in the Fairfield area is approximately 6 percent higher than the Los Angeles, San Diego area. Therefore, we recommend a square foot cost

in that area of \$25.40 per gross square foot. The respective reduction would be \$17,000, \$10,000, \$16,700 and \$10,000.

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| (g) Site acquisition and working drawings—area office,
Marin-Golden Gate | \$205,000 |
| (h) Site acquisition and working drawings—area office,
western Kern County | \$47,000 |

We recommend approval of the above two projects

These two site acquisition and working drawing projects are to replace existing facilities which are inadequate for the needs of the department. The Marin-Golden Gate leased facility is undersized for the current traffic officer strength of 79. There are also many parking and traffic difficulties at the present site. The department plans to construct a 100-traffic officer facility near U.S. Highway 101 in the general area of the existing facility. The western Kern County facility was located in leased facilities in Taft. However, due to the opening of Interstate 5, 19 miles from this location, the department has found it necessary to relocate the personnel to the Bakersfield office. The distance required for these officers to travel to their beat assignments creates an expensive and inefficient operation. The department plans to purchase property near Buttonwillow, for the construction of a 25-traffic officer facility.

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| (i) Working drawings—area office, San Juan..... | \$21,700 |
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We recommend approval.

This request would provide construction documents for a new 50-traffic officer facility in San Juan Capistrano. It is to be adjacent to Interstate 5 near an on/off ramp. Upon completion of the project the department will be able to reduce the overcrowding in the present Santa Ana office. This location will also provide an improved distribution of traffic officers in the adjoining areas of Los Angeles and Orange Counties.

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| (j) Purchase leased facility, Bakersfield..... | \$252,500 |
| (k) Purchase leased facility, Oroville..... | \$89,500 |
| (l) Purchase leased facility, Quincy..... | \$89,800 |
| (m) Purchase leased facilities, Red Bluff | \$88,000 |

We recommend approval of (j) and special review of the other three items.

The department has stated that the geographical location, size and condition of the above facilities are excellent and will meet their needs for many years. The Bakersfield office was constructed for the state under a lease-purchase agreement. The lease contract for the Bakersfield office has a purchase option date of March 1, 1974, the second year of occupancy. The owner of the other offices has proposed sale of the property to the state on November 1, 1973. The market value of these three parcels has not been established and we have suggested that General Services real estate division appraise this property. Until the appraisals are completed, we cannot recommend approval of these purchases.

DEPARTMENT OF MOTOR VEHICLES

Item 344 from the Motor Vehicle Account, State Transportation Fund

Budget p. 111 Program p. I-659

Requested 1973-74	\$7,279,500
Recommended for approval.....	5,571,300
Recommended for special review	1,126,700
Recommended reduction	\$581,500

SUMMARY OF RECOMMENDATIONS

	Amount	Analysis Page
1. Reduce—land acquisition, working drawings and construct office building and parking facilities, Chula Vista.....	\$725,500	875
2. Augment—land acquisition for office building and parking facilities, Oxnard	\$50,000	875
3. Augment—land acquisition for office building and parking facilities, Placerville	\$10,000	876
4. Augment—land acquisition for office building and parking facilities, north metropolitan San Diego	\$50,000	876
5. Augment—land acquisition for office building and parking facilities, San Fernando	\$50,000	876
6. Special review—planning for Headquarters expansion, Sacramento.....	\$20,000	876
7. Special review—land acquisition, working drawings and construct office building and parking facilities, Sacramento.....	\$1,106,700	877
8. Augment—land acquisition for office building and parking facilities, West Covina	\$50,000	877
9. Reduce—construct office building and parking facilities, Modesto.....	\$56,000	878
10. Reduce—Construction project planning	\$10,000	878

ANALYSIS AND RECOMMENDATIONS

The department is requesting a total of 14 projects which includes eight property acquisition proposals, four construction projects and two preliminary planning requests. All projects are related to field office operations except for one planning request which is related to the proposed data processing center in the Department of Motor Vehicles building in Sacramento.

The Department of Motor Vehicles has begun a procedure for long-range field office planning this fiscal year. This planning takes into consideration the projected population increase as determined by the Department of Finance, current field office operations, projected increase or decrease in vehicle registration and driver's licensing and direction of growth within various regions of the state. The long-range reports, when completed, will cover the entire state. This attempt at long-range planning is a vast improvement over the department's previous methods and should prove a benefit to the state. While the reports project growth and needs over a 25-year period, the department is requesting buildings to be designed to a 15-year need with flexibility to expand to the projected 25-year need, when expansion is justified. The projects requested in this item generally reflect the long-range planning reports.

- (a) Land acquisition, working drawings and construct of-
fice building and parking facilities, Chula Vista..... \$1,396,500

We recommend a reduction of \$725,500.

This request is for a new field office in the Chula Vista area of San Diego, identified in the field office facilities long-range planning report, as south San Diego metropolitan area. The long-range report indicates that this area needs a field office with a lobby-counter area of approximately 5,000 square feet, expandable to approximately 6,600 square feet. We agree with the conclusion of this report, but we do not feel that it is sound to appropriate property acquisition, working drawing, and construction funds in one year. The probability of purchasing the land, drawing the plans and going to construction bid in one year is unlikely. For example, none of the three property acquisition appropriations for the current year have as yet been allocated. The Department of General Services has indicated that the sites should be purchased in three or four months, and in one case possibly as much as nine months. These are not unusual circumstances and are simply results of the time necessary to locate property within the search area, appraise the sites and agree with the owner on the purchase price. However, it is advantageous to have working drawing funds attached to the land acquisition appropriation in order that the drawings can be completed near the next fiscal year, thereby not delaying construction. Hence, we recommend funding of \$621,000 for land acquisition and \$50,000 for working drawings.

- (e) Land acquisition and construct additional parking
facilities, Montebello \$191,000

We recommend approval.

This request is for the purchase of approximately 42,600 square feet of property adjacent to the existing field office and the development of parking facilities thereon. There should be no delay in acquiring the site as the owner is apparently anxious to sell to the state. Under this situation funding of acquisition and construction in the same year appears prudent.

The Montebello office is the third largest office in the state and has 148 parking spaces. While this is not an unusually low number of spaces, off-street parking is not available at this office and the department has experienced considerable traffic problems. This project will provide approximately 140 additional parking spaces. It should also be noted that the long-range field office report for this region indicates that the Montebello office space should be adequate through the 1980's.

- (g) Land acquisition for office building and parking faci-
ties, Oxnard \$414,000

We recommend an augmentation of \$50,000.

This request is for property acquisition in the Oxnard area. The department's long-range report for this region states that the Oxnard community is growing at a faster rate than the neighboring Ventura area and if the Oxnard facility is constructed the existing Ventura field office would be adequate until the 1980's. Therefore, the long-range plan recommends the construction of a building in Oxnard with a lobby-counter area of approximately 5,000 square feet and a deferral of the construction of a new field

DEPARTMENT OF MOTOR VEHICLES—Continued

office in Ventura until the late 1980's. We agree with this recommendation, but as we mentioned above in (a), we believe it prudent to appropriate working drawing funds in the same year as land acquisition funds. Therefore, we recommend this item be augmented by \$50,000 for working drawings.

- (h) Land acquisition for office building and parking facilities, Placerville \$82,800

We recommend an augmentation of \$10,000.

This item would purchase a new site for a new field office in Placerville, El Dorado County. The department's long-range field office report indicates that the current building in Placerville has a lobby-counter area of approximately 810 square feet with a current need of 938 square feet. By 1980 this need will have grown to 1,210 square feet and by 1990 to 1,460 square feet. We recommend approval of this item with an augmentation of \$10,000 for working drawing funds.

- (f) Land acquisition for office building and parking facilities, North Metropolitan, San Diego \$662,400

We recommend an augmentation of \$50,000.

The department's long-range plan for the San Diego metropolitan area indicates a need for a new field office of approximately 3,500 to 4,000 square feet of lobby-counter area in the Claremont vicinity. The office should be expandable to 7,300 square feet of lobby-counter area. We are in agreement with this recommendation and for this proposal we also recommend an augmentation for working drawings in the amount of \$50,000.

- (l) Site acquisition for office building and parking facilities, San Fernando \$309,100

We recommend augmentation of \$50,000.

This request is again the result of the long-range field office planning report which indicates the need for a new field office of approximately 5,000 square feet of lobby-counter area in San Fernando. The report further states that the new office should be located further south from its present location to enable part of the workload from Van Nuys to shift towards the San Fernando service area. At the present time the San Fernando office has a lobby-counter area of approximately 2,160 square feet with a need of 3,620, the projected need in 1990 indicates that the current building would be inadequate by 2,318 square feet. We recommend approval of this item and again recommend augmentation for working drawings in the amount of \$50,000.

- (j) Planning for headquarters expansion, Sacramento..... \$20,000

We recommend special review.

This request is for study and preliminary planning money to determine the space needs for the Department of Motor Vehicles in its Sacramento headquarters building due to the incorporation of the centralized data processing center within that building. Currently, the department envisions extending the second and third floors of "building west," adding approximately 55,060 assignable square feet of space. However, due to the

recent fire in the headquarters building we recommend special review.

- (k) Land acquisition, working drawings and construction
office building and parking facilities, south Sacramento \$1,106,700

We recommend special review.

The department recently completed the long-range planning study for the Sacramento area which recommends a new office in South Sacramento. This is based on an understanding that the space occupied by the present office is needed to provide for expansion in the headquarters building. In our opinion, plans for this office should be held in abeyance until the effects of the recent fire and/or the study in the above item (j) is completed.

- (n) Land acquisition for office building and parking facilities, West Covina \$579,600

We recommend augmentation of \$50,000.

This request would provide a site for the construction of a new field office in West Covina with a lobby-counter area of approximately 6,500 square feet. The long-range field office report indicates that the present West Covina building has a lobby-counter area of 4,800 square feet with current need of 5,700 square feet projected to a need of 6,500. We recommend approval with an augmentation of \$50,000 for working drawings.

- (b) Working drawings and construction for office building
and parking facilities, Costa Mesa \$677,000

We recommend approval.

This request is for the construction of a one-story office building including site and parking development. The building is approximately 16,500 square feet and is estimated to cost \$27.47 per gross square foot. The building is to be sized to meet the department's projected needs 15 years hence and is to be designed with the flexibility of expansion to meet the department's needs beyond that time. The site for this building should be purchased in the next three or four months. It should be pointed out that if working drawing funds had been appropriated in the current year, working drawings could have begun in as early as April of this year and construction might have been as early as July or August. Under the current funding situation, however, construction will be delayed until perhaps November or December. At current construction cost increases this delay could amount to an approximate 5-percent increase or \$25,000 on a project of this size.

- (c) Working drawings and construction for office building
and parking facilities, Merced..... \$456,900

We recommend approval.

This request is for the construction of a one-story structure with appropriate site and parking development. The building will have concrete foundations with slab-on-grade, redwood fascia and split-faced concrete block exterior walls and will be air conditioned. The interior walls will be metal studs and gypsum board. The building is to be approximately 10,400 gross square feet which is estimated to cost \$28.50 per gross square foot.

- (d) Construct—office building and parking facilities, Modesto \$620,400

ANALYSIS AND RECOMMENDATION

The department's capital outlay request includes seven site acquisition projects totaling \$94,500. The remaining \$1,341,336 is for the funding of eight construction projects.

- (a) Site acquisition—Mattole Forest Fire Station \$10,000

We recommend special review.

This request is for purchase of five acres in Humboldt County for the future construction of a new forest fire station in District I. We have requested justification of the establishment of a new station in this area, however, it has not been received. The information should be available during budget hearing.

- (h) (i) Construct and equip—Forest Fire Station, Sea Ranch \$201,384

We recommend special review.

We understand the department is in preliminary negotiations with the local fire district concerning contracting with the state for fire protection. Apparently, the local district is constructing a fire station adjacent to the proposed state station. Originally, the state was to occupy this local station with sufficient personnel to provide local fire protection. However, recent negotiations propose to construct a larger state facility and house state personnel for both local and state fire protection. We have also encouraged the department to investigate the possibility of expanding the local fire station to enable housing all state personnel, thereby negating the need to construct the proposed facility. Until accord is reached it would be premature to recommend approval of this project as currently scoped.

- (j) (k) Construct and equip—Forest Fire Station, Crescent City \$102,216

We recommend reduction of \$8,400.

This project is for the construction of a standard 10-man barracks-messhall building. This will replace inadequate and deteriorating structures. The estimated construction cost is \$31.14 per square foot. The Office of Architecture and Construction's estimate indicates that the proposed project is a 12-man messhall building. The Department of Conservation has requested a 10-man facility. Hence, we recommend a reduction of 220 square feet and a proportional reduction in the cost for architectural services.

- (b) Site acquisition—Westwood Forest Fire Station \$13,500
 (c) Site acquisition—Montgomery Forest Fire Station \$9,000
 (d) Site acquisition—Coarsegold Forest Fire Station \$27,500
 (e) Site acquisition—Tulercitos Forest Fire Station \$13,500
 (f) Site acquisition—Witch Creek Forest Fire Station \$8,500
 (g) Site acquisition—Deluz Forest Fire Station \$12,500

We recommend approval of the above six projects.

These proposals are for the purpose of purchasing sites in areas which the department considers ideal from a fire control viewpoint. Several are currently occupied by the department under lease agreements. For exam-

DEPARTMENT OF CONSERVATION—Continued

ple, the Westwood Forest Fire Station is currently housed in trailers on leased property of an abandoned school site owned by the Westwood Unified School District. The department is proposing purchase of that site.

At Coarsegold Forest Fire Station in Madera County, the existing station is at the old Coarsegold Youth conservation Camp which is poorly located for the purpose.

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| (l) (m) Construct and equip—Siskiyou Ranger Unit Headquarters | \$250,743 |
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We recommend a reduction of \$5,100.

This request is for the construction of a Ranger Unit Headquarters Office building with fire control dispatch and command center. Construction will be single story, wood frame with wood joist flooring. The requested funds are for \$212,820 construction and \$37,923 equipment. The Office of Architecture and Construction has prepared an estimate for the construction of the facility and indicates that the balance of funds required is \$207,720 or \$5,100 less than the requested amount. The major equipment item is for the purchase of a radio console at a cost of \$28,000. the remaining \$9,923 covers an emergency diesel generator at \$5,000 and approximately \$4,923 for miscellaneous furniture.

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| (n) (o) Construct and equip—Valley Springs Forest Fire Station..... | \$109,539 |
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We recommend approval.

This request is for a one-truck fire station with barracks-messhall-equipment building, gas and oil house and utility development. The new station is to replace the present station which is inadequate to house station personnel and is structurally too defective to remodel or expand. The new station will be on a new, more desirable site which has been acquired on a long-term lease with the U.S. Army Corps of Engineers.

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| (p) (q) Construct and equip—Fresno Ranger Unit Headquarters | \$200,604 |
| (t) (u) Construct and equip—Riverside Ranger Unit Headquarters | \$158,745 |

We recommend special review.

These two projects are for expansion of existing facilities. Both house personnel designated as schedule "A" and schedule "B". Schedule "A" personnel work for the state but render contractual service to the county. These agreements provide that the state will furnish fire protection service to the county. The requested expansion projects include space which is required to house personnel under these agreements. The Department of Conservation has recently stated that "The Department of Conservation's policy is to cover a share of the capital cost of facilities, including maintenance, which are jointly used by local governments. The share of the construction cost and maintenance to be recovered will be in direct proportion to the square footage utilized for local government compared to the total square footage of newly constructed improvements."

We support the need for additional space at these two headquarter units. However, we believe it would be appropriate for the department

to detail its procedure for implementing this stated policy and in particular the application to the two requested projects. This information should be made available at the budget hearings.

(r) (s) Construct and equip—Big Creek Forest Fire Station \$112,965

We recommend approval.

This project is for the construction of a one-truck fire station with barracks-messhall-equipment building, gas and oil house and utility development. The structure is to be wood frame with concrete slab on grade. The new unit will replace the existing Big Creek Fire Station which is an old hospital belonging to Pacific Aggregate Company in the settlement of Davenport. The building is over 60 years old, inadequate and substandard.

(v) (w) Construct and equip—Barracks addition, Fire Academy, Ione \$205,140

We recommend a reduction of \$36,600.

This project is for the addition of a 28-bed barracks at the Fire Academy in Ione, Amador County. The Fire Academy has a classroom capacity of 60 to 80 trainees, but a sleeping capacity of only 50 trainees. This has necessitated the housing of extra trainees at the Sutter Hill Forest Fire Station approximately 20 miles distant. We recognize the benefit of providing the additional bed spaces and bathroom capacity. However, the project includes a recreation room of approximately 1,150 square feet. The academy currently has areas which can be used for indoor recreation and additional recreational space, in our opinion, is not justified. Hence, we recommend a reduction of 1,150 square feet and the associated architectural services cost.

DEPARTMENT OF FISH AND GAME

Item 346 from the Fish and
Game Preservation Fund

Budget p. 132 Program p. I-840

Requested 1973-74	\$2,173,600
Recommended for approval.....	2,043,200
Recommended reduction	\$130,400

SUMMARY OF RECOMMENDATIONS

	Amount	Analysis Page
1. Reduce—construct, expansion region I office, Redding.....	\$41,000	881
2. Reduce—construct, region II headquarters building and field station, Sacramento.....	46,500	882
3. Reduce—construct, replacement of hatchery pond, San Joaquin	33,200	883
4. Reduce—construct, operation building, Fillmore	9,700	883

ANALYSIS AND RECOMMENDATIONS

This item would fund seven projects for the Department of Fish and Game. These consist of three construction projects totaling \$1,450,500, replacement of hatchery ponds \$683,900, working drawing funds for two projects \$29,200, and \$10,000 for preliminary planning.

(a) Construct—expansion region I office, Redding \$313,300

DEPARTMENT OF FISH AND GAME—Continued

We recommend a reduction of \$41,000.

This project consists of an addition of office and storage space, alterations of existing office space and associated site improvements. The new addition is approximately 7,700 gross square feet replacing existing and substandard office facilities which were constructed around 1940. We recommend approval of this project. However, the requested funds are excessive in two respects. The Office of Architecture and Construction has prepared an estimate indicating the total project cost is \$308,300. This estimate is \$5,000 less than the requested funding and also includes working drawings which were funded in the amount of \$20,000. Also, the building as designed requires the roof to withstand a 30-pound-per-square-foot snowload, or approximately one foot of snow standing on the roof. The need for a roof structure of this type in the Redding area is not justified. The Office of Architecture and Construction has estimated the cost for the increased roof loading at \$1.90 per gross square foot. Therefore, we recommend the reduction of \$16,000 in the design of the roof construction.

- (b) Working drawings—replace hatchery building “A”,
Mt. Shasta..... \$19,200

We recommend approval.

