

The increase by function for additional equipment is as follows:

Function	Additional equipment			
	1950-51	1951-52	Amount	Percent
Administration	\$50	\$160	\$110	220.0
Support and subsistence	100	156	56	56.0
Care and welfare	200	131	—69	—34.5
Maintenance and operation of plant	790	162	—628	—79.5
Farming and processing	50	89	39	78.0
Total	\$1,190	\$698	—\$492	—41.3

D. The amount of \$698 requested for all *additional* items of equipment is the dollar measure of the amount of improvement in service, from an equipment standpoint, contemplated by the proposed budget.

We therefore recommend deletion of the sum of \$698 for items of additional equipment.

An examination of the individual request for additional items of equipment indicates that the requirements of the present agency program will be adequately met at the present level of service from an equipment standpoint without expenditure of the amount recommended for deletion.

Production and Expenditures—Farming and Processing				
	1948-49	1949-50	1950-51	1951-52
Local production consumed	\$5,498	\$5,091	\$9,320	\$9,320
Surplus products sales	40	15	---	---
Total value of production	\$5,538	\$5,106	\$9,320	\$9,320
Salaries and wages	\$4,550	\$5,273	\$5,551	\$5,832
Operating expenses	1,918	2,057	1,150	1,150
Total operating costs	\$6,468	\$7,330	\$6,701	\$6,982
Gross operating profit or loss	—\$930	—\$2,224	\$2,619	\$2,338
Equipment costs	567	1,228	200	189
Annual profit or loss	—\$1,497	—\$3,452	\$2,419	\$2,149

The operation of this function reflects considerable improvement over past operations and is a complete reversal of the adverse trend experienced in 1948-49 and 1949-50.

**Department of Education
DEPARTMENTAL ADMINISTRATION**

ITEM 71 of the Budget Bill

Budget page 196
Budget line No. 62

For Support of Departmental Administration From the General Fund

Amount requested	\$1,865,637
Estimated to be expended in 1950-51 Fiscal Year	1,700,629
Increase (9.7 percent)	\$165,008

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$118,259	\$30,611	\$87,648	215	38
Operating expense -----	28,283	1,648	26,635	215	39
Equipment -----	20,514	13,382	7,132	215	40
Less:					
Increased reimburse- ments -----	-2,048	-2,048	---	215	43
	\$165,008	\$43,593	\$121,415		

RECOMMENDATIONS

Amount budgeted -----	\$1,865,637
Legislative Auditor's recommendation -----	1,764,576
Reduction -----	\$101,061

Summary of Recommended Reductions in the Department of Education

Item	Amount	Budget page	Line No.
Division of Department Administration			
<i>Administrative Unit</i>			
Public information officer -----	\$5,772	197	68
Intermediate stenographer-clerk -----	2,772	197	70
Travel -----	800	198	51-53
Operating expenses and equipment -----	1,000	198	42-69
Assistant administrative adviser -----	5,904	198	32
Intermediate stenographer-clerk -----	2,550	198	34
Operating expenses and equipment -----	1,500	198	42-69
Division of School Administration			
<i>Administrative Unit</i>			
Printing -----	3,310	200	28-29
<i>Readjustment Education</i>			
Assistant division chief -----	6,310	206	16
2 Readjustment education technicians -----	11,280	206	17
2 Intermediate stenographer-clerks -----	5,630	206	18
Junior stenographer-clerk -----	2,300	206	19
Operating expense—office -----	200	206	20
Long distance toll charges -----	500	206	32
Travel -----	3,000	206	35
Automobile mileage -----	200	206	36
Automobile operation -----	600	206	37
Division of Instruction			
<i>Administrative Unit</i>			
Assistant division chief -----	7,008	206	77
Intermediate stenographer-clerk -----	2,400	206	78
Travel -----	650	207	15
Automobile operation -----	100	207	16
Office equipment—additional -----	585	207	21
<i>Secondary Education</i>			
Consultant -----	5,496	207	50
Intermediate stenographer-clerk -----	2,400	207	51
Travel -----	1,470	207	64
Equipment -----	601	207	72
<i>Adult Education</i>			
Consultant in adult education -----	5,496	208	79
Intermediate stenographer-clerk -----	2,400	208	80
Equipment -----	617	209	21
Operating expenses -----	1,405	209	18

<i>Item</i>	<i>Amount</i>	<i>Budget page</i>	<i>Line No.</i>
Division of Instruction—Continued			
<i>Elementary Education</i>			
Consultant -----	\$5,496	210	26
Temporary help -----	600	210	27
Office equipment—additional -----	200	210	47
<i>Vocational Education</i>			
Consultant in guidance -----	5,496	211	50
Intermediate stenographer-clerk -----	2,400	211	51
Office equipment—additional -----	523	211	71
Operating expenses -----	2,000	211	67
Total -----	\$101,061		

Division of Departmental Administration

Administrative Unit

The increase of \$21,609 for the administrative unit is largely for the purchase of 12 automobiles and equipment purchases for new positions. Operating expenses have been held to last year's level with adjustments for price increases. However, in the Administrative Unit there is \$1,320 budgeted for liability insurance for the employees of the department. This involves a state-wide policy matter that more or less affects all agencies. Elsewhere in this agency's budget there is \$6,275 in liability insurance for state college employees and \$990 for employees in the special schools.

