

**Table XXXVI—Ventura School for Girls—Major Items of  
General Fund Expenditures**

<i>Item</i>	<i>Amount</i>
Mono rail for commissary.....	\$750
Lower and pave roads.....	10,000
Erosion control and drainage.....	15,000
Construct fire house.....	2,500
New low pressure cooler.....	1,000
New high pressure boiler for laundry.....	1,000
Sprinkling and storage equipment for garden.....	1,000
	<b>\$31,250</b>

This amount represents an increase of \$11,250 or 56.2 percent over the amount of \$20,000 allowed for General Fund expenditures for 1946-47 and \$21,750 or 228.9 percent over expenditures for 1945-46.

In addition to the foregoing \$31,250, there has been allocated from the Postwar Employment Reserve Fund the further sum of \$15,000 for construction, improvements, repairs, and equipment.

*Recommend approval of Item 76 as submitted.*

### **Department of Education**

#### **State Board of Education—Analysis of Proposed Expenditures for the 1947-48 Fiscal Year**

##### **For Support of the State Board of Education**

Item 77, page 14, of the Budget Bill and page 210 of the Budget. Amount requested, \$2,300 from the General Fund. This is an increase of \$1,247 or 118.4 percent over expenditures of \$1,053 in the 1945-46 Fiscal Year, and \$300 or 15 percent over the amount of \$2,000 allowed for expenditures in the 1946-47 Fiscal Year.

The proposed increase is in conformity with allowance made in the Budget for general increases in costs, and is a moderate budget. *We recommend the amount requested.*

##### **For Support of the Department of Education, From the General Fund**

Item 78, page 14, of the Budget Bill and pages 211-230, inclusive, of the Budget. Amount requested \$1,322,090 for support from the General Fund. This is an increase of \$859,204 or 185.6 percent over expenditures of \$462,886 in the 1945-46 Fiscal Year and \$291,495 or 28.3 percent over expenditures of \$1,030,595 allowed for the 1946-47 Fiscal Year.

Proposed expenditures for the 1947-48 Fiscal Year compared with actual and estimated expenditures for the 1946-47 Fiscal Year are shown by organization unit in Table I below.

Table I—Administration—Analysis of Proposed Expenditures, 1947-48,  
as Compared With 1946-47

<i>Expenditures for support</i>	<i>Actual and estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount Percent</i>	
Division of Administration				
Administrative unit -----	\$186,014	\$258,798	\$72,784	39.1
Research -----	46,240	57,932	11,692	25.3
Totals, Division of Administration	\$232,254	\$316,730	\$84,476	36.4
Division of School Administration, Organization and Finance				
Administrative unit -----	8,705	12,240	3,535	41.0
Schoolhouse planning -----	29,960	35,450	5,490	18.3
Administrative Services				
Administrative unit -----	-----	10,467	10,467	New
School accounts and records -----	36,092	101,871	65,779	182.3
Child welfare and attendance -----	-----	13,325	13,325	New
Child care centers -----	45,165	47,525	2,360	5.2
School lunch program -----	65,285	99,271	33,986	53.0
Foreign language schools -----	-----	10,203	10,203	New
Textbook and publications -----	15,580	17,415	1,835	11.8
Credentials -----	74,020	75,601	1,581	2.1
Readjustment Education -----	86,237	82,306	-3,931	-4.5
Totals, Division of School Admin- istration, Organization and Finance -----	\$361,044	\$505,674	\$144,630	40.0
Division of Instruction				
Administrative unit -----	8,705	12,190	3,485	40.0
Secondary Education -----	26,665	32,261	5,596	21.0
Aviation Education -----	199,994	194,540	-5,454	-2.7
Audio-Visual Education -----	32,055	43,562	11,507	35.9
Adult Education -----	22,750	26,995	4,245	18.7
Special Education -----	41,848	60,567	18,719	44.7
Elementary Education -----	31,205	38,056	6,851	22.0
Physical and Health Education and Recreation -----	38,673	35,371	-3,302	-8.5
Vocational Education -----	15,602	21,749	6,147	39.4
Totals, Division of Instruction -----	\$417,497	\$465,291	\$47,794	11.4
Division of Teacher Education -----	8,705	12,190	3,485	40.0
Division of Special Schools and Services	8,555	12,205	3,650	42.7
California Historical Association -----	2,540	10,000	7,460	293.7
Totals, Support -----	\$1,030,595	\$1,322,090	\$291,495	28.3

*There are 18 separate divisions in the Department of Education, some of which consist only of a division chief and a stenographer-clerk. An organization of this nature is unreasonably complicated and unwieldy. It encourages mismanagement and lack of centralized control, as well as excessive accounting and personnel. The need for reorganization of this department was cited in the previous report of the Legislative Auditor. Since that recommendation, moreover, the number of divisions in the*

department has increased from 13 to 18. The Budget for 1947-48 proposes an additional chief of a division, for the purpose of supervising one intermediate stenographer-clerk. Numerous divisions and division chiefs merely increase the vested interest of the employee in the job that is being performed, irrespective of the value of the job. There is no relation, moreover, between the job to be done and the staff with which to do it.

An additional complicating factor in the organization of the Department of Education is the allowing, by passage of Constitutional Amendment No. 9, appointment of four additional exempt positions consisting of a Deputy Superintendent of Public Instruction and three associate superintendents.

These additional exempt positions are unnecessary and probably eventually will result in the entrance of political or pressure preference in the State's Education System. There is no reason why the Superintendent of Public Instruction, who himself is an elected officer, should be permitted more exempt positions than other departments. Continuation of policies probably is as essential here as any place.

We recommend that the Legislature state on record that it is its intention that the appropriation granted for the 1947-48 Fiscal Year shall be based upon the Department of Education effecting a simplification of the present cumbersome and expensive administrative organization.

Proposed expenditures for 1947-48 compared with 1946-47 are shown by object of expenditure in Table II:

Table II—Administration—Analysis of Expenditures by Object  
Proposed for 1947-48 Compared With 1946-47

<i>Expenditure by object</i>	<i>Actual and estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease</i>	
			<i>Amount</i>	<i>Percent</i>
Salaries and wages:				
Positions now authorized	\$659,450	\$669,569	\$10,119	1.5
1947-48 merit salary adjustment	--	6,815	6,815	--
Estimated salary savings	46,315	10,400	35,915	77.5
Proposed new positions	--	169,754	169,754	--
Totals, salaries and wages	\$612,135	\$835,738	\$223,603	36.5
Operating expenses	352,866	414,856	61,990	17.6
Equipment	83,884	97,926	14,042	16.7
Totals	\$1,049,885	\$1,348,520	\$298,635	28.4
Reimbursement from special funds for services	—16,790	—21,030	4,240	25.2
Reimbursement from school districts for schoolhouse planning surveys	—1,000	—1,200	200	20.0
Bulletin sales	—1,500	—4,200	2,700	180.0
Net totals	\$1,030,595	\$1,322,090	\$291,495	28.3

Salaries and wages proposed for 1947-48 are \$835,738 or 26.8 percent over expenditures for 1946-47 of \$612,135. Of this amount, \$6,815 is for

merit salary adjustments, and \$169,754 or 20.3 percent is for 60 proposed new positions. A list of proposed positions and budgeted cost is shown below:

		<i>New positions proposed for 1947-48 cost</i>
1	Junior Clerk .....	\$1,680
1	Intermediate Typist-Clerk .....	1,920
3	Intermediate Stenographer-Clerk .....	6,120
5	Intermediate Account Clerk .....	9,600
1	Senior Clerk .....	2,280
1	Semi-Senior Accountant .....	3,360
1	Senior Stenographer-Clerk .....	2,400
-	Senior Stenographer-Clerk (Reclassification of one Intermediate Stenographer-Clerk) .....	120
<b>Research</b>		
1	Consultant in Education Evaluation and Testing .....	4,380
1	Tabulating Machine Operator .....	2,040
1	Junior Stenographer-Clerk .....	1,680
-	Education Research Technician (Reclassification of one Senior Statistician Schoolhouse Planning) .....	240
1	Junior Stenographer-Clerk .....	1,680
<b>Administrative Services</b>		
1	Chief of Division .....	5,700
1	Intermediate Stenographer-Clerk .....	2,040
<b>School Accounts and Records</b>		
6	Accountant-Auditor, Gr. 1 .....	17,280
6	Auditor, Gr. 2 .....	20,160
1	Junior Typist-Clerk .....	1,680
2	Intermediate Typist-Clerk .....	3,840
<b>Child Welfare and Attendance</b>		
1	Chief, Bureau of Migratory Education (Increase to full time) .....	2,670
<b>School Lunch Program</b>		
4	Nutritionalist, Grade 2 .....	12,000
2	Auditor, Grade 2 .....	6,720
<b>Foreign Language Schools</b>		
1	Supervisor of Foreign Language Schools .....	4,380
1	Intermediate Stenographer-Clerk .....	2,040
<b>Textbooks and Publications</b>		
1	Intermediate Stenographer-Clerk .....	2,040
<b>Credentials</b>		
1	Assistant Credential Technician .....	3,360
1	Intermediate Typist-Clerk .....	1,820
1	Intermediate Clerk .....	1,820
1	Junior Clerk .....	1,680
<b>Readjustment Education</b>		
1	Junior Typist-Clerk .....	1,680
<b>Secondary Education</b>		
1	Assistant Chief of Division .....	4,380
<b>Audio-Visual Education</b>		
1	Radio Education Consultant .....	4,380
1	Photographic Technician .....	4,020
1	Intermediate Stenographer-Clerk .....	2,040
	Senior Stenographer-Clerk (Reclassification of one Intermediate Stenographer-Clerk) .....	120
<b>Adult Education</b>		
	Chief of Division (Increase to full time) .....	1,725
	Senior Stenographer-Clerk (Increase to full time) .....	720

		New positions proposed for 1947-48 cost
Special Education		
	Chief, Bureau of Mental Hygiene (Increase to full time) -----	1,710
2	Intermediate Stenographer-Clerks -----	4,080
1	Chief of Division -----	5,700
Elementary Education		
1	Consultant in Later Childhood Education -----	4,380
1	Assistant Chief of Division -----	3,720
1	Intermediate Stenographer-Clerk -----	2,040
California Historical Association		
	Director (Increase to one-half time) -----	1,369
1	Student Research Assistant (part time) -----	960
60	Totals -----	\$169,754

### Recommendations

It is proposed in the Budget to transfer the position of Public Information Officer from the Division of Textbooks to the Division of Administration. This position is designed to inform the public of departmental activities, and is a new function. *The action of approving the setting up of this position in the Division of Textbooks was taken by the Department of Finance without legislative approval, as no such position was requested in the previous Budget.* This function is already well provided for by liberal appropriations for preparation and printing of bulletins issued by the Department of Education on a 12 months' basis.

*We recommend that this position be eliminated and the support appropriation for the department be reduced by \$4,140, on that account.*

Fourteen new positions and support appropriations totaling \$66,219 are requested for an audit staff to audit average daily attendance reports prepared in connection with apportionments to local school districts.

The advisability of auditing the expenditure of funds allocated by the State to school districts is undeniable. This is emphasized, moreover, by the fact that the appropriation to school districts is the largest single item of expense in the State Budget. The Department of Education in the past has failed to make any proper audit of the expenditure of these funds, and has accepted almost without question all reports filed by the county superintendents of schools. Preparation of these reports is a long and difficult process, complicated by intricate state laws which are subject to numerous interpretations on the part of the school officials and clerical help preparing the primary data. There have been numerous reports of irregularities and improper expenditure on the part of local school officials which has clearly indicated the need for proper audit.

*In concurring in the desirability of establishing an audit of school reports, we do not, however, approve the proposal to place the audit staff in the Department of Education. Proper auditing practice would have the audit made by an independent agency, the Division of Audits of the Department of Finance, as is done in the case of other state agencies.*

*We recommend that the budget request of the Department of Education be reduced by \$65,779 and that the budget appropriation and*

*staff of the Division of Audits, Department of Finance, be increased sufficiently to perform this function. In the meantime this will, of course, still permit the Department of Education to make the same investigation of these reports as is now done by its regular staff.*

*The Supervisor of Child Care Centers was established as a wartime agency. As this activity was a wartime function, it should now be discontinued, effecting a saving in support expenditures of \$47,525.*

Federal support for the school lunch program has at least temporarily been suspended. Up to this time the Federal Government and local governments have paid for the food costs of this program, while the State has contributed to administrative costs. The continuance of this entire program will be placed before the Legislature if the Federal Government should withdraw its support.

*We recommend, therefor, that there be set up in the Budget Bill Item 78.1 in the amount of \$99,271, reducing Item 78 by a corresponding amount, for the support of the school lunch program. This will serve to remove proposed costs of this program from the total support appropriation for the Department of Education, and give separate control over the appropriation for the school lunch program. We recommend that the Legislature appropriate the proposed amount of Item 78.1 subject to the continuance of federal support, and that if such federal support is continued in a reduced amount from grants made in the 1946-47 Fiscal Year, that the Director of Finance shall make appropriate adjustments in the amount of state support relative to other contributions.*

It is budgeted to provide for a Division of Foreign Language Schools, with a Supervisor and one intermediate stenographer-clerk to supervise in accordance with Chapter 921, Statutes of 1943. When this law was enacted the war presented a problem of alien activities connected with foreign language schools, and the law was designed to provide supervision over such schools. No funds were appropriated for this activity, however. With the end of the war there is no reason for the Department of Education to assume this responsibility. *The Legislature did not consider it necessary to appropriate funds for this purpose during the war; there is no justification for establishing a division of this nature at the present time.* Any possible alien activity in this connection will be subject to close scrutiny by the Federal Bureau of Investigation.

*We recommend that the budget request of the Department of Education be reduced by \$10,203 to eliminate this proposed activity.*

*Proposed new positions for the Division of Credentials should be eliminated.* Previous expansion of this division was made for the purpose of reorganization. *This has been accomplished and additional staff should not be necessary, saving \$11,071.*

The Bureau of Aviation Education, Division of Instruction is requesting \$194,540 for support. This function, however, is not a proper function of the Department of Education. It consists principally of indoctrinating students into the problems of air transportation, including trips in airplanes, study of airports, safety rules, and other general aviation subjects. It is a highly specialized type of education and does

not warrant the expenditure required to include such education in the ordinary high school and junior college curriculum on the scale proposed. This program is not designed to teach students to fly, nor is it sufficiently intensive to be classified as vocational training. It is a subject which most properly should be left to individual schools to determine whether or not it should be included in the curriculum.

*We recommend that the Bureau of Aviation Education be abolished with a reduction in proposed expenditures for support of \$194,540.*

*Positions requested by the Division of Audio-Visual Education, in the amount of \$10,560 appear to be justified.* The demonstrated results of audio-visual techniques warrant expenditure of the relatively modest amount required for the present program of the division. The expansion of this new type of education should in time reduce the burden on other types of education, however.

Centennial Celebration activities planned for 1948 are the basis for proposed additional expenditure of \$7,460 for increased time of the Director of the California Historical Association and employment of a part-time student research assistant. *We approve the expenditure of a modest sum for the purpose proposed. However, we repeat the recommendation made in our prior report that the California Historical Association should be abolished or set up so as to secure adequate returns. The present organization is improperly constituted and operated so as to produce research of lasting and significant value. We recommend that the Legislature consider a long range, properly established program and staff for the purpose.*

Operating expenses are budgeted to increase \$61,990, or 17.7 percent over 1946-47. This increase is principally accounted for by traveling expense, which is up \$34,090, or 43 percent over estimated expenditures of \$79,290 in 1946-47. This increase in proposed expenditures is in addition to a large increase in the 1945-47 biennium over 1943-45.

Of this increase of \$61,990 proposed for 1947-48, however, \$16,530 is for expenses of an audit staff, which we have recommended be transferred to the Division of Audits of the Department of Finance. *Elimination of this expense, as well as \$2,750 for operating expenses proposed for supervision of foreign language schools would leave an increase in operating expenses of \$42,710, or 12.1 percent over 1946-47.*

Proposed equipment and expense accounts for \$14,042, or 4.8 percent of the total increase of \$291,495 budgeted for support in 1947-48 over 1946-47. Included in this is an increase of \$25,600 for the Division of Administration. We question whether economy has been observed consistently by this division; for example, \$4,800 was recently paid by this division for a Packard automobile. Examples of this nature cause us to repeat the recommendation made earlier in this report that classes of automobiles be set up governing allocation of automobiles to persons requiring their use, and that no purchase be permitted outside of these classes. This action would prevent excessive prices being paid for automobiles, or purchase of classes of automobiles out of line with the need and official position of the user.

### Summary of Recommendations

We recommend that Item 78, page 14 of the Budget Bill be reduced by a total of \$442,529 or from \$1,322,090 to \$879,561. This reduction is based on the above recommendations and is represented by the following items:

Item	Reduction proposed
Public Information Officer -----	\$4,140
School Accounts and Records -----	65,779
Supervision of Child Care Centers -----	47,525
School Lunch Program -----	99,271
Supervision of Foreign Language Schools -----	10,203
Credentials -----	11,071
Aviation Education -----	194,540
California Historical Association -----	10,000
Total -----	\$442,529

### For Vocational Education—Department of Education

Item 79, page 14, of the Budget Bill and pages 232-234, inclusive, of the Budget. Amount requested \$283,574—from the General Fund. This represents an increase of \$43,404 or 18.1 percent over appropriation expenditures of \$240,170 in 1946-47.

This appropriation from the General Fund comprises only 44.3 percent of the total amount of state funds for vocational education required in cooperation with the federal vocational education program.

Total proposed expenditures from State and Federal Governments are shown by source below, in Table I.

Table I—Vocational Education—Analysis of Proposed Expenditures, 1947-48, Compared With 1946-47

	<i>Actual and estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount      Percent</i>	
Expenditure for:				
Supervision and Teacher Training (State Government) -----	\$424,511	\$484,120	\$59,609	14.0
Reimbursement to School Districts (Local Government) --	1,094,711	1,588,165	493,454	45.1
Total Expenditures -----	\$1,519,222	\$2,072,285	\$553,063	36.4
Source of Funds:				
From State General Fund-----	\$357,191	\$357,191		
by continuing appropriation. (Fixed charge prescribed by Sections 5605 and 9161. Education Code, to match federal grants under Smith-Hughes Act.) Budget Act appropriation to meet state share of expenditures under George-Deen and George-Barden Act -----	240,170	283,574	\$43,404	18.1
Total state funds-----	\$597,361	\$640,765	\$43,404	7.3
From federal grants:				
Under Smith-Hughes Act -----	357,191	357,191	---	---
Under George-Deen and George-Barden Act -----	564,670	1,074,329	509,659	9.0
Total federal funds-----	\$921,861	\$1,431,520	\$509,659	5.5
Totals—all funds -----	\$1,519,222	\$2,072,285	\$553,063	36.4



The expenditures by the State for vocational education are made in cooperation with the Federal Government which provides 69.1 percent of total funds budgeted for 1947-48, and the amount requested is required for matching purposes.

*We recommend that Item 79 be approved for the amount requested.*

**Department of Education—Apprenticeship Training Program**

Item 80, page 15, of the Budget Bill and page 235 of the Budget. Amount requested is \$65,000 from the General Fund, for teachers' training and preparation of instructional materials in connection with apprenticeship and the on-the-job training programs. This is an increase of \$1,707, or 2.7 percent, over estimated expenditures of \$63,293 in the 1946-47 Fiscal Year.

Proposed expenditures for 1947-48 by object of expenditure are shown below in Table I.

**Table I—Expenditures by Object of Expenditure for 1947-48  
Compared With 1946-47**

	<i>Estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount      Percent</i>	
Salaries and wages -----	\$25,085	\$27,460	\$2,375	9.5
Operating expenses -----	51,208	72,540	21,332	41.7
Equipment -----	---	---	---	---
Totals -----	\$76,293	\$100,000	\$23,707	31.1
Less bulletin sales -----	—13,000	—35,000	—22,000	169.2
Net Totals -----	\$63,293	\$65,000	\$1,707	2.7

Salaries and wages are budgeted to increase 9.5 percent over 1946-47. There are no new positions requested.

Operating expenses are proposed to increase \$21,332, or 41.7 percent. This is reflected principally in increases of printing manuscripts and clerical expenses incident to preparation of bulletins for the apprenticeship training program. Offsetting this cost, however, is an estimated increase in reimbursements for bulletin sales of \$22,000 over the 1946-47 Fiscal Year.

We recommend reducing the amount budgeted for traveling by \$500 or to the amount expended in 1946-47. *This will reduce Item 80 from \$65,000 to \$64,500.*

This program should reduce with reduction in apprenticeship training.

**For Vocational Rehabilitation, Department of Education**

Item 81, page 15, of the Budget Bill, and pages 236 to 240, inclusive, of the Budget. Amount requested, \$245,000 from the General Fund. This appropriation supplements continuing appropriations of \$180,000 provided by Education Code Sections 5803-5804.