This project will replace an existing building which is approximately 128 feet x 41 feet and in which the floor, sills, studs, and walls have deteriorated to such a state that it is not practical to attempt repair. The new building will be of insulated metal approximately the same size and will have 60 incubator stacks of 16 trays and 70 hatchery troughs. In order to maintain optimum temperatures for egg development a recirculated water system with temperature controls will be included in the project. Public restroom facilities will replace the public restrooms in the existing building.

- (c) Construct Region II Headquarters building and field
station, Sacramento \$995,500

We recommend a reduction of \$46,500.

This project will replace existing facilities on the Sacramento State University Campus. The department is currently leasing the Sacramento State University facilities and the terms of the agreement require that upon written notification the department must vacate them. The University has so notified the department as it needs that space to meet enrollment requirements.

The new facilities will be constructed near the Nimbus Hatchery in Sacramento County. The building will be approximately 36,000 gross square feet and consist of office, laboratory and warehouse space. The structure will be steel column framing with glulam beams, wood roof joists and tilt-up concrete panel exterior walls. The estimated construction cost for the building is \$720,800. Working drawing funds of \$50,000 were included in the Budget Act of 1972, of which \$3,500 has been allocated for preliminary plans. The Office of Architecture and Construction has submitted an estimate in the budget package which indicates a total project cost including working drawings of \$999,000. The requested funds should therefore be decreased by the \$46,500 remaining in the current year appropriation.

- (d) Construct—replacement of hatchery ponds, San Joaquin Hatchery \$683,900

We recommend a reduction of \$33,200.

This project will provide 48 concrete raceway ponds, a mid-ponds aerator with sump pump and gasoline engines, a new sump and pump to serve the existing reaerator, appurtenant piping and electrical services. The new concrete ponds will replace existing dirt raceway ponds which are badly eroded. Also, the replacement will allow for automation and produce up to 20 percent more fish. However, the funds for working drawings were provided in the Budget Act of 1972 in the amount of \$30,000. Based on the Office of Architecture and Construction cost estimate, the remaining funds necessary for this project total \$650,700, permitting a reduction of \$33,200 in the request.

- (f) Construct operations building, Fillmore Hatchery \$141,700

We recommend a reduction of \$9,700.

This item is for the construction of a new operations building of approximately 4,000 gross square feet. The building will be constructed of prefabricated metal framing and siding on a concrete slab floor. The building will house office facilities, shop, storage, garage stalls and a refrigerated ice storage room. Separate public restroom facilities of adequate size to accommodate the many hatchery visitors throughout the year is also included within this project. The new facilities will replace existing ones constructed in 1944 which are inadequate for the needs of the department and deteriorated to a state that repairing would be uneconomical. The amount proposed includes working drawing funds of \$10,000 which were provided in the current year. The current estimate for the total project is \$142,000 or \$300 greater than the budget request funds. Therefore, we recommend a reduction for this project of \$9,700.

- (e) Working drawings for garage, shop and storage building, Mt. Whitney Hatchery \$10,000

We recommend approval.

This request is for working drawings for a prefabricated metal building approximately 40 feet x 100 feet to house the workshop, hydraulic lift for truck lubrication, truck garage and storage. The existing facilities at this site are inadequate, necessitating many minor maintenance jobs to be taken to Lone Pine 18 miles away or to Bishop 44 miles away.

- (g) Preliminary planning..... \$10,000

We recommend approval.

Preliminary planning funds are proposed to enable the department to develop preliminary plans for proposed major and minor construction projects in the 1974-75 fiscal year.

DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT

Item 347 from the Harbors and
Watercraft Revolving Fund

Budget p. 136 Program p. I-873

Requested 1973-74	\$859,500
Recommended for approval.....	20,000
Recommended for special review	439,500
Recommended reduction	\$400,000

SUMMARY OF RECOMMENDATIONS

	<i>Amount</i>	<i>Analysis Page</i>
1. Recommend special review of the projects at Folsom Lake State Recreational Area due to a lack of detailed information.	\$439,500	884
2. Recommend deletion of the project at Avalon Island because it lacks the required environmental impact report.	\$400,000	884

GENERAL PROGRAM STATEMENT

The Department of Navigation and Ocean Development has the responsibility for development and improvement of boating facilities throughout the state. The program is mainly implemented through grants to local agencies but the department may elect to construct the facilities through a private contractor. This program is financed by the Harbor and Watercraft Revolving Fund which derives its revenues from boat registration fees and from the Motor Vehicle Fund through fuel taxes. In order to ensure the development of an integrated boating plan recognizing both water and the land based aspects, the department must work closely with the Department of Parks and Recreation.

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| (a) Construct boat-in facilities, Folsom Lake..... | \$143,000 |
| (b) Construct boat-in facilities at Peninsula Campground,
Folsom Lake | \$296,500 |

We recommend special review.

These two projects consist of boat-in development at three separate areas at Folsom Lake State Recreation Area at a cost of \$143,000 and a \$296,500 request for construction of a two-lane launching ramp with parking for 100 cars and trailers near the Peninsula Campground. All of these facilities will include picnicking and sanitary facilities. Plans and specifications for these projects have been received from the Office of Architecture and Construction but contain discrepancies which the department has been unable to resolve.

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| (c) <i>Construct prototype breakwater.</i> | \$400,000 |
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We recommend deletion.

The department proposes a \$400,000 expenditure at the entrance to Avalon Harbor on Catalina Island for a prototype installation to investigate the effectiveness of submerged spheres acting as an artificial breakwater. No environmental impact report has been submitted by which to evaluate environmental degradation or ecological impairment. The project appears to have merit, but existing law requires the environmental impact report.

- | | |
|---|----------|
| (d) <i>Preliminary planning, statewide.</i> | \$20,000 |
|---|----------|

We recommend approval.

The department requests \$20,000 for preparing preliminary plans and specifications to be used as supporting data in requests for working drawings or construction appropriations in succeeding budgets.

DEPARTMENT OF PARKS AND RECREATION

Item 348 from the funds accumulated under various budget acts, General Fund

Budget p. 140 Program p. I-898

Requested 1973-74	\$150,000
Recommended for approval.....	150,000
Recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item proposes to appropriate \$150,000 for major capital outlay projects at Hearst Castle from reserves in the General Fund which were established by legislative action in prior budget bills. The reserves consist of the surplus of operating revenues over operating expenses at Hearst Castle.

The specific work covered by this request is: continued restoration of art objects, repair of critical items at the "A" House and Roman Pool, and electrical repairs at the Casa Grande and "A" House.

DEPARTMENT OF PARKS AND RECREATION

Item 349 from the State Park
Contingent Fund

Budget p. 140 Program p. I-888

Requested 1973-74	\$3,447,243 ¹
Recommended for special review	3,447,243

¹ Fully reimbursed.

ANALYSIS AND RECOMMENDATIONS

We recommend special review.

This item proposes to authorize from the State Park Contingent Fund the acquisition of four projects on a fully reimbursed (no state cost) basis. The reimbursements would be \$2,733,243 from the Federal Land and Water Conservation Fund and \$714,000 from the Save-the-Redwoods League. The cost of this type of acquisition is not actually zero since the federal reimbursements could have been used for other purposes and therefore the true costs of acquisition are the alternatives foregone. No justifying documentation has been received from the department on these projects. We recommend that the entire item be placed under special review.

DEPARTMENT OF PARKS AND RECREATION

Item 350 from the Bagley Conservation Fund

Budget p. 140 Program p. I-888

Requested 1973-74	\$10,150,000
Recommended for special review	10,150,000

ANALYSIS AND RECOMMENDATIONS*We recommend special review.*

This item is one of the Department of Parks and Recreation major capital outlay requests for development and is to be financed from the funds established by the passage of Chapter 1, First Extraordinary Session, Statutes of 1971, which provided \$40 million for recreational, coastline, and other related purposes in the Bagley Conservation Fund.

This item includes acquisition, development, and other related activities including design and development. Seven of the projects are acquisition projects for which documentation has not been received.

DEPARTMENT OF WATER RESOURCES

Item 351 from the General Fund

Budget p. 148 Program p. I-930

Requested 1973-74	\$2,681,000
Recommended for approval.....	2,681,000
Recommended reduction	None

GENERAL PROGRAM STATEMENT

This item appropriates the capital outlay funds for the acquisition of lands, easements and rights-of-way for U.S. Corps of Engineers flood control projects in the Central Valley.

ANALYSIS AND RECOMMENDATIONS*We recommend approval.*

The projects for the budget year are:

- | | |
|---|-----------|
| (a) Sacramento River and Tributaries Flood Control project | \$115,000 |
| (b) San Joaquin River and Tributaries Flood Control project | 22,000 |
| (c) Fresno River Flood Control project | 343,000 |
| (d) Chowchilla River Flood Control project | 709,000 |
| (e) Sacramento River Bank Protection project..... | 1,492,000 |

Analysis and recommendations pertaining to the Sacramento River Bank Protection project are included under Item 234, Department of Water Resources.

DEPARTMENT OF WATER RESOURCES

Item 352 from the General
Fund

Budget p. 148 Program p. I-945

Requested 1973-74	\$250,000
Recommended for approval.....	250,000
Recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This project is for the restoration of the flood carrying capacity of Cherokee Canal. The canal is a levied channel which provides the natural low elevation drainage of Dry, Gold Run, and Cottonwood Creeks, located immediately to the north of the Feather River. The improved channel begins near Gage-Shippee Road, about eight miles north of Richvale, and extends downstream for a total length of about 21 miles, ending just below the Colusa-Gridley Road, west of Gridley.

The Cherokee Canal was completed in 1961 by the Corps of Engineers as a part of the Sacramento River and major and minor tributaries flood control project. As specified by Section 8361 (f) of the Water Code the cost to maintain the flood carrying capacity of the channel is to be defrayed by the state.

According to the Department of Water Resources, sediment and debris have accumulated within the channel of the project to the extent that its capacity has been severely reduced. The original project constructed by the Corps was designed to provide protection against a flood with a frequency of once in 25 years. Three feet of levee freeboard was built in as an added protection. According to the department, the design flood would not now pass this stretch of levee channel without overtopping the levee.

Because the state is responsible for maintaining the channel of this project, the state may be liable for any damages which may occur should the system fail from a flow of a magnitude less than the design flow. According to the department, the accomplishment of this restoration project will reduce the chances of any failures.

In the 1970-71 fiscal year the Legislature appropriated \$80,000 towards this project. Out of that amount, \$24,000 was expended primarily for preliminary design, and \$56,000 was carried forward. The department anticipates that the \$56,000 of carryover funds plus the \$250,000 request for 1973-74 will be sufficient to complete the project. The total cost of the project including the \$24,000 already expended will be \$330,000.

DEPARTMENT OF HEALTH

Item 353 from the General
Fund

Budget p. 164 Program p. I-92

Requested 1973-74	\$3,102,700
Recommended for approval.....	2,154,000
Recommended for special review	841,500
Recommended reduction	\$107,200

SUMMARY OF RECOMMENDATIONS	Amount	Analysis Page
1. Delete—construct improvements to sanitary sewage plant and system, Atascadero	\$107,200	888
2. Special review—construct fire and panic and life support improvements, statewide—phase II	841,500	889

ANALYSIS AND RECOMMENDATIONS

The major capital outlay request for the Department of Health is for four projects at five hospitals for the mentally ill and mentally retarded. All requests are for funding of construction related to health and safety, air-conditioning and utility improvements.

- (a) Construct—improvements to sanitary sewage plant and system, Atascadero..... \$107,200

We recommend deletion.

The Atascadero State Hospital sewage treatment facilities are designed to handle a daily flow rate of 500,000 gallons. The facilities are currently treating 200,000 gallons per day or 40 percent of the designed capacity. The effluent from the sewage plant is discharged to percolation and evaporation ponds located near the hospital and is in compliance with the regional water pollution control board requirements. Improvements to this facility are not necessary to meet water quality standards or substandard plant conditions. Therefore, we recommend deletion of the project.

- (b) Construct—modernize electrical distribution system, Pacific State Hospital \$520,000

We recommend approval.

A review of the existing electrical distribution system was performed by the Office of Architecture and Construction in June of this year. The findings of this review were that many deficiencies in the primary electrical system existed. The most major and immediate deficiency is the fact that the primary electrical switchgear is subjected to 40 percent more short-circuit loading than its rating allows. This condition is extremely hazardous and oil fire and explosions have occurred in other installations under adverse conditions of this sort. Also noted in the review was the fact that much of the primary electrical cable is approximately 44 years old, well beyond the normal insulation life expectancy. The findings also indicate numerous code violations throughout the electrical installation and other less critical but serious deficiencies. The project will provide for a 12-kilovolt primary service, two primary electrical substations and sets of switchgear, auxiliary feeders and switching stations, new pad-mounted

transformers, ventilation of transformer vaults in the kitchen and laundry building and miscellaneous secondary electrical modifications in three buildings. It should be pointed out that this project does not include any electrical work which would be necessary if air conditioning is to be added to this hospital. The Office of Architecture and Construction has estimated that the additional electrical work directly related to an air-conditioning system would cost approximately \$200,000.

(c) Construct—air-condition wards, phase II, Porterville.. \$1,634,000

We recommend approval.

This project consists of replacing present evaporative cooling units with refrigerated air-conditioning units in 21 ward buildings. It will also extend existing underground chilled water mains to the ward buildings. Phase I of this project was funded in the Budget Act of 1968 and provided for the construction of a central cooling plant and the air conditioning of 13 wards. This project will complete the air conditioning of the Porterville State Hospital. The humidity in the Porterville area has increased over the past years and has made the evaporative type cooling units ineffective. In order to maintain adequate air conditioning within these buildings, a refrigerated system is necessary. It must be pointed out that there are several state hospitals throughout the state which are located in areas as warm as Porterville. The facilities in Stockton, Pacific, Patton, and San Jose are also in warm areas and must certainly be considered as potential sites for future air conditioning. The Office of Architecture and Construction has estimated that the complete air-conditioning systems for these hospitals would cost \$2,329,000, \$3,950,000, \$1,480,000 and \$1,700,000 respectively.

(8) Construct—fire and panic safety and life support improvements—phase II, statewide \$841,500

We recommend special review.

This project will provide for the installation of fire sprinklers and emergency electrical generators at Atascadero, Fairview, and Porterville State Hospitals. The cost for fire sprinkler work is estimated at \$299,900 and emergency electrical generator work, \$541,600. The requirements of the various codes are such that the existing emergency electrical power in the receiving and treatment areas of the hospital buildings are inadequate. Emergency electrical power to the various ward buildings is not necessary. The Office of Architecture and construction has determined that the most economical way to meet the emergency electrical requirement is to install an emergency generator connected to the main power source for the entire building. We agree and recommend approval of the electrical portion of this request. However, the current project funded by the 1972 Budget Act included approximately \$876,000 for fire sprinklers in several other hospitals. We understand that a significant savings is to be realized in this portion of the current project as a direct result of the State Fire Marshal's reanalysis of the existing buildings. We recommend that any savings of the current project be applied towards the sprinkler requirements, as determined by the State Fire Marshal, in these three hospitals. A summary of the savings should be available for budget hearings.

DEPARTMENT OF CORRECTIONS

Item 354 from the General
Fund

Budget p. 183 Program p. I-367

Requested 1973-74	\$2,004,160
Recommended for approval.....	None
Recommended for special review	904,160
Recommended reduction	\$1,100,000

SUMMARY OF RECOMMENDATIONS		Amount	Analysis Page
1. Special review—Chino Reception Guidance Center		\$729,160	890
2. Special review—construct—increased sewage plant capacity, Corona		\$175,000	890
3. Delete—working drawings for two 400-bed facilities		\$1,100,000	891

ANALYSIS AND RECOMMENDATIONS

(a) Construct—Security modifications, Chino Reception Guidance Center	\$229,160
(b) Equip Chino Reception Guidance Center	\$500,000

We recommend special review.

The Department of Corrections plans to utilize a new facility constructed for the Department of the Youth Authority and not required nor ever occupied by that department. This facility is the 400-bed Older Boys Reception Guidance Center in Chino. It is in excellent condition, but in order for the Department of Corrections to occupy it, several security modifications will be necessary. We do not have any information as to what modifications or equipment the department is proposing nor do we have any information that would substantiate the adequacy of the requested funds. We would also like to point out that we have insufficient justification for the need for this facility in view of the excess capacity within the Department of Correction's existing facilities. As of October of 1972, the department indicated that it had an excess of approximately 1,000 beds of medium security classification. Although the department has indicated it plans to deactivate 720 beds in the budget year, these beds are located at the Susanville Conservation Center and are designated as light security. The department indicated that in October of 1972 it also had approximately 1,000 excess capacity in light security beds. The department's implementation plan for occupying this new facility and deactivating other capacity and construction of security modifications for the new facility are unclear at this time. We recommend that this project be placed in the category of special review until the department clarifies each of the above mentioned aspects.

(c) Construct—increased sewage plant capacity, Corona	\$175,000
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We recommend special review.

The existing institutional sewage plant is a primary treatment facility with final disposition of the effluent into the Santa Ana River. The Water Quality Control Board, under mandate of the Clean Water Act, has estab-

lished a compliance date of July 1, 1975, for all discharging entities to remove such discharges from the Santa Ana River. This project will accomplish this directive by abandoning the existing plant and carrying the sewage by joint interceptor trunks to the City of Corona main plant for treatment. However, we have no information which would indicate the adequacy of the requested amount. We anticipate this information will be available in time for the budget hearings.

(c) Working drawings—two maximum security facilities. \$1,100,000

We recommend deletion.

The Budget Act of 1972 provided \$150,000 for preliminary planning for these two institutions. As of this writing we have received no information from the department regarding either the program or preliminary plans for these facilities. Until the department's program for treatment of inmates in these facilities is known, it is impossible to determine the type of construction necessary or the adequacy of the requested funds. In our opinion the department should investigate the possibility of converting space in existing facilities to meet the requirements of the program. As we have mentioned earlier, the department has an excess capacity of approximately 2,000 beds and is proposing an additional 400 beds at the Chino facility. Until the program is made available and thoroughly reviewed by the Legislature, and until the department has investigated the possibilities of modifying existing facilities, we believe the requested working drawing authority is premature. Hence, we recommend that this item be deferred at least one year.

DEPARTMENT OF THE YOUTH AUTHORITY

Item 355 from the General

Fund

Budget p. 188 Program p. I-461

Requested 1973-74	\$70,000
Recommended for approval.....	7,500
Recommended reduction	\$62,500

SUMMARY OF RECOMMENDATIONS

	Amount	Analysis Page
1. Reduce—planning—preliminary planning—rehabilitation of fire safety and industrial water system, Preston School of Industry, Ione	\$12,500	891
2. Delete—construct—offsite sewage disposal facilities, Preston School of Industry, Ione	50,000	892

ANALYSIS AND RECOMMENDATIONS

(a) Planning—rehabilitation of fire safety and industrial water system, Preston School of Industry \$20,000

We recommend a reduction of \$12,500.