There are no new positions budgeted for the administrative unit. However, we recommend a reduction of four existing positions on the basis that they are not essential in the operation of the Department of Education.

On Budget page 197, line 68, we recommend that the position of public information officer be deleted from the Budget at a saving of \$5,772. We do not feel that a position of this nature is needed for the Department of Education which has outlets for public information through its own extensive publications and organized groups of educators far surpassing the facilities of other state departments. This recommended reduction would include an intermediate stenographer-clerk at a cost of \$2,772 as shown on Budget page 197, line 70, and \$800 for travel as well as other adjustments in operating expenses and equipment which should approximate \$1,000.

We also recommend a reduction of two positions in the legal staff of the department. This would include \$5,904 for one assistant administrative adviser, as shown on Budget page 198, line 32, and \$2,550 for one intermediate stenographer-clerk as shown on Budget page 198, line 34, as well as adjustments in operating expenses and equipment which should approximate \$1,500.

At the present time the department has three lawyers and three clerical positions for its legal services. We feel that large legal staffs are not warranted where work of a legal character is not one of the primary responsibilities of the department. Much of the time of the legal staff is devoted to giving legal advice to educational groups who are not directly involved in the operation of the Department.

Education Research

The proposed budget for Education Research is \$82,833, or \$6,020 higher than the \$76,813 estimated to be expended in the 1950-51 Fiscal Year.

The increase is due entirely to the requested addition of three new clerical positions for work load. The salary costs for Education Research are budgeted to increase by \$6,985, or 13.3 percent, for the 1951-52 Fiscal Year. The new positions are requested for work load consisting of the typing of research studies, verification of school statistics, and key punching services for school apportionment and credential purposes. The additional work load, it should be pointed out, does not come alone from additional research but also from additional statistical services to the Department of Education.

Division of School Administration

Administrative Unit

This unit is budgeted to increase from an estimated expenditure of \$22,702 in the 1950-51 Fiscal Year to \$31,230 in the 1951-52 Fiscal Year. This is an increase of \$8,528, or 37.6 percent. The increase consists principally of a \$6,105 increase in printing and \$2,397 for equipment.

We recommend that printing be reduced by \$2,600 as shown on Budget page 200, line 29. It is proposed that an attendance accounting manual be printed at a cost of \$5,000 for 7,000 copies. Our recommended reduction would allow the printing of 7,000 manuals at a cost of \$2,400.

We also recommend that miscellaneous printing be reduced by half, or \$710. Budgeting miscellaneous printing at a cost of \$1,420 is high and amounts to 20 percent of their printing budget.

School Planning

The budget request for School Planning is \$75,764 for the 1951-52 Fiscal Year. There is no change contemplated in this budget over the level of activity of the previous year.

We recommend approval of the budget as submitted.

School District Organization

The budget request for this unit is at approximately the same level as was budgeted last year. The main function of this unit is to assist local survey committees with school district reorganization.

We recommend approval of the amount budgeted.

Administrative Services—Administrative Unit

There is no change contemplated in the activities of this unit which consists of an assistant division chief and a clerical position. The assistant division chief coordinates that section of public school administration that is primarily concerned with school finances.

We recommend approval of the amount budgeted.

Administrative Services—Field Records Unit

The amount budgeted for this unit is \$60,719 for the 1951-52 Fiscal Year. This is \$1,467, or 2.4 percent less than the estimated expenditure for the 1950-51 Fiscal Year.

The six supervisors provide consultative and advisory services to school districts on matters of school records, accounts, and reports.

We recommend approval of the amount requested.

Administrative Services—School Accounts and Records

The amount requested for School Accounts and Records is \$63,357 for the 1951-52 Fiscal Year. This is \$13,887, or 28 percent higher than the estimated expenditure of \$49,470 for the 1950-51 Fiscal Year.