The proposed appropriation for 1947-48 is based upon a reorganization of the Bureau of Vocational Rehabilitation, extending the number of district offices to eight. *We believe the new organization plan to be an improvement over the present organization and that it will achieve better management results for this rapidly expanded organization.*

Proposed expenditures for vocational rehabilitation of the 1947-48 Fiscal Year compared with estimated expenditures for the 1946-47 Fiscal Year are shown by Organization Unit in Table I and by object of expenditure in Table II.

**Table I—Vocational Rehabilitation—Analysis of Proposed Expenditures, 1947-48, Compared With 1946-47**

<i>Expenditures for support</i>	1946-47	1947-48	<i>Increase or decrease</i>	
			<i>Amount</i>	<i>Percent</i>
Administration .....	\$94,866	\$130,781	\$35,915	37.9
Vocational Guidance and Placement Service .....	753,853	849,844	95,991	12.7
Case Service				
Other than war disabled civilians..	593,480	850,000	256,520	43.2
War disabled civilians.....	20,615	28,301	7,686	37.3
Total expenditures .....	\$1,462,814	\$1,858,926	\$396,112	27.1
Less amounts payable from federal funds .....	\$1,166,074	\$1,433,926	\$267,852	23.0
General Fund appropriation .....	\$296,740	\$425,000	\$128,260	43.2
Appropriated by Sections 5803 and 5804 of Education Code.....	180,000	180,000	-----	---
Supplemental Budget Act appropriation .....	116,740	245,000	128,260	109.9
Totals .....	\$296,740	\$425,000	\$128,260	43.2

**Table II**

<i>Expenditure by object</i>	<i>Actual and estimated</i>	<i>Proposed</i>	<i>Increase or decrease</i>	
	1946-47		<i>1947-48 over 1946-47</i>	
			<i>Amount</i>	<i>Percent</i>
Salaries and wages.....	\$682,639	\$805,469	\$122,830	18.0
Operating expense .....	735,923	1,018,926	283,003	38.5
Equipment .....	44,252	34,531	—9,721	—22.0
Totals .....	\$1,462,814	\$1,858,926	\$396,112	27.1

*The proposed expenditure of \$1,858,926 for 1947-48 which is an increase of \$396,112 or 27.1 percent over estimated expenditures of \$1,462,814 in 1946-47 is from both state and federal sources, and is shared as shown in Table III below.*

**Table III—Source of Vocational Rehabilitation Financing**

	<i>Amount</i>	<i>Percent</i>
1946-47 Fiscal Year		
State funds -----	\$296,740	20.3
Federal funds -----	1,166,074	79.7
Totals -----	\$1,462,814	100.0
1947-48 Fiscal Year		
State funds -----	425,000	22.9
Federal funds -----	1,433,926	77.1
Totals -----	\$1,858,926	100.0

Table II indicates that \$122,830 in increased salaries and wages is budgeted for 1947-48, including \$110,220 for 35 new positions. These positions are listed in Table IV, as follows:

**Table IV—Proposed New Positions**

<i>No. of positions</i>	<i>Classification</i>	<i>Cost</i>
	Administration	
1	Assistant Chief of Bureau-----	\$5,220
5	District Supervisor, Grade 2-----	21,900
2	District Supervisor, Grade 1-----	8,280
	Vocational Guidance and Placement Services	
1	Supervisor Management Standards-----	4,380
1	Fiscal and Personnel Officer-----	4,140
1	Guidance, Training, and Placement Specialist-----	4,380
12	Vocational Rehabilitation Officer-----	40,320
6	Intermediate Stenographer-Clerk-----	11,520
6	Junior Stenographer-Clerk-----	10,080
35		\$110,220

*Included in new positions are an assistant chief of the bureau, and district supervisors. These proposed positions are the result of an administrative survey of the division, made by the Department of Finance, calling for the establishment of eight districts. This will require six additional district supervisors, and an assistant chief of the bureau. In the budget, however, there are seven new positions of district supervisor requested, in addition to two existing positions, totaling nine budgeted positions of district supervisor. This is an error which was made in budgeting. We therefore recommend that one position of District Supervisor, Grade 2 be deleted, reducing salaries and wages by \$4,380.*

**Recommendation**

We recommend approval of Item 81 for \$241,380 with the following restriction:

*The unexpended balance of any money appropriated by Item 81 of this act which remains at the rate of three to one by money received from the Federal Government or any agency thereof at the end of the fiscal year shall revert to the General Fund.*

**For Support of California State Library, Department of Education**

Item 82, page 15, of the Budget Bill and pages 241-244 of the Budget. Amount requested: \$286,757 from the General Fund. This is an increase of \$74,812 or 35.3 percent over the 1945-46 Fiscal Year, and an increase of \$36,474 or 14.6 percent over estimated expenditures of \$250,283 in the 1946-47 Fiscal Year.

Of the proposed increase of \$36,474 there is \$9,960 for five new positions. These positions and the budgeted cost are shown below:

No.	Classification	Cost
1	Junior Librarian -----	\$2,400
2	Library Aid -----	3,840
1	Intermediate File Clerk -----	1,920
1	Janitor -----	1,800
5	Total -----	\$9,960

Proposed operating expenses are increased by \$1,798 or 8.3 percent over expenditures of \$21,647 in 1946-47, and equipment is up \$18,956 or 68.2 percent over 1946-47.

The major new items of equipment are:

Increased cost of accessions, documents, subscriptions, etc.-----	\$7,390
Filing Cases -----	6,835
Intercommunication System -----	3,000
Automobile, replacement -----	1,400
Book Cases (2) -----	1,600

*We recommend that Item 82 be reduced by \$3,840 to \$282,917, eliminating the equivalent of two library aids. There were three additional positions granted during 1946-47, which with a junior librarian and file clerk provided in this appropriation should be sufficient to adequately meet current demands.*

**For Support of the State Education Agency for Surplus Property**

Item 83, page 15, of the Budget Bill, and pages 244-245 of the Budget. Amount requested, \$60,713—from the General Fund.

The work of this agency has principally been devoted to procurement and distribution of donated war surplus equipment to education agencies, a function wholly supported by reimbursements and service charges to education agencies. It is now proposed to devote more effort toward procuring real property for educational agencies, a function supported wholly from the General Fund, and at the same time to spend additional funds for procuring donated war surplus equipment. Proposed expenditures for 1947-48 as compared with 1946-47 are shown by object of expenditure in Table I.

Table I

Expenditures	Estimated 1946-47	Proposed 1947-48	Increase or decrease 1947-48 over 1946-47	
			Amount	Percent
Procurement and distribution of donated war surplus equipment-----	\$248,447	\$282,339	+\$33,892	+13.6
General assistance and real property procurement -----	44,979	60,713	+15,734	+35.0
Total expenditures -----	\$293,426	\$343,052	+49,626	+16.9
Reimbursements from handling and service charges to educational agencies donation program-----	248,447	282,339	+33,892	+13.6
Net total expenditures-----	\$44,754	\$60,713	+15,959	+35.7

*This activity should be at its peak during the 1947-48 Fiscal Year and thereafter should subside, although continuing to some extent for probably one or two more years.* The principal increase in expenditures proposed for 1947-48 is for salaries and wages, although there are no new positions requested. Table II shows a summary of proposed expenditures by object of expenditure, compared with expenditures in 1946-47.

Table II

	Estimated 1946-47	Proposed 1947-48	Increase or decrease 1947-48 over 1946-47	
			Amount	Percent
Salaries and wages-----	\$142,528	\$230,772	+ \$88,244	+61.9
Operating expenses-----	109,888	102,600	—7,288	—6.6
Equipment-----	41,010	9,680	—31,330	—76.4
Totals-----	\$293,426	\$343,052	+ \$49,626	+16.9

*We recommend that Item 83 be approved for \$60,713, the amount requested. This activity should be thoroughly reviewed prior to the 1948-49 Fiscal Year, however, to determine whether the supply of war surplus property will have remained sufficient to warrant continuation of this agency.*

#### STATE COLLEGES

##### State Colleges, Department of Education—Summary

Items 84 to 96, inclusive, of the Budget Bill and pages 249 to 297, inclusive, of the Budget.

The following comparative statistics on state colleges are shown prior to making individual analysis of each of the state colleges.

The total cost of added positions for regular session instruction, including clerical assistance, for all six state colleges is \$661,771. The effect of these added positions is shown in student-faculty ratios.

Table I shows comparative student-faculty ratios of all state colleges.

It shows a range of from 16.3 students to 1 faculty member proposed for Humboldt State College, the college with the smallest enrollment, to 20.6 students to 1 faculty member proposed for San Diego State College, the second largest college. In all state colleges, with the exception of Humboldt State College, which had a very low ratio of students to teachers in 1946-47, budgeted appropriations provide for a very substantial improvement in the student-faculty ratio. This improvement is, moreover, made in the face of greatly increased enrollments which tend to reduce the problem which the smaller colleges have of providing comparable curricula despite high student-faculty ratios.

##### Student-Faculty Ratios—Six State Colleges, 1946-47, Compared With 1947-48

College	Actual 1946-47	Proposed 1947-48
Chico State College-----	19.9-1	17.5-1
Fresno State College-----	23.1-1	20.3-1
Humboldt State College-----	15.9-1	16.3-1
San Diego State College-----	23.9-1	20.2-1
San Francisco State College-----	24.1-1	19.5-1
San Jose State College-----	21.3-1	19.0-1

Table II, comparing the cost per regular session student for all six state colleges reveals that Humboldt, with estimated enrollment of only 800 students, has highest per student costs for 1947-48 and San Diego, with estimated enrollment of 4,000 shows the lowest per student cost. The highest cost school, with a per student cost of \$445, is \$156 above the lowest cost school, at \$289, or 54 percent higher cost.

Table I—Comparative Cost per Regular Session Student, Six State Colleges

<i>College</i>	<i>Proposed enrollment</i>	<i>Actual per student cost 1946-47</i>	<i>Proposed per student cost 1947-48</i>
Chico -----	1,070	\$419	\$436
Fresno -----	2,920	281	320
Humboldt -----	800	462	445
San Diego -----	4,000	274	289
San Francisco -----	2,600	326	356
San Jose -----	4,650	295	322

Table III compares the student fees collected, and Federal Government payments for education of veterans proposed for 1947-48 with actual collections in 1946-47.

Table II—Student Fees and Federal Government Payments for Education of Veterans, 1947-48, Compared With 1946-47

<i>College</i>	<i>Student fees</i>		<i>Federal payments for GI education</i>	
	<i>1946-47</i>	<i>1947-48</i>	<i>1946-47</i>	<i>1947-48</i>
Chico -----	\$20,548	\$21,585	\$112,469	\$160,864
Fresno -----	66,965	72,750	247,790	243,750
Humboldt -----	10,398	13,525	106,110	158,555
San Diego -----	77,716	77,982	237,900	318,550
San Francisco -----	58,510	59,000	193,840	253,650
San Jose -----	83,090	82,290	447,860	491,470
Totals -----	\$317,227	\$327,132	\$1,345,969	\$1,626,839

Table III reveals that student fees are relatively unchanged for 1947-48, increasing only 3.1 percent despite large estimated increase in enrollments. The reason for this is shown by the increase in federal payments for education of veterans, which rises 17.3 percent in 1947-48, over 1946-47. Most of the new students will be eligible for veterans' payments.

### Recommendation

We recommend the ratio of students to faculty as set forth in the following table for 1947-48.

<i>State college</i>	<i>Our recommended student-faculty ratio 1947-48</i>	<i>Budgeted ratio 1947-48</i>
Chico State College-----	19-1	17.5-1
Fresno State College-----	22-1	20.3-1
Humboldt State College-----	16.3-1	16.3-1
San Diego State College-----	22-1	20.2-1
San Francisco State College-----	22-1	19.5-1
San Jose State College-----	22-1	19.0-1

The allowance of average ratios lower than those we have recommended above permits certain classes to consist of only 4 or 5 students, inasmuch as many classes by their very nature will be large lecture classes far in excess of the average ratio. It is not the function of a state college to provide many specialized classes for a handful of students, nor is it economical for the State to attempt to do so.

The ratios recommended will lower budgeted costs for instruction in all but one of the state colleges. The recommended ratios will more nearly equalize the teacher load and will permit an improvement over the current ratios in all but two state colleges, Humboldt State College and San Jose State College, which already have highly favorable ratios. This is a realistic recognition that increased student enrollment can be handled more economically.

#### For Support of Chico State College

Item 84, page 15, of the Budget Bill and pages 249 to 257, inclusive, of the Budget. Amount requested, \$292,152 from the General Fund. In addition to this appropriation, student fees and federal funds for education of veterans bring the total of proposed support to \$474,601, which represents an increase of \$212,975, or 81.4 percent over expenditures of \$261,626 for the 1945-46 Fiscal Year; and an increase of \$67,500, or 16.6 per cent over the amount of \$407,101 allowed for expenditures in the 1946-47 Fiscal Year.

The \$67,500 or 16.6 percent increase in support requested for 1947-48 is distributed as shown in Table I.

Table I—Expenditures by Organization Unit—Analysis of Proposed Expenditures for 1947-48 Compared With 1946-47

	<i>Actual and estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease 1947-48 over 1946-47</i>	
			<i>Amount</i>	<i>Percent</i>
Expenditures for support				
Administration .....	\$78,150	\$81,898	\$3,748	4.8
Instruction .....	275,853	332,712	56,859	20.6
Maintenance and operation of plant .....	46,313	51,671	5,358	11.6
Totals, regular session	\$400,316	\$466,281	\$65,965	16.5
Summer session .....	\$6,785	\$8,320	\$1,535	22.6
Totals, support .....	\$407,101	\$474,601	\$67,500	16.6
Expenditures for capital outlay ..	\$28,520	\$284,500	\$255,980	897.5
Total expenditures .....	\$435,621	\$759,101	\$323,480	74.3
Appropriation				
Student fees .....	\$20,548	\$21,585	\$1,037	5.0
From Federal Government for education of veterans .....	112,469	160,864	48,395	43.0
Item 84 (includes for 1946-47, all other support appropriations and allotments) .....	274,084	292,152	18,068	6.6
Item 85 (includes, for 1946-47, all other capital outlay appropriations and allotments) .....	28,520	284,500	255,980	897.5
Total appropriation ..	\$435,621	\$759,101	\$323,480	74.3

Expenditures for 1947-48 compared with 1946-47 are shown by object of expenditure in Table II.

Table II—Expenditures by Object of Expenditure

	Actual and estimated 1946-47	Proposed 1947-48	Increase or decrease 1947-48 over 1946-47 Amount Percent	
Expenditures by object				
Salaries and wages-----	\$341,154	\$405,474	\$64,320	18.9
Operating expense -----	34,367	40,967	6,600	19.2
Equipment -----	31,580	28,160	—3,420	—10.8
Total support-----	\$407,101	\$474,601	\$67,500	16.6

In 1946-47, Chico State College had an enrollment of 955, as compared with only 399.8 in 1945-46. This increase in enrollment acted to lower costs per student from \$642 in 1945-46 to \$419 in 1946-47, a decrease of 34.7 percent. *For 1947-48, however, cost per student based on proposed expenditures of \$474,601 as compared with \$407,101 in 1946-47 increased 4.1 percent to \$436, despite an increase in estimated enrollment to 1,070.*

Chico State College is budgeted to receive 13 additional teachers, lowering the student-faculty ratio to 17.5 students to 1 teacher. *We recommend that this ratio be established at 19 to 1, lowering the number of proposed new teachers from 13 to 8, or a reduction in cost of \$15,975.*

There are only minor additions proposed for capital outlay and no new buildings or athletic fields. It, therefore, should not be necessary to add additional permanent employees for maintenance of grounds. With increased enrollment during the 1947-48 Fiscal Year, use should be made of student assistance as is necessary for groundsman and flower gardeners, in place of using a full-time gardener.

### Recommendations

*We recommend that Item 84 of the Budget Bill be reduced in the amount of \$15,975 for five teachers, plus \$1,920, represented by deletion of the position of groundsman and flower gardener and that \$900 be added for student assistance for maintenance and operation of plant. This will reduce Item 84 to \$275,157, a reduction of \$16,995.*

**For Construction, Improvements, Repairs and Equipment, Chico State College**

Item 85, page 16 of the Budget Bill and page 256 of the Budget. Amount requested for construction, improvement, repairs and equipment is \$44,500 from the General Fund.



The requests for capital outlay are as follows, with our recommendations:

	Proposed	Recommended Amount
<i>Construction, improvement, repairs and equipment</i>		
Repairs to electric wiring and fixtures in administration building -----	\$4,500	---
Repairs to electric wiring and fixtures in shelving floor stacks, carrells, and lighting in library-----	6,500	---
Painting, repairs to heating plant, and plumbing--	900	\$900
Ventilating and lighting in gymnasium-----	1,350	---
Minor alterations and painting in gymnasium----	850	850
Additional fencing and moving-lighting equipment at athletic field-----	6,400	---
Extension of water system and sprinklers at athletic field -----	4,500	---
Drill well and install pumping plant on north campus -----	15,000	---
Construct tennis courts -----	4,500	---
Totals, construction, improvements, repairs and equipment -----	\$44,500	\$1,750

#### *Recommendation*

The basis for the above recommendations is that it is not economical to construct any but the most essential items until building costs resume a reasonable level. *We therefore recommend deferral of all but the two exceptions noted until the building cost index number falls to 350. This will reduce Item 85 to \$1,750.* We recommend that the remainder, \$42,750 be set up in the Budget Bill as Item 85.1.

In addition to proposed expenditures for capital outlay which require additional appropriation from the General Fund, Chico State College is proposing to spend \$17,000 from the Postwar Employment Reserve for purchase of equipment for postwar construction and \$100,000 appropriated by Chapter 155, Statutes of 1946, for sites for student dormitories. These capital outlay items plus Item 86 discussed below in the amount of \$140,000 will increase total expenditures for capital outlay to \$201,500.

#### **For Acquisition of Real Property, From the General Fund, Chico State College**

Item 86, page 16, of the Budget Bill and page 255 of the Budget. Amount requested is \$140,000 from the General Fund for purchase of a site for a new training school, consisting of approximately 4.46 acres bounded by the main college campus, First Street, Ivy Street and Big Chico Creek, and containing the central school building and four residences.

#### *Recommendation*

*We recommend approval of Item 86 for \$140,000 as requested.*

#### **For Support of Fresno State College**

Item 87, page 16, of the Budget Bill, and pages 258 to 265, inclusive, of the Budget. Amount requested, \$645,093 from the General Fund. In addition to this appropriation, student fees and federal funds for education of veterans bring the total of proposed support to \$961,593,

which represents an increase of \$140,333, or 27.8 percent, over the amount of \$788,510 allowed for expenditure in the 1946-47 Fiscal Year.

Proposed expenditures for the 1947-48 Fiscal Year compared with expenditures estimated for the 1946-47 Fiscal Year are shown by organization unit in Table I and by object of expenditure in Table II.

Table I—Analysis of Proposed Expenditures, 1947-48, Compared With 1946-47

	<i>Actual and estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease 1947-48 over 1946-47 Amount    Percent</i>	
Expenditures for support				
Administration .....	\$84,829	\$105,077	\$20,248	23.9
Instruction .....	599,126	742,126	143,000	23.9
Maintenance and operation of plant	75,495	85,890	10,395	13.8
Totals, regular session .....	\$759,450	\$933,093	\$173,643	22.9
Totals, summer session .....	29,060	28,500	—560	1.9
Totals, support .....	\$788,510	\$961,593	\$173,083	22.0
Expenditures for capital outlay .....	484,175	32,700	—451,475	—93.2
Total expenditures .....	\$1,272,685	\$994,293	—\$278,392	—21.9
Appropriation				
Student fees .....	\$66,965	\$72,750	\$5,785	8.6
From Federal Government for education of veterans .....	247,790	243,750	4,040	16.3
Item 87 (includes, for 1946-47, all other support appropriations or allotments) .....	473,755	645,093	171,338	36.2
Item 88 (included, for 1946-47 all other capital outlay appropria- tions or allotments) .....	484,175	32,700	—451,475	—93.2
Total appropriations .....	\$1,272,685	\$994,293	—\$278,392	21.9

Expenditures for 1947-48 compared with 1946-47 are shown by object of expenditure in Table II.

Table II—Expenditures by Object of Expenditures

	<i>Actual and estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease 1947-48 over 1946-47 Amount    Percent</i>	
Expenditures by object				
Salaries and wages .....	\$676,398	\$831,258	\$154,860	22.9
Operating expenses .....	58,030	73,861	15,831	27.3
Equipment .....	54,082	56,474	2,392	4.4
Total, support .....	\$788,510	\$961,593	\$173,083	22.0
Capital outlay .....	484,175	32,700	—451,475	—93.2
Total .....	\$1,272,685	\$994,293	—\$278,392	—21.9
Enrollment, regular session .....	2,700	2,920	220	8.1
Enrollment, summer session .....	1,099	1,200	101	9.2
Cost per student, regular session ..	281	320	39	13.9
Cost per student, summer session ..	26	24	—2	7.7

Enrollment in Fresno State College in 1940-41 was 1828, gross expenditures were \$387,693 and *cost per student in regular session was \$212*. As seen in Table II, however, 1947-48 proposed regular session enrollment will become 2,920, up 60 percent; support expenditures will be \$933,093, up 140.7 percent and *cost per student will be \$320, up 50.9 percent*. Compared with 1946-47, proposed enrollment is up 220 or 8.1 percent, while proposed gross expenditures are increased 21.9 percent and cost per student 13.9 percent. *This increase in cost per student would ordinarily tend to fall with increased enrollments and fuller and more economical utilization of the school plant. The increase in per student cost in the face of increased enrollment, therefore, represents a greater expansion in cost of instruction and administration than is shown by the increase in total support costs per student.*

Proposed new positions are shown in detail below.