This request is for preliminary planning purposes related to work required by the Clean Water Act Standards within the region surrounding this school. The estimated total project cost related to the school is approxi-

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

mately \$500,000. Planning funds in the amount of 1½ percent of this estimate should be adequate. Therefore, this item should be reduced in the amount of \$12,500.

- (b) Construct—offsite sewage disposal facilities, Preston School of Industry \$50,000

We recommend deletion.

This request provides for abandoning the existing Preston School sewage plant and extending the sewerage system to the City of Ione sewage plant for treatment and disposal. The justification is to bring Preston School's sewage disposal system into conformity with standards established by the adopted "Interim Water Management Plan." According to the Department of Water Resources Water Quality Control Division, the existing plant currently meets these standards and the project is not required at this time. Hooking up to the Ione system would be desirable but is not necessary.

EDUCATION

Item 356 from the Capital Out-
lay Fund for Public Higher
Education

Budget p. 196 Program p. II-575

Requested 1973-74	\$20,000,000
Recommended for approval.....	None
Recommended for special review	1,000,000
Recommended reduction	\$19,000,000

SUMMARY OF RECOMMENDATIONS

	Amount	Analysis Page
1. Special Review. Preliminary plans and working drawings for facilities to accommodate the blind, deaf, and multihand-icapped	\$1,000,000	892
2. Delete. Construct and equip facilities for the blind, deaf, and multihandicapped.....	\$19,000,000	892

ANALYSIS AND RECOMMENDATIONS

We recommend deletion of construction and equipment funds in the amount of \$19 million.

This request is for \$1 million to provide preliminary plans and working drawings and \$19 million for construction and equipment for a school for the blind, deaf, and multihandicapped. It is our understanding that this proposal is for replacement of the existing state schools for the Deaf and Blind in Berkeley.

The State Fire Marshal made a recent survey of the existing schools which resulted in a critical report regarding fire and life safety aspects of the structures. The State Office of Architecture and Construction (OAC) has also recently surveyed the building and prepared a feasibility study for rehabilitation of the present facilities. OAC has estimated a cost of \$7,090,-

000 to bring these facilities within structural and fire and life safety codes. The desirability of spending that amount of money on the present residential school facilities, which are quite old and are constructed on known a earthquake fault, is questionable.

In our opinion, facilities should be provided elsewhere. However, we have no information on the proposed program or size of facilities required for the new schools. The proposed location of the new school is not known and the language of the bill item does not specify site acquisition. There are many parcels of state land and state facilities in the areas of Stockton, Santa Rosa, Paso Robles and others which may be appropriate sites for the school. If, however, the sites are not suitable the necessary funds for site acquisition and site suitability investigations must be provided. Until all the above information is available we cannot recommend the adequacy of the proposal or the requested amount. In any case, the appropriation of construction and equipment funds is premature at this time. Preliminary plans have not been started and a working program, to our knowledge, has not been developed and/or approved. Under even the best of conditions, construction could not start in the budget year. Hence, we believe construction and equipment funds in the amount of \$19 million should be deleted.

It should also be pointed out that the funds proposed under this item are from the Capital Outlay Fund for Public Higher Education. Use of this fund for construction of facilities of this type is a precedent. The language of the Budget Bill waives the provisions of Sections 22510 and 22512 of the Education Code which defines "public higher education" and Sections 25551 and 25751 of the Education Code which defines the location of these schools at Berkeley.

UNIVERSITY OF CALIFORNIA

Item 357 from the Capital Out-
lay Fund for Public Higher
Education

Budget p. 211 Program p. II-658

Requested 1973-74	\$3,000,000
Recommended for approval.....	3,000,000
Recommended reduction	None

SUMMARY OF RECOMMENDATIONS

*Analysis
page*

1. Report to Joint Legislative Budget Committee. University
to submit a list of minor capital outlay projects completed
or under construction by February 1 of each calendar year.

894

ANALYSIS AND RECOMMENDATION

This Item coupled with Item 360 (1) provides a total of \$3,900,000 for university minor capital improvement projects for the budget year. The university submitted a request for \$4 million which would have funded a

UNIVERSITY OF CALIFORNIA—Continued

total of 116 projects affecting each of the campuses and several agricultural field stations. The \$3,900,000 will fund most of those projects indicated in the university's request. Although, the particular projects have not been identified, we feel it is appropriate to provide the university flexibility for these types of projects through a lump-sum appropriation. *We recommend that the university be required to submit to the Joint Legislative Budget Committee by February 1 of each calendar year a list of those projects completed and under construction using funds appropriated for minor capital improvements in the respective fiscal years.*

UNIVERSITY OF CALIFORNIA

Item 358 from the Capital Out-
lay Fund for Public Higher
Education

Budget p. 211 Program p. II-658

Requested 1973-74	\$2,375,000
Recommended for approval.....	631,000
Recommended for special review	1,744,000
Recommended reduction	None

SUMMARY OF RECOMMENDATIONS	Analysis	
	Amount	Page
1. Special review preliminary plans, working drawings and construct safety deficiencies, Health Sciences Center, Los Angeles	\$1,240,000	894
2. Special review preliminary plans, working drawings and construct Langley Porter Neuropsychiatric Institute alterations, step 2 San Francisco	\$504,000	894

ANALYSIS AND RECOMMENDATIONS

This item would provide for three projects for correction of fire and life safety deficiencies at three institutions in the university system. We are generally in support of projects of this nature. However, in the case of this request for the Health Science Center in Los Angeles we have received no information indicating the extent of deficiencies nor the adequacy of the amount requested. *Hence, we recommend special review of this request.*

The university submitted a request for \$740,000 for the correction of fire safety and earthquake protection at the Langley Porter Neuropsychiatric Institute. Adequate information was not provided for that amount and the proposed amount for \$504,000 has not been substantiated. *We recommend special review of this project.*

The request for \$631,000 for fire protection at San Francisco will provide correction of fire code deficiencies at the UC Hospital, clinics building and on-campus residences which are currently being used as temporary offices. The estimated cost for correctional work in each of these areas is \$187,344, \$344,000 and \$100,000 respectively. *We recommended approval.*

UNIVERSITY OF CALIFORNIA

Item 359 from the Capital Out-
lay Fund for Public Higher
Education (transfer from
Chapter 1, Statutes of 1971
Extra Session)

Budget p. 211 Program p. II-658

Requested 1973-74	\$11,878,000
Recommended for approval.....	2,119,000
Recommended reduction	9,759,000

SUMMARY OF RECOMMENDATIONS

	Amount	Analysis Page
1. Delete language limiting expenditure of appropriations.....	000	895
2. Delete Item 359 (1) construct third college academic unit I, San Diego	\$6,359,000	898
3. Delete Item 359 (2) construct university library step 2 (addition), Santa Cruz	\$3,400,000	905

ANALYSIS AND RECOMMENDATIONS

To provide an overall presentation of the university's request we have included projects in this item within our discussion of Item 360.

This request is for four projects at four campuses. The proposal includes the construction of third college academic unit I, at San Diego, construction of the university library unit 2 (addition) at Santa Cruz, construction of service yard expansion at Los Angeles and working drawing and construction for air conditioning of the physical education building at Riverside. We recommend deferral of the first two requests and approval of the others.

Budget Bill language for this item requires that all appropriations under Item 360 must be committed by the Public Works Board before any expenditure of funds in this item can be made. Construction costs have been increasing at a rate of 10-12 percent per year, and delays of this type will cause unnecessary increases in the cost of these projects.

We recommend deletion of this language.

UNIVERSITY OF CALIFORNIA

Item 360 from the Education
Fee Fund

Budget p. 211 Program p. II-658

Requested 1973-74	\$14,965,000
Recommended for approval.....	\$11,960,250
Recommended reduction	\$3,004,750

SUMMARY OF RECOMMENDATIONS

	Amount	Analysis Page
1. Delete language limiting expenditure of appropriation in Item 359	000	896
2. Delete—Item 360 (31) working drawings, Third College utilities/ site development, San Diego.....	\$100,000	898
3. Delete—Item 359 (1) Construct—Third College Academic Unit 1, San Diego	(\$6,359,000) ¹	903
4. Reduce—Item 360 (11) complete unfinished space and alterations, Santa Cruz	\$823,000	903
5. Delete Item 360 (12) Biology Building (2B), alterations, San Diego	\$102,000	903
6. Reduce—Item 360 (13) Humanities Library alterations—Step 2, San Diego	\$178,750	903
7. Delete—Item 360 (20), Urey Hall alterations Step 5B, San Diego	\$435,000	903
8. Delete Item 360 (30) Academic Unit 8, Santa Cruz	\$1,366,000	903
9. Delete Item 359 (2) University Library Step 2 (Addition), Santa Cruz	(\$3,400,000) ¹	905
Total Item (360) Education Fee Fund	\$3,004,750	
Total Item (359) COFPE (Chapter 1/1971 ES)	(\$9,759,000) ¹	

¹ Funds proposed in Item 359.

ANALYSIS AND RECOMMENDATIONS

The University's major capital outlay program for general campuses totals \$26,843,000 for 38 projects distributed among eight campuses. This item proposes \$14,965,000 from the Educational Fee Fund for 34 projects and Item 359 proposes \$11,878,000 from the Capital Outlay Fund for Public Higher Education (transfer from Chapter 1, Statutes of 1971, extra session) for four projects. We have included Item 359 projects in the discussion which follows.

Language in the Budget Bill requires that all funds in this item (360) must be committed by the State Public Works Board before funds in Item 359 may be expended. We do not believe it desirable to delay construction projects which are part of an overall program simply because they are financed from a different fund. *We recommend deletion of this language.*

An outline of the total request is shown in Table 1. We have separated projects into categories which describe the general nature of requests. The discussion of each category and our recommendations follow.

Universitywide \$1,705,000

We recommend approval.

Table 1
Proposed Major Capital Outlay Programs

<i>Category of projects</i>	<i>Number of projects</i>	<i>Total requested amount</i>	<i>Percent of requested amount</i>	<i>Total future amount required¹</i>
Universitywide.....	3	\$1,705,000	6.4	—
Equipment	3	1,296,000	4.8	\$800,000
Utility/site development.....	8	2,264,000	8.4	2,796,000
Ancillary facilities	4	3,407,000	12.7	26,000
Instructional capacity facilities	12	12,137,000	45.2	3,196,000
Fire protection	4	1,279,000	4.8	—
Libraries	4	4,755,000	17.7	3,139,000
Educational Fee Fund.....	34	\$14,965,000	55.8	—
COFPHE (Chapter 1/1971 ES)	4	\$11,878,000	44.2	—
TOTAL	38	\$26,843,000	100.0	\$9,957,000

¹ Proposed in University five-year capital outlay program.

As shown in Table 2 the University is requesting \$900,000 for minor capital improvement projects at various campuses throughout the system. This coupled with the \$3 million in Item 357 should meet the University's needs for such projects in the budget year. A discussion of the University's minor capital outlay program is included under Item 357.

General planning studies concerns the relationships of individual campuses with their surrounding communities. This relationship involves studies in areas such as traffic, zoning and economic problems.

Preliminary planning involves preparation of programs for specific projects as well as preliminary plans and cost estimates for such things as the utility system requirements or alteration work involving uncertain conditions. These funds are used for projects to be proposed for inclusion in the 1974-75 and future fiscal year capital outlay programs. The total requested amount would provide for a construction program of approximately \$25 million.

Equipment Projects \$1,296,000

We recommend approval.

Table 2
Universitywide Projects

<i>Item</i>	<i>Project</i>	<i>Total requested amount</i>
360 (1)	Minor capital improvements	\$900,000
360 (2)	General planning	430,000
360 (3)	Preliminary planning	375,000
	Total Educational Fee fund	\$1,705,000
	Total COFPHE (Chapter 1/1971 ES)	—
	TOTAL	\$1,705,000

This category includes equipment requests for construction projects which were previously funded. As shown in Table 3, the equipment for the Webber Hall addition is a two-phase request with \$800,000 as the future requirement. The equipment request at the other two campuses is the only increment for those facilities.

Utility/site development projects..... \$2,264,000

We recommend a deletion of Item 360 (31), Third College utilities and site development, San Diego, \$100,000.

UNIVERSITY OF CALIFORNIA—Continued

Table 3
Equipment Projects

<i>Item</i>	<i>Campus</i>	<i>Project</i>	<i>Total requested amount</i>	<i>Total future requirement ¹</i>
360 (4)	Irvine	Administration Unit I	\$236,000	—
360 (5)	Riverside	Webber Hall addition	900,000	\$800,000
360 (6)	Santa Cruz	College No. 7 Academic Unit	160,000	—
Total Educational Fee Fund			\$1,296,000	—
Total COFPHE (Chapter 1/1971 ES)			—	—
TOTAL			\$1,296,000	\$800,000

¹ Proposed in University five-year capital outlay program.

The eight projects within this category affect seven campuses as shown in Table 4. Seven of the projects are for utilities and/or site development on the various campuses. These projects provide utility service to make new buildings operable, and to improve (1) vehicular circulation, (2) pedestrian and bicycle access, (3) outside lighting system, and (4) drainage and erosion control. A typical project would be the Irvine utility and site development request which provides \$50,000 for electrical distribution for the general campus, \$12,000 for the extension of campus bicycle and walkway systems including pathway lighting and \$10,000 for erosion control.

The request for working drawing for utilities and site development at Third College, San Diego, provides for extension of the campus utility tunnel to the college site. *We recommend deferral of the construction of Third College and in line with that recommendation this project would not be required.*

Ancillary facilities \$3,407,000

We recommend approval.

Table 4
Utility/Site Development Projects

<i>Item</i>	<i>Campus</i>	<i>Project</i>	<i>Phase ¹</i>	<i>Total requested amount</i>	<i>Total future requirement ²</i>
360 (23)	Santa Cruz	Utilities/site development 1973-74	wc	\$518,000	\$159,000
360 (24)	Davis	Utilities/site development 1973-74	wc	685,000	33,000
360 (25)	Santa Barbara	Utilities/site development 1973-74	wc	420,000	31,000
360 (26)	Los Angeles	Utilities 1973-74	wc	95,000	630,000
360 (27)	San Diego	Utilities/site development 1973-74	wc	245,000	—
360 (28)	Riverside	Utilities/site development 1973-74	wc	116,000	86,000
360 (29)	Irvine	Utilities/site development 1973-74	wc	85,000	—
360 (31)	San Diego	Third College—utilities and site development	w	100,000	1,857,000
Total Educational Fee Fund				\$2,264,000	—
Total COFPHE (Chapter 1/1971 ES)				—	—
TOTAL				\$2,264,000	\$2,796,000

¹ Phase symbol indicates: w—working drawings, c—construction.

² Proposed in University five-year capital outlay program.

The projects we have listed in this category in Table 5 provide for expansion of two central utility plants and one service yard and alterations of an animal holding facility. The surface yard expansion project at Los Angeles involves the construction of a new combined medical and general campus receiving and storage facility and the concomitant release of old storehouse space for the establishment of more efficient plant shops. Upon completion of this project the physical plant operation at this campus should be much more efficient and the University estimates that an initial annual operating budget savings of approximately \$150,000 should be realized. Expansion of the central plant at Los Angeles is necessary to provide an increased heating boiler demand required by Life Sciences Unit III Building. The central utility expansion at San Diego will provide sufficient capacity to meet the campus load demand when any one boiler is off line for routine maintenance or because of equipment failure. The alteration project at Berkeley is to provide a central facility for the purchase, receiving, quarantine and holding of animals required for instruction and research by the Berkeley campus. This facility is located off-campus at 800 Hearst Avenue in Berkeley. The project consists of developing full utilization of approximately 7,000 assignable square feet of currently uncompleted space on the second floor and subdividing 1,500 assignable square feet of first-floor space. Upon completion, the establishment will facilitate both quality and cost control over the acquisition and care of laboratory animals.

Instructional capacity facilities \$12,137,000

We recommend a total reduction of \$7,947,750 of which \$1,588,750 is from Item 360 and \$6,359,000 is from Item 359.

Table 5
Ancillary Facilities

<i>Item</i>	<i>Campus</i>	<i>Project</i>	<i>Phase ¹</i>	<i>Total requested amount</i>	<i>Total future requirement ²</i>
359 (3)	Los Angeles	Service yard expansion	c	\$1,994,000	\$26,000
360 (18)	Berkeley	Animal holding facilities (off-campus)	wce	530,000	—
360 (22)	Los Angeles	Central steam plant expansion—Step 2.....	wc	570,000	—
360 (32)	San Diego	Central Utilities Building addition—Step 2 A	wc	313,000	—
Total Educational Fee Fund				\$1,413,000	—
Total COFPE (Chapter 1/1971 ES)				1,944,000	—
TOTAL				\$3,407,000	\$26,000

¹ Phase symbol indicates: w—working drawings, c—construction, e—equipment.

² Proposed in University five-year capital outlay program.

As can be seen in Table 6 this category contains 12 projects affecting five campuses at a total cost of \$12,137,000. Two projects, one at San Diego and one at Riverside are financed from the COFPE (Chapter 1/1971 ES) at a requested amount of \$6,484,000, the other 10 are financed from the Educational Fee Fund at a requested amount of \$5,653,000.

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Table 6
Instructional Capacity Facilities

<i>Item</i>	<i>Campus</i>	<i>Project</i>	<i>Phase¹</i>	<i>Total requested amount</i>	<i>Total future requirement²</i>
359 (1)	San Diego	Construct—Third College Academic Unit 1	c	\$6,359,000	\$786,000
359 (4)	Riverside	Physical Education Building air conditioning	wc	125,000	—
360 (11)	Santa Cruz	Complete unfinished spaces and alteration	wc	1,227,000	—
360 (12)	San Diego	Biology Building (2B) alterations	wc	102,000	—
360 (13)	San Diego	Humanities Library Building Alterations, Step 2	wc	311,000	—
360 (14)	Riverside	Alterations—1973-74	wce	999,000	762,000
360 (17)	Berkeley	Life Science and Biochemistry buildings	wce	539,000	—
360 (19)	Los Angeles	School Architecture alterations	wc	302,000	10,000
360 (20)	San Diego	Urey Hall alterations Step 5 B	wc	435,000	—
360 (21)	San Diego	Matthews addition and alterations	wce	152,000	—
360 (30)	Santa Cruz	Academic Unit 8	wc	1,366,000	156,000
360 (33)	Santa Cruz	Physical education facilities	w	220,000	1,482,000
Total Educational Fee Fund				\$5,653,000	—
Total COFPHE (Chapter 1/1971 ES)				6,484,000	—
TOTAL				\$12,137,000	\$3,196,000

¹ Phase symbol indicates: w—working drawings, c—construction, e—equipment.

² Proposed in University five-year capital outlay program.