This increase consists of three new clerical positions costing \$7,944 and new equipment costing \$5,725. The clerical positions were added because of the requirements of Chapter 1521, Statutes of 1949, which require the State Controller to publish the financial transactions of all local agencies including those of school districts. The School Accounts and Records Unit will furnish the Controller with the necessary information on school districts.

The new equipment is added in order that accurate apportionments can be made within the requirements of existing legislation.

We recommend approval of the amount budgeted.

Administrative Services—Child Welfare and Attendance

The budget request for this unit is \$14,245. This is the same level of service as was estimated to be expended for the 1950-51 Fiscal Year.

We recommend approval of the amount requested.

Administrative Services—School Lunch Program

The budget request of \$96,229 for the School Lunch Program is only slightly greater than the estimated expenditure of \$95,672 for the 1950-51 Fiscal Year.

The State provides for the administration of the federal school lunch program, and it is anticipated that \$3,300,000 will be received from the Federal Government for distribution to 2,700 schools in California.

We recommend approval of the amount requested. However, we recommend that study be made of the necessity of having a supervising nutritionist and nine nutritionists. It would appear that nutritional advice can be made available to local school districts through other means than by individual contacts with the school districts by traveling nutritionists.

Textbooks and Publications

The budget request for the Bureau of Textbooks and Publications is \$74,965 for the 1951-52 Fiscal Year. This is \$1,559, or 2 percent lower than the estimated expenditure of \$76,524 for the 1950-51 Fiscal Year.

Two new positions are requested at a total of \$7,896. However, this is offset by a decrease of \$8,310 in temporary help.

We recommend that the positions be granted inasmuch as the 1951-52 Fiscal Year will be a peak year in textbook adoptions. However, we would recommend a review of the position of the following year inasmuch as there should be a large decline in textbook adoptions.

Readjustment Education

The Bureau of Readjustment Education is budgeted to increase from an estimated expenditure of \$84,901 in the 1950-51 Fiscal Year to \$86,382 for the 1951-52 Fiscal Year.

The Bureau's chief function is to maintain a list of approved institutions offering training for veterans and to see that these institutions maintain adequate standards of instruction. There has been a large decrease in the number of veterans enrolled during the current year, and it is anticipated that another major decline will occur during the 1951-52 Fiscal Year. As of July 25, 1951, veterans who have not commenced their education under the veterans' bill and those who have discontinued their education and who do not renew their training will no longer be eligible for veterans' tuition payments. Currently there is a final drive on by profit-making institutions to increase the number of veterans enrolled before July, 1951. The Bureau anticipates more infractions of adequate educational services by these schools. However, most veterans will enroll in existing schools, especially since enrollments in major private schools are now falling. The Bureau by now knows which are the marginal schools and will be able to concentrate its activities on them. This number should not be great inasmuch as the Bureau gives original approval to these schools. For the above reasons we recommend that the budget for the Bureau of Readjustment Education be reduced by \$30,110 for the 1951-52 Fiscal Year.

Our recommended reductions are as follows:

On Budget page 206, line 16, delete the position of assistant chief of bureau at a cost of \$6,310.

On Budget page 206, line 17, delete two readjustment education technicians at a cost of \$11,280.

On Budget page 206, line 18, delete two intermediate stenographer-clerks at a cost of \$5,630.

On Budget page 206, line 19, delete one junior stenographer-clerk at a cost of \$2,390.

On Budget page 206, line 28, reduce operating expenses for the office by \$200.

On Budget page 206, line 32, reduce long distance toll charges by \$500.

On Budget page 206, line 35, reduce travel by \$3,000.

On Budget page 206, line 36, reduce automobile mileage by \$200.

On Budget page 206, line 37, reduce automobile operation by \$600.

Division of Instruction

Administrative Unit

This unit is requesting an assistant division chief at a beginning salary of \$7,008 and a clerical position costing \$2,400. The justification in the budget appears to be inadequate when it states that the present assistant division chiefs have become specialists and are no longer direct line assistants. At the present time, there are six assistant division chiefs in the five divisions in the department. The Division of Instruction already has two of the six assistant division chiefs and both of these are receiving salaries of \$8,520 each.

We recommend that these additional positions be not granted, thus deleting on Budget page 206, lines 77 and 78, the assistant division chief costing \$7,008 and an intermediate stenographer-clerk costing \$2,400.

On Budget page 207, lines 15 and 16, this will reduce traveling by \$650 and automobile operation by \$100.

On Budget page 207, line 21, it will reduce additional office equipment by \$585.

Other adjustments in operating expense should be made accordingly.

Secondary Education

The budget request for Secondary Education is \$77,898 for the 1951-52 Fiscal Year. This is \$11,260, or 17 percent higher than the estimated expenditure of \$66,638 for the 1950-51 Fiscal Year. The increase is due mainly to the addition of two new positions.