No. of positions 1947-48		Estimated cost
Administration		
1	Dean of Student Personnel	\$4,200
3	Intermediate Stenographer-Clerks	6,120
Instruction		
26	Teachers	81,550
1	Dean of General Education	4,200
1	Senior Librarian	2,200
2	Intermediate Stenographer-Clerk	4,080
	Student Assistants	9,250
Maintenance and Operation of Plant		
1	Janitor	1,800
1	Electrician	2,760
1	Stationary Fireman	2,160
37	Totals	\$118,320

Fresno State College is requesting 26 new teachers, lowering the student-faculty ratio to 20.3 students per faculty member. *We recommend that the student-faculty ratio be established at 22 to 1, reducing the number of proposed new teachers by 10, or to 16. This will permit a saving of \$35,665, and will constitute a substantial improvement over the current student-faculty ratio of 23.1 to 1.*

The Dean of Professional Education and the Director of Teacher Training should act in the capacity of the proposed Dean of Student Personnel and Guidance for students preparing for a teaching career. Student guidance is also a normal function of the Dean of General Education, a new position budgeted for 1947-48, and the chairmen of the various departments. The addition of the Dean of General Education will greatly reduce the administrative load of the Dean of Professional Education and permit him to fulfill more fully his proper function of counseling students. *The problem of teacher placement, moreover, should be at a minimum during the next few years in view of the State's requirements for teachers, and would not justify establishment of a position for that purpose.*

#### Recommendations

*We recommend that 10 proposed teacher positions and the Dean of Student Personnel and Guidance be eliminated saving \$35,665, and*

*that administration operating expenses be reduced \$1,800, reducing Item 87 from \$645,093 to \$607,628.*

**For Construction, Fresno State College**

Item 88, page 16, of the Budget Bill, and page 264 of the Budget. Amount requested for construction, replacement, and repairs, \$32,700.

Following is an itemized list of requests, each of which should be given individual consideration without reference to prior expenditures.

	<i>Pro- posed</i>	<i>Amount recom- mended</i>
Remodel and improve lighting system, main building and offices--	\$2,300	----
Replace 22 electric and gas demand meters by two maximum meters	14,400	----
Replacements of sewer lines-----	3,750	\$3,750
Construct farm mechanic's shop-----	2,250	----
Construct building wing at Huntington Lake Summer School---	10,000	----
Totals -----	\$32,700	\$3,750

The above recommendations are based on the belief that it is not economical to undertake any but the most essential construction at present high building costs, *and that all proposed construction be deferred until the index number of building costs drops to 350.*

*Recommendations*

*We recommend that Item 88 of the Budget Bill in the amount of \$32,700 be reduced to \$3,750, and that the remainder, or \$28,950 be set up in the Budget Bill as Item 88.1.*

In addition to proposed capital outlay requiring additional appropriation from the General Fund, Fresno State College is budgeted to spend \$35,000 from the Postwar Employment Reserve, raising the total of budgeted expenditures for capital outlay to \$67,700.

**For Support of Humboldt State College**

Item 89, pages 16-17, of the Budget Bill and pages 266-272, inclusive, of the Budget. Amount requested \$190,835 for support from the General Fund. In addition to this appropriation, student fees and federal funds for education of veterans bring the total of proposed support to \$362,915, which represents an increase of \$220,256 or 154.4 percent over expenditures of \$142,659 for the 1945-46 Fiscal Year; and an increase of \$56,955 or 18.6 percent over the amount of \$305,960 allowed for expenditure in the 1946-47 Fiscal Year.

The increase of \$56,955 proposed for support in 1947-48 over 1946-47 is shown by organization unit in Table I and by Object of Expenditure in Table II.

**Table I—Analysis of Proposed Expenditures, 1947-48 Compared With  
1946-47 Expenditures by Organization Unit**

<i>Expenditures</i>	<i>Actual and estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount</i>	<i>Percent</i>
Administration .....	\$41,800	\$53,385	\$11,585	27.7
Instruction .....	226,367	264,185	37,818	16.7
Maintenance and operation of plant.....	32,540	38,405	5,865	18.0
Totals, regular session.....	\$300,707	\$355,975	\$55,268	18.4
Summer session.....	5,253	6,940	1,687	32.1
Totals, support.....	\$305,960	\$362,915	\$56,955	18.6
Expenditures for capital outlay.....	231,827	122,500	—109,327	—47.2
Total expenditures .....	\$537,787	\$485,415	—\$52,372	—9.7
Appropriation				
Student fees.....	\$10,398	\$13,525	\$3,127	30.1
From federal government for educa- tion of veterans.....	106,110	158,555	52,445	49.4
Item No. 89 (includes, for 1946-47, all other support appropriations or allotments) .....	189,452	190,835	1,383	0.7
Item No. 90 (includes, for 1946-47, all other capital outlay appropria- tions or allotments) .....	231,827	22,500	—9,327	—47.2
Appropriations by Chapter 155, Stats. 1946, First Extraordinary Session.....	—	100,000	100,000	—
Totals .....	\$537,787	\$485,415	—\$52,372	—9.7

**Table II—Expenditure by Object of Expenditures**

	<i>Actual and estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount</i>	<i>Percent</i>
Salaries and wages.....	\$248,516	\$295,179	\$46,663	18.8
Operating expenses .....	15,415	25,750	10,335	67.0
Equipment .....	42,029	41,986	—43	0.1
Total support.....	\$305,960	\$362,915	\$56,955	18.6
Capital outlay.....	231,827	122,500	—109,327	—47.2
Totals .....	\$537,787	\$485,415	—\$52,372	—9.7
Total enrollment units for year.....	651	800	149	22.9
Unit cost for support.....	\$462	\$445	\$17	3.7

Humboldt State College had an enrollment in 1940-41 of 428 students. With the war, enrollments dropped to 161 in 1944-45 and correspondingly per student costs mounted during the same period from \$327 to \$850. By 1946-47, however, with the war's end enrollments had jumped to 651, or 52 percent over the 1940-41 figure, while support expenditures were increasing 115 percent from \$142,261 to \$305,960. Per student cost is reflecting increased enrollment by declining from \$850 in 1944-45 to \$441 in 1946-47. *In the Fiscal Year 1947-48 it is estimated that enrollments will reach 800, up 22.9 percent over 1946-47, with proposed General Fund expenditures increased by 9.7 percent to \$485,415, and per student costs down 3.7 percent to \$445.*

Proposed new positions for 1947-48 are shown as follows:

<i>Number of positions 1947-48</i>		<i>Cost 1947-48</i>
	Administration	
1	Senior Account Clerk.....	\$2,400
1	Inter. Account Clerk.....	1,920
1	Inter. Steno.-Clerk .....	2,040
	Instruction	
8	Teachers .....	26,700
1	Inter. Steno.-Clerk .....	2,040
1	Junior Librarian .....	2,400
13	Totals .....	\$37,500

With the addition of eight teachers, the faculty-student ratio will be 16.3 to 1, the lowest of the state colleges. This is to be expected in view of the small size of Humboldt State College. It is a continuation of the same faculty-student ratio as existed in 1946-47. However, for the same reason, an increase in enrollment from 651 to 800, accompanied by a continuation of the 16.3 to 1 ratio signifies an addition to the level of instruction support.

#### *Recommendations*

*We recommend that Item 89 be granted as requested, for the amount of \$190,835.*

#### **For Construction, Humboldt State College**

Item 90, page 17, of the Budget Bill and pages 271 of the Budget. Amount requested, \$22,500 for construction, improvements, repairs, and equipment, Humboldt State College.

This amount for capital outlay is composed of the following items, the need for which should be justified without reference to prior year expenditures.

	<i>Proposed</i>	<i>Our recom- mendation</i>
Construction, improvements, repairs and equipment:		
Improvements to play field at stadium.....	\$12,500	-----
Toilets for football field.....	5,000	-----
Plan and install lighting system for entire school..	5,000	-----
Total .....	\$22,500	-----

*In line with our general recommendation to defer all nonessential construction until the index number of building costs falls to 350, we recommend that Item 90 be restricted so that no expenditures can be made therefrom until the building index number falls to this point.*

In addition to the amount requested by Item 90, Humboldt State College is proposing to spend \$100,000 for a site for student dormitories, from the appropriation made by Chapter 155, Statutes of 1946 (First Extra Session), and \$9,365 for equipment from the Postwar Employment Reserve, which require no additional appropriation. This brings total expenditures for capital outlay proposed for 1947-48 to \$131,865.

For Support of San Diego State College

Item 91, page 17, of the Budget Bill and pages 273-280, inclusive, of the Budget. Amount requested, \$799,870 from the General Fund. In addition to this appropriation, student fees and federal funds for educating veterans bring the total of proposed support to \$1,196,402, which represents an increase of \$279,301 or 53.7 percent over the expenditures for the 1945-46 Fiscal Year of \$520,569, and an increase of \$281,546 or 30.1 percent over the amount of \$915,856 allowed for expenditures in the 1946-47 Fiscal Year.

San Diego State College had an enrollment of 1,781 in the year 1940-41 with support expenditures of \$45,817 and per student costs of \$250. By 1947-48, seven years later, proposed enrollment will have increased to 4,000; support expenditures to \$1,196,402 and per student costs, to \$289. *These increases, although large, are low relative to cost increases of some other state colleges.*

Distribution of proposed increases by organization unit is shown below in Table I and by object of expenditure in Table II.

Table I—Analysis of Proposed Expenditures, 1947-48, Compared With 1946-47

	1946-47	1947-48	Increase or decrease Amount    Percent	
Expenditures for support				
Administration .....	\$109,064	\$127,788	\$18,724	17.2
Instruction .....	665,514	919,754	254,240	38.2
Maintenance and operation of plant..	102,606	107,760	5,154	5.0
Totals, regular session.....	\$877,184	\$1,155,302	\$278,118	31.7
Summer session.....	37,672	41,100	3,428	9.1
Totals, support.....	\$914,856	\$1,196,402	\$281,546	30.8
Expenditures for capital outlay---	37,108	196,600	159,492	429.8
Total expenditures.....	\$951,964	\$1,393,002	\$441,038	46.3
Appropriation				
Student fees .....	\$77,716	\$77,982	\$266	0.3
From Federal Government for education of veterans.....	237,900	318,550	80,650	33.9
Item 91 (includes, for 1946-47, all other support appropriations or allotments) .....	599,240	799,870	200,630	33.5
Item 92 (includes, for 1946-47, all other capital outlay appropriations or allotments) .....	37,108	196,600	159,492	429.8
Total appropriation.....	\$951,964	\$1,393,002	\$441,038	46.3

Expenditures for 1947-48 compared with 1946-47 are shown by object of expenditure in Table II.

Table II—Expenditures by Object of Expenditure

	1946-47	1947-48	Increase or decrease Amount Percent	
Salaries and wages-----	\$780,690	\$1,051,181	\$270,491	34.6
Operating expenses-----	65,480	83,540	18,060	27.6
Equipment-----	68,686	61,681	—7,005	—10.2
Total support-----	\$914,856	\$1,196,402	\$281,546	30.8
Capital outlay-----	37,108	196,600	159,492	429.8
Totals-----	\$951,964	\$1,393,002	\$441,038	46.3
Enrollment regular session-----	3,200	4,000	800	25.0
Enrollment summer session-----	2,239	1,900	—339	15.1
Cost per student, regular session-----	\$274	\$289	\$15	5.5
Cost per student, summer session-----	\$17	\$22	\$5	29.4

In 1940-41 enrollment at San Diego State College was 1,781, with expenditures for support of \$45,917 and per student costs of \$250. However, by 1947-48 proposed enrollment of San Diego State College has jumped to 4,000, an increase of 124.6 percent, and support expenditures will have expanded to \$1,196,402, with per student costs rising to \$289.

During the war years reduced enrollments, unaccompanied by proportional reductions in cost of administration and instruction, and very little change in cost of operation and maintenance of plant and grounds, raised per student costs to a high point of \$458 in 1943-44. By the rapid increase in enrollment from 769 in 1943-44, however, to a proposed 4,000 in 1947-48, San Diego State College has seen per student costs fall 36.9 percent to \$289, giving San Diego by far the lowest per student costs of any of the state colleges. By way of comparison San Jose State College, which similarly jumped from an enrollment of 997 in 1943-44 to 4,650 in 1947-48 has shown a decline in costs per student from that high point, of only 31.6 percent. Whereas San Jose had per student costs of \$200 in 1940-41, \$50 less than San Diego's \$250, by 1947-48 per student cost of San Jose State College will have risen to \$322 or \$33 above costs of San Diego State College.

*Likewise, the ratio of students per teacher at San Diego is the highest of any of the state colleges, which in part of course, is due to the fact that San Diego is the second largest of the state colleges, and can therefore secure a full curriculum with a higher ratio of students per instructor than small schools.*

Table II shows that proposed operating expenses increase 27.6 percent over 1946-47. Operating costs remain relatively unchanged with increases in enrollment, and should not increase over 10 percent with a 25 percent increase in population. However these expenses were already lower in San Diego than at any other comparable colleges.

Table II shows a decrease in equipment expense of \$7,005 or 10.2 percent and an increase in salaries and wages of \$270,491 or 34.6 percent. Proposed new positions are shown as follows in Table III:



**Table III—New Positions Proposed for 1947-48**

<i>No. of Positions</i>	<i>Classification</i>	<i>Cost</i>
	Administration	
1	Intermediate Typist-Clerk -----	\$1,920
2	Intermediate Stenographer-Clerk -----	4,080
1	Junior Account Clerk -----	1,680
	Instruction	
60	Teacher -----	167,850
1	Junior Typist-Clerk -----	1,680
2	Intermediate Stenographer-Clerk -----	4,080
4	Intermediate Stock Clerk -----	7,680
	Maintenance and operation of plant	
1	Groundsman and flower gardener -----	1,920
72	Total -----	\$190,890

San Diego State College is budgeted to receive 60 new teachers, at a cost of \$167,850, based on a student-faculty ratio of 20.2 students to one teacher. *We recommend that the student-faculty ratio be established at 22, reducing the number of proposed teachers by 16, saving \$44,760. This will still provide a material improvement over the current ratio of 23.9 students to one teacher.*

#### *Recommendation*

*We recommend that Item 91 be reduced by \$44,760, or from \$799,870 to \$755,110.*

#### **For Construction, San Diego State College**

Item 92, page 17 of the Budget Bill and page 279 of the Budget. Amount requested, \$96,600 for capital outlay. In addition to this proposed appropriation from the General Fund, San Diego State College is requesting \$21,700 for equipment from the Postwar Employment Reserve, and \$100,000 for a site for student dormitories from appropriation made by Chapter 155, Statutes of 1946 (1st Extra Session) which would require no additional appropriations, and which brings the total proposed for capital outlay to \$218,300 for 1947-48.

Proposed capital items are listed below:

	<i>Proposed</i>	<i>Amount recommended</i>
Construction, improvement, repairs, and equipment		
Sidewalk along east side main entrance road -----	\$2,000	----
Electrical improvements -----	2,500	----
New tennis courts -----	25,000	----
Remodel clock system to self-synchronizing -----	1,500	1,500
Remodel stage lighting system—Little Theater -----	10,000	----
Planting to prevent soil erosion -----	1,000	1,000
Install shower heating system for stadium dressing rooms -----	3,000	3,000
Completion of handball courts -----	4,000	----
Additional stadium seats -----	24,000	----
Construct athletic field -----	12,000	12,000
Additional library stacks -----	6,000	6,000
Grade and resurface road to gymnasium -----	3,500	----
Grade, level, and oil parking lot—west side of stadium -----	2,100	----
Totals -----	\$96,600	\$23,500

### Recommendations

*In line with our general recommendation to defer all non-essential construction until the index number of building costs falls to 350, we recommend that Item 92 be reduced to \$23,500, and the remainder, or \$73,100 be set up in the Budget Bill as Item 92.1.*

#### For Support of San Francisco State College

Item 93, page 17, of the Budget Bill and pages 281 to 288, inclusive, of the Budget. Amount requested \$635,539 for support from the General Fund. In addition to this appropriation, student fees and federal funds for education of veterans bring the total of proposed support to \$948,189, which represents an increase of \$149,989, or 30.1 percent over expenditures of \$485,550 for the 1945-46 Fiscal Year, and an increase of \$172,631 or 22.3 percent over the amount of \$775,558 allowed for expenditure in the 1946-47 Fiscal Year.

Enrollment in San Francisco State College was 1,990 in 1940-41. Support expenditures were \$413,024 and cost per student was \$208. By 1947-48, seven years later, proposed enrollment will have increased 30.7 percent. Support expenditures will have increased \$535,165, or 129.6 percent; and per student costs, \$148, or 71.2 percent. *This increase in enrollment is the smallest shown by any of the state colleges, while on the other hand, the increase in per student costs is the greatest of any of the colleges. This is principally due to the restricted capacity of the college.* Until additional buildings can be secured or constructed, San Francisco State College will be unable to secure to the same extent as the other colleges increased enrollments sufficient to offset increased operating costs. Another factor contributing to the high per student cost proposed for 1947-48 is the addition of teachers sufficient to reduce the student-instructor ratio from 24-1 in 1946-47 to a proposed ratio of 19.5 to 1.

Distribution of proposed increases by organization unit is shown below in Table I and by object of expenditure in Table II.

Table I—Analysis of Proposed Expenditures, 1947-48, Compared With 1946-47—Expenditures by Organization Unit

Organization unit	Actual and estimated 1946-47	Proposed 1947-48	Increase or decrease	
			Amount	Percent
Expenditures				
Administration .....	\$89,276	\$102,728	\$13,452	15.16
Instruction .....	583,379	737,681	154,302	26.45
Maintenance and operation of plant ..	82,540	84,640	2,100	2.54
Totals, regular session .....	\$775,195	\$925,049	\$169,854	22.49
Summer session .....	20,363	23,140	2,777	13.63
Totals, support .....	\$775,558	\$948,189	\$172,631	22.26
Expenditures for capital outlay .....	49,400	109,500	60,100	121.66
Total expenditures .....	\$824,958	\$1,057,689	\$232,731	28.21

**Table I—Analysis of Proposed Expenditures, 1947-48, Compared With 1946-47  
Expenditures by Organization Unit—Continued**

<i>Organization unit</i>	<i>Actual and estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount</i>	<i>Percent</i>
Appropriations				
Student fees .....	\$58,510	\$59,000	\$490	0.8
From Federal Government for edu- cation of veterans .....	193,840	253,650	59,810	30.9
Item No. 93 (includes for 1946-47, all other support appropriations and allotments) .....	523,208	635,539	112,331	21.5
Item No. 94 (includes for 1946-47, all other capital outlay appropria- tions and allotments) .....	49,400	9,500	—39,900	—80.8
Appropriated by Chapter 155, Stats. 1946, First Extraordinary Session .....	----	100,000	100,000	100.0
Totals .....	\$824,958	\$1,057,689	\$232,731	37.9

**Table II—Expenditures by Object of Expenditure**

<i>Object</i>	<i>Actual and estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount</i>	<i>Percent</i>
Salaries and wages .....	\$623,655	\$807,069	\$183,414	29.4
Operating expenses .....	68,535	76,130	7,595	11.1
Equipment .....	83,368	64,990	18,378	22.0
Total support .....	\$775,558	\$948,189	\$172,631	22.3
Capital outlay—Total				
Enrollment units, regular session .....	2,315	2,600	285	12.3
Enrollment units, summer session .....	1,128	1,200	72	6.4
Per student costs, regular session .....	\$326	\$356	\$30	9.2
Per student costs, summer session .....	\$18	\$19	\$1	5.6

Table II shows that proposed operating expenses will increase by \$7,595, or 11.1 percent over 1946-47; and equipment is proposed to increase by \$18,378, or 22 percent.