Need for Additional Capacity

The basis for providing new instructional space within the University system is generally related to the need to meet enrollment increases. If, however, excess instructional space exists on a particular campus or within the system as a whole, it is our policy recommendation that increasing enrollment demands should be met through utilization of existing space. Projected enrollment for the higher education system in California is increasing at a less rapid rate and is expected to level off and decline in actual numbers enrolled in the 1980's. For example, the University general campuses, were budgeted at a FTE student enrollment of 98,441 for 1971-72. This was subsequently revised to 94,187 and is now reported to have been 93,142. The FTE student enrollment for the year 1972-73 was estimated at 98,945 in the 1972-73 budget, and that has subsequently been revised to 97,011. On the Riverside and Santa Barbara campuses, the numbers of undergraduate students has actually declined by 352 (9 percent) and 438 (4.5 percent) respectively from 1971-72 to 1972-73. Because of this enrollment pattern and the projected numerical losses in the 1980's, we believe it is unwise to fund any additional space which, when added to existing space, provides more than 95 percent of the projected need in the year of occupancy.

Increase Laboratory Space Utilization

The Coordinating Council for Higher Education in response to Assembly Concurrent Resolution 151 (1970) conducted a study evaluating classroom and laboratory utilization standards in public higher education. The conclusion of that study recognized that it was feasible to extend the hours for scheduling classrooms and class laboratories to an 8 a.m.-10 p.m. basis. The University as well as the state university and college system have increased the standards to determine space needs in classrooms to meet this schedule. However, neither segment has revised its standards to increase the scheduling of class laboratories. We realize that some laboratories have physical limitations to extended utilization. In these cases alteration projects to correct the limitations should be considered.

In the case of class laboratory space we recommend that no project be funded which will provide in excess of 85 percent of indicated need in the year of occupancy. This level of support will provide for a 10 percent increase in utilization and 5 percent for the enrollment projections discussed earlier.

Table 7 below indicates the current capacity at each campus and the need based on the University projection for the year 1976-77, the probable year in which working drawing projects and construction projects, deferred one year, would be ready for occupancy.

As can be seen in Table 7 the universitywide system has an excess capacity (8 percent) in classrooms and a small deficiency (4 percent) in class laboratories. In the classroom capacity category only one campus has a significant deficiency, that being Irvine with a deficit of 21 percent. In general, the campuses have a deficiency in class laboratory space. However, three campuses have excess capacity in classroom space, and these campuses should plan alteration projects to improve the balance in space needs. The University should also attempt to optimize the use of existing facilities through the current student redirection program, by redirecting enrolling students to campuses where excess space exists. Therefore, *we recommend that only those projects which are alterations providing for increased utilization of existing space should be funded. All other projects should be deferred.*

Berkeley Campus

This project is for alterations to the Life Science and Biochemistry Building. It will provide increased utilization of existing area and will not provide additional capacity. *We recommend approval.*

Los Angeles

This project is for alterations to the school of Architecture and Urban Planning Building. It will provide increased utilization of existing space. Expansion of the school's administrative space and library will also be included. *We recommend approval.*

Table 7
University of California—Space Capacity/Needs

<i>Campus</i>	<i>Classroom (asf)</i>			<i>Class-Laboratories (asf)</i>		
	<i>Capacity¹</i> <i>1973/74</i>	<i>Need²</i> <i>1976/77</i>	<i>Deficiency (%)</i> <i>(excess) (%)</i>	<i>Capacity¹</i> <i>1973/74</i>	<i>Need²</i> <i>1976/77</i>	<i>Deficiency (%)</i> <i>(excess) (%)</i>
Berkeley	172,311	156,033	(16,278) (10%)	2,039,501	1,937,391	(102,110) (5%)
Davis ³	87,713	87,986	273 (1%)	1,100,393	1,296,510	196,117 (15%)
Irvine	45,943	58,117	12,174 (21%)	417,400	529,141	111,741 (21%)
Los Angeles	183,797	160,153	(23,644) (15%)	1,576,466	1,731,170	154,704 (9%)
Riverside	42,679	40,565	(2,114) (5%)	507,620	437,962	(69,658) (16%)
San Diego	51,935	53,941	2,006 (4%)	479,206	548,058	68,852 (13%)
Santa Barbara ⁴	102,741	80,716	(22,025) (27%)	687,286	580,395	(106,891) (18%)
Santa Cruz	47,933	45,519	(2,414) (5%)	284,396	319,935	35,539 (11%)
Universitywide	735,052	683,030	(52,022) (8%)	7,092,268	7,380,562	288,294 (4%)

¹ Includes those projects funded for construction prior to 1973/74.

² Based on University's projection of enrollment needs, and 100 percent of standard.

³ Need includes 1,489 asf—classroom and 13,989 class laboratories for proposed school of business administration.

⁴ Need includes 1,208 asf—classrooms and 10,472 asf—class laboratories for proposed school of law.

San Diego Campus

Of the five projects requested for San Diego we recommend approval of one, reduction of one and deferral of three. The Matthews additions and alterations project provides administrative space and does not affect instructional capacity. Hence, we recommend approval. The humanities alteration, Step 2, project converts 11,000 asf vacant space and a Biomedical Medical Library into classroom space. The project also provides for alteration of vacated space to faculty office space and alteration of existing classroom space, totaling 7,710 assignable square feet. As indicated in Table 7 the San Diego Campus will have a deficit in classroom space of only 2,006 asf (4 percent) in 1976-77. This project would provide an excess of 9,000 asf (16.7 percent) in classroom capacity. *Therefore, we recommend a reduction in the amount of \$178,750, leaving enough to convert vacant space to faculty office space and alterations of existing classroom space.*

The other three projects, Biology Building (2B) alterations, Urey Hall alterations, Step 2, and Third College Academic Unit 1, all provide instructional capacity and *we recommend deferral of each for a total reduction of \$6,946,000.* The Biology Building request would provide 4,400 asf of new laboratory space. Urey Hall alterations would provide 2,000 asf new laboratory space. Completion of these projects would result in a decrease in laboratory deficiency to 11.7 percent and 12.2 percent respectively. Construction of Third College Academic Unit I would provide 7,500 asf classroom space and 51,500 asf laboratory space resulting in a campus excess classroom capacity of 5,494 asf (10.2 percent) and a deficit of only 17,352 asf (3.2 percent) in laboratory space. Third College is currently located on campus in what is referred to as "Matthew Campus". We believe the continued use of these facilities and the shared use of the existing campus space will allow this college to continue with a viable program. It should also be noted that the secondary effects of the completion of both the Matthews addition and alteration project previously discussed and the Mandeville Center which has been previously funded for construction, will provide existing campus space for growth of Third College. *Hence we recommend deferral of Third College Academic Unit I.*

Santa Cruz Campus

There are three requests for the Santa Cruz Campus for which we recommend deletion of one, reduction of one and approval of one. The request for construction of College 8 Academic Unit would provide for the construction of 3,140 asf classroom space and 6,720 asf laboratory space resulting in an excess capacity of classroom space of 1½ percent and a decrease in the deficit of class laboratories to 9 percent. *Hence, we recommend deferral of this project.* The request for development of unfinished space and alterations would provide for new capacity space in the Applied Science Building and alterations of existing capacity space for greater utilization in Natural Science 1 and 2. *We recommend that the completion of unfinished space be deleted from this project and the requested amount be reduced to \$404,000 for alterations to existing capacity space in Natural Sciences 1 and 2.* The third request is for working drawings for physical activities facilities. Present space of this type is limited at this campus and

UNIVERSITY OF CALIFORNIA—Continued

the proposal will provide most of the required indoor physical education instructional space. Instructional space of this kind is not included in the University capacity needs and is therefore not applicable to Table 6. The spaces programmed for activity in the building are a large instructional area for basketball and volleyball, several small rooms for activities such as akido, judo, karate, weight lifting, and dance and a general purpose room for the instruction of first aid, sailing, cycling etc. Locker and shower rooms will also be provided for men and women. Outside areas will include an outdoor/indoor swimming pool, outdoor hard surface courts and a turf playing field for rugby, field hockey, etc. We recommend approval.

Riverside Campus

The two projects requested for Riverside Campus are for air conditioning of a physical educational building and for alterations of existing capacity space. The air conditioning project will serve laboratories, class rooms and office space only. This building is the last Letters and Science Building on this campus to remain without air conditioning. The project includes the installation of a chilled water supply and returned piping in the existing tunnel and the installation of chilled water coils and appurtenances to provide an air-conditioning system. The requested alterations project is for the purpose of altering existing capacity for increased utilization. It does not provide additional capacity and we recommend approval.

Fire protection \$1,279,000

We recommend approval.

Table 8
Fire Protection

Item	Campus	Project	Phase ¹	Total requested amount	Total future requirement ²
360 (7)	Davis	Fire protection 1973-74	wc	\$733,000	—
360 (8)	Santa Barbara	Fire protection 1973-74	wc	126,000	—
360 (9)	Riverside	Fire protection 1973-74	wc	264,000	—
360 (10)	Santa Cruz	Fire station	wce	156,000	—
Total Educational Fee Fund				\$1,279,000	—
Total COPHE (Chapter 1/1971 ES)				—	—
TOTAL				\$1,279,000	—

¹ Phase symbols indicates: w—working drawings, c—construction, e—equipment.

² Proposed in University five-year capital outlay program.

The three projects for fire protection (see Table 8) provide for upgrading of existing facilities to comply with the regulations of the State Fire Marshal (Title 19 of the State Administrative Code) and fire protection of areas which the University believes represents severe fire hazard exposure and in which loss of valuable property and/or documents would result in case of fire. The request for a fire station at the Santa Cruz campus is proposed on the basis of response time from the City of Santa Cruz Fire Department. This response time is approximately 8 to 12 minutes and is inadequate. It must also be recognized that this campus is in a wooded area which is at certain times during the year a high fire risk area. The

California Division of Forestry responds to campus forest and range fires. Their response time is 25 to 30 minutes. This proposal is for a limited fire station which will provide for the critical initial response requirements. The City of Santa Cruz and the California Division of Forestry will continue to be available for back-up fire suppression needs.

Libraries \$4,755,000

We recommend deferral of Item 359(2), Santa Cruz University Step 2 (addition), \$3,400,000.

The number of projects on the general campuses totals four requests at four campuses as outlined in Table 9 below. Three of the projects are for construction and one for working drawings at a total request of \$4,755,000 and a future requirement of \$3,139,000.

Table 9
LIBRARIES

Item	Campus	Project	Phase ¹	Total requested amount	Total future requirement ²
359 (2)	Santa Cruz	University Library Step 2 (Addition)	c	\$3,400,000	\$441,000
360 (15)	Irvine	Library alterations	wc	892,000	196,000
360 (16)	Berkeley	Doe Library alterations	wce	386,000	—
360 (34)	San Diego	Oceanography Library Building	w	77,000	2,502,000
Total Education Fee Fund				\$1,355,000	—
Total COFHE (Chapter 1, 1971 ES)				3,400,000	—
TOTAL.....				\$4,755,000	\$3,139,000

¹ Phase symbol indicates: w—working drawings, c—construction, e—equipment.

² Proposed in University 5-year capital outlay program.

Library space need for the University campuses are based on a standard of 100 volumes per FTE student, one reader/study station per four FTE students and ancillary space for staff operations. Two of the proposed library projects (Irvine and Santa Cruz) affect library space needs of those campuses. Based on 1976-77 enrollment projections, the space presently assigned to library use on the Irvine Campus provides for 43.1 volumes per FTE student (393,000 volumes) and one reader/study station per 9.6 FTE students. A portion of the library building is presently assigned to campus administration. This space is to be converted to library capacity when that function moves to the new Administration Unit 1 Building. Conversion of this space will provide the campus with 55.7 volumes per FTE student (508,000 volumes) and one reader/station per 6.9 FTE students based on 1976-77 enrollment projection. *We recommend approval of this project.* The current library space on the Santa Cruz Campus provides 72.3 volumes per FTE student (515,000 volumes) and one reader/study station per 13.1 FTE students in 1976-77. The requested addition will provide a capacity in 1976-77 of 123.8 volumes per FTE student (881,000 volumes) and one student reader station per 3.1 FTE students. *We recommend the project be deferred and rescoped to more closely align with current standards.* Because of the large number of students residing on this campus, we believe the need for reader/study stations in library facilities on this campus is less than required on other campuses. Accordingly we suggest the

UNIVERSITY OF CALIFORNIA—Continued

University consider fewer reader/study stations that the standard when rescoping this project.

The working drawing request for a new library for Scripps Institute of Oceanography at San Diego will provide space for 150,000 volumes, 130 graduate-level reader stations and 16 staff stations. Space will also be provided for specialized activities such as maps, charts, etc. and for an oceanographic automated information retrieval project. *We recommend approval.*

The alterations project at Doe Library—Berkeley will (1) provide for more effective use of peripheral offices on the second floor of the main library, (2) relocate the Humanity Graduate Service Unit and (3) consolidate the library's administrative offices. The project does not affect the current library capacity which as currently sized provides a capacity in 1976-77 of 143 volumes per FTE student (3,684,558 volumes) and one student reader station per 4.7 FTE students. *We recommend approval.*

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Item 361 from the Capital Out-
ley Fund for Public Higher
Education (Transfer from
Chapter 1, Statutes of 1971,
First Extraordinary Session).

Budget p. 222 Program p. II-957

Requested 1973-74	\$24,003,000
Recommended for approval.....	21,580,000
Recommended reduction	2,423,000

SUMMARY OF RECOMMENDATIONS

	<i>Amount</i>	<i>Analysis Page</i>
1. Redirect use for portion of master planning.....	\$15,000	908
2. Scope change, San Diego—convert health services building	—	913
3. Scope change, Sacramento—convert library.....	—	913
4. Scope change, Sonoma—art building	—	914
5. Scope change, Dominguez Hills—classroom-office building.....	—	914
6. Delete, Dominguez Hills—theater arts	1,993,000	914
7. Defer, Sonoma boiler plant addition.....	21,000	916
8. Defer, San Bernardino—central plant II	409,000	917

ANALYSIS AND RECOMMENDATIONS

This item proposes \$24,003,000 for 48 projects affecting 17 of the 19 campuses. Only the State Universities at Hayward and Pomona are excluded from the proposed construction program under this item. The major capital outlay program for the system is contained in two items of the Budget Bill. In order to provide a presentation of the complete program we have included our discussion of the projects in this item under Item 362.

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Item 362 from the Capital Outlay Fund for Public Higher Education

Budget p. 222 Program p. II-957

Requested 1973-74	\$22,093,000
Recommended for approval.....	22,093,000
Recommended reduction	None

SUMMARY OF RECOMMENDATIONS		Amount	Analysis Page
1. Redirect use for portion of master planning, Item 361 (5)		\$15,000	908
2. Scope change, San Diego—convert health services building, Item 361 (34)		—	913
3. Scope change, Sacramento—convert library, Item 361 (35)		—	913
4. Scope change, Sonoma—art building, Item 361 (44)		—	914
5. Scope change, Dominguez Hills—classroom-office building, Item 361 (45)		—	914
6. Scope change, Fresno—science building, Item 362 (9)		—	914
7. Delete Dominguez Hills—theater arts, Item 361 (42)	1,993,000		914
8. Scope change, Pomona—science building, Item 361 (10)	—		915
9. Defer, San Jose—library, Item 361, (5)	—		915
10. Defer, Sonoma—boiler plant addition, Item 361 (31)	21,000		916
11. Defer, San Bernardino—central plant II, Item 361 (39)	409,000		917
Total Item (362) COFPHE	None		
Total Item (361) COFPHE (Chapter 1/1971, 1st E.S.)	\$2,423,000		

ANALYSIS AND RECOMMENDATION

This item proposes the appropriation of \$22,093,000 for 10 projects and Item 361 proposes \$24,003,000 for 48 projects, the aggregate affecting 18 of the 19 campuses. Only the State University at Hayward is excluded from the proposed construction program. In order to provide a presentation of the complete California State University and Colleges capital outlay program, we have included those projects funded under Item 361 within our

Table 1
Proposed California State University and Colleges 1973-74
Capital Outlay Program

Project category	Number of projects	Total category amount	Percent of grand total	Total future amount required ¹
Statewide planning	3	\$355,000	0.8	—
Equipment.....	19	4,936,000	10.7	\$4,180,000
Utilities and site development	8	2,549,000	5.5	1,191,000
Correct structural deficiencies.....	4	1,017,000	2.2	1,590,000
Projects effecting instructional capacity	14	16,506,000	35.8	16,690,000 ²
Library expansion	3	5,481,000	11.9	16,450,000 ³
Administrative and ancillary.....	7	15,252,000	33.1	2,955,000
Total (COFPHE, Chapter 1/1971 1st E.S.)	48	\$24,003,000	52.1	—
Total (COFPHE).....	10	\$22,093,000	47.9	—
Total	58	\$46,096,000	100.0	\$43,056,000

¹ Proposed by trustees in five-year construction program.

² Includes \$7,626,000 proposed by trustees for construction funding in 1973-74 for which the Governor's Budget provides a \$0 appropriation.

³ Includes \$7,500,000 proposed by trustees for construction funding in 1973-74 for which the Governor's Budget provides \$0 appropriation.

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

discussion of this item. The separation of projects into two Budget Bill items is for accounting purposes only. The proposed program includes preliminary planning, working drawings, construction and equipment.

The total program of 58 projects includes 10 which are funded from the Capital Outlay Fund for Public Higher Education (COFPE) in the amount of \$22,093,000 (47.9 percent) and 48 projects funded at \$24,003,000 (52.1 percent) from the COFPE (Transfer from Chapter 1, Statutes of 1971 First Extraordinary Session). Table 1 divides the proposed program into descriptive project categories. We have included a description of each category and our recommendations for the various projects in the following discussion.

Statewide Planning

We recommend approval.

Table 2
Statewide Planning

<i>Item</i>	<i>Campus</i>	<i>Project</i>	<i>Amount</i>
361 (4)	All	Preliminary planning	\$50,000
361 (5)	All	Master planning.....	205,000
361 (6)	All	General studies	100,000
Total (COFPE, Chapter 1/1971 1st E.S.)			\$355,000
Total (COFPE)			—
Total			\$355,000

The funds requested for preliminary planning are to provide for schematic and preliminary plans for projects for which both working drawings and construction are to be funded in fiscal year 1974-75. The planning funds in the current budget are chiefly for site development, utility and remodeling projects, because planning for larger projects will be financed from funds appropriated for the specific projects. The requested funds which will support approximately \$3,300,000 of working drawing and construction projects, appears reasonable.

The \$205,000 for master planning will provide \$10,000 for each of the 19 operating campuses and \$5,000 for each of the three new campus sites. The change in program needs coupled with the necessity to increase utilization of existing facilities, requires frequent reevaluation and readjustment of campus master plans to maximize the use of campus facilities at the least cost. The new campus sites are undeveloped and the need to develop them in the near future is not apparent. *Therefore, we recommend that the \$15,000 proposed for the three new campus sites be used for planning at the currently operating campuses to increase utilization of existing facilities.*

The \$100,000 for general studies is to be used for topographical surveys, engineering studies, utility studies, traffic studies and other miscellaneous studies necessary for physical planning of the State University and Colleges.