The new position of consultant in secondary education is requested to meet the existing demands for service from the public schools. It should be pointed out that it is possible for the State to furnish an unlimited number of consultants to the public schools. There are unlimited fields and possibilities to which consultant service can be adopted. The question is whether they are needed and what are the specific deficiencies. On the basis that there should be no expansion in services which are not demonstrated to be essential, we recommend no additional positions be granted. This will result in the deletion of a consultant in secondary education as shown on Budget page 207, line 50, at a cost of \$5,496, and a clerical position as shown on Budget page 207, line 51, at a cost of \$2,400. Travel expense as shown on Budget page 207, line 64, will be reduced by \$1,470 and equipment as shown on Budget page 207, line 72, will be reduced by \$601. There will also be other adjustments under operating expense.

Audio-Visual Education

The level of service for this bureau remains the same as the previous year. A decrease of \$3,000 in their budget results from few purchases of new audio-visual equipment for use of all departmental personnel.

We recommend approval of the amount budgeted.

Adult Education

The budget request for Adult Education is \$52,074 for the 1951-52 Fiscal Year. This is \$9,749 or 23.0 percent higher than the estimated expenditure for the 1950-51 Fiscal Year.

The consultant service expenditures offered by the Department of Education in Adult Education, Secondary Education or Elementary Education are not related to the number of pupils enrolled in each category. The following table illustrates the proposed cost of consultant service in the Department of Education and the enrollment in the public schools for each level:

Grade	1951-52 Budget	March 31, 1950 enrollment
1. Adult education -----	\$52,074	435,263
2. Elementary education -----	69,169	1,230,780
3. Secondary education -----	77,898	428,343

It is obvious that new positions for Adult Education cannot be justified on the basis of greatly expanded enrollments in this field. Enrollments in adult education did increase from 314,625 on March 31, 1949, to 435,263 on March 31, 1950, or a 38.0 percent increase. However, in spite of the large percentage increase, the total enrolled in adult education is still far behind elementary education.

We feel that it is needless duplication to have separate Bureaus of Adult Education and Secondary Education and that the Bureau of Secondary Education could well absorb the functions of Adult Education with little extra assistance. We would like to point out that practically all of the subjects offered in adult education are also offered on the secondary level, and they are taught ordinarily by the same teachers.

The rapid expansion of adult education is due largely to the fact that schools have found this to be a lucrative source of income from the State, and that it is offered at only nominal cost to the student. The State also pays \$120 for each student in average daily attendance in adult education as in elementary and secondary education. School districts have found that by having adult education classes they are able to give their teachers an opportunity to earn additional funds and the districts can utilize their classrooms and equipment during the evenings when they would normally be idle.

The only major expense involved is the teachers' salaries, which are generally paid on an hourly basis. Furthermore, this additional a.d.a. count enables the district to qualify for additional equalization aid due to the fact that they have a lower assessed valuation per pupil when the adults are counted. Districts have also adopted the practice of giving adult education courses to military bases and other such groups and counting this a.d.a. for securing additional State funds. *Enrollments in adult education in California now exceed enrollments in secondary education.*

Another factor which should be considered is the effect of this rapid expansion in adult education in the public schools upon the Extension Service that has been offered by the University of California for many years. Although the two types of education are not identical, there is apparently considerable overlapping. The Extension Service, moreover, has always assessed a relatively high fee for extension courses. The rapid expansion of adult education in a rapidly increasing number of subjects in the secondary schools will have a very decided effect upon the Extension Service offered by the University. This tendency is additional evidence of the serious lack of coordination in higher education in the State of California.

We recommend that the organizational structure of the Department of Education be studied. It would appear to us that the Bureau of Adult Education might well be abolished and that the necessary consultant positions be placed under the Assistant Division Chief in charge of Secondary Education.

We recommend that the proposed new positions of a consultant in adult education, as shown on Budget page 208, line 79, at a cost of \$5,496 be not granted and that the position of intermediate stenographer-clerk on the following line also be deleted, saving \$2,400.

Additional office equipment, as shown on Budget page 209, line 21, should be reduced by \$617.

Under operating expenses, \$65 should be deleted for the office and \$1,340 for travel. This will allow the same amounts as budgeted for the current year.

Special Education

The budget request for Special Education is \$92,444 for the 1951-52 Fiscal Year. This is \$2,532, or 2.8 percent higher than the estimated expenditure of \$89,912 for the 1950-51 Fiscal Year.

Although we are not recommending a reduction in the amount budgeted it should be observed that consultative services for exceptional children in the public schools is budgeted at \$92,444, while consultative services to normal pupils in the elementary schools is budgeted at \$69,169.