Salaries and wages required for 1947-48 include \$134,160 for 45 full-time new positions. These are shown in Table III, as follows:

**Table III—Proposed New Positions, 1947-48 Fiscal Year**

<i>No. of positions</i>	<i>Classification</i>	<i>Cost</i>
	Administration	
1	Intermediate Stenographer Clerk .....	\$2,040
1	Intermediate Account Clerk .....	1,920
1	Physician (part time) .....	3,870
	Instruction	
37	Teachers .....	114,330
1	Junior Librarian .....	2,400
2	Intermediate Stenographer-Clerks .....	4,080
1	Intermediate Stock Clerk .....	1,920
	Maintenance and Operation of Plant	
2	Janitors .....	3,600
Total .....		\$134,160

San Francisco State College is proposing the addition of 37 new teachers, making a student-faculty ratio of 19.5 to 1. *We recommend a student-faculty ratio of 22 to 1, which will reduce the number of new teachers by 15, or to 22, saving \$46,350. This will permit an improvement of 8.7 percent over the current ratio of 24.1 to 1.*

#### *Recommendation*

*We recommend a reduction of \$1,200 from administration operating expenses and \$46,350 for 15 proposed teachers, reducing Item 93 from \$635,539 to \$587,989, a reduction of \$47,550.*

#### **For Construction, San Francisco State College**

Item 94, page 18, of the Budget Bill, and page 287 of the Budget. Amount requested, \$9,500 for capital outlay. In addition to this proposed appropriation from the General Fund, San Francisco State College is requesting \$74,250 from the Postwar Employment Reserve, for equipment for postwar construction, and \$100,000 for a site for student dormitories from appropriations made by Chapter 155, Statutes of 1946 (First Extra Session), making a total of \$183,750, proposed to be expended for capital outlay.

The items of proposed expenditures are listed as follows:

	<i>Proposed</i>	<i>Our recommendation</i>
Construction, Improvements, Repairs and Equipment		
Replace flooring in women's gymnasium-----	\$1,250	\$1,250
Installation of hot water lines to women's lavatories and construction of men's lavatory in administration building -----	3,250	3,250
Miscellaneous alterations to structures-----	5,000	5,000
Totals -----	\$9,500	\$9,500

#### *Recommendation*

*We recommend that Item 94 be approved for \$9,500, as requested.*

#### **For Support of San Jose State College**

Item 95, page 18, of the Budget Bill and pages 289 to 297, inclusive, of the Budget. The amount requested is \$1,013,769 for support from the General Fund. In addition to this appropriation, student fees and federal funds for education of veterans bring the total of proposed support to \$1,587,529, which represents an increase of \$846,122, or 114.1 percent over the expenditures for the 1945-46 Fiscal Year of \$741,407, and an increase of \$292,727, or 22.6 percent over the amount of \$1,294,802 allowed for expenditures in the 1946-47 Fiscal Year.

In 1940-41, San Jose State College had an enrollment of 2,521, with support expenditures of \$503,438, and per student costs of \$200. By 1947-48, *proposed enrollment will have increased to 4,650, an increase of 84 percent, while proposed support expenditures are \$1,587,529, up 215.3 percent, and per student costs are \$322, up 61 percent.*

By way of comparison, San Diego State College had per student costs of \$250 in 1941, with enrollment of 1,781. However, with a proposed increase in enrollment of 2,219 for 1947-48 the increase in per student cost would be only \$39. San Jose, with 2,521 students in 1941, and proposed additional 2,129 students in 1947-48 exhibits an increase in per student costs of \$122. In spite of the fact that in 1941 per student costs at San

Jose State College were less than at San Diego State College, in 1947-48 costs at San Jose State College will exceed those of San Diego by more than 10 percent.

The proposed increase of \$846,122 for support for 1947-48 is shown by organization unit in Table I and by object of expenditure in Table II.

**Table I—Analysis of Proposed Expenditures, 1947-48, Compared With 1946-47—Expenditure by Organization Unit**

<i>Organization unit</i>	<i>Actual and estimated 1946-47</i>	<i>Estimated and proposed 1947-48</i>	<i>Increase or decrease from 1946-47</i>	
			<i>Amount</i>	<i>Percent</i>
<b>Expenditures</b>				
Administration -----	\$152,535	\$175,996	\$23,461	15.4
Instruction -----	992,118	1,199,718	207,600	20.9
Maintenance and operation ----	107,955	120,505	12,550	11.6
Totals, regular session ---	\$1,252,608	\$1,496,219	\$243,611	19.4
Summer session -----	42,194	91,310	49,116	116.4
Totals, support -----	\$1,294,802	\$1,587,529	\$292,727	22.6
Expenditures for capital outlay	722,107	260,950	—461,157	—63.9
Total expenditures -----	\$2,016,909	\$1,848,479	—\$168,430	—8.4
<b>Appropriations</b>				
Student fees -----	\$83,090	\$82,290	—\$800	—9.6
From Federal Government for Education of veterans -----	447,860	491,470	43,610	9.7
Item 95 (includes, for 1946-47 all other support appropriations and allotments) -----	763,852	1,013,769	249,917	32.7
Item 96 (includes, for 1946-47 all other support appropriations and allotments) -----	722,107	160,950	—561,157	—77.7
Appropriated by Chap. 155, Stat. of 1946 (182 Ex. Sess.)		100,000	100,000	
	\$2,016,909	\$1,848,479	—\$168,430	—8.4

**Table II—Analysis of Proposed Expenditures, 1947-48, Compared With 1946-47—Expenditures by Object of Expenditure**

<i>Object of expenditure</i>	<i>Actual and estimated 1946-47</i>	<i>Estimated and proposed 1947-48</i>	<i>Increase or decrease from 1946-47</i>	
			<i>Amount</i>	<i>Percent</i>
Salaries and wages -----	\$1,089,929	\$1,365,668	\$275,739	25.3
Operating expenses -----	123,835	150,790	26,955	21.8
Equipment -----	84,218	74,251	—9,967	—11.8
Reimbursements for Vocational Edu- cation Fund -----	—3,180	—3,180		
Total support -----	\$1,294,802	\$1,587,529	\$292,727	22.6
Capital outlay -----	722,107	260,950	—461,157	—63.9
Total -----	\$2,016,909	\$1,848,479	—\$168,430	—8.4
Enrollment, regular session -----	4,250	4,650	400	9.4
Enrollment, summer session -----	1,986	2,620	634	31.9
Per student cost, regular session ----	\$295	\$322	\$27	9.1
Per student cost, summer session ----	21	35	14	66.7

Table I reveals that San Jose State College is requesting an increase of 22.6 percent in support expenditures for 1947-48 compared with an increase in proposed regular session enrollment of only 9.4 percent. It is shown by Table II that the largest part of this proposed increase is in salaries and wages, which are expanded by \$275,739, or 25.3 percent. A request is made for 68 new positions, 45 of which are teachers. Proposed new positions are listed in Table III as follows.

Table III—Analysis of Proposed Expenditures, 1947-48, Compared With 1946-47—Proposed New Positions, 1947-48

<i>No. of positions</i>	<i>Classification</i>	<i>Cost</i>
<b>Administration</b>		
1	Supervising Clerk, Grade I.....	\$2,760
1	Senior Clerk.....	2,280
2	Junior Stenographer-Clerks.....	3,360
1	Intermediate Stenographer-Clerk.....	2,130
	Intermediate Stenographer-Clerk (reclassification of one Junior Stenographer-Clerk).....	190
<b>Instruction</b>		
45	Teachers.....	146,336
	Substitute Teacher.....	1,359
1	Intermediate Stenographer-Clerk.....	2,040
5	Junior Stenographer-Clerks.....	8,400
1	Junior Stenographer-Clerk (part time).....	840
2	Junior Stenographer-Clerks (increased to full time).....	1,845
2	Intermediate Stock Clerks.....	3,840
1	Laboratory Assistant.....	1,920
1	Student Assistant (part time).....	1,140
	Supervising Teacher (part time).....	2,400
1	Junior Librarian.....	2,400
<b>Maintenance and Operation of Plant</b>		
1	Head Janitor.....	2,160
1	Groundsman and Flower Gardener.....	1,920
2	Janitors.....	3,600
68	<b>Totals</b> .....	<b>\$190,920</b>

We recommend the following reductions:

<b>Salaries and wages</b>	
All proposed new and four existing administration clerical positions.....	\$18,880
34 teachers.....	110,564
<b>Operating Expenses</b> .....	<b>35,485</b>
<b>Total</b> .....	<b>\$164,929</b>

*The recommended reduction in administration clerical positions will bring San Jose State College more nearly in line with other state colleges. For example, San Diego State College, with a proposed enrollment of 4,000 compared with 4,650 at San Jose State College, will have only approximately three-fifths of the clerical assistance allowed for San Jose State College.*

San Jose State College is budgeted to receive 45 new teachers based on student-teacher ratio of 19 to 1. We recommend a reduction to 22 to 1, eliminating 34 teachers. The reduction of 34 teachers will bring San Jose State College in line with San Diego, San Francisco and Fresno State Colleges. It will effect a saving of \$110,564.

Likewise, administrative operating expenses should be related to population in the same ratio as other comparable state colleges. We propose a reduction of \$7,485 in administration operating expenses to accomplish this.

For teaching service, which is included in instruction operating expenses, San Jose State College is requesting \$58,500. Teaching service includes consumable supplies used in teaching—ink, erasers, chalk, athletic supplies, laboratory materials, etc. Its cost is directly related to price levels and school population. Comparisons among the state colleges, therefore, can be drawn based on comparative populations. In so doing we find that the request of San Jose State College for \$58,500 for this purpose compares with \$24,500 for San Diego State College. On the basis of comparative college populations San Jose State College should receive \$28,500, or a reduction of \$30,000 from the amount requested. We allow for adjustment and recommend a reduction of \$28,000.

We recommend that Item 95 be reduced from \$1,013,769 to \$848,840, a total reduction of \$164,929 or 16.3 percent.

#### For Construction, San Jose State College

Item 96, page 79 of the Budget Bill and 296-297 of the Budget. Amount requested for construction, improvement and repairs, \$160,950. It is not necessary to make comparison with prior years of the amount requested as it is budgeted as capital outlay and each item should be considered separately. These items are as follows:

Construction, Improvements, Repairs, and Equipment:	Proposed	Amount Recommended
Physics laboratory installation.....	\$5,400	-----
Biology laboratory installation.....	11,800	-----
Physiology and bacteriology laboratory installation.....	5,600	-----
Chemistry laboratory installation.....	14,000	-----
Applied chemistry laboratory installation.....	13,500	-----
Instrument analysis laboratory installation.....	8,000	-----
Chemical engineering laboratory installation.....	13,000	-----
Remodel science building basement rooms for office and stockroom .....	3,800	\$3,800
Storage cases, science building.....	2,850	2,850
Lockers and display cases, science building.....	4,800	-----
Storeroom shelving, attic, science building.....	1,000	1,000
Mezzanine floors in Rooms 224A and 211A.....	800	800
Electrical installations for light and power.....	20,000	-----
Toilet facilities for men in main building.....	5,000	5,000
Construct additional toilet at athletic field.....	8,000	-----
Construct new sidewalks.....	1,500	-----
Provide all buildings with master keys.....	1,800	-----
Remodel dressing room in women's gymnasium.....	3,500	-----
Replant trees and shrubs on campus.....	2,000	-----
Provide two means of egress from Rooms 116, 117, 124, and 139.....	4,000	4,000
Provide exit door for art building and Little Theater.....	1,000	1,000
Build stairway from second floor level of women's gymnasium .....	500	500
Standardize wall fire hose fittings.....	2,500	2,500
Extend water mains and install fire hydrants.....	4,500	4,500
Provide ladders for fire apparatus to the fire hydrants.....	3,000	3,000
Install fire hydrants at athletic field.....	1,500	1,500
Provide exit from northern basement area in science building .....	5,000	5,000
Pump for water well.....	600	600
Street paving .....	12,000	-----
Total .....	\$160,950	\$34,250

We recommend that Item 96 be approved for \$34,250 for the items noted above, and that the remainder, or \$126,700, be set up as Item 96.1 and be deferred until the index number of building costs falls to 350.

In addition to the appropriation proposed in Item 96, San Jose State College is proposing to spend \$100,000 for sites for student dormitories from the appropriation made by Chapter 155, Statutes of 1946 (First Extra Session), and \$36,125 for equipment from the Postwar Employment Reserve, which require no additional appropriations, but which bring total expenditures for capital outlay in 1947-48 to \$297,075.

#### For Support of the California Polytechnic School

Items 97 and 98 of the Budget Bill and pages 298 to 310 of the Budget. Amount requested from the *Fair and Exposition Fund*—\$790,678 for support in Item 97, and \$146,360 for construction improvements, repairs and equipment in Item 98.

The total which it is proposed to spend for support of the California Polytechnic School is \$1,208,483. The balance over the amount appropriated by Item 97 is made up of reimbursements and sale of surplus products in the amount of \$98,329, student fees \$13,005, and receipts from the Federal Government for veterans' education \$306,471. The total not included in the Budget Bill is \$417,805 or 37.63 percent.

#### Recommendations

It is recommended that all receipts from the operation of this school be considered as income and be subjected to appropriation and not as abatements and future Budget Bills include the total to be expended;

That Item 97, for \$790,678, page 19 of the Budget Bill be reduced by \$131,960 or 16.69 percent to \$658,718;

That the Voorhis Unit of California Polytechnic School be discontinued at the close of the fiscal year, and the property turned over to the Youth Authority for a boys' school;

That Item 98 be reduced by \$36,500 or 24.9 percent to \$109,860.

The following adjustments to the schedule in Item 97 are recommended:

Table I—Recommended Reductions in Expenditures

	Proposed	Reduce by	Percent	To
(a) Salaries and wages -----	\$929,447	\$62,768	6.75	\$866,679
(b) Operating expenses -----	157,145	3,825	2.43	153,320
(c) Equipment -----	121,891	66,289	54.38	55,602
Totals -----	\$1,208,483	\$132,880	10.96	\$1,075,603
Less: Estimated reimbursements for services to employees, to activities supported from other funds, and to other agencies, and from sale of surplus products -----	98,329	920	.94	97,409
Estimated student fees appropriated by Education Code, Section 203441 -----	13,005	---	--	13,005
Estimated receipts from Federal Government for education of veterans, appropriated by Education Code, Section 203441 -----	306,471	---	--	306,471
Net Appropriation -----	\$790,678	\$131,960	16.69	\$658,718



### Basis for Budget Estimates

The Budget for California Polytechnic School is based upon an estimated enrollment of 2,833 students in 1947-48. This is an increase of 1,024 or 56.6 percent over the 1,809 students in 1946-47. *The estimated increase is out of proportion to the average increase of 8.62 percent at other schools at the college level in California.* (University of California estimates an increase of 6.78 percent.)

Proposed expenditures for instruction, maintenance and operation of plant and equipment are related to the estimated enrollment. Any lower enrollment will increase the per capita cost enormously, because most of the expenses contemplated are relatively fixed, and will not decrease with lower enrollment.

Table II—Statistical Summary—by Object of Expenditure

<i>Object</i>	<i>Estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount    Percent</i>	
Salaries and wages				
Positions now authorized-----	\$643,383	\$700,502	\$57,119	8.88
Estimated salary savings-----	-----	—1,000	—1,000	
Merit salary adjustments-----	-----	19,969	19,969	
Proposed new positions-----	-----	209,976	209,976	
 Total salaries and wages-----	 \$643,383	 \$929,447	 \$286,064	 44.46
Operating expenses -----	128,765	157,145	28,380	22.04
Equipment -----	83,899	121,891	37,992	45.28
 Totals -----	 \$856,047	 \$1,208,483	 \$352,436	 41.17

### Salaries and Wages

The 44.46 percent increase in salaries and wages is comparable to the estimated enrollment increase of 56.6 percent. *With the recommended reduction of salaries and wages from the proposed \$929,447 to \$866,679, the recommended increase over 1946-47 will still be \$223,296, or 34.71 percent.* The school should be able to make appreciable savings in salaries and wages per capita with the larger enrollment anticipated.

Table III—Analysis of Salaries and Wages

	Estimated 1946-47	Proposed 1947-48	Increase or decrease Amount Percent	
Administration	\$101,774	\$143,001	\$41,227	40.51
San Luis Obispo instruction	403,349	591,417	188,068	46.63
Maintenance and operation of plant	58,614	71,620	13,006	22.18
San Luis Obispo farm	26,199	33,595	7,396	28.23
Voorhis unit instruction	41,977	74,765	32,787	78.11
Maintenance and operation of Voorhis plant	9,218	11,800	2,582	28.01
Voorhis unit farm	2,252	3,250	998	44.32
Total	\$643,383	\$929,447	\$286,064	44.46

It may be seen in Table III that the largest increase in salaries and wages is for instruction and administration at San Luis Obispo and for instruction at the Voorhis Unit. *We are recommending the complete elimination of the new positions at the Voorhis Unit, and since some of the load will thereby be shifted to San Luis Obispo, no change in the proposed instruction at San Luis Obispo is recommended.*

The reduction in administrative salaries is supported by the following data: *Administrative costs are 16.04 percent of instruction costs.* At other state colleges, the ratio is 13.93 percent (San Francisco State), and 13.8 percent (San Diego State). The fact that this is a vocational school and therefore might have a higher administrative ratio should be equalized by the larger instructing staff and equipment required by the vocational type of training.

Taking 13.9 percent as a reasonable ratio of administrative costs to instruction costs, California Polytechnic would be entitled to \$93,878. The amount recommended for administration after elimination of positions enumerated below is \$92,056. Additional administrative services are rendered for the Bureau of Agricultural Education for which an abatement of \$33,172 is expected, and for the California Polytechnic Foundation with an abatement of \$6,330. We are reducing the salaries considered unnecessary by the total of these two in order that the school may continue to render these services.

Table IV—Salaries Considered Unnecessary for Administration

California Polytechnic School

Pro- posed No.	Recom- mended in No.	Title	Salary From	To	Reduction
1	(salary only)	Comptroller	\$5,100	\$4,080	—1,020
1	1	Secretary to President	1,500	0	—1,500
1	1	Senior Stenographer-Clerk (P.T.)	1,440	0	—1,440
13	7	Intermediate Stenographer-Clerks	28,080	15,120	—12,960
2	2	Intermediate Stenographer- Clerks (P.T.)	2,160	0	—2,160
8	8	Junior Stenographer-Clerks	13,440	0	—13,440
3	3	Junior Stenographer-Clerks (P.T.)	3,000	0	—3,000
4	4	Junior Typist Clerks	7,080	0	—7,080
2	1	Bookkeeper, Grade III	6,900	3,450	—3,450
1	1	Bookkeeper, Grade I	2,520	0	—2,520
2	1	Intermediate Account Clerk	4,080	2,040	—2,040
1	1	Placement Secretary (new)	3,000	0	—3,000
1	1	Director of Guidance (new)	4,800	0	—4,800
1	1	Senior Clerk (new)	2,280	0	—2,280
1	1	Intermediate Stenographer-Clerk (new)	2,040	0	—2,040
3	3	Junior Stenographer-Clerk (new)	5,040	0	—5,040
1	1	Intermediate Clerk (new)	1,920	0	—1,920
1	1	Junior Account Clerk (new)	1,680	0	—1,680
Subtotal					—\$71,370
Less:					
Bureau of Agriculture Education for clerical assistance			\$33,172		
California Polytechnic Foundation for accounting services			6,330		
Reimbursement for administration					\$39,502
Net reduction of salaries recommended					—\$31,868

*Operating Expenses*

The cost of operating the school plant has increased from \$128,765 in 1946-47 to \$157,145 proposed for 1947-48. This is an over-all increase of operating expenses of \$28,380, or 22.04 percent.

The largest increase appears in the cost of instruction at San Luis Obispo, \$43,512, a 53.17 percent increase over the \$28,408 required in

1946. Most of this increase originates in the teaching of industrial subjects.

Instruction at the Voorhis Unit likewise shows a larger percentage of increase. *We are recommending that this increase not be allowed and that the San Luis Obispo Unit absorb the instruction given at the Voorhis Unit as well as the operating costs.*

Table V—Analysis of Operating Expenses

Function	Estimated 1946-47	Proposed 1947-48	Increase	
			Amount	Percent
Administration -----	\$18,767	\$19,998	\$1,231	6.56
San Luis Obispo instruction -----	28,408	43,512	15,104	53.17
Maintenance and operation of plant -----	49,860	56,200	6,340	12.72
Farm -----	12,545	14,425	1,880	14.99
Voorhis, instruction -----	5,700	7,960	2,260	39.65
Voorhis, maintenance and operation of plant -----	9,285	10,450	1,165	12.55
Voorhis farm -----	4,200	4,600	400	9.52
Totals -----	\$128,765	\$157,145	\$28,380	22.04

### Equipment

The cost of equipment desired by the school in 1947-48 is \$121,891. The school has acquired the following amounts of equipment in the last 10 years:

Table VI—Equipment Costs, 1937 to 1947

1937-38	Actual -----	\$11,119	92
1938-39	Estimated -----	9,965	00
1939-40	Actual -----	14,109	72
1940-41	Estimated -----	16,300	00
1941-42	Actual -----	8,635	98
1942-43	Estimated -----	2,657	00
1943-44	Actual -----	3,932	15
1944-45	Estimated -----	1,370	00
1945-46	Actual -----	6,576	53
1946-47	Estimated -----	83,899	00
Total -----		\$158,565	30

Table VII—Analysis of Proposed Equipment Costs

Function	Estimated 1946-47	Proposed 1947-48	Increase	
			Amount	Percent
Administration -----	\$2,138	\$2,516	\$378	17.68
Instruction -----	30,137	56,555	26,418	87.66
Maintenance of plant -----	14,235	24,379	10,144	71.26
Farm -----	21,394	5,495	—15,899	—74.31
Voorhis instruction -----	3,570	14,713	11,143	312.13
Voorhis maintenance -----	5,075	12,658	7,583	149.42
Voorhis Farm -----	7,350	5,575	—1,775	—24.15
Totals -----	\$83,899	\$121,891	\$37,992	45.28

Table VII shows the proposed expenditures for equipment distributed by function. The proposed expenditures show an over-all percentage increase comparable to the increase in enrollment. However, all functions except administration and the two farms show increases out of proportion to the increase in enrollment.