Equipment Projects*We recommend approval.*

Table 3
Equipment Projects

<i>Item</i>	<i>Campus</i>	<i>Project</i>	<i>Amount</i>	<i>Future requirements¹</i>
361 (7)	Bakersfield	Convert initial buildings	\$32,000	—
361 (8)	Bakersfield	Initial corporation yard	14,000	—
361 (9)	Chico	Convert life science.....	174,000	—
361 (10)	Chico	Library	450,000	\$900,000
361 (11)	Fresno	Convert laboratory school	30,000	—
361 (12)	Humboldt	Physical education facilities.....	100,000	—
361 (13)	Sacramento	Library	470,000	500,000
361 (14)	Bakersfield	Science building I	88,000	—
361 (15)	Chico	Life science building.....	200,000	—
361 (16)	Dominguez Hills	Library classroom administration ...	299,000	—
361 (17)	Dominguez Hills	Natural science building	400,000	180,000
361 (18)	Fullerton	Engineering building	204,000	—
361 (19)	Los Angeles	Physical science building	500,000	900,000
361 (20)	Los Angeles	Library	63,000	—
361 (21)	Northridge	Library	400,000	200,000
361 (22)	San Francisco	Life science building.....	350,000	250,000
361 (23)	San Francisco	Physical science building	400,000	250,000
361 (24)	San Jose	Science 2, II.....	500,000	1,000,000
361 (25)	Stanislaus	Science building	262,000	—
Total (COFPHE, Chapter 1/1971 1st E.S.)			\$4,936,000	—
Total (COFPHE)			—	—
Total.....			\$4,936,000	\$4,180,000

¹ Proposed in trustees five-year construction program.

The system's equipment proposal is for 19 projects at a total of \$4,936,000 from the COFPHE (Chapter 1/1971 1st E.S.). As indicated in Table 3, this will fund equipment at 12 campuses. Several of these projects are funded in phases in order to allow for the early purchase of long lead time and critical items. The total future requirement of the proposed projects is \$4,180,000.

Utility and Site Development Projects*We recommend approval.*

Table 4
Utilities and Site Development Projects

<i>Item</i>	<i>Campus</i>	<i>Project</i>	<i>Category¹ Phase²</i>	<i>Amount</i>	<i>Future requirement³</i>
361 (26)	Sacramento	Utilities—1972.....	1 c	\$817,000	—
361 (28)	Fresno	Utilities—1973.....	1 c	716,000	—
361 (29)	San Luis				
	Obispo	Utilities—1973.....	1 wc	380,000	—
361 (30)	Bakersfield	Utilities/site			
		development—1973....	1 pw	7,000	\$130,000
361 (37)	Long Beach	Site development—1973 ..	2 wc	114,000	—
361 (38)	San Francisco	Utilities—1973.....	3 wc	140,000	—
361 (40)	Dominguez Hills				
		Utilities—1973.....	1 pw	75,000	1,061,000
361 (41)	Humboldt	Frontage (access) road	2 pwc	300,000	—
Total (COFPHE, Chapter 1/1971 1st E.S.)				\$2,549,000	—
Total (COFPHE)				—	—
Total				\$2,549,000	\$1,191,000

¹ Category number indicates:

1. Provide essential utilities and/or vehicular access to service previously funded new buildings.
2. Eliminate traffic hazards by improving campus vehicular circulation.
3. Increase utility service to operate existing and future buildings.

² Phase symbols indicate: p—preliminary planning, w—working drawings, c—construction³ Proposed in trustees five-year construction program

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

The utility and site development projects are for eight campuses. As shown in Table 4 the proposal indicates a future requirement for two of the projects totaling \$1,191,000.

Correct Structural Deficiencies

We recommend approval.

Table 5
Projects to Correct Structural Deficiencies

<i>Item</i>	<i>Campus</i>	<i>Project</i>	<i>Phase</i> ¹	<i>Amount</i>	<i>Future requirement</i> ²
361 (1)	San Diego	Arts and science rehabilitation	c	\$643,000	\$32,000
361 (2)	San Diego	Little theater rehabilitation	pw	12,000	198,000
361 (3)	San Jose	Home economics rehabilitation	pw	62,000	1,060,000
361 (36)	Statewide	Remove architectural barriers to the handicapped	pwc	300,000	300,000
Total (COFPHE Chapter 1/1971 1st E.S.)				\$1,017,000	—
Total (COFPHE)				—	—
Total				\$1,017,000	\$1,590,000

¹ Phase symbols indicate: p—preliminary planning, w—working drawings, c—construction.

² Proposed in trustees five-year construction program.

As indicated in Table 5, this category will provide for rehabilitation projects at three campuses and one statewide. The rehabilitation projects are necessary to upgrade facilities to current building code standards as well as renovate and modernize. Only one of the three projects will affect the campus capacity. This is the arts and science rehabilitation at San Diego which will cause a decrease in faculty stations of 12 FTE. The statewide request is for alterations related to removal of architectural barriers to the handicapped. The total cost for these alterations is \$1,500,000. However, the Trustees anticipate federal assistance on a four to one financing basis for some of the projects.

Projects Affecting Instructional Capacity

We recommend rescoping of San Diego—convert health services building, Sacramento—convert library, Sonoma—art building, Dominguez Hills—classroom office building, Fresno—science building, Pomona—science building and deletion of Dominguez Hills—theater arts.

There are a total of 14 projects in this category, three funded by the COFPHE Fund, ten by the COFPHE (Chapter 1/1971 1st E.S.), and one unfunded. An outline of these projects and future appropriation requirements for each is indicated in Table 6.

TABLE 6
Projects Affecting Instructional Capacity

<i>Item</i>	<i>Campus</i>	<i>Project</i>	<i>Phase</i> ¹	<i>Amount</i>	<i>Future requirement</i> ^a
361 (32)	San Luis Obispo	Convert science II	ce	\$350,000	—
361 (33)	Humboldt	Convert laboratory school	c	728,000	\$74,000
361 (34)	San Diego	Convert health services	wc	199,000	7,000
361 (35)	Sacramento	Convert existing library	pw	95,000	1,553,000
361 (42)	Dominguez Hills	Theater arts building	c	1,993,000	393,000 ³
361 (43)	Stanislaus	Scene shop	wc	98,000	10,000
361 (44)	Sonoma	Art building	pw	181,000	3,357,000
361 (45)	Dominguez Hills	Classroom office building	c	3,680,000	240,000
361 (46)	Bakersfield	Initial physical education facility	c	1,035,000	—
361 (47)	Stanislaus	Aquatic facility	pw	12,000	— ⁴
362 (9)	Fresno	Science building	c	8,082,000	1,500,000
362 (10)	Pomona	Science building	c	—	8,726,000 ⁵
362 (1)	Sonoma	Aquatic facility	pw	12,000	207,000
362 (2)	Dominguez Hills	Outdoor physical education and aquatic facilities	pw	41,000	623,000
Total (COFPHE, Chapter 1/1971 1st E.S.)				\$8,371,000	—
Total (COFPHE)				8,135,000	—
Total				\$16,506,000	\$16,690,000

¹ Phase symbols indicate: p—preliminary planning, w—working drawing, c—construction, e—equipment.

² Proposed in trustees five-year construction program.

³ Based on trustees program for a \$2,991,000 facility.

⁴ Project not included in trustees five-year construction program.

⁵ Includes \$7,626,000 proposed by trustees for construction in 1973–74.

The need for new instructional capacity space is directly related to the need to meet enrollment increases. If, however, excess capacity exists on a particular campus, or within the system, increasing enrollment demands should be met through utilization of existing space. Enrollment in the entire higher education area is increasing at a decreasing rate and is expected to decrease in actual numbers in the 1980s. The State University and Colleges system is expected to experience this projected enrollment trend. For example, enrollment projections in the trustees five-year major capital outlay program for 1972–73 indicated a system enrollment of 248,600, in the academic year 1973–74. The 1973–74 program however, projected 230,260 for the same year, and this was recently revised downward to 226,200. Hence, in one year the projected enrollment for 1973–74 has been decreased 22,400 or 9 percent. Because of uncertain enrollments and with the projected enrollment loss in the 1980s we believe it is unwise to fund any project which, with existing space, provides more than 95 percent of the projected space needs. Table 7 compares current instructional capacity to projected needs in 1976–77, the probable year of occupancy for working drawing projects and for construction projects deferred one year. It should be pointed out that the space needs indicated in table 7 are based on the Trustees recently revised 1973–74 enrollment estimate, allowing for the same rate of enrollment increase as originally projected by the trustees in the 1973–74 five-year capital outlay program.

TABLE 7
CALIFORNIA STATE UNIVERSITY AND COLLEGES
FTE Capacity Needs in 1976-77 Compared to Available

<i>Campus</i>	<i>Classroom (FTE)</i>			<i>Class-Laboratories (FTE)</i>		
	<i>1973-74 Capacity¹</i>	<i>1976-77 Need²</i>	<i>Deficiency (%) (Excess) (%)</i>	<i>1973-74 Capacity³</i>	<i>1976-77 Need²</i>	<i>Deficiency (%) (Excess) (%)</i>
Bakersfield	2,808	3,298	490 (15%)	300	353	53 (15%)
Chico	10,217	10,357	140 (1%)	1,163	1,386	223 (16%)
Dominguez Hills	4,338	6,882	2,544 (37%)	467	185	(282) (152%)
Fresno	11,859	13,041	1,182 (9%)	1,019	1,786	767 (43%)
Fullerton	12,226	14,602	2,376 (16%)	892	1,403	511 (36%)
Hayward	12,894	10,894	(2,000) (18%)	574	823	249 (30%)
Humboldt	6,507	5,853	654 (11%)	737	1,036	299 (29%)
Long Beach	18,833	18,954	121 (0.6%)	1,467	2,293	826 (36%)
Los Angeles	18,701	14,930	(3,771) (25%)	1,746	1,244	(502) (40%)
Northridge	16,502	17,890	1,388 (8%)	1,029	1,568	539 (34%)
Pomona	8,596	10,315	1,719 (17%)	1,048	1,286	238 (19%)
Sacramento	14,124	15,063	939 (6%)	942	1,186	244 (21%)
San Bernardino	3,383	3,367	(16) (0.5%)	262	170	(92) (42%)
San Diego	19,835	20,214	379 (2%)	1,528	2,251	723 (32%)
San Francisco	15,442	14,494	948 (7%)	1,345	1,992	647 (32%)
San Jose	19,625	19,310	(315) (2%)	1,855	2,352	497 (21%)
San Luis Obispo	10,189	11,046	857 (8%)	1,598	2,282	684 (30%)
Sonoma	4,519	5,950	1,431 (24%)	331	511	180 (35%)
Stanislaus	3,139	3,704	565 (15%)	247	112	(135) (120%)
Statewide	213,287	220,164	(6,877) (3%)	18,550	24,219	5,669 (23%)

¹ Existing capacity based on 8 a.m.-10 p.m. scheduling, and includes all projects previously funded for construction.

² Need based on trustee's projected enrollment rate increase and revised (December 1972) 1973/74 enrollment.

³ Existing capacity based on 8 a.m.-5 p.m. scheduling, and include all projects previously funded for construction.

Increase Class Laboratory Utilization

As indicated in Table 7, the most critically needed space in the State University and Colleges system is class laboratories. The total system has an average deficit of 23 percent and varies from 43 percent at Fresno to an excess of 152 percent at Dominguez Hills. As Table 7 also shows, class laboratories are scheduled on an 8 a.m. to 5 p.m. standard time span whereas classrooms are on an 8 a.m. to 10 p.m. standard. In our opinion, class laboratory availability should be extended, thereby increasing the utilization of space. While we recognize that extending the scheduled hours for class laboratories is more difficult than for classrooms, we believe that with minor alterations for some laboratories and little or no alterations to others, the extended scheduling of laboratories is feasible. Hence, we recommend that the category of class laboratories be funded to 85 percent of the indicated need allowing 10 percent for increased utilization through extended scheduling hours, and 5 percent for uncertain enrollments.

Faculty-Office Space

The trustees five-year capital outlay program requests office space based on a faculty-student ratio of 17 to 1. However, the Budget Bill and the current support budget provides funding on a ratio of about 18 to 1 and in practice the actual ratio is approximately 19 to 1. The higher actual ratio is due to faculty vacancies and salary savings requirements. *We recommend that faculty office space be provided on a 19 to 1 basis reflecting the actual on-campus situation.*

Rescope Projects

In general, we agree with the projects requested in Table 7. However, in order that these projects fall within the space guidelines which we have outlined above, it will be necessary to rescope several of the projects. A discussion of those projects which we believe should be rescope follows.

San Diego, convert—health sciences.

This project as presently conceived will provide an FTE capacity of 70 in lecture, 14 in laboratories, and 21 in faculty office. As can be seen in Table 7, San Diego is only 2 percent deficient in classroom capacity, while the campus is 32 percent deficient in laboratory space. In faculty office space the total available and funded capacity is 1,302 FTE, of which only 1,189 is in permanent space. The faculty office need in 1976 is 1,261 based on a 19 to 1 ratio or a deficiency of 72. *Hence, we recommend that this project be rescope to include only laboratory and faculty office space.*

Sacramento, convert—existing library

This proposes planning and working drawings for a project which will provide an FTE capacity of 531 lecture, 16 laboratory, and 30 faculty. This project as presently contemplated will decrease the deficiency of classroom capacity to 3 percent while only reducing the class laboratory deficiency from 21 percent to 20.3 percent. *We recommend this project be rescope to provide the more critically needed class laboratory spaces.*

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued**Sonoma, art building**

This project as conceived will provide 104 lecture FTE, and 171 laboratory FTE and 17 faculty stations, reducing the deficit in classrooms from 24 percent to 22 percent and laboratories from 35 percent to 2 percent. *We recommend the project be rescoped to provide only 103 laboratory FTE and increase classroom space to more nearly meet that need.* The proposed faculty stations will provide 73 percent of need in permanent facilities with the remaining 17 percent in leased or temporary space.

Dominguez Hills, classroom-office building

This project is proposed for construction and as designed will provide 1,186 lecture FTE and 129 laboratory FTE. It will also provide 100 faculty FTE capacity which will bring the available faculty capacity to approximately 92 percent of the 1976 need based on a 19 to 1 ratio. However, as can be seen in Table 7 the Dominguez Hills campus has an excess capacity in class laboratories in 1976 of 152 percent. To provide additional class laboratory space on this campus is not justifiable at this time. *We recommend that the project be rescoped to delete the laboratory space and increase the classroom space.* Even with the additional 1,186 lecture FTE currently included, the campus would still remain 20 percent deficient in this category in 1976.

Fresno, science building

This project is requested for construction and as designed will provide 832 lecture FTE, 254 laboratory FTE capacity, 72 FTE faculty stations and a computer station. The proposed scope for this building will decrease capacity deficiencies in classrooms from 9 percent to 3 percent and in class laboratories from 43 percent to 29 percent. We believe it should be realigned to provide more laboratories and fewer classrooms. It should be pointed out that the campus currently has a 896 faculty FTE capacity of which 361 is leased spaces. The need for faculty office space in 1976 is 895. Therefore, we suggest that the campus terminate the lease of as many faculty stations as possible upon completion of the 72 new stations in this project.

Delete Dominguez Hills theater arts building

This request is for construction of a 500-seat little theater and ancillary space. The scope of the project indicates a lecture capacity of 163 FTE. However, the use of such a 500-seat theater for lecture space is both limited and inefficient. As indicated in Table 7 there is a critical shortage of capacity in classroom facilities on this campus and construction projects should be programmed to relieve this deficiency. This project does not address that need. The need for a little theater is further reduced with the close proximity of California State University at Long Beach which has a recently constructed complete theater arts complex. The Coordinating Council for Higher Education (CCHE) issued a report in July 1971, entitled "Facilities Sharing Among Institutions of Higher Education in California." The report covered examples of facilities shared nationally, an

inventory of such sharing in California and perceived obstacles and suggestions for expanded cooperative arrangements. In our discussion of that report on pages 954 and 955 of our Analysis of the 1972 Budget Bill, we indicated a major finding of the report was that there are few significant examples of sharing in California. We also listed several areas of potential sharing which included theaters. The report of the Committee on Conference relating to the 1972 Budget Bill recommended that "... the University of California, the California State Colleges, and the California Community Colleges review the feasibility of cooperative arrangements as a major criteria in the capital outlay project approval process. All three segments shall develop and report their plans for increased inter-institutional use of facilities to the Coordinating Council for Higher Education." *We believe the situation at Dominguez Hills and Long Beach offers an opportunity for shared use of the Long Beach theater complex and we recommend deletion of the little theater project at Dominguez Hills.*

California State University, Pomona—science building

This project is shown as a zero appropriation in the Budget Bill. The trustees five-year capital outlay program indicates a need for \$7,626,000 if this project were to be constructed according to the proposed scope in the budget year. The proposed program would provide a building with 1,375 lecture FTE, 133 laboratory FTE, 103 faculty stations and a computer station. This program would reduce the deficit in classroom space from 17 percent to 3 percent and in class laboratories space from 19 percent to 8 percent. The requested faculty space will provide 629 permanent stations, thereby negating the need for the campus to continue leasing 117 faculty offices. *We recommend this project be rescoped to provide 1,203 lecture FTE, 64 laboratory FTE and 103 faculty FTE.*

Library Expansion Projects

We recommend special review of the San Jose library proposal.

Table 8
Library Expansion Projects

Item	Campus	Project	Phase ¹	Amount	Future requirement ²
362 (5)	San Jose	Central library	c	—	\$15,850,000 ³
362 (6)	Bakersfield	Initial library addition	c	\$1,156,000	130,000
361 (48)	Humboldt	Library addition	c	4,325,000	470,000
Total (COFPHE, Chapter 1/1971 1st E.S.)				\$4,325,000	—
Total (COFPHE)				1,156,000	—
Total				\$5,481,000	\$16,450,000

¹ Phase symbols indicates: c—construction

² Proposed in trustees five-year construction program

³ Includes \$7,500,000 proposed by the trustees for construction in 1973–74 and \$7,500,000 for construction in 1974–75 and \$850,000 for equipment in 1975–76.

Table 8 shows proposed library expansion projects. The projects requested for Bakersfield and Humboldt will provide library space for a campus enrollment of 3,800 FTE and 8,100 FTE respectively. The Bakersfield library addition will add 545 reader stations and 50,000 volume capacity providing a campus total of 720 stations and 115,000 volumes. The

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

Humboldt addition will increase reader stations from 600 to 2,000 and the volume capacity from 123,700 to 323,700. Both projects meet a critical need and we recommend approval.

The San Jose library project is included in the budget with no appropriation. As proposed by the trustees it is for the construction of a 365,000 gross square foot (gsf) building with 4,250 reader stations, an 800,000 volume capacity and audiovisual spaces. The building is designed as a high-rise tower located in the center of the campus and funded over a two-year period with \$7,500,000 in 1973-74 and again in 1974-75. Total estimated cost of the project including equipment is \$15,850,000. We recognize the need for additional space in San Jose. However, we have reservations regarding the proposed solution for providing that space.