Elementary Education

The budget request for Elementary Education is \$69,169 for the 1951-52 Fiscal Year. This is \$7,474, or 12 percent higher than the \$61,695 estimated to be expended in the 1950-51 Fiscal Year.

Most of the increase is due to the request for an additional consultant as shown on Budget page 210, line 26, at a cost of \$5,496. We recommend that this new service be not allowed on the same basis on which we recommended the deletion of a new consultant position for Secondary Education. There is no limit to expansion of consultative services and we do not feel that the new services should be added this year.

We also recommend that temporary help as shown on Budget page 210, line 27, be deleted at a saving of \$600.

Additional office equipment as shown on Budget page 210, line 47, will be reduced by \$200. Adjustments should also be made in operating expenses.

Physical and Health Education and Recreation

There is no change in the level of activities of this bureau for the 1951-52 Fiscal Year. The budget request is \$46,977, or 2.6 percent higher than the estimated expenditure of \$45,744 for the 1950-51 Fiscal Year.

We feel that this bureau cannot be justified as a separate bureau but should be consolidated under elementary and secondary education. Physical and health education and recreation are only a part of the education program offered in the public schools. It is no more logical to set up a bureau for this purpose than it is to establish a bureau for music education, art education, science education, or constitutional history. We recommend that a study be made as to the possibility of abolishing this bureau and transferring the necessary consultant positions to elementary and secondary education.

Vocational Education

The budget request for Vocational Education is \$39,012 for the 1951-52 Fiscal Year. This is \$10,933, or 39.0 percent higher than the estimated expenditure of \$28,079 for the 1950-51 Fiscal Year.

The increase is due largely to the addition of one consultant in the field of guidance and counseling, one clerical assistant with travel and equipment for these two new positions.

The justification for the consultant in guidance is that some assistance must be provided for children not planning to enter vocational fields. There is not another consultant in guidance in the whole Department of Education, yet it is proposed that those relatively few children who are taking vocational education, but who do not plan to enter vocational fields, should receive special guidance service.

We believe this request to be a new and highly specialized request which is unwarranted and therefore recommend that the positions not be allowed. This will result in the deletion of a consultant in guidance costing \$5,496 as shown on Budget page 211, line 50. On the next line delete the position of intermediate stenographer-clerk at a cost of \$2,400. Additional office equipment, as shown on Budget page 211, line 71, will be reduced by \$523, and operating expenses by approximately \$2,000.

Division of State Colleges and Teacher Education
Administrative Unit

The budget request for the Administrative Unit represents the largest increase of any unit in the Department of Education for the 1951-52 Fiscal Year. The proposed budget is \$97,243 as contrasted with an expenditure of \$68,496 for the 1950-51 Fiscal Year. This is an increase of \$28,747 or 42.0 percent.

The increase is due to a request for a specialist in higher education and a specialist in state college curricula. We recommend that these positions be allowed because these are two areas in which much work needs to be done. The specialist in higher education will work with the University of California on California's need in higher education. The university already has funds available for this joint enterprise. A proper definition of the responsibilities of the junior colleges, state colleges, and the University of California, and its application to the state-wide program of higher education in California, should save great sums of local and state taxpayers' money.

The specialist in state college curricula will coordinate the development of curriculum standards in the state colleges. This is highly desirable and an urgent need, as we have pointed out in previous analyses.

We recommend approval of the budget as requested.

Credentials

The budget request for this unit is \$164,891, or 7.4 percent higher than the estimated expenditure of \$153,541. This unit is more than self-supporting, however, inasmuch as revenues from credential fees are estimated at \$200,000 for the Budget year.

We recommend approval of the amount requested.

Division of Special Schools and Services
Administrative Unit

The budget request for the administrative unit is \$46,440. This is an increase of \$1,232, or 2.7 percent over the estimated expenditure of \$45,208 for the 1950-51 Fiscal Year. The increase is due largely to the inclusion of liability insurance premium costs for employees of the special schools and workshops.

We recommend approval of the budget as submitted.

Field Rehabilitation Services for the Blind

The budget request for this service is \$71,050. This is an increase of \$23,101, or 48.2 percent over the estimated expenditure of \$47,949 in the 1950-51 Fiscal Year. This increase is due to the addition of six new field

workers, plus their travel and equipment. The goal of the department is 21 field workers. This will require an additional five workers at some later date.

The field workers' main function is to assist blind persons to adjust to their home and to adjust the other persons in the home to the blind person. A high percentage of the blind persons contacted in this program are over 60 years of age.

The field workers have several specific jobs which include:

1. Locating blind persons.
2. Assistance in orienting the blind person in his home.
3. Advise them of services available for blind persons.