Included in the list of capital outlay for the school are items of equipment, totaling \$68,260. This makes a grand total to be spent for equipment in 1947-48 of \$190,151. Adding to this the \$83,899 allocated for expenditure in 1946-47, the new equipment for this school in the period 1946-48 will be \$274,050.

*We recommend that the amount requested for equipment in Item 97, \$121,891 be reduced by \$71,460, or 58.63 percent, as shown in Table VIII.*

We do not believe the expenditure warranted which is requested for extensive operative equipment for the purpose of giving students actual experience in a trade or technical field such as a printing plant. Large expenditures are being made for "in-service" training through other channels at this time. The giving of such actual experience at this school imposes an unreasonable cost for its support.

Table VIII—Recommended Reduction in Equipment

	Proposed 1947-48	Recommended 1947-48	Recommended Decrease	
			Amount	Percent
San Luis Obispo				
Administration -----	\$2,516	\$920	\$—1,596	—63.43
Instruction -----	56,555	34,108	—22,447	—48.83
Plant maintenance -----	24,379	15,079	—9,300	—38.15
Farm -----	5,495	5,495	—	—
Voorhis Unit				
Instruction -----	14,713	—	—14,713	—100.00
Plant maintenance -----	12,658	—	—12,658	—100.00
Farm -----	5,575	—	—5,575	—100.00
Totals -----	\$121,891	\$55,602	\$—66,289	—54.38

#### Voorhis Unit

*We recommend a decrease of \$67,671 in the amount it is proposed to allocate to the Voorhis Unit. This would allocate \$68,779 to the support of the unit for the year without permitting increases in staff or additional equipment.*

*The operation of the Voorhis Unit is economically unjustifiable. In the past, there have been not more than 150 students enrolled in the courses given at the Voorhis Unit. In 1946 there were 240, which exceeds the capacity of the buildings and if continued, will require major additions. The courses given at the Voorhis Unit at San Dimas cover fruit production, ornamental horticulture, and agricultural inspection.*

*The entire ornamental horticulture course is given at both San Luis Obispo and San Dimas.*

Of the fruit production courses, only the first two years of the degree course and the two-year technical certificate course are given at San Dimas. The course is divided into two fields, either deciduous fruit production or citrus fruit production. There are at San Dimas 20 acres of oranges, five acres of avocados, five acres of assorted deciduous fruits and two acres of grapes. A small nursery of citrus, avocados, and deciduous plantings is operated. *The only course for which San Dimas might be considered to be more suitably located is citrus fruit production. Since this field composes only one-sixth of the courses given, it is doubtful*

that more than 40 students benefit from such location. Plantings of deciduous fruits and citrus fruits are maintained at San Luis Obispo, as well as at San Dimas.

The course in agricultural inspection is one of the three major courses. The argument advanced for teaching this course at San Dimas is its proximity to the Los Angeles fruit and vegetable markets. This is only a small part of the inspection the student should learn; a larger part of inspection is usually performed at packing houses near growers' locations, at quarantine stations and at shipping points. San Luis Obispo is as well located for this purpose as San Dimas.

*The amount of teaching which can be done better at San Dimas than at San Luis Obispo is so small that it does not warrant the additional expense of keeping the school open and making the necessary repairs and improvements.* The cost of instruction, operating expense and equipment for 240 students at San Dimas is \$136,450—a per capita cost of \$568.54 compared with \$391.87 at San Luis Obispo for 1947-48. In addition to current operating costs, considerable expense for capital improvements will be necessary to make the Voorhis Unit suitable for more than 150 students.

The State does not have a large investment in the Voorhis Unit at present. The Voorhis Unit has been closed during the war. While closed, its maintenance has cost the following amounts:

1943 -----	\$5,675 93
1944 -----	7,515 00
1945 -----	2,399 26

The unit was to reopen in the Fall of 1946. Equipment for the unit is estimated and proposed in the following amounts:

Table IX—Estimated and Proposed Equipment Purchases for the Voorhis Unit

	1946-47	1947-48	Total
Instruction equipment -----	\$3,570	\$14,713	\$18,283
Maintenance and operating equipment -----	5,075	12,658	17,733
Farm equipment -----	7,350	5,575	12,925
Totals -----	\$15,995	\$32,946	\$48,941

It is proposed to spend \$36,500 in construction and improvements to the Voorhis Unit in 1947-48, plus the \$37,750 estimated to be spent in 1946-47. The total for the two years spent or to be spent for equipment, construction and improvements at the Voorhis Unit is \$85,441. *These sums could be better expended on equipping the San Luis Obispo campus to handle the courses now being given at San Dimas and saving amounts which would otherwise be spent on duplicate equipment for the San Dimas campus.*

The following amounts have been spent in the past for equipment, construction, and improvements on the Voorhis Unit:

Table X

Year	Instruction and equipment	Maintenance and operation equipment	Construction and improvements	Total
1938-39 -----	\$413 20	\$4,461 28	-	\$4,874 48
1939-40 -----	314 08	195 19	-	509 27
1940-41 -----	557 94	287 18	-	845 12
1941-42 -----	456 15	399 29	\$1,062 78	1,918 22
1942-43 -----	71 51	-	5,000 00	5,071 51
1943-44 -----				
Totals -----	\$1,812 88	\$5,342 94	\$6,062 78	\$13,218 60

*It is believed that the expenditure of \$85,441 for equipment and improvements is not a good investment.*

*We recommended in the report made in 1945 to the Joint Legislative Budget Committee that the Voorhis Unit be turned over to the California Youth Authority. No action in this direction has been taken thus far. We strongly urge this move as an economy measure which will more fully utilize the existing facilities at less cost to the taxpayers.*

The California Youth Authority is at present negotiating for a site for a school to house 250 boys. They are planning to spend \$45,000 for a deactivated Army Camp near Paso Robles. From the description of their requirements, the Voorhis Unit would be suitable for this purpose.

#### For Support of the California Polytechnic School—Drug and Oil Plant Project

Item 99, page 20, of the Budget Bill and pages 311 and 312 of the Budget requests appropriation of \$120,003 for support of the project from the *Fair and Exposition Fund*.

*We recommend that no appropriation be made to California Polytechnic for support of this project. That the research division of the College of Agriculture at the University of California should be given jurisdiction over the project to continue or liquidate the program as their policy determines.* Item 119 of the Budget Bill for 1947-48 appropriates \$1,560,455 for Agricultural Research.

The Drug and Oil Plant Project started as a small venture at the California Polytechnic School in the 1941-42 Fiscal Year with the expenditure of \$1,537. This included \$900 for the salary of the director, \$7 for experimental expense, and \$630 for travel.

\$8,833 was budgeted for the 1942-43 Fiscal Year. It was proposed to terminate the program at the close of the 1942-43 Fiscal Year, and no funds were set up in the Budget for the work. An appropriation of \$35,000 was made by Chap. 1064, 1943, to be effective under the emergency clause.

In 1943-44 \$15,033.23 was expended for support, with estimated expenditures of \$17,115 for 1944-45. It was proposed to spend \$35,000 in the 1945-47 biennium. Assembly Bill No. 500, the Budget Act of 1945, appropriated \$35,000 for support of this program.

At the time Assembly Bill No. 500 was under consideration, this item was presented as a war project, and it was anticipated that it could be terminated by June 30, 1946.

Assembly Bill No. 80 of the Fifty-sixth (First Extraordinary) Session appropriated \$110,000 to the California Polytechnic School for the

Ninety-seventh and Ninety-eighth Fiscal Years "for the planting and the cultivation of herbs and plants on a scale sufficient to permit the utilization of their resins, gums, and oils for medicinal, perfume, and other purposes in quantities sufficient to determine the possibilities of their commercial production in this State."

Item 99 of the Budget Bill proposes to appropriate \$120,003 for support of the project. The program as contemplated by the director includes expansion of the plant program as follows:

- A. Plantings on present acreage:
  - 1. Arroyo Grande Mesa (1,000 acres) plan to plant 435,000 Eucalyptus trees.
  - 2. 300 of an additional 435 acres now under lease are being prepared for immediate planting of 179,000 plants now in plant bands.
- B. Proposed increases in acreage:
  - 1. 1,000 acres for Acacia plants (for production of tannin and wood pulp).
  - 2. 1,000 acres near Willits for 435,000 lavender plants (plants donated by Federal Government).

There are several reasons why this project, if economically justifiable at all, should be under the jurisdiction of the University of California. The California Polytechnic School was established to furnish training in the arts and sciences. As long as the project was carried on as a phase of training, it was consistent with the objective of the school. The expansion of the project with the funds appropriated by Assembly Bill No. 80 has put the project in a purely research category. The University of California has an already established division for the conduct of research in the entire field of agriculture which by Item 119 mentioned above will be expanded greatly. The continuation of a separate research organization, with its duplication of facilities, staff, and results, is a waste of the taxpayers' money. The proposed expansion is on such a scale that the State will have considerable money invested with no assurance that results will contribute to agriculture or industries in California. As the central authority in the State of California for conduct of research in the field of agriculture, the decision as to whether the project is desirable, should be in the hands of the University authorities.

With the termination of the war, the need for a substitute source of resins, gums, and oils disappeared. Benefits from the projects if any will accrue to a few individuals. The facilities of the University of California are better adapted to the distribution and use of information resulting from such research.

Table I—Comparison of Expenditures by Object

Object	Estimated 1946-47	Proposed 1947-48	Increase	
			Amount	Percent
Salaries and wages-----	\$50,359	\$60,383	\$10,024	19.90
Operating expenses-----	48,315	52,620	4,305	8.91
Equipment-----	15,033	7,000	7,967	53.06
Totals-----	\$113,707	\$120,003	\$6,362	5.59

Table II—Comparison of Expenditures for Support of the Drug and Oil Plant Project for the Fiscal Years 1941 to 1948

	<i>Actual</i> 1941-2	<i>Estimated</i> 1942-3	<i>Actual</i> 1943-4	<i>Estimated</i> 1944-5	<i>Actual</i> 1945-6	<i>Estimated</i> 1946-7	<i>Proposed</i> 1947-8
Total Salaries and Wages-----	\$900	\$3,200	\$9,823	\$10,415	\$9,866	\$50,359	\$60,383
Operating expenses							
Experimental-----	\$7	\$1,274	---	---	---	---	---
Office supplies-----		225	---	---	\$52	\$300	\$400
Traveling-----	630	1,845	\$3,335	\$3,900	579	5,500	5,000
Telephone and telegraph-----		383	466	600	494	1,750	1,100
Freight and express-----		1,065	30	120	73	1,250	1,500
Printing and mimeographing-----		137	108	120	57	775	500
Postage-----		312	110	140	75	240	300
Office rent-----		310	510	540	825	1,980	1,980
Ground rent-----		---	---	50	---	---	---
Analysis-----		---	222	240	85	240	300
Experiment materials-----		---	340	810	833	6,000	8,000
Truck and equipment operation-----		---	---	---	---	8,400	11,000
Light, heat and power-----		---	---	---	---	160	200
Laboratory rental-----		---	---	---	---	780	1,200
Ground preparation-----		---	---	---	---	15,000	15,000
Membership fees-----		---	---	---	20	20	20
License-----		---	---	---	20	20	20
Ground rental-----		---	---	---	---	3,300	4,000
Laboratory equipment rental-----		---	---	---	---	600	1,200
Pulping tests-----		---	---	---	---	2,000	---
Maintenance of equipment-----		---	---	---	---	---	900
Total operating expenses-----	\$637	\$5,551	\$5121	\$6,520	\$3,113	\$48,315	\$52,620
Equipment							
Books-----	---	\$60	---	---	---	---	---
Tools-----	---	22	---	---	---	---	---
Experimental-----	---	82	---	---	---	---	---
Totals, equipment-----	---	\$164	\$89	\$180	\$74	\$15,033	\$7,000
Grand totals-----	\$1,537	\$8,915	\$15,033	\$17,115	\$13,053	\$113,707	\$120,003



Table III—Comparison of Staff of the Drug and Oil Plant Project for the Years 1941 to 1948

<i>Positions</i>	<i>Actual 1941-2</i>	<i>Estimated 1942-3</i>	<i>Actual 1943-4</i>	<i>Estimated 1944-5</i>	<i>Actual 1945-6</i>	<i>Estimated 1946-7</i>	<i>Proposed 1947-8</i>
Director -----	1	1	1	1	1	1	1
Assistant Director -----	---	1	1	1	1	---	---
Director of Field Operations -----	---	---	---	---	---	1	1
Chemist -----	---	1	---	---	---	---	---
Intermediate Stenographer Clerk -----	---	1	1	1	1	3	3
Essential Oil Chemist -----	---	---	---	---	---	1	1
Analytical Organic Chemist -----	---	---	---	---	---	1	1
Assistant Analytical Organic Chemist -----	---	---	---	---	---	1	1
Botanist and Taxonomist -----	---	---	---	---	---	1	1
Botanist and Taxonomist (Part Time) -----	---	---	---	---	---	1	1
Nurseryman -----	---	---	---	---	4	4	4
Heavy Tractor Operator -----	---	---	---	---	---	1	1
Bookkeeper, Grade 1 -----	---	---	---	---	---	1	1
Total Positions -----	1	4	3	3	7	16	16

#### For Support of the California Maritime Academy

Item 100, page 20 of the Budget Bill, pages 313 to 318 of the Budget proposes expenditures of \$299,523 for support; *\$274,523 to be paid from the General Fund and appropriated student fees, and \$25,000 from federal contributions. The net appropriation is \$227,663 from the General Fund.*

#### Recommendation

We recommend that a survey of the industry's need for graduates of the school, and the capacity of the school to fill that need, be made and submitted with the next annual budget request.

*That every effort be made to keep the enrollment at the maximum capacity of the facilities, and if the need for graduates is found to be greater than the present capacity of the school can supply, that the school be expanded.*

That the fee to cover part of the cost of the annual cruise, board and lodgings and uniforms and equipment, as set forth in Section 21155 of the Education Code, be raised from \$225 a year to \$400 a year, including any amounts received for such purpose from the Federal Government. That the nonresident fee prescribed by Section 21156 of the Education Code be raised from \$500 to \$675 per year.

If the Legislature feels that the cost of operating this school is too high, we believe that certain reductions in salaries and wages can be made without impairing the quality of the educational service rendered. These reductions total \$26,420 or 11.60 percent of the appropriation and would reduce the amount to be appropriated from \$227,663 to \$201,243.

#### Cost of Operation

There are two features of this school which set it apart from other schools and render comparison difficult. The school is a resident school, and a ship of 6,740 tons is operated to give the students practical experience at sea.

The per student cost is estimated to be \$2,269.11 in 1947-48. This estimate is based upon an anticipated enrollment of 132 students.

*In 1946-47 the enrollment was 86 students and the per student cost \$2,646.51.*

The cost per year for administration, instruction, and maintenance and operation of base, that is excluding cost of subsistence and of the operation of the ship, which would be nearly comparable to the cost of a nonresident school, will be \$119,020. With 132 students in attendance, the *per capita cost would be \$901.66.*

Applying the suggested savings to the costs limited to three expenditure functions shown above, the cost would be \$100,220 with a per student cost of \$749.24. This is comparable to the \$676.11 at the University of California, \$355.79 at San Francisco State College, and \$391.87 at California Polytechnic School.

The additional cost of subsistence and the cost of maintaining and operating the ship including the annual cruise are responsible for the high per capita cost. Support and subsistence is \$90,905 or 30.35 percent of the proposed expenditure for support. Maintenance and operation of the ship is \$89,598, or 29.91 percent. Together they comprise 60.26 percent of the cost of support.

The capacity of the school at present is 132 students. The course of study is from 26 months to three years, depending on the date of entry of the student (an accelerated course was conducted during the war). Entrance requirements conform to United States Navy standards. On graduation, students can be commissioned in the United States Naval Reserve.

The administration of the school, acting on advice from maritime unions and shipping interests considers that 40 graduates a year is the maximum the shipping industry can absorb.

While at the academy, the students receive \$65 per month from the Federal Government. The Federal Government also pays \$225 per year (75 cents per day) for subsistence of each student. The student is required to pay \$130 per year. The increased fee recommended would require the student to pay \$175 a year if the Federal Government continues its present support by contributing 75 cents per day for the subsistence of the student. We believe the quality of the training given at this school calls for a greater contribution by the student. He receives subsistence at less than it would cost him to live elsewhere, is paid \$65 a month while in training, and on graduation is sure (almost without exception) of a job as third assistant engineer or third mate in the Merchant Marine. These positions paid \$200 or more prior to 1941 and currently are paying upward of \$300 a month. One extended cruise will net the graduate enough to pay for his education.

### *Statistical Summary*

The following statistical summary shows the distribution of increases over 1946-47 actual and estimated costs by object of expenditure:

Table I

Object	Estimated and actual 1946-47	Proposed 1947-48	Increase	
			Amount	Percent
Salaries and wages.....	\$140,450	\$174,900	\$34,450	24.52
Operating expenses .....	86,600	123,650	37,050	42.78
Equipment .....	6,550	7,973	1,423	21.73
Total .....	\$233,600	\$306,523	\$72,923	31.22
Less refunds for maintenance furnished employees .....	—\$6,000	—\$7,000	—\$1,000	
Total for support.....	\$227,600	\$299,523	\$71,923	31.60

### Potential Savings

*The estimated per student cost of operating the school in 1947-48 is \$2,269.11. In 1941-42 the per student cost was \$733.17.*

The standards of the plant and instruction, as represented by this Budget, provide a thorough and excellent course in navigation and seamanship and marine and electrical engineering. We believe the continuance of these standards is desirable. *It is our opinion that savings of \$26,420 can be made without materially lowering these standards.* In view of the high per capita cost of the course, the possibility of even higher per capita costs if the enrollment does **not** increase from the present 86 students to the 132 capacity of the school, and the advantages which a graduate of this school enjoys, we believe these savings should be made, and every effort made to effect greater savings.

We suggest that the savings be applied against *salaries and wages* as shown in Table II.

Table II—Recommended Reduction in Salaries and Wages

	Proposed 1947-48	Recommended reduction	Percent of reduction	Recommended amount
Administration .....	\$24,060	—\$7,800	32.42	\$16,260
Instruction .....	46,435	—4,140	8.92	42,295
Support and subsistence...	43,205	—7,620	17.64	35,585
Maintenance and opera- tion of base.....	26,140	—6,860	26.24	19,280
Maintenance and opera- tion of the ship.....	35,060	---	---	35,060
Total .....	\$174,900	—\$26,420	15.11	\$148,480

The items which make up the suggested changes in the proposed budget of the Maritime Academy are discussed below.

*Administration*—There are seven positions established to administer the institution, its estimated 132 students, and 63 employees. Administrative work is also performed by an Intermediate Typist Clerk carried under Instruction, a Supply Officer under Support and Subsistence, and a Commanding Officer of the ship. *This makes a total of 10 persons doing administrative work.*

*We recommend the elimination of three positions, with a saving of \$7,800.* The positions suggested for elimination are:

1 Intermediate Typist Clerk.....	\$2,400
1 Institution Storekeeper, Grade 2.....	3,000
1 Intermediate Account Clerk.....	2,400

The duties of these positions could be handled by the remaining Stenographer Clerks, Institution Bookkeeper and the Supply Officer.

*Instruction*—We suggest that the position of Commandant of Midshipmen at \$4,140 be abolished. The duties of this position could be handled by one of the other watch officers and an instructor could stand this watch.

*Support and Subsistence*—We suggest the elimination of one Chief Commissary Steward at \$3,000, one Ship's Cook Second Class at \$2,340, and one Chief Mess Attendant at \$2,280.

*Maintenance and Operation of Base*—We suggest the elimination of one Janitor at \$1,940, one Institution Carpenter at \$3,060, and one Assistant Institution Grounds Man at \$1,860, and the change in classification of one Watchman to Watchman-Janitor at the same salary.

*Student Fees*—The Federal Government pays 75 cents per day for the subsistence of each student. This totals \$29,700 per year for 132 students. The amount set up in the Budget for support and subsistence of the students is \$90,285. With the suggested savings this can be reduced to \$83,285. By raising the amount required to be paid by the student for subsistence to \$400 a year, the amount allocated to subsistence could be distributed as follows:

From United States Government.....	\$29,700
From students .....	23,100
Balance from state for subsistence.....	30,485
	<hr/>
	\$83,285

The support and subsistence function includes only costs of messing, quartering, laundry, and medical attention aboard ship. The amount spent for these purposes is subject to considerable personal discretion. Per capita cost of food, as proposed, is \$344.28 per year. The cost of the other services included in subsistence is \$344.39 per student a year, a per capita cost of \$688.67 a year. To defray these costs, the federal allowance and student fees will amount to \$355.28 per student. The present Budget proposes to permit the California taxpayers to pay the \$333.44 extra cost of food and services for the students, as well as for their instruction and maintenance of the school and ship.