The campus now has three contiguous buildings (north, central and south) in the library complex. Upon completion of the proposed new library space, the campus will remodel the north building to ease current shortages in administrative space. We agree with this procedure. However, the use of the building central and south, in our opinion, could continue as library space. The total gross square footage of these buildings is 89,544. If they were continued in use as library space and the new library building constructed contiguous to them, the total project could be reduced in size to approximately 275,500 gsf, representing a possible reduction of \$3,500,000 in building construction cost. It should also be pointed out that construction cost for the high-rise structure as proposed is more than would be expected for a low-rise structure. For example, the estimated building construction cost for this library is \$39.51 per gsf, compared to \$32.00 at Bakersfield and \$35.33 at Humboldt.

Administrative and Ancillary Projects

We recommend deferral of Sonoma—boiler plant addition and San Bernardino—central plant II.

As can be seen in Table 9 this category of projects includes expansion of three central heating and cooling plants to be financed from the COF-PHE (Chapter 1/1971 1st E.S.) in the amount of \$2,450,000 and two cafeterias and two administration buildings from the COFPHE Fund at a total of \$12,802,000.

Table 9
Administrative and Ancillary Projects

Item	Campus	Project	Phase ¹	Amount	Future requirement ²
361 (27)	Fresno	Central plant addition.....	c	\$2,020,000	\$15,000
361 (31)	Sonoma	Boiler plant addition	pw	21,000	665,000
361 (39)	San Bernardino	Central plant II.....	wc	409,000	—
362 (3)	Stanislaus	Cafeteria	c	1,483,000	100,000
362 (4)	Bakersfield	Initial cafeteria	pw	84,000	1,600,000
362 (7)	Long Beach	Administration building	c	5,730,000	300,000
362 (8)	San Francisco	Administration building	c	5,505,000	275,000
Total (COFPHE, Chapter 1/1971 1st E.S.)				\$2,450,000	—
Total (COFPHE)				\$12,802,000	—
Total				\$15,252,000	\$2,955,000

¹ Phase symbols indicate: p—Preliminary planning, w—Working drawings, c—Construction.

² Proposed by trustees in five-year construction program.

Central Heating and Cooling Plant Expansions

The requested expansion project for the Fresno central heating and cooling plant is necessary to provide sufficient heating and cooling capacity for projects previously funded and for future construction. However the expansions at Sonoma and San Bernardino will provide capacity for future buildings only. For example, the Sonoma expansion assumes that the demand on the boiler and chiller capacity will be at maximum when the funded projects are completed. In fact, the boiler capacity will be at a maximum for only one of the two boilers on the campus with the other acting as standby. While expansion of the heating and cooling capacity may be necessary when future buildings are constructed, we do not believe the project is justifiable at this time, and we recommend it be deferred.

The request for San Bernardino covers the addition of a chiller and cooling tower. This is based on the need for 24-hour cooling capability in the computer center. While it is necessary to provide air conditioning to computer areas, we believe it is possible to provide this with free-standing independent local air conditioning units under emergency conditions rather than provide an over-capacity, inefficient cooling system for the entire campus. *Hence, we recommend deferral of this project.*

Cafeterias

We recommend approval.

The two projects for cafeteria space are at Stanislaus and Bakersfield. These are the initial "cadre" cafeteria facilities at both campuses.

Administrative Buildings

The two administration buildings proposed will provide administrative space to accommodate an enrollment of 20,000 and 18,000 FTE students at Long Beach and San Francisco respectively. The need for both projects appears justifiable, and we recommend approval. It should be pointed out that the concept at Long Beach is to construct a new administrative building, vacate existing administrative space and convert that space to faculty offices, lecture capacity and upper division laboratories. While the conversion project is not in this budget request, it should be noted that lecture capacity at this campus will be less than 1 percent deficient in 1976-77. Hence, we suggest that the campus consider rescoping the conversion project to provide faculty office and laboratory space only. The San Francisco project includes the demolition of a one-story portion of the existing administration building and the construction of a six-story administrative annex in its place. The new structure will provide an assignable area of 68,900 square feet. However, with the loss of the 14,793 assignable square foot one-story structure the overall net increase in administrative space will be approximately 54,000 square feet.

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Item 363 from the Capital Out-
lay Fund for Public Higher
Education.

Budget p. 222 Program p. II-957

Requested 1973-74	\$2,000,000
Recommended for approval.....	2,000,000
Recommended reduction	None

SUMMARY OF RECOMMENDATIONS

1. Report to Joint Legislative Budget Committee. Trustees submit a list of the minor capital outlay projects completed or under construction by February 1 of each calendar year.

ANALYSIS AND RECOMMENDATIONS

We recommended approval.

This request represents a lump-sum appropriation to the Trustees of the California State University and Colleges to be allocated for minor construction and improvements at the 19 campuses. The specific projects for which these funds are proposed have not been submitted and are not required. In appropriating a lump sum, the trustees are given the administrative flexibility to fund the highest priority projects throughout the statewide system during the budget year. It is our understanding that the program will be reviewed on a postaudit basis. We agree with this procedure and recommend approval. However, we have not received any information regarding the numbers or types of projects funded with the current year appropriation. *We recommend that the trustees be required to submit to the Joint Legislative Budget Committee, a list of the projects to be completed or under construction by February 1 of each calendar year.*

CALIFORNIA COMMUNITY COLLEGES

Item 364 from the State Con-
struction Program Fund

Budget p. 226 Program p. II-1254

Requested 1973-74	\$35,990,100
Recommended for approval.....	5,467,600
Recommended for special review	30,138,300
Recommended reduction	384,200

SUMMARY OF RECOMMENDATIONS

	Amount	Analysis Page
1. Increase utilization of facilities by extending scheduling hours from 8 a.m.-5 p.m. to 8 a.m.-10 p.m.	—	919
2. Reduce—construct central utilities building, San Jose Community College District, Evergreen Valley College	\$112,600	923
3. Special Review—all general academic and vocational/technical		

working drawing and construction requests	27,982,000	923
4. Special review—all equipment requests for instructional capacity and laboratory facilities	2,156,300	923
5. Recommend study to determine level of state support for equipment	—	924
6. Reduce—Construct Merritt College library, Peralta Community College District	271,600	924
7. Recommend study to determine level of state support for libraries	—	925

ANALYSIS AND RECOMMENDATION

This proposal is for 81 working drawing, construction and equipment projects totaling \$35,990,100 in 32 separate districts. The program is to be funded from the "Community College Construction Program Act of 1972", which provides \$160 million, approved by the electorate in the 1972 General Election. The state funds in this item represent approximately 51 percent of a total community college construction program of \$70,329,674. The remaining 49 percent is required to be funded by the individual districts.

The community college construction program in the Budget Act of 1972 appropriated \$44,037,100 from the bond funds, contingent upon their approval in the 1972 General Election. The total program which the current year appropriation and district funds will support is \$77,776,906. As of January 1973, none of the approved bonds had been sold. In effect, if this item is funded as proposed, the community colleges would have a total construction program of approximately \$148 million over a time period of one and one-half years. This is a very ambitious undertaking and based on the community colleges historical commitment of state construction funds, the probability of committing that amount in the time span of one and one-half years is very small. With this in mind, with enrollment rates decreasing and with an increase in laboratory utilization (which we propose later in this discussion), *we recommend that the board of governors reevaluate and revise the proposed program to reflect only those projects which are critically needed, deferring those projects which provide a district excess of 85 percent classroom capacity and/or 85 percent laboratory capacity.*

Extend Utilization of Existing Facilities.

The California Coordinating Council of Higher Education (CCHE), in response to Assembly Concurrent Resolution 151 (1970), provided an inventory and utilization study for public higher education. The conclusion of this study stated that it was feasible to extend the scheduling hours of classrooms and class laboratories from 8 a.m.-5 p.m. to 8 a.m.-10 p.m. This conclusion applied to all three segments of higher education. Both the State University and Colleges and the University of California currently base their needs for classroom space on an 8 a.m. to 10 p.m. schedule. In our analysis of the major capital outlay program for those segments of higher education we have recommended extension of class laboratories from a current schedule of 8 a.m. to 5 p.m. to be the same as classrooms. However, the community colleges continue to schedule all their facilities on an 8 a.m. to 5 p.m. basis and request facilities based on utilization during that time period. *In our opinion, the community colleges should schedule*

CALIFORNIA COMMUNITY COLLEGES—Continued

all their facilities to the 8 a.m. to 10 p.m. time span and project their capital outlay needs accordingly. As we recommended above, the Board of Governors should reevaluate the current program to defer less critical projects. This review should be based upon the extended 8 a.m. to 10 p.m. scheduling.

As indicated in Table 1, the proposed program is composed of several definitive categories for 81 projects at 32 districts. The state's share of these projects amounts to \$35,990,100 with the districts' share of \$34,339,574 providing a total construction program of \$70,329,674. All projects included in the program are estimated at an "Engineering News Record" construction cost index of 1850, the projected level for July 1973, as proposed by the Department of Finance.

TABLE 1
Summary of Community Colleges 1973-74 Capital Outlay Program

Category	Community college district	Number of projects	Amount of state funds requested	Amount of district funds proposed	Total cost for project
I. Site Acquisition					
	Cabrillo	1	\$540,600	\$320,913	\$861,513
	Kern	1	423,400	464,231	887,631
	Subtotal	2	\$964,000 (2.7%) ¹	\$785,144	\$1,749,144
II. Utilities and/or site development					
(a) Working drawings					
	Cabrillo	1	12,300	7,301	19,601
	Grossmont	2	44,400	15,548	59,948
		3	56,700	22,849	79,549
(b) Construction					
	State center	1	152,100	157,046	309,146
	Yosemite	1	182,300	93,494	275,794
		2	334,400	250,540	584,940
	Subtotal	5	\$391,100 (1.1%) ¹	\$273,389	\$664,489
III. Administrative and ancillary facilities					
(a) Construction					
	Coast	1	500,200	251,415	751,615
	Marin	2	323,400	491,847	815,247
	Saddleback	1	782,000	757,937	1,539,937
	San Jose	1	411,300	686,964	1,098,264
		5	2,016,900	2,188,163	4,205,063
(b) Equipment					
	Lassen	1	25,400	2,806	28,206
	West Valley	1	23,500	21,519	45,019
		2	48,900	24,325	73,225
	Subtotal	7	\$2,065,800 (5.7%) ¹	\$2,212,488	\$4,278,288
IV. General academic facilities					
(a) Working drawing					
	Butte	1	\$24,200	\$10,745	\$34,945
	Los Angeles	2	24,500	99,014	123,514
	Marin	1	33,000	48,683	81,683
	Sequoias	1	40,400	29,617	70,017
	West Valley	1	46,600	42,672	89,272
		6	168,700	230,731	399,431

(b) Construction

Butte	1	619,900	275,262	895,162
Cerritos	1	1,394,600	914,340	2,308,940
Coast	4	2,005,100	1,007,820	3,012,920
Contra Costa	1	452,800	510,604	963,404
Kern	1	674,000	738,997	1,412,997
Los Angeles	1	2,039,900	9,076,721	11,116,621
Los Rios	2	4,768,600	2,370,022	7,138,622
Marin	2	1,179,000	1,739,316	2,918,316
Merced	1	109,000	37,603	146,603
San Diego	1	1,390,000	1,351,617	2,741,617
Saddleback	1	1,881,700	1,822,433	3,704,133
San Joaquin				
Delta	1	2,560,000	2,060,938	4,620,938
San Luis				
Obispo	1	470,500	407,462	877,962
State Center	3	1,967,100	2,031,069	3,998,169
Sweetwater	3	2,132,300	784,662	2,916,962
Ventura	1	356,400	420,070	776,470
Yuba	1	167,400	119,243	286,643
	26	\$24,178,300	\$25,668,179	\$49,836,479

(c) Equipment

Coast	1	159,900	80,370	240,270
Contra Costa	1	54,600	61,570	116,170
Los Rios	2	60,800	30,217	91,017
North Orange				
County	2	213,800	130,815	344,615
Pasadena	1	223,600	121,195	344,795
Redwoods	1	81,200	30,154	111,354
San Joaquin				
Delta	1	362,900	292,154	655,054
Santa Barbara	1	177,400	137,418	314,818
Santa Clara	3	288,800	56,860	345,660
Solano	1	18,600	11,594	30,194
State Center	2	142,200	146,824	289,024
Ventura	1	75,800	89,341	165,141
	17	\$1,859,600	\$1,188,512	\$3,048,112
Subtotal	49	\$26,206,600 (72.8%) ¹	\$27,087,422	\$53,284,022

V. Vocational technical facilities

(a) Construction

Los Rios	1	\$1,257,000	\$624,736	\$1,881,736
North Orange				
County	1	2,124,600	1,316,047	3,440,647
San Luis				
Obispo	1	253,400	219,449	472,849
	3	\$3,635,000	\$2,160,232	\$5,795,232

(b) Equipment

Kern	1	10,200	11,183	21,383
Oceanside-				
Carlsbad	1	158,200	104,320	262,520
	2	168,400	115,503	283,903
Subtotal	5	\$3,803,400 (10.6%) ¹	\$2,275,735	\$6,079,135

CALIFORNIA COMMUNITY COLLEGES—Continued**VI. Libraries/resources materials centers****(a) Construction**

Coast	1	788,100	396,122	1,184,222
Peralta	1	869,700	623,347	1,493,047
Yuba	1	551,500	392,849	944,349
	3	2,209,300	1,412,318	3,621,618

(b) Equipment

Kern	1	57,200	62,716	119,916
San Luis Obispo ..	1	164,400	142,308	306,708
	2	221,600	205,024	426,624
Subtotal	5	\$2,430,900 (6.8%) ¹	\$1,617,342	\$4,048,242

VII. Physical education facilities**(a) Equipment**

Butte	2	\$39,200	\$17,406	\$56,606
Contra Costa	1	25,600	28,868	54,468
Kern	2	19,400	21,270	40,670
Peralta	2	13,700	9,818	23,518
San Bernardino	1	30,400	20,692	51,092
Subtotal	8	\$128,300 (0.3%) ¹	\$98,054	\$226,354

TOTAL	81	\$35,990,100	\$34,339,574	\$70,329,674
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¹ Percent of total state funds requested.

A detailed description of each project would require a prohibitive amount of space in this analysis. Consequently we have grouped the projects into six categories as shown in Table 1. For each category we have described the general type project included, and provided a recommendation for the category. The total shown for each category is the state's share only.

(a) Site acquisition \$964,000

We recommend approval.

This category provides for acquisition of property at two colleges, Cabrillo and Bakersfield. The Cabrillo campus is utilized to near capacity and the purchase of the proposed 40 acres will provide an area sufficient to expand the campus to a capacity of 8,000 to 10,000 students. The Bakersfield college request is for the purchase of the "Fedway" building (a two-story abandoned department store) in downtown Bakersfield as a branch campus. With the purchase of this facility and the alterations, which are also requested in the current proposal, certain future construction on the Bakersfield campus will be deleted from the 10-year plan. It should be pointed out that the college plans to maintain services such as the main library, gymnasium and stadium, and other student related programs at the existing campus.

(b) Utilities and/or site development \$391,100

We recommend approval.

This category contains five projects at four separate districts. They include general site development, on-site utility projects and offsite utility projects. The projects range from \$1,500 for working drawings for offsite development at Grossmont to \$182,300 for general site development Phase I, at Modesto Junior College.

- (c) Administrative and Ancillary facilities \$2,065,800

We recommend a reduction of \$112,600.

This category contains a total of seven projects at six districts. They are for the construction and equipment of administrative facilities, central utility buildings, and corporation yards. The projects range from \$23,500 for equipping the warehouse-maintenance building at West Valley, Saratoga College, to \$782,000 for working drawings and construction of the central utility service plant at Saddleback College.

We recommend that the \$411,300 for the construction of the central utility building at Evergreen Valley College, San Jose district, be reduced by \$112,600. The proposal includes the installation of a utility tunnel on the campus. The size of this campus does not, in our opinion, warrant the added cost of constructing such a tunnel. Hence, we recommend a reduction in cost of the utility tunnel to provide underground utility systems at a total cost of \$83.50 per foot. This figure will provide for the installation of chilled water, electrical, natural gas, and heating hot water lines by other means. We also recommend a reduction in the cost of the chiller and boiler components. The college is requesting \$162,000 for a 500-ton chiller plant and \$131,000 for two 300 bhp (10,050 MBH each) boilers. Based on current market data these components could normally be installed for \$100,000 and \$80,000 respectively and we recommend those amounts.

- (d) General academic facilities \$26,206,600

We recommend special review.

This category provides 49 projects for working drawings, construction and equipment at 24 separate districts. The six working drawing requests range from \$8,200 for the Music Building at Los Angeles Harbor College Los Angeles District to \$46,600 for a language arts social science building at Mission College in West Valley district. The 26 construction projects range in size from \$109,000 for working drawings, construction and equipping to remodel the old library at Merced College, Merced district, to \$3,449,400 to construct classroom/administration building Phases I and II at Sacramento City College, Los Rios district. The 17 equipment projects range from \$18,300 to equip the horticulture addition at American River College, Los Rios district, to \$362,900 to equip the administration and multidiscipline classroom laboratory building at San Joaquin Delta College, San Joaquin Delta District. All projects within this category represent facilities which provide instructional capacity in classroom and laboratory curriculums. A separate category has been established for vocational-technical and physical education facilities.

We recommend that the 32 projects for working drawings and construction within this category be placed under special review to allow the Community College Board of Governors an opportunity to review their proposed program with regard to the critical need for each project and scheduling of facilities on an 8 a.m. to 10 p.m. basis.

The equipment request under this category totals 17 projects. Our comments are applicable to this category as well as to equipment in the vocational-technical, library-resource material centers and physical education categories. The requested amounts for equipment are based on a standard as applied to the state colleges in areas of common construction

CALIFORNIA COMMUNITY COLLEGES—Continued

or type (i.e., biology, chemistry, business, etc.). In technical areas and two-year terminal areas, which are unique to community colleges, a standard equipment requirement has not been established and, therefore, it is not possible to evaluate actual needs or provide uniform applications throughout the districts. The application of state college equipment standards in the common construction areas is not appropriate for the community colleges due to the distortion resulting from the offering of upper division and graduate level work at the State University and Colleges level. However, the equipment cost difference due to the higher level instruction has not been determined and requires considerable study. The areas of instruction unique to community colleges also needs to be studied to determine the basic criteria for equipment to provide the educational experience related to such specialties. The equipment projects requested are basically for facilities which were funded in the Budget Act of 1972 and for which bonds have not yet been sold. Due to this delay of at least seven months in the current year program the need to order all requested equipment early in the budget year is obviated. Hence, *we recommend that no more than 50 percent of the requested equipment funds be allocated until equipment standards are established. We further recommend that the Coordinating Council for Higher Education, in cooperation with the Board of Governors of the Community Colleges, prepare standards for basic equipment needs for all areas of instruction at the community college level.* When the new standards are established, the requested funds should be adjusted to reflect these changes.