It has also been proposed that the teaching of Braille be added to the duties of the field workers. This program is largely humanitarian in design rather than vocational rehabilitation. Nevertheless, there should be the closest coordination with the work of the Division of Vocational Rehabilitation, which also employs field workers for the blind. To the extent that this program restricts itself to furnishing the opportunity for self-help to these persons, and encourages families to take more active steps toward creating these opportunities, it would appear to be a service which justifies the cost. On this limited basis we recommend approval of the amount requested.

Department of Education

OTHER CURRENT EXPENSES—SUPERVISION OF CHILD CARE CENTER PROGRAM

ITEM 72 of the Budget Bill Budget page 216
Budget line No. 24

*For Support of Supervision of Child Care Center Program
From the General Fund*

Amount requested	\$41,943
Estimated to be expended in 1950-51 Fiscal Year.....	39,916
Increase (5.1 percent)	\$2,027

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages.....	\$767	\$767	---	215	80
Operating expense	1,260	1,260	---	216	19
Equipment	---	---	---		
Total increase	\$2,027	\$2,027	---		

RECOMMENDATIONS

Amount budgeted	\$41,943
Legislative Auditor's recommendation	None
Reduction	\$41,943

ANALYSIS

We are recommending against the continuation of child care centers as a state program. Therefore, we also recommend that this item providing supervision at the state level should be eliminated. This would effect a savings of \$41,943 in the budget of the Department of Education.

The direct cost for state support for the child care centers appears in the Local Assistance Budget and totals \$5,340,000.

**Department of Education
VOCATIONAL EDUCATION—SUPERVISION AND TEACHER TRAINING**

ITEM 73 of the Budget Bill

Budget page 217
Budget line No. 38

For Support of Supervision and Teacher Training From the General Fund

Amount requested	\$670,259
Estimated to be expended in 1950-51 Fiscal Year	670,259
Increase	None

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$37,500	\$37,500	---	218	76
Operating expense	1,927	1,927	---	219	24
Equipment	---	---	---	---	---
Less:					
Increased reimbursements	—2,300	—2,300	---	219	30
Total increase for supervision	\$37,127	\$37,127	---		
Less:					
Decreased subvention to schools	—37,127	—37,127	---		
Total increase	None	None	---		

RECOMMENDATIONS

Amount budgeted	\$670,259
Legislative Auditor's recommendation	670,259
Reduction	None

ANALYSIS

The acceptance of federal vocational education funds requires certain matching amounts of state funds to augment federal grants-in-aid in this field. These funds are expended for state level supervision and teacher training, with any remaining balances distributed to 300 public secondary schools as partial reimbursement for their participation in the program.

The requested amount of \$670,259 from the General Fund is the same amount as is estimated to be expended in the 1950-51 Fiscal Year. It is proposed that \$347,146 will be used for state level supervision and teacher training, and that the remaining balance of \$323,113 will be distributed to the public secondary schools. This means that state level supervision and teacher training will receive \$18,564 more from the General Fund which will be offset by giving that much less to the local schools.

The federal distribution is very similar. It is not anticipated that the total federal appropriation will increase. However, \$18,564 more federal money will go to state level supervision and teacher training and the local school districts will receive \$18,564 less money.

The sum of these transfers is that supervision and teacher training will receive \$694,291, or \$37,127 more than they did in 1950-51. This increase will be financed by allocating \$37,127 less to the secondary schools.

The increase requested from the General Fund is largely due to a greater work load in vocational education in the public schools, and additional \$12,500 to train 60 teachers to meet existing shortages in the field, and \$11,230 in increased automobile rental charges to reimburse the General Fund for automobiles purchased for use by this function.

We recommend that the amount budgeted for the State's participation in the vocational education program in the public schools be granted.

Department of Education

RELATED INSTRUCTION—APPRENTICESHIP TRAINING PROGRAM

ITEM 74 of the Budget Bill

Budget page 219
Budget line No. 35

*For Support of Related Instruction, Apprenticeship Training Program,
From the General Fund*

Amount requested	\$42,401
Estimated to be expended in 1950-51 Fiscal Year	31,374
Increase (35.1 percent)	\$11,027

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$4,958	—\$4,958	---	219	64
Operating expense	10,711	—23,321	\$12,610	220	12
Equipment	614	614	---	220	18
Plus:					
Decreased reimburse- ments	26,082	26,082	---	220	22
Total increase	\$11,027	—\$1,583	\$12,610		

RECOMMENDATIONS

Amount budgeted	\$42,401
Legislative Auditor's recommendation	29,791
Reduction	\$12,610

ANALYSIS

The proposed budget for Related Instruction—Apprenticeship Training Program consists of three separate functions. These functions are Agricultural Education, Business Education, and Trade and Industrial Education. The purpose of this program is to provide teacher training, develop instructional materials and to provide on-farm training for veterans.