**For Support of the California School for the Blind, Berkeley**

Item 101, pages 20 and 21 of the Budget Bill, and pages 320 to 323, inclusive of the Budget. Amount requested \$221,015 for support from the General Fund.

This represents an increase of \$59,023, or 36.4 percent over expenditures of \$161,992 for the Fiscal Year 1945-46; and an increase of \$11,083, or 5.3 percent over the amount of \$209,932 allowed for expenditures in the 1946-47 Fiscal Year.

**Statistical Summary**

The summary below shows the distribution of increases as requested, totaling \$11,083, by object of expenditure:

**Table I**

<i>Object</i>	<i>1946-47</i>	<i>1947-48</i>	<i>Increase or decrease</i>	
			<i>Amount</i>	<i>Percent</i>
Salaries and wages-----	\$156,092	\$169,530	\$13,438	8.6
Operating expenses -----	60,450	63,985	3,535	5.8
Equipment -----	14,092	8,960	—5,132	—36.4
Less reimbursements -----	20,702	21,460	758	3.7
<b>Total -----</b>	<b>\$209,932</b>	<b>\$221,015</b>	<b>\$11,083</b>	<b>5.3</b>

These expenditures are further broken down as to function and by object within the functions. Table II below shows the breakdown.

**Table II**

<i>Function and object</i>	<i>1946-47</i>	<i>1947-48</i>	<i>Increase or decrease</i>	
			<i>Amount</i>	<i>Percent</i>
<b>Administration</b>				
Salaries and wages-----	\$21,400	\$23,390	\$1,990	9.3
Operating expenses -----	2,075	2,200	125	6.0
Equipment -----	672	150	—522	—77.7
<b>Total administration -----</b>	<b>\$24,147</b>	<b>\$25,740</b>	<b>\$1,593</b>	<b>6.6</b>
<b>Support and subsistence</b>				
Salaries and wages-----	\$22,460	\$24,230	\$1,770	7.9
Operating expenses -----	36,225	33,735	—2,490	—6.9
Equipment -----	7,763	5,205	—2,558	—33.0
<b>Total -----</b>	<b>\$66,448</b>	<b>\$63,170</b>	<b>—\$3,278</b>	<b>—4.9</b>
Less reimbursements for employee's maintenance -----	4,280	4,460	180	4.2
<b>Net total support and subsistence--</b>	<b>\$62,168</b>	<b>\$58,710</b>	<b>—\$3,458</b>	<b>—5.6</b>
<b>Instruction and care</b>				
Salaries and wages-----	\$85,262	\$94,810	\$9,548	11.1
Operating expenses -----	6,400	6,950	550	8.6
Equipment -----	3,864	2,388	—1,476	—38.2
<b>Total instruction and care-----</b>	<b>\$95,526</b>	<b>\$104,148</b>	<b>\$8,622</b>	<b>9.0</b>
<b>Maintenance and operation</b>				
Salaries and wages-----	\$23,370	\$23,500	\$130	.6
Operating expenses -----	14,750	19,900	5,150	34.9
Equipment -----	1,793	1,217	—576	—32.1
Less reimbursements from School for the Deaf -----	16,422	17,000	578	3.5
<b>Total maintenance and operation</b>	<b>\$23,491</b>	<b>\$27,617</b>	<b>\$4,126</b>	<b>17.6</b>
<b>Field work</b>				
Salaries and wages-----	\$3,600	\$3,600	-----	---
Operating expenses -----	1,000	1,200	\$200	20.0
<b>Total field work-----</b>	<b>\$4,600</b>	<b>\$4,800</b>	<b>\$200</b>	<b>4.3</b>

Salaries and wages comprise the biggest item for the support of the School for the Blind, \$169,530. Particularly is this true of salaries and wages for support and subsistence, \$24,230, and instruction and care, \$94,810. *This type of student needs much more constant and specialized care than in any other type of institution. The deaf-blind students require even more care than do the blind students. For each two deaf-blind students, a team composed of a teacher and a house mother are needed, so that the ratio of custodians to inmates is 1 to 1.*

Temporary help increased from \$1,350 to \$1,500 in 1947-48, an increase of \$150 or 11.7 percent.

Salary increases in each function of the school will be shown. Total salary increases total \$13,438, or 8.6 percent over 1946-47 expenditures of \$156,092.

Total operating expenses for 1947-48 are \$63,985, an increase of \$3,535, or 5.8 percent over 1946-47.

Equipment requests total \$8,960, or a decrease of \$5,132 or 36.4 percent below actual and estimated expenditures for 1946-47.

#### ADMINISTRATION

##### *Salaries and Wages*

Increases totaling \$1,990, or 9.3 percent, are caused by merit salary adjustments, \$90, *and one new position of Intermediate Account Clerk, \$1,920. From this is deducted a decrease of \$20 in salaries for existing positions.*

##### *Operating Expenses*

The increase for operating expenses, \$125, or 6 percent, is composed of increases of \$25 for postage and \$100 for automobile expenses.

##### *Equipment*

Decreases for equipment total \$522, or 77.7 percent.

#### SUPPORT AND SUBSISTENCE

##### *Salaries and Wages*

Merit salary adjustments of \$620 and general salary increases of \$350 with a decrease in salary savings of \$800 produce an increase of \$1,770, or 7.9 per cent. No new positions are requested.

##### *Operating Expenses*

Decreases in operating expenses for support and subsistences total \$2,490, or 6.9 percent below 1946-47. Feeding costs are reduced \$3,625, or 12.9 percent under 1946-47 which is in line with estimates of the Department of Finance.

##### *Equipment*

Decreases for equipment total \$2,558, or 33 percent.

## INSTRUCTION AND CARE

### *Salaries and Wages*

Merit salary adjustments of \$1,658, general salary increases of \$850, three new positions requested totaling \$6,840, and a decrease of \$200 in salary savings makes an increase of \$9,548, or 11.1 percent.

The new positions requested are one Braille librarian, one teacher, and one group supervisor. The school has received a subsidy from the Federal Government consisting of Braille and talking books. The librarian is requested to keep this material in order. *The teacher and group supervisor are requested on a permanent basis so as to handle two more deaf-blind students.* The positions are on a temporary basis now to handle seven deaf-blind students. *With these two positions up to eight deaf-blind students could be accommodated.*

*By Section 20949 of the Education Code, all out-of-state blind students must make payment for maintenance, care, and instruction. This provision has been applied to the deaf-blind as well.*

The figure used to estimate revenues from *tuition* for out-of-state students has been fixed at \$1,600 a year. However, *per student costs* for deaf-blind students have increased until the estimated cost for 1947-48 is \$2,768 per student. There is a \$1,168 differential that must be made up from the General Fund to cover the costs of the student.

Per student costs are shown in Table III below:

Table III

	<i>Fiscal year</i>	<i>Average student enrollment</i>	<i>Cost per student</i>
Actual -----	1945-46	6	\$2,136
Actual and estimated -----	1946-47	7	2,352
Estimated -----	1947-48	8	2,768

It is estimated that three out-of-state deaf-blind students will be in residence at the School for the Blind in 1947-48.

### *Operating Expenses*

Increases requested total \$550 or 8.6 percent over 1946-47. Medical care increases \$150 and teaching \$400.

### *Equipment*

Decreases in equipment total \$1,476, or 38.2 percent.

## MAINTENANCE AND OPERATION

### *Salaries and Wages*

Increases for salaries and wages for maintenance and operation total \$130, or .6 percent, due to merit salary adjustments of \$200 and a decrease of \$70 in salaries of existing positions.



### *Operating Expenses*

Increases for operating expenses by maintenance and operation total \$5,150, or 34.9 percent over 1946-47 consisting of repairs to existing structures, maintenance of the buildings and grounds and public utilities.

### *Equipment*

Decreases in equipment total \$576, or 32.1 per cent.

## FIELD WORK

### *Salaries and Wages*

The salary of the field worker is fixed by Statutes 1943, Ch. 906, at not less than \$3,000 a year rather than at the salary range shown in the Budget. This is an exempt position and is now filled at \$3,600 a year.

No new positions are requested and there is no increase in expenditures for salaries and wages.

### *Operating Expenses*

Increase for office and travel total \$200 or 20 percent over 1946-47 for the field workers.

### *Reimbursements*

Reimbursements to the School for the Blind for employees' maintenance and from School for the Deaf total \$21,460, which is \$758, or 3.7 percent more than received in 1946-47. These reimbursements are \$4,280 for employees' maintenance, and \$16,422 from the School for the Deaf for heat and power.

### *Revenues*

Estimates of revenues from tuition for out-of-state deaf-blind students total \$4,800 for 1947-48 as compared to \$3,200 for 1946-47, an increase of 50 percent. There is one additional out-of-state student expected and revenues are figured at \$1,600 per student per year. As was pointed out, \$1,600 does not cover the actual per student cost.

### *Recommendations*

*We recommend that Item 101 be approved as submitted for the amount of \$221,015, but with the condition that no out-of-state deaf-blind students be accepted for admittance until the waiting list of California resident deaf-blind children has been exhausted. We further recommend that when out-of-state students are accepted the charges shall reflect the true costs of instruction, care and maintenance.*

**For Readers for Blind College Students, California School for the Blind, Berkeley**

Item 102, page 21 of the Budget Bill and page 323 of the Budget. Amount requested: \$7,500 for readers for blind college students from the General Fund.

This represents an increase of \$2,662 or 55 percent over expenditures of \$4,838 for the 1945-46 Fiscal Year; and is the same as that allowed for the 1946-47 Fiscal Year.

This money is for the employment of readers for blind college students who are not in attendance at the School for the Blind. The school is made responsible for the hiring of these people for assistance for blind college students. It is an added service of the school.

#### *Recommendation*

*We recommend approval of Item 102 as submitted.*

**For Construction, Improvements, Repairs and Equipment, California School for the Blind, Berkeley**

Item 103, page 21 of the Budget Bill and page 323 of the Budget. Amount requested: \$11,550 for construction, improvements, repairs and equipment from the General Fund.

This represents a decrease of \$9,427, or 44.9 percent from expenditures of \$20,977 for the Fiscal Year 1945-46; and an increase of \$9,550 or 477.5 percent over the amount of \$2,000 allowed for expenditure in the 1946-47 Fiscal Year.

Expenditures for capital outlay should be kept to a minimum in times of high cost. *The schedule of construction and improvements appears reasonable.* One item "Install electric outlets in Munroe Cottage and girls' dormitory" was entered in 1945-46 at a cost of \$2,000. An item proposed for 1947-48 included "install electric outlets girls' dormitory" in addition to several other jobs to be done, at a total cost of \$3,250. The installation of electric outlets was not completed in 1945-46, so was carried over to 1947-48.

In addition to the \$11,550 requested from the General Fund for capital outlay, \$2,725 is available from the Postwar Employment Reserve. This makes the total expenditures for capital outlay \$14,275.

#### *Recommendations*

*We recommend that Item 103 be approved as submitted for \$11,550.*

**For Support of School for the Deaf in Berkeley**

Item 104, page 21 of the Budget Bill and pages 325 to 328, inclusive, of the Budget. Amount requested: \$450,750 for support from the General Fund.

This represents an increase of \$120,886, or 36.6 percent over expenditures of \$329,864 for the Fiscal Year 1945-46; and an increase of \$47,403, or 11.7 percent over the amount of \$403,347 allowed for expenditure in the 1946-47 Fiscal Year.

Table I of the statistical summary below shows the distribution of the increases as requested, totaling \$47,403, by various objects of expenditure.

**Table I**

Object	Estimated 1946-47	Proposed 1947-48	Increase or decrease	
			Amount	Percent
Salaries and wages	\$305,135	\$332,385	\$27,250	8.9
Operating expenditures	109,200	127,110	17,910	16.4
Equipment	5,912	9,455	3,543	59.9
Less reimbursements	16,900	18,200	1,300	7.7
Total	\$403,347	\$450,750	\$47,403	11.7

Table II below shows the distribution of increases requested by various functions and objects of expenditures.

Table II

	<i>Estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount</i>	<i>Percent</i>
Administration				
Salaries and wages-----	\$25,930	\$28,970	\$3,040	11.7
Operating expenses-----	2,800	3,360	560	20.0
Equipment-----	1,903	2,175	272	14.3
Total administration-----	\$30,633	\$34,505	\$3,872	12.6
Support and Subsistence				
Salaries and wages-----	\$47,000	\$54,010	\$7,010	14.9
Operating expenses-----	64,400	74,950	10,550	16.4
Equipment-----	1,496	2,275	779	52.1
Less reimbursements-----	8,350	9,400	1,050	12.6
Total support and subsistence-----	\$104,546	\$121,835	\$17,289	15.2
Instruction and Care				
Salaries and wages-----	\$213,735	\$230,595	\$16,860	7.9
Operating expenses-----	6,600	9,900	3,300	50.0
Equipment-----	2,417	4,680	2,263	93.6
Less reimbursement-----	5,550	5,800	250	4.5
Total instruction and care-----	\$217,202	\$239,375	\$22,173	10.2
Maintenance and Operation				
Salaries and wages-----	\$18,470	\$18,810	\$340	1.8
Operating expenses-----	35,400	38,900	3,500	9.9
Equipment-----	96	325	229	238.5
Less reimbursements-----	3,000	3,000	---	---
Total maintenance and operation--	\$50,966	\$55,035	\$4,069	8.0
Grand total-----	\$442,547	\$469,400	\$26,853	6.1

Table III below shows the enrollment and per student costs, actual and estimated for the Fiscal Years 1946, 1947 and 1948.

Table III

	<i>Fiscal year</i>	<i>Average student enrollment</i>	<i>Cost per student</i>	<i>Students at Gallaudet</i>	<i>Cost per Gallaudet College student</i>
Actual-----	1945-46	314	\$1,051	12	\$278
Actual and estimated-----	1946-47	335	1,204	15	300
Estimated-----	1947-48	335	1,346	18	300

#### ADMINISTRATION

##### *Salaries and Wages*

Salary increases total \$3,040, or 11.7 percent. The addition of one Intermediate Typist-Clerk, \$1,920, is the largest item of increase.

### *Operating Expense*

Operating expense increases for administration total \$560 or 20 percent, due mainly to an increase from \$125 to \$450 in travel. This is to be used for attendance at regional and national professional conventions. Other increases are in line with expenditures for 1945-46 although a little higher than in 1946-47.

### *Equipment*

Increases total \$272 or 14.3 percent.

## SUPPORT AND SUBSISTENCE

### *Salaries and Wages*

Salary increases total \$7,010 or 14.9 percent, due to salary increases and merit salary adjustments. *No new positions are requested.*

### *Operating Expenses*

Increases as requested total \$10,550 or 16.4 percent. Feeding costs show the largest increase from \$45,500 in 1946-47 to \$52,800 in 1947-48. This is an increase of \$7,300 or 16 percent.

Laundry expenses increased \$2,000 or 12.5 percent due to increasing costs of laundry done by contract. Clothing increases totaled \$550 or 61.1 percent over 1946-47 and are \$319 or 24 percent over 1945-46.

### *Equipment*

Increases totaled \$779 or 52.1 percent due to the replacement of housekeeping and feeding equipment and additional feeding equipment.

As much of this equipment as possible should be purchased from war surplus property through the Department of Finance.

## INSTRUCTION AND CARE

### *Salaries and Wages*

Salary increases totaled \$16,860 or 7.9 percent. *Four new teacher positions are requested at a cost of \$11,040.* The work load per teacher is figured at nine students, using 335 as the population and 37 as the number of teachers. The number of teachers does not include eight vocational teachers nor any substitutes, part-time teachers, or supervising teachers. *Teaching the physically handicapped is expensive and requires more nearly individual instruction than other types of instruction.* We recommend that three teacher positions be approved, which is a saving of \$2,760. This will reduce the work load to 8.4 students per teacher. This should result in a distinct improvement in service.

### *Operating Expenses*

\$9,900 is requested for operating expenses, an increase of \$3,300 or 50 percent above the amount estimated to be spent in 1946-47. We recommend that the amount requested for teaching expenses be reduced by \$1,500 to \$6,000. This is an increase of \$1,000 over 1946-47 with no increase in enrollment.

### *Equipment*

Requests for increases totaled \$2,263 or 93.6 percent over \$2,417 allowed in 1946-47. Requests for teaching equipment totaled \$3,680 as compared to \$1,400 in 1946-47 and \$2,124 in 1945-46. For several years little money was expended on teaching equipment, \$1,037 in 1941-42, \$705 in 1942-43. This request does not appear out of line considering the amounts spent in the last few years.

## MAINTENANCE AND OPERATION OF PLANT

### *Salaries and Wages*

Salary increases totaled \$340 or 1.8 percent due to salary increases and merit salary adjustments. No new positions are requested.

### *Operating Expenses*

Increases requested total \$3,500 or 9.9 percent.

### *Equipment*

Increases requested totaled \$229 or 238.5 percent over 1946-47 due to additional equipment for the maintenance of grounds amounting to \$275.

### Reimbursements

Reimbursements from other agencies and from all sources are estimated to increase \$1,300 or 7.7 percent. These are listed in Table IV below:

Table IV

Source	Amount		Increase or decrease	
	1946-47	1947-48	Amount	Percent
Employees maintenance -----	\$7,500	\$8,000	\$500	6.7
School for Blind -----	7,500	7,500	----	--
Counties and pupils -----	-----	-----	-----	-----
Parents for clothing and hospital -----	1,900	2,700	800	42.1
	<u>\$16,900</u>	<u>\$18,200</u>	<u>\$1,300</u>	<u>7.7</u>

### *Revenues*

Revenues are estimated at \$50 from miscellaneous sources. This is the same as for 1946-47.

### *Recommendations*

We recommend that Item 104 be approved for the amount of \$446,490.

We recommend that the following reductions be made:

1. One teacher, a reduction of \$2,760.
2. Operating expenses from \$127,110 to \$125,600, a reduction of \$1,500.

Total reductions recommended are \$3,260.

The schedule of expenditures amended to reflect the reductions recommended will be as follows:

Salaries and wages-----	\$329,625
Operating expenses-----	125,610
Equipment-----	9,455
Total-----	<u>\$464,690</u>
Less Reimbursements-----	18,200
Net Appropriation-----	<u>\$446,490</u>

**For Other Current Expenses, School for the Deaf, in Berkeley**

Item 105, page 21 of the Budget Bill and page 329 of the Budget. Amount requested \$5,400 for other current expenses from the General Fund.

This represents an increase of \$2,061, or 61.7 percent over expenditures of \$3,339 for the Fiscal Year 1945-46; and an increase of \$900, or 20 percent over the amount of \$4,500 allowed for expenditure in the 1946-47 Fiscal Year.

This request is for expenses of students attending Gallaudet College in Washington, D. C., figured at \$300 a year per student. The estimated total of such students will be 18 in 1947-48, compared to 15 in 1946-47. *Per student costs are estimated the same as for 1946-47, \$300, and there is an estimated increase of three students in 1947-48.*

*Recommendations*

We recommend that Item 105 be increased to \$500 per student or to \$9,000. The additional amount is provided to meet increased costs.

**For Construction, School for the Deaf, in Berkeley**

Item 106, page 21 of the Budget Bill and page 329 of the Budget. Amount requested, \$13,250 for construction from the General Fund.

This is an increase of \$4,250, or 47.2 percent over expenditures of \$9,000 for the Fiscal Year 1945-46 and a decrease of \$21,450, or 61.8 percent from the amount of \$34,700 allowed for expenditures in the 1947-48 Fiscal Year.

The three projects considered are for:

1. Toilet facilities in the Primary Boys' basement and bake shop, \$1,250.
2. Soundproofing 10 classrooms and provide rugs and other floor coverings, \$4,500.
3. Covered passageways from Primary Boys' basement and Primary Girls' basement exits to the Primary Gymnasium, \$7,500.

In addition to the \$13,250 requested from the General Fund \$29,300 will be spent from the Postwar Employment Reserve for which no additional appropriation is needed. Total expenditures for capital outlay will be \$42,550.

## Recommendations

We recommend that Item 106 be approved as submitted for \$13,250.

### For Support of School for Cerebral Palsied Children, Northern California

Item 107, page 21 of the Budget Bill and pages 331-336, inclusive, of the Budget. Amount requested \$188,245 for support from the General Fund. This is approximately the same amount as was spent in 1946-47, being an increase of only \$712.

The program being carried on at this school in conjunction with a diagnostic and treatment center maintained by the University of California, at its School of Medicine in San Francisco, gives evidence of being well administered and a satisfactory organization.

A summary of expenditures, by organization unit, is shown as follows in Table I.