(e) Vocational-technical facilities \$3,803,400

We recommend special review.

There are five projects under this category consisting of three for construction and two for equipment. The projects range from \$10,200 for the equipping of the trade-technical facility at Porterville College, Kern district, to \$2,124,600 for the construction of the vocational-technical building II, at Cypress College, North Orange county district. We recommend special review for this category in accordance with our previous discussion.

(e) Libraries—resource material centers \$2,430,900

We recommend a reduction in the Merritt College Library, Peralta district, in the amount of \$271,600.

This category contains two equipment and two construction projects affecting a total of five districts. The requested funds range from \$57,200 for equipment of an initial complement of library books at Cerro Cosa College, Kern district, to \$869,700 for the construction of a library building at American College, Peralta district. We recommend a reduction in the Merritt College library by \$271,600. This reduction will produce a library of 24,813 assignable square feet which will provide for 100 percent of the projected need in the anticipated year of occupancy.

Library Standards

Library space needs are determined, in part, by the number of volumes to be housed. Within the community college system the number of volumes per FTE student varies significantly from campus to campus throughout the state and, in fact, varies from campus to campus within an individual district. For example, from a random choice of 24 community college campuses the actual volumes per FTE student in 1971-72 ranged from 4.2 at Alameda College, Peralta District, to 18.7 at Yuba College, Yuba District. The projected volumes per FTE student for the fiscal year 1980-81 range from 6.7 at Cypress College, North Orange County District, to 27.3 at College of the Redwoods, Redwoods District. Within the Los Angeles district the current actual volumes range from 13.4 at East College to 17.8 at Los Angeles City College. While the campuses have a certain autonomy, the state support for facilities should be consistent throughout the community college system. The number of library staff personnel necessary to support libraries should also be standardized for state support. *Hence, we recommend that the Coordinating Council for Higher Education establish standards for state support in this area.*

(f) Physical education facilities..... \$128,300

We recommend special review.

This category contains eight equipment projects which affect five separate districts. We recommend special review of this category in accordance with our previous recommendation regarding equipment funding for projects of this type.

DEPARTMENT OF PARKS AND RECREATION

Item 365 from the State Beach,
Park, Recreational and His-
torical Facilities Fund

Budget p. L-31 Program p. I-882

Requested 1973-74	\$110,328
Recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item appropriates \$110,328 from the State Beach, Park, Recreational and Historical Facilities Fund to the Department of Parks and Recreation for two grants to pay the cost of acquisition and development of a small regional park in Tulare County and Mandalay Beach near Ventura County. These funds will be dispersed to the counties by the Department of Parks and Recreation upon the receipt of the required information to process the grant. These projects constitute cleanup of appropriations for the \$40 million grant program contained in the bond act.

DEPARTMENT OF PARKS AND RECREATION

Item 366 from the State Beach,
Park, Recreational and His-
torical Facilities Fund

Budget p. 137 Program p. I-881

Requested 1973-74	\$78,500
Recommended for approval.....	40,000
Recommended reduction	\$38,500

ANALYSIS AND RECOMMENDATIONS

We recommend reduction of \$38,500.

This item requests the appropriation of \$78,500 from the State Beach, Park, Recreational and Historical Facilities Fund for the cost of administering local grant projects financed from the same fund. The money is a reimbursement to Item 227 which is the main support item for the Department of Parks and Recreation.

The details of the department's activity in both the review of the grant projects appropriated in Item 365 and its declining workload in administering prior year grants, which are the purposes of the funds in this item, are discussed in Item 227. In that analysis, a recommendation to reduce the appropriation request of \$78,500 by \$38,500 is made based on reduced workload.

DEPARTMENT OF PARKS AND RECREATION

Item 367 from the State Beach,
Park, Recreational and His-
torical Facilities Fund

Budget p. 140 Program p. I-888

Requested 1973-74	\$4,624,600
Recommended for approval.....	575,500
Recommended for special review	4,049,100
Recommended reduction	Pending

SUMMARY OF RECOMMENDATIONS

	Amount	Analysis Page
1. Recommend approval of \$75,500 for design and development liaison	\$75,500	927
2. Recommend approval of \$500,000 for relocation costs	500,000	927
3. Recommend special review of the balance of the items	—	926

ANALYSIS AND RECOMMENDATIONS

We recommend special review.

This item constitutes the appropriation of minimum development funds from the balance of the \$20 million allocated for that purpose in the State Beach, Park, Recreational and Historical Facilities Bond Act. It further provides for acquisition of real property for the state park system from the \$85 million allocated for that purpose in the same bond act.

There are many problems associated with this budget request. For example, the Bolsa Chica State Beach development for which \$2.3 million is being requested will be affected by the negotiations for a land exchange currently underway between the State Lands Commission and Signal Oil Company.

The department is requesting funds for land acquisition for the Old Sacramento State Historic Park. No information has been furnished on this project.

San Onofre State Beach is proposed for development costing approximately \$1.4 million. The proposal for this development is currently being reworked by the Office of Architecture and Construction and has not been made available.

The proposed funding for Sugar Pine Point State Park would provide for the construction of shop facilities which may be unnecessary and excessive.

In order to provide the Legislature with a complete project evaluation on these items, we recommend that this project be placed on special review.

This item also requests \$75,500 for design and construction liaison which is in keeping with prior allocations for the same purpose. *We recommend approval.*

This item requests approval of \$500,000 for relocation costs incurred as a result of property acquisition. Expenditures for this purpose are within the intent of the law. *We recommend approval.*

DEPARTMENT OF PARKS AND RECREATION

Item 368, Reappropriations from
the State Beach, Park, Recrea-
tional and Historical Facilities
Fund

Not shown in Budget.

This item proposes to reappropriate funds for acquisitions and minimum development projects financed from the State Beach, Park, Recreational and Historical Facilities Bond Fund. The citation and title of each of acquisitions being reappropriated are:

Item 362 (a,b,c): Budget Act of 1965—Delta Meadows, Huntington Beach, Pfeiffer Big Sur

Item 423 (a): Budget Act of 1966—Montana de Oro, Calaveras Big Trees

Item 423 (c): Budget Act of 1966—Coyote River Parkway

Item 423 (f): Budget Act of 1966—Gaviota Refugio

Item 423 (i): Budget Act of 1966—Picacho, SRA

Item 423 (m): Budget Act of 1966—Old River Islands

Item 423 (q): Budget Act of 1966—12 miscellaneous projects

DEPARTMENT OF PARKS AND RECREATION—Continued

Item 423 (r): Budget Act of 1966—Augmentation to the 12 projects

Item 423 (t): Budget Act of 1966—Santa Monica Mountains

Item 343.7 (b): Budget Act of 1967—Delta Meadows

Item 377.1 (a): Budget Act of 1968—Carpinteria State Beach

Item 422 (a): Budget Act of 1969—Emma Wood State Beach

The minimum development projects being reappropriated are:

Item 424 (c): Budget Act of 1966—Point Mugu, \$3,002,150, initial appropriation for development of a water system only

Item 423 (a): Budget Act of 1969—San Diego Old Town, \$250,000, initial appropriation

Item 423 (c): Budget Act of 1969—Gaviota Refugio, \$225,000, initial development

In our Analysis last year and for several prior years we have been pointing out a continuing lack of acquisition progress on the remaining 1964 state beach, park, recreational and historical facilities projects. The status of these and other acquisition appropriations is shown in Table 1.

Table 1
Acquisition Status

Appropriations and Expenditures as of November 30, 1972
Funding provided by the State Beach, Park, Recreational and Historical Facilities Fund,
the Bagley Conservation Fund, and the State Park Contingent Fund

Project appropriations	Amount available	Expenditures	Balance	Acres	
				Acquired to date	To be acquired
Allensworth S.H.P. (Item 318.2/72)	\$200,000	\$540	\$199,460	—	240.00
Annadel Farms (Item 313.1/71)	2,500,000	2,050,000	450,000 *	4,100.00	457.00
(Item 318/72)	836,400	—	836,400	—	—
Anza-Borrego Desert S.P. (Item 318/72) .	122,400	—	122,400	—	2,560.00
Big Basin Redwoods S.P. (Item 318/72) ...	191,250	—	191,250	—	154.00
Bothe-Napa Valley S.P. (Item 318/72)	350,000	—	350,000	—	480.00
Cardiff S.B. (Item 322/72)	1,606,500	1,774	1,604,726	—	11.93
Carlsbad S.B. (Item 318/72)	357,000	—	357,000	—	3.00
Carmel River S.B. (Item 318/72)	884,000	—	884,000	—	150.00
Carpinteria S.B. (Item 377.1/68)	191,000	53,550	137,450 *	—	7.50
Castle Rock S.P. (Item 318/72)	26,300	—	26,300	—	187.00
Coyote River Parkway (Item 423/66)	2,500,000	1,506,115	993,885 *	357.00	18.00
Delta Meadows (Item 362/65)	765,000	82,426	682,574 *	—	710.40
(Item 343.7/67)	320,000	—	320,000 *	—	—
Doheny S.B. (Ch. 1223/71, Item 313A)	2,100,000	10,272	2,089,728 *	—	8.00
El Presidio de Santa Barbara S.H.P. (Item 322A/72)	33,000	—	33,000	—	1.00
Gaviota Refugio S.B. (Item 423/66)	4,519,559	4,289,137	230,422 *	2,693.82	85.00
Humboldt Redwoods S.P. (Item 318/72) .	306,000	—	306,000	—	60.00
(Item 318.1/72)	490,000	—	490,000	—	1,202.00
Huntington S.B.** (Item 362/65)	2,518,000	47,144	2,470,856 *	—	34.00
Little River S.R. (Item 318.2/72)	75,000	346	74,654	—	70.00
Los Osos Oaks (Item 313.1/71)	254,000	244,750	9,250 *	85.10	5.00
MacKerricher S.P.** (Item 423/66)	62,500	19,500	43,000 *	.51	.49
Manchester S.B. (Item 322/72)	315,500	5,662	309,838	77.00	3.00
Mendocino Headlands (Ch. 1249/71, Item 307A)	288,500	—	288,500 *	—	—
(Item 318.2/72)	200,000	3,046	196,954	—	59.50
Montana de Oro S.P. (Item 423/66)	1,784,700	1,338,529	446,171 *	1,326.71	510.00
(Item 313/71)	950,000	5,694	944,306 *	—	—

Montara S.B. (Ch. 1754/71, Item 307B)	630,000	—	630,000 *	—	40.00
Morro Bay S.P. (Item 318.2/72)	350,000	110	349,890	—	14.00
Mount Diablo S.P. (Item 318.2/72)	125,000	32	124,968	—	160.00
Old River Islands (Item 423/66)	790,150	16,150	774,000 *	—	980.00
Old Sacramento S.H.P.** (Item 423/66) ...	1,223,000	770,316	452,684 *	1.55	7.45
Pfeiffer Big Sur S.P. (Item 343.7/67)	100,000	—	100,000 *	—	26.00
Picacho S.R.A. (Item 423/66)	256,800	241,322	15,478 *	189.66	51.38
Pismo S.B. (Item 313/71)	2,750,000	1,624,154	1,125,846 *	83.84	851.35
Point Lobos S.R. (Ch. 958/72)	2,000,000	—	2,000,000	—	48.81
Point Mugu S.P. (Item 318/72) SPCF	2,149,650	—	2,149,650	—	2,500.00
Rincon Point (Item 318.2/72)	65,000	16	64,984	—	2.50
Rustic-Sullivan Canyon (Item 313.1/71) ...	750,000	478,000	272,000 *	87.00	229.29
Sonoma Coast S.B. (Item 318.2/72)	350,000	175,873	174,127	—	28.00
Topanga Canyon (Item 322/72)	459,000	1,091	457,909	—	27.35
Torrey Pines S.R. (Item 343.6/67)	900,000	840,530	59,470 *	112.00	89.00
(Item 322/72)	367,200	367,200	—	—	—
TOTAL	\$37,832,409	\$14,173,279	\$23,839,130	9,110.00	12,070.00

* Funded by the State Beach, Park, Recreational and Historical Facilities Fund.

** Proposed for reversion in Item 369.

DEPARTMENT OF PARKS AND RECREATION

Items 369-373 Revisions from
the State Beach, Park, Recrea-
tional and Historical Facilities
Fund

Not shown in Budget.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item proposes to revert the unencumbered balances of the projects listed in Table 1 to the State Beach, Park, Recreational and Historical Facilities Fund which provided the initial appropriation.

Table 1
Projects Proposed for Reversion

1973-74 budget item number	Project name	Appropriation citation	Effective date for reversion
369	Huntington State Beach, Malibu Lagoon State Beach, Point Mugu State Park, Prairie Creek Redwoods State Park, San Onofre State Beach	Item 362 (a) (b) (c) Budget Act of 1965	Effective date of 1973-74 Budget Act
370	Bolsa Chica State Beach, Calaveras Big Trees State Park, MacKerricher State Park, Montgomery Woods State Preserve, and Old Sacramento State Historic Park	Item 423 (a) (q) (r) Budget Act of 1966	Effective date of 1973-74 Budget Act
371	Pfeiffer Big Sur	Item 343.9, Budget Act of 1967	June 30, 1973
372	Beardsley Park (Tulare County)	Item 418 (ccc), Budget Act of 1969	June 30, 1973
373	Jetty Beach	Item 313 (f), Budget Act of 1971	June 30, 1973

DEPARTMENT OF PARKS AND RECREATION—Continued

The Department of Parks and Recreation advises us that the intended acquisition on these projects has been accomplished and that any remaining funds are a result of final negotiation and savings.

WILDLIFE CONSERVATION BOARD

Item 374 from the Recreation
and Fish and Wildlife En-
hancement Fund

Budget p. 133 Program p. I-857

Requested 1973-74	\$2,625,010
Recommended for approval.....	2,492,410
Recommended reduction	\$132,600

SUMMARY OF RECOMMENDATIONS

	Amount	Analysis Page
1. Reduce—construct, reconstruction and modernization, Mojave River Hatchery	\$51,500	931
2. Reduce—construct, modernization and expansion, Crystal Lake Hatchery	45,600	931
3. Reduce—construct, broodstock facilities enlargement, Mt. Shasta Hatchery	10,500	932
4. Delete—working drawings, broodstock facilities enlargement, Mt. Whitney Hatchery.....	25,000	932

ANALYSIS AND RECOMMENDATIONS

This item as proposed would fund six projects related to hatchery expansion at a total estimated cost of \$2,377,700, and three projects related to fish and wildlife enhancement features, at a total estimated cost of \$167,310. The Recreation and Fish and Wildlife Enhancement Bond Act of 1970 made available \$6 million to the board for the design and construction of fish and wildlife enhancement projects and fishing access sites in connection with the State Water Project, subject to legislative action. The Budget Act of 1971 appropriated \$700,000 for this purpose and the Budget Act of 1972 appropriated \$1,405,500 for the same purpose. If this item is approved as requested there will be approximately \$1,269,490 of the \$6 million remaining.

Hatchery Expansion Projects

(a) Equip Black Rock Hatchery \$18,000

We recommend approval.

The construction of phase II of this project was funded in the 1972 Budget Act. This request is for equipment necessary to make the expanded hatchery fully operational. It anticipates that the hatchery when fully operational will have an increased trout production of approximately 500,-

000 catchable trout per year in addition to the 500,000 currently produced.

(b) Equip Fish Springs Hatchery \$73,000

We recommend approval.

This request is for purchase and installation of two 350-horsepower diesel engines and two redi-torque combination right-angle drives. The larger engines and right-angle drives are required to match the new and larger pumps which are being installed by the City of Los Angeles' Department of Power and Water. These engines and drives will provide emergency backup in order that serious losses of fish will not occur during power failures. Completion of this project will provide a yearly production of 2,200,000 catchable trout, an increase of 1,500,000.

(c) Construct—reconstruction and modernization, Mojave River Hatchery \$1,075,000

We recommend reduction in the amount of \$51,500.

This proposal is for the replacement of 40 dirt hatchery ponds with 60 standard concrete ponds (100 feet x 10 feet x 42 inches). The ponds will be complete with new head and mid-pond aerators and recirculating system, screens and dam boards for ponds, mechanical crowder with transfer carts and rails at each end of the pond. The project also includes construction of an incubator house and warehouse building of approximately 80 feet x 40 feet. This building will contain dry food storage, chemical storage, ice storage and laboratory facilities. Also to be provided will be a separate public restroom building and parking area. Upon completion of this project it is estimated that this hatchery will produce 1,200,000 catchable trout in addition to the 1,000,000 currently produced. Working drawing funds for this project were provided by the Budget Act of 1971. The Office of Architecture and Construction has indicated a total estimated project cost in the amount of \$1,080,000 of which \$56,500 is for working drawings. Hence, we recommend that the item be reduced by \$51,500.

(d) Construct—modernization and expansion, Crystal Lake Hatchery \$968,400

We recommend a reduction in the amount of \$45,600.

This request is for the construction of 60 new standard concrete ponds with midpond aeration. The project will provide a complete recirculating system with pumps and standby engines to recirculate 10 cubic feet per second (cfs), and mechanical crowder-grader with transfer cart at each end of the pond series. Also to be included will be the construction of an incubator house with 20 stacks of 16 trays and the construction of one, three-bedroom residence. The estimated cost for the construction of the two buildings is \$98,600. The request also includes the replacement of 28 dirt ponds with 30 standard concrete ponds and a mechanical crowder-

WILDLIFE CONSERVATION BOARD—Continued

grader with transfer cart and rails at the end of each of the series. Upon completion of this project it is estimated that this hatchery will produce 1,000,000 catchable trout in addition to the 500,000 currently produced. Working drawing funds for this project were provided by the Budget Act of 1971 and should not be included in this item. Hence we recommend a reduction of \$45,600.

- (e) Construct—broodstock facilities enlargement, Mt. Shasta Hatchery \$218,300

We recommend a reduction of \$10,500

This request is for the construction of a spawning building, eight standard concrete ponds, sump, sump-pump, aerator, flume emergency engines, appurtenant piping and asphalt paving. The enlargement of this facility is necessary in order to supply the additional eggs which will be required for the increased trout production scheduled for the State Water Plan. The Mt. Shasta Hatchery is one of two broodstock hatcheries for this program. The project estimate includes \$12,000 for preliminary and working plans of which \$1,500 has been allocated for preliminary plans. These funds were appropriated by the Budget Act of 1971 and should not be included in the funding for this item. Hence, we recommend a reduction of \$10,500.

- (f) Working drawings facilities modernization and enlargement, Mt. Whitney Hatchery \$25,000

We recommend deletion.