The Related Instruction—Apprenticeship Training Program was established in 1945. Since that time Agricultural Education has been entirely self-supporting and has received \$1,579 more in reimbursements than has been expended. Since 1948 when the Veterans Administration instituted the on-farm training program for veterans the State has received \$300,184 in tuition fees from the Veterans Administration and the expenditures from the General Fund have been \$271,714.

Trade and Industrial Education was originally presented as a self-supporting function. For the seven years of operation it has cost the State \$533,597, of which \$224,859 has been reimbursed. The deficit of

\$308,738 will be partially offset by future sales of existing inventories of instructional materials but this operation is not self-supporting.

The following table shows expenditures and reimbursements of the Related Instruction—Apprenticeship Training Program. This includes estimated operations for the 1950-51 Fiscal Year and the proposed operations for the 1951-52 Fiscal Year.

Related Instruction—Apprenticeship Training Program
Expenditures and Reimbursement, 1945-1952

<i>Fiscal year</i>	<i>Agriculture</i>	<i>Business</i>	<i>Trade and industrial</i>	<i>Totals</i>
1945-46				
Expenditure -----	\$332	\$1,024	\$3,001	\$4,357
Reimbursement -----	---	---	---	---
Total -----	\$332	\$1,024	\$3,001	\$4,357
1946-47				
Expenditure -----	\$12,279	\$6,527	\$52,297	\$71,103
Reimbursement -----	---	---	—4,813	—4,813
Total -----	\$12,279	\$6,527	\$47,484	\$66,290
1947-48				
Expenditure -----	\$14,280	\$8,513	\$99,528	\$122,321
Reimbursement -----	---	---	—20,319	—20,319
Total -----	\$14,280	\$8,513	\$79,209	\$102,002
1948-49				
Expenditure -----	\$46,154	\$8,812	\$126,629	\$181,595
Reimbursement -----	—30,679	---	—39,098	—69,777
Total -----	\$15,475	\$8,812	\$87,531	\$111,818
1949-50				
Expenditure -----	\$61,230	\$8,929	\$78,449	\$148,608
Reimbursement -----	—97,623	---	—44,629	—142,252
Total -----	—\$36,393	\$8,929	\$33,820	\$6,356
1950-51 (estimated)				
Expenditure -----	\$79,336	\$11,063	\$97,417	\$187,816
Reimbursement -----	—98,982	---	—58,000	—156,982
Total -----	—\$19,646	\$11,063	\$39,417	\$30,834
1951-52 (proposed)				
Expenditure -----	\$84,994	\$12,031	\$76,276	\$173,301
Reimbursement -----	—72,900	---	—58,000	—130,900
Total -----	\$12,094	\$12,031	\$18,276	\$42,401
Summary (seven years)				
Expenditures -----	\$298,605	\$56,899	\$533,597	\$889,101
Reimbursements -----	—300,184	---	—224,859	—525,043
Totals -----	—\$1,579	\$56,899	\$308,738	\$364,058

In view of the history of these functions under Related Instruction—Apprenticeship Training Program we recommend that the proposed budgets for Agricultural Education and Business Education be approved.

We recommend that the proposed budget for Trades and Industrial Education be reduced by \$12,610. The budget proposes that instructional materials be mimeographed for classes that have fewer than 100 students enrolled in the entire State. The furnishing of instructional materials

to these small groups cannot be financially justified and in view of the fact that the State is already subsidizing classes with larger enrollments we do not feel that this new service is economically justified. The specific reductions include \$500 for mimeograph materials which is included on Budget page 219, line 68, \$4,550 for manuscripts which is included on Budget page 219, line 69, and \$7,560 in services from the University of California included on Budget page 220, line 7. The latter items consists of editors and stenographic help for preparation of manuscripts.

**Department of Education
FIRE TRAINING AND INSTITUTES**

ITEM 75 of the Budget Bill

Budget page 220
Budget line No. 74

For Support of Fire Training and Institutes From the General Fund

Amount requested -----	\$74,831
Estimated to be expended in 1950-51 Fiscal Year -----	71,898
 Increase (4.1 percent) -----	 \$2,933

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$1,680	\$1,680	---	220	49
Operating expense -----	838	838	---	220	64
Equipment -----	415	415	---	220	72
 Total increase -----	 \$2,933	 \$2,933	 ---		

RECOMMENDATIONS

Amount budgeted -----	\$74,831
Legislative Auditor's recommendation -----	37,416
 Reduction -----	 \$37,415

ANALYSIS

The budgets for Fire Training and for Fire Training Institutes have been combined into a single budget request. The request of \$74,831 for the 1951-52 Fiscal Year is \$2,933 or 4 percent greater than the \$71,898 estimated to be expended for this purpose in the 1950-51 Fiscal Year. This is due principally to a saving realized in the 1950-51 year in payments to city schools for classroom rental, and the inability to hire specialists as lecturers. Essentially the budget request is at the same level as was budgeted last year.