**Table I—Expenditures for 1947-48 Compared With 1946-47,  
by Object of Expenditure**

	1946-47	1947-48	Increase or decrease Amount	Percent
<b>Support:</b>				
Administration .....	\$15,660	\$16,680	\$1,020	6.5
Support and subsistence .....	46,570	40,000	—6,570	—14.1
Instruction and care .....	49,113	55,555	6,442	13.1
Maintenance and operation of plant ..	6,180	6,010	—170	—2.8
<b>Totals, school operations .....</b>	<b>\$117,523</b>	<b>\$118,245</b>	<b>\$722</b>	<b>0.6</b>
Diagnostic and treatment center .....	\$70,010	\$70,000	—\$10	---
<b>Totals, support .....</b>	<b>\$187,533</b>	<b>\$188,245</b>	<b>\$712</b>	<b>0.4</b>
<b>Capital Outlay:</b>				
Acquisition of real property as site for permanent school .....	----	\$70,000	\$70,000	
Minor construction, improvements, repairs, and equipment for perma- nent school .....	----	73,128	73,128	
Minor construction, improvements for temporary school .....	56,872	5,885	50,987	—89.7
<b>Totals, capital outlay .....</b>	<b>\$56,872</b>	<b>\$149,013</b>	<b>\$92,141</b>	<b>162.0</b>
<b>Total expenditures .....</b>	<b>\$244,405</b>	<b>\$337,258</b>	<b>\$92,853</b>	<b>38.0</b>

*We recommend that Item 107 be granted for \$188,245, the amount requested. This will permit a continuation of the present program of treatment, which should be given full opportunity to demonstrate its ability to produce effective results.*

### For Construction, School for Cerebral Palsied Children, Northern California

Item 108, page 22 of the Budget Bill and page 336 of the Budget for construction, improvements, repairs and equipment, Northern California School for Cerebral Palsied Children, in the amount of \$5,885; and Item 109, page 22 of the Budget Bill and page 336 of the Budget for acquisition of real property, construction of buildings, improvement

of grounds, and purchase of equipment for a permanent school for \$143,128.

Proposed minor construction and improvement items for the temporary school are as follows:

Paint interior of building-----	\$2,400
Landscape grounds-----	1,385
Paint exterior of 10 temporary classroom buildings-----	2,100
	<hr/>
	\$5,885

*We recommend that Item 108 in the amount of \$5,885 be approved as requested.*

Item 109, for proposed acquisition of real property, is for a site for a permanent school, at a cost of \$70,000. An additional \$73,128 is proposed for construction of buildings, improvement of grounds and purchase of equipment for the permanent school. *These amounts constitute a reappropriation from the balance remaining in the appropriation made by Section 1 of Chapter 1519, Statutes of 1945.*

The medical arrangement with the University of California, and the problem of transportation for students at the school will be primary factors in determining the location of a permanent site. The present plant at Redwood City was rented as the only available site meeting these two requirements.

*We recommend that Item 109 be approved for the amount requested, \$143,128.*

**For Support of School for Cerebral Palsied Children, Southern California**

Item 110, page 22 of the Budget Bill, and pages 337-339 of the Budget. Amount requested \$107,589 for support from the General Fund.

The resident capacity of the Southern California School at Los Angeles is only 10 students, making the per unit cost at this branch of the cerebral palsied program very high. The resident capacity at the Northern California plant by way of comparison is 50. *It should be pointed out, however, that treatments last only approximately three months, and that the number of students receiving training and medical treatment is therefore in excess of the resident capacity.*

*Despite the high cost at the Los Angeles School, we recommend nevertheless, that the Southern California plant be maintained at its present level until the construction of the University of California at Los Angeles Medical School will permit an arrangement similar to that between the Northern California branch and the University of California Medical School at San Francisco.*

The Los Angeles School is now supplied with medical care by the Children's Hospital in Los Angeles. This is a costlier contract than with the University of California, but permits a small experimental program in Southern California to be carried out, and is probably a worthwhile temporary arrangement.

Expenditures of the Southern California school are shown by organization unit in Table I and by object of expenditure in Table II.



**Table I—Proposed Expenditures for 1947-48 Compared With 1946-47  
by Organization Unit**

<i>Expenditures</i>	<i>Estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount      Percent</i>	
<b>Support:</b>				
Administration .....	\$2,960	\$4,745	\$1,785	60.3
Instruction .....	2,250	3,792	1,542	68.5
Subsistence and care .....	39,670	43,612	3,942	9.9
<b>Totals, school operation .....</b>	<b>\$44,880</b>	<b>\$52,149</b>	<b>\$7,269</b>	<b>16.2</b>
Diagnostic and Treatment Center .....	22,000	55,440	33,440	152.0
<b>Totals, support .....</b>	<b>\$66,880</b>	<b>\$107,589</b>	<b>\$40,709</b>	<b>60.9</b>
<b>Capital Outlay:</b>				
Acquisition of real property as site for permanent school .....	----	\$70,000	\$70,000	New
Construction and equipment of facili- ties for permanent school .....	----	118,855	118,855	New
Minor construction, improvements, repairs and equipment for tempo- rary school .....	\$11,145	----	—11,145	—100.0
<b>Totals, capital outlay .....</b>	<b>\$11,145</b>	<b>\$188,855</b>	<b>\$177,710</b>	<b>1,594.5</b>
<b>Total expenditures .....</b>	<b>\$78,025</b>	<b>\$296,444</b>	<b>\$218,419</b>	<b>279.9</b>

**Table II—Proposed Expenditure for 1947-48 Compared With 1946-47  
by Object of Expenditure**

	<i>Estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount      Percent</i>	
Salaries and wages .....	\$4,950	\$6,960	\$2,010	40.6
Operating expenses .....	61,930	100,329	38,399	62.0
Equipment .....	----	300	300	---
<b>Total .....</b>	<b>\$66,880</b>	<b>\$107,589</b>	<b>\$40,709</b>	<b>60.9</b>

*We recommend that Item 110 be approved for \$107,589 as requested.*

**For Capital Outlay, School for Cerebral Palsied Children,  
Southern California**

Item 111, page 22 of the Budget Bill and page 339 of the Budget. Amount requested is \$188,855 from the General Fund. \$70,000 is for purchase of a site for a permanent school, and \$118,855 is for construction of buildings, improvement of grounds, and purchase of equipment for the proposed permanent school.

The permanent site of this school should be located so that the same benefits can be derived from the proposed medical school at U. C. L. A. as are obtained for the Northern California school from the Medical School of the University of California at Berkeley. *Until the establishment of the U. C. L. A. Medical School, however, we do not believe that any expansion should be made in the present program using the facilities of the Childrens' Hospital.*

*We recommend that Item 111 be approved for the amount requested, \$188,855.*

**For Support of Training Center for Adult Blind, Oakland**

Item 112, page 23 of the Budget Bill and pages 341 to 344, inclusive, of the Budget. Amount requested, \$207,294 for support from the General Fund.

This represents an increase of \$39,126 or 18.9 percent over expenditures of \$168,168 for the Fiscal Year 1945-46; and an increase of \$14,969 or 7.8 percent over the amount of \$192,325 allowed for expenditure in the 1946-47 Fiscal Year.

*Statistical Summary*

Table I of the statistical summary shows the distribution of increases totaling \$14,969 by object of expenditures.

**Table I**

<i>Object</i>	<i>Estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount</i>	<i>Percent</i>
Salaries and wages-----	\$127,797	\$139,462	\$11,665	9.1
Operating expenses -----	66,061	68,488	2,427	3.7
Equipment -----	1,667	2,544	877	52.6
Total -----	\$195,525	\$210,494	\$14,969	7.7
Less reimbursements -----	3,200	3,200	-	-
Net total -----	\$192,325	\$207,294	\$14,969	7.8

Table II shows the distribution of increases, totaling \$14,969, by function and object.

**Table II**

<i>Function and object</i>	<i>1946-47</i>	<i>1947-48</i>	<i>Amount</i>	<i>Percent</i>
<b>Administration</b>				
Salaries and wages-----	\$21,415	\$21,855	\$440	2.0
Operating expenses -----	3,326	3,566	240	7.2
Less reimbursements -----	720	720	-	-
Equipment -----	118	299	181	153.4
Total administration -----	\$24,139	\$25,000	\$861	3.6
<b>Support and Subsistence</b>				
Salaries and wages-----	\$55,230	\$56,020	\$790	1.4
Operating expenses -----	43,690	41,095	-2,595	-5.9
Equipment -----	1,222	750	-472	-38.6
Total support and subsistence---	\$100,142	\$97,865	-\$2,277	-2.3
Less reimbursements -----	3,200	3,200	-	-
Net total-----	\$96,942	\$94,665	-\$2,277	-2.3

Table II—Continued

<i>Function and object</i>	<i>1946-47</i>	<i>1947-48</i>	<i>Amount</i>	<i>Percent</i>
Care and Welfare				
Salaries and wages-----	\$12,836	\$15,086	\$2,250	17.5
Operating expenses-----	1,250	1,470	220	17.6
Equipment-----	77	100	23	29.9
Total care and welfare-----	\$14,163	\$16,656	\$2,493	17.6
Maintenance and Operation				
Salaries and wages-----	\$16,270	\$16,420	\$150	.9
Operating expenses-----	10,845	12,207	1,362	12.6
Less reimbursement-----	1,080	1,080	-	-
Equipment-----	150	675	525	350.0
Total maintenance and operation	\$26,185	\$28,222	\$2,037	7.8
Field Rehabilitation				
Salaries and wages-----	\$22,046	\$30,081	\$8,035	36.4
Operating expenses-----	8,750	11,950	3,200	36.6
Equipment-----	100	720	620	620.0
Total field rehabilitation-----	\$30,896	\$42,751	\$11,855	38.4
Grand total all functions-----	\$192,325	\$207,294	\$14,969	7.8

The largest items by object are salaries and wages, requests for which total \$139,462, an increase of 9.1 percent, followed by operating expenses of \$68,488 and an increase of 3.7 percent. Equipment requests showed the largest percentage increases, 52.6 percent but the actual amounts were small, \$2,544, compared to \$1,667 in 1946-47. Salaries and wages comprise 66.2 percent of the total requests of \$207,294.

Net requests by function are largest for Support and Subsistence, \$94,665 but this function shows a decrease of 2.3 percent. Field Rehabilitation shows the largest percentage increase, 38.4 percent and the second largest request item, \$42,751. Maintenance and Operation shows an increase of 7.8 percent with a total net request of \$25,000, an increase of 3.6 percent and then Care and Welfare, which requested \$16,656, an increase of 17.6 percent.

The estimated number of residents in the Training Center remains the same in 1947-48 as in 1946-47, 110, but there is an increased cost per resident of \$28 a year, from \$1,468 in 1946-47 to \$1,496 in 1947-48. Of the resident population of 110 only 87 or 74.4 percent are listed as employed. The total employed by the Training Center is 175 including the field offices in Sacramento and San Jose.

The figures of population and unit costs are shown in Table III below.

Table III—Population and Unit Costs of the Training Center for the Blind

	<i>Fiscal Year</i>	<i>Aver. pop.</i>	<i>Yearly cost per resident</i>	<i>Mo. cost per res.</i>
Actual-----	1945-46	108	\$1,340	\$111
Actual and estimated-----	1946-47	110	1,468	122
Estimated-----	1947-48	110	1,496	124

*It would be cheaper to put the resident population on Blind pensions and set up an industrial workshop similar to San Diego and Los Angeles. The per capita costs to keep a residence home in operation are high at \$124 a month for more blind persons could be served by a workshop than by the center as now operated.*

Table IV shows the average employment of handicapped workers in the Training Center and field offices.

Table IV—Average Employment of Handicapped Workers, 1946

Training Center, Oakland.....	132
Resident members .....	87
Nonresident day workers.....	45
Field Office—San Jose .....	25
Field Office—Sacramento .....	18
Total .....	175

The Training Center produced \$630,000 worth of products in 1945, but this fell to \$423,000 in 1946 and is expected to decrease in 1947 to \$400,000. *The average earnings for 1945 were \$77 per month and in 1946 this had fallen off to \$62 a month.* No estimate was made for 1947 or 1948. The earnings of those who work in their own homes is from \$90 to \$170. They are paid 20 percent more than ones who work in the sheltered workshop.

The Factory Fund built up a surplus of \$102,000 as of June 30, 1946. This will be reduced in 1947 and in addition no profit is expected in 1947.

In 1946-47 the case load, not counting the field workers, was one employee for 2.8 inmates. This was using 110 as the resident population and 39 as the number of paid employees at the center in Oakland.

#### ADMINISTRATION

##### *Salaries and Wages*

Increases totaling \$440 or 2.0 percent are due to salary increases and merit salary adjustments. No new positions are requested.

##### *Operating Expenses*

Increases in operating expenses total \$240 or 7.2 percent.

##### *Equipment*

Increase for administrative purposes total \$240 or 7.2 percent. In 1945-46 \$247 was spent for equipment which was the largest amount spent for several years.

#### SUPPORT AND SUBSISTENCE

##### *Salaries and Wages*

Increases of \$790 or 1.4 percent are due to salary increases, \$400, and merit salary adjustments. No new positions are requested.

### *Operating Expense*

Requested decreases for operating expenses total \$2,595 or 5.9 percent. Decreases for feeding total \$4,340 or 13 percent from \$33,400 for 1946-47.

### *Equipment*

Equipment requests are reduced by \$472 or 38.6 percent from 1946-47. Additional feeding equipment increases \$350 but in the other categories there are reductions.

## CARE AND WELFARE

### *Salaries*

Increases totaling \$2,250 or 17.5 percent are due to salary increases, \$60, merit salary adjustments, \$180 and one new position of Pedestrian Crossing Guard, \$2,040.

### *Operating Expenses*

Requested increases total \$220 or 17.6 percent.

### *Equipment*

Medical equipment shows an increase from \$77 to \$100, an increase of \$23, or 29.9 percent

## MAINTENANCE AND OPERATION OF PLANT

### *Salaries and Wages*

Increases for salaries and wages total \$150 or .9 percent due to merit salary adjustments. No new positions are requested.

### *Operating Expenses*

Increases requested total \$1,362 or 12.6 percent. Light, heat and power shows the greatest increase, \$1,290, or 16.7 percent over 1946-47. This is due to increased costs of fuel oil, as much as 23¢ a barrel. The manufacturing fund reimburses the Training Center \$1,080 of the \$9,000.

### *Equipment*

Requested increases totaling \$525, or 350 percent, over 1946-47 are for replacements only with no additional equipment requested.

## FIELD REHABILITATION SERVICE

### *Salaries and Wages*

Salary increases requested total \$8,035, or 36.4 percent, due to salary increase, \$20, merit salary adjustments, \$400, a decrease in salary saving of \$55, and the creation of three new positions of field worker for the blind, \$7,560.

The request for the new positions is based on an estimated blind population in California of 15,000. This includes 12,800 blind known officially and an estimated 2,200 hidden blind. In 1946, there were 6,000 blind receiving state aid. 625 are now being served by the Field Rehabilitation Service and desire of the Training Center is to reach 1,800. The case load per field worker is figured at about 100 to 1. At this ratio, the total number reached with the addition of three new positions would be from 900 to 1,000 blind. The work is done either in classes, where there is a concentration of the blind, or individual home work when the blind person is unable to attend the classes.

One of the existing positions of field workers is unfilled at the present time. This position has been vacant since October 3, 1943. In effect the request for three new positions of *field worker* is a request for four unfilled positions. *The number of blind may be increasing at the rate of 600 a year; but if the existing positions can not be filled, there is little justification of creating three new positions. One vacant position has just recently been filled, but there is still one vacant position open. We recommend that two of the positions be not approved, which will allow two positions above the present number working.*

#### *Operating Expenses*

Increases requested total \$3,200, or 36.6 percent. This is made up of increases of \$2,450 for travel and educational supplies, an increase of 60.5 percent. This amount requested *should be reduced by \$1,180, as two of the positions requested are recommended not approved.*

The San Jose Work Center has an increase of \$50, or 35.7 percent for office expenses.

The Sacramento Work Center shows an increase of \$750, or 26.3 percent, for rent. This is an increase of \$62 a month. The lease on the present site has terminated with no opportunity for renewal. Any new lease will show an increase. Other items of operating expense show a decrease of \$50 to make a net increase for Sacramento of \$700, or 22.2 percent.

#### *Equipment*

Increases requested total \$620, or 620 percent, over 1946-47. Educational equipment of \$620 should be reduced by \$400 as two positions of field worker are recommended not approved.

#### *Revenues*

Estimates of revenues remain the same as for 1946-47, \$130.

#### *Reimbursements*

Reimbursements of \$3,200 for employees and workers' maintenance are estimated to be the same as for 1946-47.

#### *Recommendations*

We recommend that a complete study be made of the operation of the Training Center as a residence home to determine if it can not gradually be discontinued by finding homes for those now resident,

and that the Training Center be used as a workshop for the blind. The State Blind Shop, San Diego, shows an estimated per capita cost of \$445 for 1947-48. The Industrial Workshop for the Blind in Los Angeles estimates per capita costs at \$390 for 1947-48. This is compared to \$1,496 a year at the residence home. *By discontinuing the residence aspect of the home and making relief payments to the inmates a saving to the State would result.*

In addition, a larger number of blind persons could be served by the workshop than is now possible.

We recommend that Item 112 be approved for the amount of \$200,674, a reduction of \$6,620, from the budget request of \$207,294.

In summary, we recommend the following reductions:

1. \$5,040 for salaries of the two field worker positions.
2. \$1,180 for traveling and educational supplies based on the recommended deletion of the two field worker positions.
3. \$400 for educational equipment based on the recommended deletion of the two positions of field worker.

These recommended reductions total \$6,620.

Adjusting the schedule of expenditures in accordance with our recommended reductions, the schedule will be as follows:

Salary and wages-----	\$134,422
Operating Expenses-----	67,308
Equipment-----	2,144
Total-----	\$203,874
Less reimbursements for services to employees and workers-----	\$3,200
Net appropriation-----	\$200,674

#### For Support of the Industrial Workshop for the Blind, Los Angeles

Item 113, page 23 of the Budget Bill, and pages 345 to 346, inclusive of the Budget. Amount requested: \$50,680 for support from the General Fund.

This represents an increase of \$8,737 or 20.8 percent over expenditures for the Fiscal Year 1945-46; and an increase of \$7,406 or 17.7 percent over the amount of \$43,274 allowed for expenditures in the 1946-47 Fiscal Year.

#### Statistical Summary

The statistical summary below shows the distribution of increases over 1946-47 as requested, totaling \$7,406 by object of expenditures.

Object	1946-47	1947-48	Increase or decrease	
			Amount	Percent
Salaries and wages-----	\$36,844	\$38,379	\$1,535	4.2
Operating expenses-----	4,050	6,725	2,675	66.0
Equipment-----	2,380	5,576	3,196	134.3
Total-----	\$43,274	\$50,680	\$7,406	17.7

#### Salaries and Wages

No new positions were requested. The increase in the amount for salaries and wages is due to increases in salaries and merit salary adjustments, a reduction of salary savings.

### *Operating Expenses*

Increases in operating expenses include traveling \$1,525 as compared to \$650 in 1946-47, an increase of \$875 or 134.6 percent. The manager of the workshop attends meetings of the National Industries for the Blind, of which organization he is a member. Previously, these trips have been at his own expense. Provisions are now made in the Budget to allow him to be reimbursed for these trips on the same basis as other state officers and employees on state business.

Janitorial supplies increased \$500 due to the increased area in the building owned by the State and occupied by the workshop.

Advertising consists of placards printed and placed in windows of various agencies throughout the city.

An increase of \$600 for maintenance is due to increased building area.

### *Equipment*

Equipment expenses increased from \$2,380 in 1946-47 to \$5,576 in 1947-48, an increase of \$3,196 or 134 percent. Major items are an additional automobile for the manager (\$1,400), fire equipment as recommended by the State Fire Marshal (\$1,221), feeding and housekeeping (\$1,010), and an automobile replacement of \$800. Feeding and housekeeping expenses are for lunches and refreshments served to the blind workers during the day.

### *Surplus and Revolving Fund*

A surplus of approximately \$59,000 has been built up as compared to \$40,000 prior to the war. This money should be used for the purchase of new equipment rather than to ask the General Fund for such purchases.

A revolving fund of \$140,000 was set up by Statutes of 1943, Chapter 42, which money was to be used for salaries of workers and the purchase of equipment and supplies.

*The workshop should be supported out of this revolving fund and not from State Support funds. Otherwise, it is another subsidy from the State for the blind.*

At the present time an average of 65 persons are employed with hopes of increasing this to 130 in 1947-48 and eventually increasing this to 200. *Thirty-five percent of those employed now are entirely self-supporting with another 20 to 25 percent earning enough that deductions are made from blind pensions.* Volume of sales range from \$90,000 in 1938, to \$387,000 in 1944. It is expected that sales will eventually reach \$550,000. Considering the number of people employed and the size of the institution, the volume of sales does not compare favorably with the Blind Shop at San Diego, nor the Training Center in Oakland. The per trainee costs have been high, compared to San Diego.

The costs per worker are estimated at \$390 for 1947-48 to \$445 at San Diego, but in 1946-47 costs at Los Angeles were \$666 compared to \$434 in San Diego. The per worker costs of \$390 estimated for 1947-48 at the Industrial Workshop for the Blind appear to be low; and we doubt that they will actually be realized. Per worker costs are shown for San Diego and Los Angeles in the table below.