Working drawing funds for hatchery expansion were provided by Item 326 (a), Budget Act of 1971 in the amount of \$180,000. There are sufficient funds remaining in that appropriation to finance this item.

Fish and Wildlife Enhancement Projects:

- (g) Development fish and wildlife habitat, regions IV and V. \$67,310

We recommend approval.

This item would construct four projects in region V and one project in region IV. The region V projects include planting of trees and shrubs and the installation of fencing along the California aqueduct in the Mojave division. The cost for this segment totals \$43,560. This is the second phase of the Mojave project and a total of 300 acres of right-of-way between Leona siphon and Big Rock siphon will be developed with trees and planting. Approximately four miles of barbed wire fence will be installed parallel to the existing right-of-way fence in areas where trees and shrub planting have been developed. The fencing of these areas will not only protect the plantings but will also allow for public use. The Department of Water Resources has insisted that wildlife areas that are to be used by the public must be separated from the aqueduct by a fence. A second project in region V is for the development of wildlife travel lanes and feeding areas and planting of trees and shrubs at Castaic Lake and downstream pool located in northwestern Los Angeles County. This is the second phase of the wildlife enhancement program at this site and will include the chemical treatment of approximately 200 acres of travel lanes

and feeding areas to discourage regrowth of chamiso. Approximately 50 acres of tree and shrub planting will be developed in burned-over areas in the east side of Castaic Lake. The estimated cost for this portion of the project is \$9,500. The third phase of this project is for development of shore line seeding and creation of underwater reeds for fish life at Lake Perris in northwestern Riverside County. The estimated cost for this portion of the project is \$1,250. The project in region IV is for tree and shrub planting, ditch construction and disking on the California aqueduct right-of-way for a total of approximately 60 miles in the counties of Merced and Fresno. This construction will be between O'Neil Forebay and Panoche Road and will provide food and cover for the many wildlife in the area. The estimated cost of this project is \$13,000.

(h) Development—Oroville wildlife area \$100,000

We recommend approval.

The management plan for Oroville wildlife area is to be implemented in several stages. However the greatest need at this time is to implement the habitat development portion of the plan. The initial improvements include 16 new ponds and deepening and reshaping an additional 10. The plan also includes improving three miles of existing canal and constructing seven miles of new waterways. This work will require that in excess of 1,000,000 cubic yards of material be removed by dragline over the first four-year period and distributed by tractor and truck. The project will produce over 49 surface acres of new water and will provide an additional 2,500 angler-days annually. The water surfaces will also provide nesting, resting and feeding areas for waterfowl. In order to accomplish this development several items of heavy equipment and working drawings are requested. This includes \$40,000 for one dragline crawler with a 50-foot boom, \$40,000 for one tractor crawler with dozer, \$10,000 for one tractor with backhoe and loader, and \$10,000 working drawings.

The request for working drawings is for structures and minor equipment necessary for an ongoing habitat improvement program at the Oroville wildlife area. The project includes a headquarters and checking station, shop and equipment shed, public picnic tables and four vehicles. The estimated total project cost at construction level is \$100,000. The requested funds for working drawings appears adequate.

DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT

Item 377 from the Recreation
and Fish and Wildlife En-
hancement Fund

Budget p. 136 Program p. I-873

Requested 1973-74	\$1,378,000
Recommended for approval.....	None
Recommended for special review	1,378,000
Recommended reduction	Pending

ANALYSIS AND RECOMMENDATIONS

We recommend special review.

This item is the Department of Navigation and Ocean Development's major capital outlay request for development being financed from the \$60 million established in the Recreation, Fish and Wildlife Enhancement Bond Fund. This funding source limits expenditures to those reservoirs which are part of the California water project. The accompanying planning effort is also appropriated from this fund.

This item requests funds for development projects at Lake Oroville, Lake Perris, and the San Luis Reservoir plus a request for statewide preliminary planning. There are unresolved technical and estimating problems on the proposals for Lake Oroville and San Luis Reservoir. The Lake Perris development must be coordinated with the decisions yet to be made in Item 375 involving coordination and development with the Department of Parks and Recreation. For these reasons we recommend the entire item be placed under special review.

UNIVERSITY OF CALIFORNIA

Item 378 from the Health
Science Facilities Construc-
tion Program Fund

Budget p. 211 Program p. II-658

Requested 1973-74	\$54,651,000
Recommended for approval.....	42,449,000
Recommended for special review	12,202,000
Recommended reduction	None

SUMMARY OF RECOMMENDATIONS

*Amount Analysis
Page*

We recommend special review for the following projects:

- | | | |
|---|-------------|-----|
| 1. Working drawings for Warren Hall addition for Public Health, Berkeley | \$185,000 | 940 |
| 2. Construct Medical Sciences Unit I, Irvine..... | \$6,485,000 | 941 |
| 3. Working drawings Orange County Medical Center improvements, 1973-74, Irvine..... | \$36,000 | 941 |
| 4. Working drawings and construct clinical teaching facilities University Hospital San Diego step I, San Diego Health Sciences | \$1,118,000 | 942 |
| 5. Working drawings for clinical teaching facilities, University Hospi- | | |

tal San Diego County, step II	\$90,000	942
6. Working drawings and construct library expansion, University Hospital, San Diego County, San Diego Health Sciences	\$555,000	942
7. Working drawings and construct Medical Sciences facility, unit I, San Diego Health Sciences	\$1,260,000	942
8. Working drawings and construct central chiller plant, University Hospital, San Diego County, San Diego Health Sciences	\$538,000	942
9. Equip clinics Medical Sciences and UC Hospital buildings alterations, step I, San Francisco.....	\$147,000	943
10. Construct and equip heating plant II San Francisco	\$1,312,000	943
11. Working drawings, construct and equip animal facilities, step 2-Medical Research Building II alterations, San Francisco	\$481,000	943

ANALYSIS AND RECOMMENDATIONS

The Health Sciences Facilities Construction Program Bond Fund was approved by the electorate in the 1972 general election. The fund provides \$155,900,000 for expansion, development and construction of health sciences facilities on several campuses of the University of California. The university's Health Sciences program was based on use of these bond funds plus approximately \$97.7 million from federal grants and approximately \$71.3 million nonstate sources for a total anticipated expenditure of \$324.9 million. The university has recently revised the Health Sciences Capital Improvement program which was developed for the 1972 bond issue. This revision reflects the university's expectation of a reduced level of federal support and the elimination of revenue bond financing for clinical teaching facilities. The revised program proposes full funding from the bond issue except for prefunded amounts and allocations of minor amounts of nonstate funds. The program as revised has not been presented to, and therefore is not, as yet, approved by the regents.

This proposal reflects the university's recently revised program based on several major assumptions summarized below:

1. No project will be dependent for any of its funding on federal support. Construction grants will continue to be sought for each eligible project to permit expansion to the scope required to accommodate enrollment targets in the original bond program.
2. Provisions will be made for enrollment expansion as well as the alleviation of existing deficiencies for each of the Health Sciences programs, recognizing that no program can expand to the previous enrollment targets without federal support.
3. Provisions will be made to fund all the costs necessary to accomplish the modified objectives of each Health Science discipline, without the need for additional capital funding beyond Phase I of the bond issue.
4. "Austere" space allocations standards will be used for programing the facilities reflecting basic requirements for the educational programs undertaken. Special research efforts and other activities beyond the base program will be funded from federal categorical grants and other nonstate sources.
5. Design concepts in the revised program will maximize the opportunity to reduce construction costs by employing low-rise structures wherever feasible. All facilities will be designed for long-term use.

UNIVERSITY OF CALIFORNIA—Continued

6. Location of facilities for schools of medicine and the revised program have assumed maintenance of the concept of eventual consolidation of a core of contiguous basic and clinical teaching facilities at the general campus location.

Table 1
Effect of University Revised Health Sciences
Program Based on Limited Federal Support
Campus Enrollments¹

<i>Program</i>	<i>Berkeley</i>	<i>Davis</i>	<i>Irvine</i>	<i>Los Angeles</i>	<i>Riverside</i>	<i>San Diego</i>	<i>San Francisco</i>	<i>Total</i>
Dentistry								
Ten-year plan ²				110 (435)			136 (526)	346 (1,355) ²
1972 bond				106 (424)			120 (480)	226 (904)
Revised program				106 (424)			108 (432)	214 (856)
Human biology ³								
Ten-year plan							400	400
1972 bond							250	250
Revised program							250	250
Medicine								
Ten-year plan ⁴		175 (700)	150 (600)	200 (800)		150 (600)	200 (800)	1,000 (4,000) ⁴
1972 bond		128 (512)	128 (512)	144 (618)	20 (40)	128 (512)	146 (584)	694 (2,778)
Revised program		128 (512)	96 (384)	144 (618)	20 (40)	96 (384)	146 (584)	630 (2,522)
Nursing ³								
Ten-year plan ⁵		250	100	350			552	1,352 ⁵
1972 bond				330			552	882
Revised program				330			552	882
Optometry								
Ten-year plan	71 (247)							71 (247)
1972 bond	79 (298)							79 (298)
Revised program	71 (247)							71 (247)

Table 1 below summarizes the effect of the revised program on enrollments in the Health Sciences.

Pharmacy			
Ten-year plan		120 (480)	120 (480)
1972 bond		120 (480)	120 (480)
Revised program		105 (420)	105 (420)
Physicians' assistants ⁶			
Ten-year plan			250 ⁶
1972 bond			250
Revised program			250
Public and community health ⁶			
Ten-year plan			200 ⁶
1972 bond			200
Revised program			200
Public health ³			
Ten-year plan 415	440		855
1972 bond 415	500		915
Revised program 415	500		915
Veterinary medicine			
Ten-year plan 128 (510)		128 (510)	
1972 bond 128 (512)		128 (512)	
Revised program 128 (512)		128 (512)	

¹ Enrollment figures represent first year class size; figures in parentheses represent total enrollment and does not include interns, residents or graduate academic.

² Ten-year plan includes 100 first year students and 394 total enrollment at an undesignated campus.

³ Enrollment figures for this program are total enrollment.

⁴ Ten-year plan includes 125 first year students and 500 total enrollment at an undesignated campus.

⁵ Ten-year plan includes total enrollment of 100 at undesignated campus.

⁶ Enrollments are total enrollment at an undesignated campus.

UNIVERSITY OF CALIFORNIA—Continued

As can be seen in the table, the major overall effect occurs in dentistry, medicine and pharmacy. Proposed decreases in first year enrollments is from 226 to 214, 694 to 630 and 120 to 105 respectively. The significant change in dentistry is a proposed enrollment decrease at San Francisco of 12 first year students (120 to 105). The university has revised the scope of the previously funded School of Dentistry building from an estimated project cost of approximately \$28 million to \$14,122,000, reflecting loss of federal funding support. Of the new proposed expenditure, the university anticipates use of \$8.1 million of 1972 appropriations as contingencies for (1) cost rises and (2) federal grant shortfall. The revised medical program indicates a decrease of 64 first-year students, which is accounted for at Irvine and San Diego with each decreasing by 32 (128 to 96). The San Francisco School of Pharmacy has been reduced by 15 first-year students.

A summary by campuses of the proposed projects, the effects of the revised program and our recommendations follow.

Universitywide**\$939,000***We recommend approval.*

Preliminary planning funds in the amount of \$839,000 and general planning studies of \$100,000 is requested universitywide. The \$839,000 will provide for preparation of many of the working drawing requests which are included in the Budget Bill. Due to the revised Health Sciences program, several projects must be changed to reflect new requirements. General planning studies will provide for items such as (1) development of a long range plan at UC Hospital, San Diego County, (2) study of interrelationship of medically related private development across from Irvine medical facilities, (3) siting of Los Angeles nursing building and (4) revised Davis long-range development plans. *We recommend approval of both requests.*

Berkeley**\$185,000***We recommend special review of \$185,000.*

The revised Health Science program at Berkeley provides for a decreased enrollment of eight first-year optometry students with no effect on enrollments in public health. The program for the requested working drawing project for an addition to Warren Hall for Public Health has not been submitted by the university. Hence, we have no information to substantiate the need and adequacy of the requested funds.

Davis Campus**\$21,733,000***We recommend approval.*

The most significant change in the Health Sciences Construction program at this campus is the deletion of the campus hospital. The university plans to provide the necessary clinical facilities at undesignated hospitals through an estimated \$2 million future expenditure.

The total request for Davis is \$21,733,000 for two projects at the main campus and two at Sacramento Medical Center.

Construction of Medical Science Unit I will provide permanent facilities of approximately 220,000 assignable square feet for basic sciences in the School of Medicine. Classroom, laboratories, library, office and support spaces will be provided. Completion of this project will relieve deficiencies and permit expansion of the M.D. class from 100 to 128 first-year enrollment students. The utility and site development request is for the working drawing phase to provide a utility service building, external utilities, roads and drainage necessary for Medical Sciences Unit I. *We recommend approval of both projects.*

The alterations to the Sacramento Medical Center will provide renovation and expansion of clinical teaching facilities and professional service functions to help accommodate 100 third- and fourth-year M.D. students, and increase house staff and expanded faculty activities resulting from university operating responsibilities for the center. The total modification to the center far exceeds the requested amount for the budget year. This project will provide for the more critical alterations and should proceed. The request for \$50,000 for master planning will provide long-range development plans for improvements to the center and development of the site. *We recommend approval of both projects.*

Irvine**\$6,581,000***We recommend special review of \$6,521,000.*

The request for Irvine provides two projects at the main campus and two at the Orange County Medical Center.

Due to the revised total Health Sciences program the Medical Sciences Unit I building has been significantly reduced in scope to reflect the fewer numbers of medical students. The university has not submitted a revised program reflecting the proposed changes, and therefore we have no basis for recommending the adequacy of the requested funds. Also, included is a request for working drawings for improvements 1973-74 at the Orange County Medical Center. A program indicating the needs and proposed improvements has, as yet, not been submitted. We anticipate the necessary program information for these projects will be available in time for budget hearings. Therefore, we recommend special review of the following two projects:

- (9) Construct Medical Sciences Unit I..... \$6,485,000
- (11) Working drawings for Orange County Medical
Center improvement 1973-74 \$36,000

The remaining two projects for Irvine are (1) \$30,000 for equipping Orange County Medical Center improvements 1972-73, and (2) \$30,000 for working drawings, utilities and site development at Medical Science

UNIVERSITY OF CALIFORNIA—Continued

Unit I. The equipment request will provide a spectrophotofluorimeter, a cage washer and commercial glass washer. The utility and site development request will provide construction documents for support utilities, roads, drainage and other site development related to Medical Science Unit I. *We recommend approval of both requests.*

Los Angeles

\$1,074,000

We recommend approval.

The request for the Los Angeles campus is for working drawings and construction to complete unfinished space in the School of Dentistry building. The total cost of this project is estimated to be \$1,399,000, and of that amount \$345,000 is to be funded by the university from nonstate funds. The project when completed will provide physical facilities for graduate training programs which the university considers to be essential to the professional training of dentists. Those areas of training will be intramural practice, dental auxiliary utilization, maxillofacial prosthetic clinic and graduate clinical research.

San Diego

\$6,875,000

We recommend special review of \$3,556,000.

As previously indicated, the first-year student enrollment at the Medical School at San Diego has been decreased from 128 to 96. Many of the projects requested have been directly affected by this change in enrollment and the university has not, as yet, submitted revised programs to substantiate the proposals. Several of the projects to be included in this request were originally proposed to be scheduled for future years. Hence, these programs have not been submitted by the university.

We recommend special review of the following projects:

- (16) Working drawings and construct clinical teaching facilities, University Hospital of San Diego County, step 1\$1,118,000
 - (17) Working drawings for clinical teaching facilities, University Hospital of San Diego County, step 2 \$90,000
 - (18) Working drawings and construct library expansion, University Hospital of San Diego County .. \$550,000
 - (19) Working drawings and construct Medical Sciences facility Unit I\$1,260,000
 - (20) Working drawings and construct central chiller plant at University Hospital of San Diego County \$538,000
- \$3,556,000

The remaining three projects are for work at the University Hospital, San Diego County. One is for construction of a south wing addition. Another is for working drawings and construction for an additional boiler in the central plant and the third is working drawings for improvements 1973-74. Completion of the south wing addition will provide 29,255 asf of new space and alterations of 2,860 asf. This space will permit an outpatient caseload of 100,000 patient visits per year and a teaching program within the clinic. Also to be provided are laboratories and office facilities for six

faculty. *We recommend approval.*

The request for a boiler addition will provide for the installation of a new 500 bhp (16.7 million BTUH) steam boiler and appurtenances in the existing boilerhouse. The project includes the removal and replacement of existing structural walls required to permit this installation. The additional boiler is necessary to provide required standby capacity and heating capacity for future projects including the requested south wing addition. *We recommend approval.*

The working drawings for improvements to the University Hospital of San Diego County will provide a project which will correct a number of deficiencies in the present hospital to improve the facilities for both teaching and patient care. These improvements include items such as a revised fume-hood exhaust system, nursery/delivery suite remodeling, food service remodeling and patient bedroom remodeling. *We recommend approval.*

San Francisco

\$17,264,000

We recommend special review of \$1,940,000.

The total amount requested for San Francisco is \$17,264,000. We recommend special review of three of these projects because the amounts proposed in the budget are substantially less than the program planning guide submitted by the university. We have no information which would indicate a reduction in scope of these projects. Therefore, we have placed them in the category of special review, anticipating reception of the necessary information in time for budget hearings.

(21) Equip clinics, Medical Sciences, and UC Hospital building alterations step 1	\$147,000
(22) Construct/equip heating plant II.....	\$1,312,000
(24) Working drawings, construct/equip animal facilities, step II Medical Research building 2 alterations	\$481,000
	\$1,940,000

The major request for the San Francisco campus is for working drawings and construction for Moffitt Hospital modernization. This provides for new service facilities and related alterations at a requested amount of \$15,324,000. The total estimated construction cost for this project is \$16,700,000, \$1,500,000, of which is proposed for financing from nonstate funds. This project will construct approximately 85,000 asf of additional service facilities to correct critical space and functional deficiencies in the support services for Moffitt Hospital. The project will also provide related alterations in existing service and patient care areas. The present service facilities area totals approximately 600 gross square feet (gsf) per hospital bed. Teaching hospitals on the average provide 1,200–1,900 gsf per bed for this type of space. The project as proposed will provide this hospital with 1,200 gsf per bed. *We recommend approval.*

CONTROL SECTIONS

Sections 4 through 36 of the Budget Bill are the so-called "control sections" which place limitations upon the expenditure of certain appropriations, extend or terminate the availability of certain specified prior appropriations, define the authority of the Director of Finance with respect to reductions and transfers within and between categories of expenditure and contain the usual severability and urgency clauses.

Although significant fiscal policy is contained in these sections, particularly with respect to extending the availability of prior appropriations, these sections have not been received by us in time to permit adequate review for purposes of recommendations to be incorporated in this analysis. These control sections will be analyzed and a recommendation thereon made to the committees in hearings on the Budget Bill.