**Costs per Worker at Blind Shop, San Diego, Compared to Costs per Worker at the Industrial Workshop for the Blind, Los Angeles**

Year	Workers		Cost per worker	
	San Diego	Los Angeles	San Diego	Los Angeles
Actual 1945-46 .....	55	55	\$335	\$763
Actual and estimated, 1946-47	49	65	434	666
Estimated, 1947-48 .....	58	130	445	390

*It is felt that too much diversification is attempted in Los Angeles and this seems borne out in a comparison with the Blind Shop in San Diego. It is recommended that the work of the Industrial Workshop for the Blind in Los Angeles be coordinated with that of either San Diego or Oakland and that it be placed under the supervision of either San Diego or Oakland.*

**Recommendations**

*We recommend that Item 113 be approved as submitted.*

We further recommend that the control and supervision of the Industrial Workshop for the Blind be transferred to either the State Blind Shop, San Diego, or the Training Center for the Blind in Oakland.

**For Support of State Blind Shop, San Diego**

Item 114, page 23, of the Budget Bill and pages 347 to 348, inclusive, of the Budget. Total amount requested \$25,811 for support from the General Fund.

This represents an increase of \$7,379, or 40.1 percent, over expenditures of \$18,414 for the Fiscal Year 1945-46; and an increase of \$4,551, or 21.4 percent over the amount of \$21,260 allowed for expenditure in the 1946-47 Fiscal Year.

**Statistical Summary**

The statistical summary below shows the distribution of increases as requested, totaling \$4,551 by object of expenditure.

**Proposed Expenditures for 1947-48 as Compared With Estimated Expenditures for 1946-47, by Object of Expenditure**

Object	Estimated 1946-47	Proposed 1947-48	Increase or decrease	
			Amount	Percent
Support:				
Salaries and wages .....	\$16,490	\$19,795	\$3,305	20.0
Operating expenses .....	4,020	5,221	1,201	29.9
Equipment .....	750	795	45	6.0
Total, support .....	\$21,260	\$25,811	\$4,551	21.4

**Salaries and Wages**

The increase in salaries and wages is due to *one new position requested*, that of Instructor in Handicraft, merit salary adjustments of \$350 and a decrease in salary savings. During the war, the Blind Shop turned away from handicrafts in favor of specialties. It is planned to

return to a handicraft basis and the best ratio of instructors to workers is considered to be 1 to 29. With the addition of this new position of Instructor in Handicraft, the ratio will be 1 to 26 at the present number of workers of 52. *This position should be allowed.*

### *Operating Expenses*

Operating expenses, which increased 29.9 percent over 1946-47, from \$4,020 to \$5,221 in 1947-48 show increases in automobile operating expenses from \$750 to \$1,319. This is an increase of \$569, or 75.9 percent. Traveling expenses remain the same, \$600. Maintenance costs are up from \$75 in 1946-47 to \$460 in 1947-48. Enlarged quarters were secured in 1945 and these costs as well as costs for light, heat and power, up from \$290 in 1946-47 to \$415 in 1947-48, are a reflection of this changed condition. Feeding costs are up from \$216 in 1946-47 to \$248 in 1947-48. This cost is for refreshments—coffee, tea, etc.—and not for meals.

### *General*

*The State Blind Shop has been well managed and run, showing a large volume of business, \$967,000 in 1945, and building up a surplus of \$147,000. Production was confined to a relatively few articles for which war contracts were negotiated. These war contracts took 96 percent of total production. Because these war contracts are gone some activity to find new outlets for the goods will be undertaken. The shop is holding its competitive position in the market very well and prices for its products are on a competitive basis.*

The volume of sales is expected to fall off in the next few years from the high point in 1945 as follows:

1945-----	\$967,000
1946-----	680,000
1947-----	400,000
1948-----	300,000 to 400,000
1949-----	300,000 to 400,000

All workers have been self-supporting with an average salary in 1945 of \$182 a month. This fell off to \$162 in 1946 and is expected to fall to \$140 in 1947.

In a comparison with the Los Angeles Industrial Workshop for the Blind the State Blind Shop has done an outstanding job.

### *Recommendation*

*We recommend that Item 114 be approved for the amount of \$25,811.*

#### **For Capital Outlay, State Blind Shop, San Diego**

Item 115, page 23 of the Budget Bill and page 349 of the Budget. Amount requested, \$7,800 for capital outlay.

This is for the installation of an automatic sprinkling system in the shop that has been approved by the Division of Architecture.

*We recommend that Item 115 be approved as submitted.*

## COMMISSION ON SCHOOL DISTRICTS

### For Support of the State Commission on School Districts

Item 116, page 23 of the Budget Bill and page 349 of the Budget. Amount requested, \$158,102 for support. This represents an increase of \$58,799 or 59.2 percent over the amount of \$99,303 allowed for expenditures in the 1946-47 Fiscal Year.

Salaries and wages show an increase of \$29,650 for 1947-48 over 1946-47. Proposed new positions are shown below in Table I.

Table I—Commission on School Districts—Proposed New Positions

Number of Positions	Cost
2 State and Regional Survey Director-----	\$12,840
2 Intermediate Stenographer-Clerk -----	4,080
Temporary Help (Consultative, Technical, and Professional) ----	10,000
4 Totals, salaries and wages-----	\$26,920

The total proposed increase is \$58,799, of which \$32,287, or 59.4 percent, is for operating expenses; while \$3,138, or 5.3 percent, is for equipment. *Included in operating expenses is \$63,900 for travel.* The major part of travel expense is for expenses of members of local survey committees and members of the regional commissions. These expenses will remain heavy irrespective of whether slow or rapid progress is made on the completion of the survey. For this reason, it appears good economy to provide a sufficient survey staff to complete the survey as rapidly as possible.

General office equipment in the amount of \$3,052 is to equip additional regional offices. \$3,200 is provided for the purchase of additional automobiles for the use of the new regional directors.

We recommend that the \$10,000 provided for consultative and technical assistance be set up in the Budget Bill as Item 116.1 and be expended only under contracts approved both as to service and amounts by the Director of Finance.

*We recommend that Item 116 in the amount of \$158,102 be reduced to \$148,102 or by the amount of Item 116.1, on the basis that with this added personnel and correspondingly increased operating expenses and equipment, rapid progress toward the completion of this study should be made.*

### For Support of Teachers' Retirement System

Item 117, page 23 of the Budget Bill and page 351 of the Budget. Amount requested \$103,843 for 1947-48—from the General Fund. This represents an increase of \$15,282, or 17.3 percent, over expenditures of \$88,561 for the 1946-47 Fiscal Year.

The increase in this appropriation is due chiefly to normal growth of the number of members in the system. \$12,240 of the increased expenditures is for six proposed new positions, two of these being calculating machine operators and four being junior clerks.

The accounting officer for the Teachers' Retirement System agrees that *the four new junior clerk positions would not be required for current*

*operations if punched card methods were adopted.* He also states that in addition to other savings better service could be provided from the records through the fact that postings could be completed more promptly and accurately. *We recommend immediate action to modernize the methods employed in handling active accounts and that similar consideration be given to methods used in respect to accounts of teachers who have retired or "inactive" accounts.* In the 1947-48 Fiscal Year there will be approximately 8,500 of the latter accounts.

A study of the desirability of modernizing the methods used in processing State Teachers' Retirement System transactions has been in progress for approximately nine months and a carefully drawn and workable plan has been submitted for consideration.

In addition to the benefit to current operations which would be derived from modernization of procedures for maintaining the active retirement fund records, the burden of transferring balances from the front to the back of 85,000 active account cards once every three years and the headings and transfer of balances to new cards every six years would be avoided. By manual methods these balance transfers are laborious and require several months. *It is estimated that mechanization of the active teachers' retirement accounts will reduce annual costs from \$15,000 to \$12,500, an annual saving of \$2,500 on the first operations which are mechanized.*

We also suggest that an earnest effort be made to reduce administrative costs and facilitate the clearance of the work in the office of the Teachers' Retirement System through the adoption of separate tables for each of the funds administered by this agency for use in answering inquiries relative to retirement. Approximately 80,000 inquiries are received annually. Through the establishment of tables for use in determining the insurance rights with respect to each fund and then by adding these to ascertain the benefits due from all funds combined, the Teachers' Retirement System could readily reply to teachers who, in anticipation of retirement, inquire as to the monthly amount of the retirement pay which they will receive.

*In view of our recommendation for adoption of punched card methods, we recommend that the provision for four permanent junior clerk positions be deleted from the Budget and that in lieu thereof, \$8,400 be appropriated as a reserve for contingencies to apply to conversion costs if need therefor is justified to the Department of Finance. Likewise, we recommend that the provision for four desks and chairs in the amount of \$500 be deleted from the Budget and added to the aforementioned reserve for contingencies for cost of conversion to a mechanized system. This reserve for contingencies should appear in the schedule of operating expenses. We recommend Item 117 as requested for \$103,843 but with the adjustments recommended.*

After adjustment in accordance with the foregoing recommendations, the schedule of expenditures in Item 117 of the Budget Bill will be as follows:

(a) Salaries and wages	\$69,860
(b) Operating expenses	31,300
(c) Equipment	2,683
Total of schedule	\$103,843

# UNIVERSITY OF CALIFORNIA

## Analysis of Proposed Expenditures 1947-48 Fiscal Year

### For Support of University of California

Item 118, page 24, of the Budget Bill and pages 353-362, inclusive, of the Budget.

Amount requested \$15,721,012 for support from the General Fund. This represents an increase of \$4,272,145 or 37.3 percent over the expenditures of \$11,448,867 for the 1945-46 Fiscal Year, and an increase of \$2,725,693 or 21 percent, over the amount of \$12,995,319 allowed for expenditure in the 1946-47 Fiscal Year.

*The Budget submitted by the University of California was conspicuous in the degree of its improvement over past presentations.* This budget, in fact, constituted one of the most complete presentations of any of the state agencies, and those responsible are to be commended.

Recurrent appropriations from the General Fund, amounting to \$397,225 are included in this appropriation item in lieu of the appropriations made by Chapters 426, 427, 428 and 429, Statutes of 1919 and Chapter 737, Statutes of 1921. In the last report of the Legislative Auditor, the recommendation was made that these continuing appropriations be included in the complete Budget, for the purpose of eliminating unnecessary bookkeeping. The same five items, four dating from 1919 and one from 1921, appear each year in the same amounts; and the change in budgeting in no way affects the appropriation of money. This recommendation has been put into effect in this Budget.

A comparative summary of actual and estimated income for 1946-47 and proposed for 1947-48 is shown below in Table I.

Table I

	1946-47		1947-48	
	Amount	Percent	Amount	Percent
Federal .....	\$864,912	3.4	\$879,461	2.9
State of California				
Continuing appropriations .....	397,225	1.6	397,225	1.3
Other state funds .....	35,450	.1	38,970	.1
Support .....	13,551,483	53.8	15,323,787	51.1
Subtotals .....	\$14,849,070	59.0	\$16,639,443	55.5
Student fees .....	7,842,876	31.1	10,773,912	35.9
Hospitals and infirmaries .....	1,208,631	4.8	1,314,536	4.4
Departmental sales and miscellaneous .....	1,051,103	4.2	1,272,997	4.2
Reserve used as income .....	232,622	.9		
Totals .....	\$25,184,302	100.0	\$30,000,888	100.0

Support requested for 1947-48 is based on an estimated total enrollment of 45,000 students, an increase of 7,000 or 18.4 percent over actual and estimated enrollment of 38,000 for 1946-47.

Enrollments and per student costs are shown as follows:

Fiscal year	Enrollment	Expenditures per student
Actual 1941-42 .....	25,652	\$483.68
Actual 1943-44 .....	18,724	647.85
Actual 1945-46 .....	18,390	911.26
Estimated 1946-47 .....	38,000	594.62
Estimated 1947-48 .....	40,575	676.11

Although the rapid expansion of enrollments which followed 1945-46 served to reduce the per student costs by 34.7 percent from the high point of \$911.26 per student in that year to \$594.62 in 1946-47 added expenditures, principally for salaries and wages to meet continued increases in enrollments, has caused per student costs as budgeted for 1947-48 to rise 13.7 percent over 1946-47.

This is a reasonable increase in view of the general rise in salaries and wages and the necessity for the University to compete in the market for the almost 700 new full-time positions budgeted for 1947-48. It also includes, however, increased expenditures for research and new educational activities.

Revenues from veteran students, under Public Laws 16 and 346, are estimated at \$6,152,500 in 1947-48, an increase of \$2,472,500, or 67.2 percent over actual and estimated revenues of \$3,680,000 in 1946-47.

*Total University support from State of California sources, including continuing appropriations, as proposed in this Budget will provide 55.5 percent of total operating revenue, exclusive of income from endowments and donations.*

Expenditures for current expenses are shown by function as follows in Table II.

Table II—Expenditures for Current Expenses, by Function

Function	1946-47	1947-48	Increase or decrease Amount Percent	
Regular and continuing activities				
General administration -----	\$1,770,382	\$2,066,834	\$296,452	16.7
General expense -----	495,406	587,186	91,780	18.5
General maintenance and operation of plant -----	1,479,553	2,013,974	534,421	36.1
Pension and retirement annuities--	391,305	407,905	16,600	4.2
Departments of instruction and research -----	12,697,335	14,765,511	2,068,176	16.3
Organized research -----	1,113,615	1,334,652	221,037	19.8
Extension, including summer ses- sions -----	2,828,790	3,171,831	343,041	12.1
Libraries -----	954,306	1,103,240	148,934	15.6
Organized activities of educa- tional departments -----	1,599,428	1,776,663	177,235	11.1
Auxiliary enterprises -----	1,308,450	1,825,716	517,266	39.5
Noneducational expense -----	64,649	91,949	27,300	42.2
Miscellaneous -----	419,133	510,312	91,179	21.8
Totals, regular and continuing activities -----	\$25,122,352	\$29,655,723	\$4,533,371	18.0
Agricultural research				
Instruction and research-----	\$1,050,635	\$1,567,455	\$51,682	4.9
New activities and provisions				
Instruction and research-----	-----	\$188,415	\$188,415	
Provision for academic salary increases -----	-----	161,750	161,750	
Totals, new activities and pro- visions -----	-----	\$345,165	\$345,165	
Grand totals, current expenses -----	\$26,172,987	\$31,568,343	\$5,395,356	20.6

### New Activities and Provisions

New activities and increases in salary scales proposed by the University from state appropriations total \$318,165. A summary of these proposed activities and increases in costs is shown in Table III.

Table III

Place	Activity	Proposed 1947-48	Remarks
State-wide	Salary increases -----	\$161,750	Policy to be determined by the Legislature
Los Angeles	Oriental languages -----	15,000	Proposed by the University of California
Los Angeles	Slavic languages -----	15,750	Proposed by the University of California
Los Angeles	Theater arts -----	131,115	Proposed by the University of California
Los Angeles	Graduate social welfare -----	21,550	Proposed by the University of California
Total of new activities -----		\$345,165	

The increase in salaries provides for an adjustment in the salaries of certain faculty members, principally in the College of Agriculture, who customarily have received a higher scale of pay to compensate for fixed teaching assignments approximately one-sixth longer than the normal academic schedule. Recent cost of living adjustments have upset this differential and the University proposes that the former relationship should be restored.

It is proposed to establish a small Department of Oriental Languages in Los Angeles. Oriental languages have been taught for some years at Berkeley, and it can be assumed that in the future the Department at Los Angeles probably will be expanded. This will also unquestionably be true of the proposed courses in Slavic languages. The proposed social welfare studies will provide for a graduate degree of Master of Science in Social Welfare.

*If the Legislature approves these activities, it will require approximately the amount proposed.*

#### For Agricultural Research, University of California.

Item 119, page 24, of the Budget Bill appropriating \$1,567,445 for agricultural research from the General Fund.

In July, 1946, the Jones-Bankhead Act was amended by Public Law 733 to provide additional federal money to states for agricultural research, including marketing and forest products research. Amounts authorized increase from \$14,000,000 in 1947-48 to \$61,000,000 in 1951-52. The money must be matched by the states, and that provided for agricultural marketing research must be matched with funds over and above that already appropriated by the states for marketing research. *This means that any new marketing research money appropriated by the State in the 1947-48 Fiscal Year prior to the establishment of federally approved programs will not be applicable as matching money under*

*the act.* Each year, the State will lose federal funds in the amount of any such appropriations made in the 1947-48 Fiscal Year.

Although it is not required that research money, other than for marketing research, be matched by state funds in excess of present expenditures for research, it seems reasonable that amounts for this purpose which are spent after inception of the program will serve as a bargaining agent for securing projects in California to a greater extent than expenditures made prior to the program.

There is no doubt that agricultural problems incident to prospective declines in farm prices will create a demand for increased agricultural research by the university, in both production and marketing.

Inasmuch as certain of the funds appropriated under Public Law 733 are not available to the states unless they are matched by state money over and above the amounts already appropriated by the states for specified types of agricultural research conducted by the states; and Item 119 as it is drawn will be considered as a regular appropriation by the State for agricultural research and therefore expenditures from it will not qualify to match these federal funds; we recommend that the Legislative Counsel be requested to draw an amendment which will meet this situation and make it possible for expenditures or such part thereof as is necessary from Item 119 to qualify as matching money under Public Law 733. It is our belief that this should be done without encumbering the research program, but at the same time to secure the maximum of federal funds provided for under Public Law 733.

We point out that although Item 119 provides that funds appropriated be spent "upon authorization of the Agricultural Research Study Committee," support of this committee has not been included in the Budget. For reference please turn to page 86 of the Budget Document. On the other hand, the Governor in his message to the Legislature states, "The report of the Agricultural Research *Commission* (italics ours) created by you a year ago confirms the need for an accelerated program, and I recommend an appropriation of \$1,500,000 for this purpose for the coming year. As in the past, this research should be made by our university and in order to assist the university, the Agricultural Research Commission should be made permanent and given the responsibility of keeping the university constantly informed of the practical everyday research needs of California farmers."

#### **For Support of Hastings College of Law**

Item 120, page 24 of the Budget Bill and pages 363 to 364 of the Budget. Amount requested \$7,000 for support from the General Fund. Total expenditures proposed for 1947-48 are \$71,538, an increase of \$4,257 or 7.1 percent over 1946-47. It is a very modest request and is based on an estimated increase in enrollment of 58, reducing per capita costs from \$139 in 1946-47 to \$136 in 1947-48. The total enrollment is 525 for 1947-48, up from 483 for 1946-47. In addition to actual expenditures, however, there should be added an amount sufficient to account for the fact that the college occupies space in a state building and is therefore charged no rent. Total per student cost to the State should, however, include the estimated cost to the State of space occupied. *This amounts to an estimated \$29.86 per student for 1947-48, making a total per student cost at Hastings College of Law of \$166.12 for the 1947-48 Fiscal Year.*



*This college operates on the lowest per student cost to the State of any of the state educational institutions, and we believe that more educational benefits to the State per dollar expended can be secured by an expansion of this type of institution at the expense of some of the more costly institutions.*

The amount budgeted includes only the annual appropriation of \$7,000 for interest which the State, under the provisions of Section 20152 of the Education Code, is required to make to Hastings College of Law.

*We recommend that Item 120 be granted as budgeted.*

### **Department of Employment**

#### **Analysis of Proposed Expenditures for the 1947-48 Fiscal Year**

##### **For Support of Department of Employment From the Department of Employment Contingent Fund**

Items 121 and 122, page 24 of the Budget Bill and page 366 of the Budget. Total amount requested, \$120,200, from Department of Employment Contingent Fund.

##### *Reimbursement for Out-of-State Travel*

Item 121 in the amount of \$200 will provide funds for reimbursement of Department of Employment employees for out-of-state travel expenses, which are in excess of the total allowed by the Federal Social Security Agency and within the maximum allowed by the State Board of Control. Such out-of-state travel to interstate conferences on Unemployment Insurance Administration is subject to Board of Control rules insofar as expenses, chargeable to the California State Government are concerned. *It is recommended that this item be approved as submitted.*

##### *Interest and Refunds*

Item 122 for \$120,000 is for interest on refunds and payment of judgments in accordance with Section 24 of Unemployment Insurance Act. This amount is below the 1947 Fiscal Year level but substantially above that for the 1946 Fiscal Year. It will not recur in such a substantial amount, since it reflects the refunds being made plus the payment of judgments resulting from a recent court decision relative to Agricultural Employment. This decision held as nonsubject certain types of employment on farms which had previously been treated as subject to tax.

##### *No Control by State Over Unemployment Insurance Funds*

As pointed out in the Legislative Auditor's Report to the Joint Legislative Budget Committee in 1945, the moneys in this fund are continuously appropriated under the provisions of Section 24 of the California Unemployment Insurance Act and can be expended by the California Employment Stabilization Commission under authorization of the Director of Finance in the manner prescribed in Section 11006 of the Government Code, which is the section providing for the allowance of deficiencies.

The same Section 24, of the California Unemployment Insurance Act, also provides that no authorization shall be made as a substitution for a grant of federal funds.

We believe that it is a bad fiscal policy for the Legislature to relinquish control over any fund. *We recommend that moneys in the*