In addition to this budget request of \$74,831 there is approximately \$25,000 provided for fire training in the Vocational Education budget. This latter cost is supported equally from state and federal funds. The total budget for Fire Training and Institutes, therefore, amounts to approximately \$100,000 of which \$87,500 is derived from the General Fund.

The basic fire training program which is supported through the Vocational Education budget has been in existence since 1937. The Legislature provided through Chapters 1164 and 1169 of the Statutes of 1949 a new service consisting of six additional traveling instructors for fire training and provision for holding fire training institutes. At that time

it was pointed out that there were approximately 250 fire departments in need of this service.

During the past year approximately 150 fire departments received a course of instruction through the traveling instructors and there is now a waiting list of 250 departments requesting courses of instruction. Approximately one-third of the fire departments on the waiting list have received training from the traveling instructors. In reference to this waiting list there are two developments advanced by the fire training personnel with which the Legislature should be primarily concerned:

1. Many of these small fire departments have a large turnover in personnel and therefore they should receive basic training on an annual basis.
2. It has been pointed out that the present course given is not adequate and to properly train these volunteer firemen it would necessitate about five separate courses of instruction.

Although there is no provision for an increase in the fire training program for the 1951-52 Fiscal Year, the precedent is being established for State assumption of a share of the responsibility for training local fire crews which may lead to substantial future increases in the cost of this program.

It is the local districts which receive the benefit of the state-supported fire training program and, in our opinion, this cost should be paid at least in part by the respective beneficiaries. It should be pointed out that many local districts have volunteer firemen because of the more favorable tax rates in unincorporated areas. Other districts extend themselves by having a higher tax rate for fire protection in order that they may have full-time trained personnel. *Accordingly, on the basis of equity to districts that maintain their own trained personnel and on the basis that the local districts which are receiving training at full state expense are the direct beneficiaries of this service, we recommend that this program be supported equally from state and local funds.* Our recommendation last year was that this service should be fully supported from local funds inasmuch as we felt that there was no greater justification for the State to train local fire personnel than there was for the State to train city managers, assessors, auditors, librarians, clerks, and other local employees. If it is felt by the Legislature that the State should contribute to this program, it is our belief that local financial participation should be sufficient in amount to furnish a guide to the bona fide demands for the service.

If the Civilian Defense Program is placed into full operation with probable federal money on a matching basis, it will be necessary for the Fire Training Program to coordinate its work along with that program. This will involve giving service to areas on a priority basis and emphasizing different phases of fire training. If this develops we would also recommend that approximately half of the State's share in the budget of the fire training program be charged to Civilian Defense.

Department of Education
VOCATIONAL REHABILITATION

ITEM 76 of the Budget Bill

Budget page 222
Budget line No. 34**For Support of Vocational Rehabilitation From the General Fund**

Amount requested	\$850,000
Estimated to be expended in 1950-51 Fiscal Year	761,942
Increase (11.6 percent)	\$88,058

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$18,653	\$14,653	\$4,000	226	58
Operating expense	121,703	121,703	---	226	59
Equipment	2,888	2,888	---	226	60
Total increase	\$143,244	\$139,244	\$4,000		
Less:					
Increased federal funds	\$5,186	---	---	222	18
	\$88,058				

RECOMMENDATIONS

Amount budgeted	\$850,000
Legislative Auditor's recommendation	825,000
Reduction	\$25,000

ANALYSIS

The budget request for the Bureau of Vocational Rehabilitation for the 1951-52 Fiscal Year is \$850,000. This is \$25,000 higher than the amount budgeted last year, and \$88,058, or 12 percent higher than the estimated expenditures for the 1950-51 Fiscal Year.

In the 1950 Budget Act the Legislature provided \$825,000 in Item 77 to meet federal matching requirements relating to vocational rehabilitation, and \$35,000 in Item 78 to provide for vending stands for the blind.

The \$825,000 was provided to meet one-half of the costs for case service for other than war disabled civilians and the unused balance was to revert to the General Fund. One of the arguments used in securing this large appropriation was that the amount budgeted played a major role in determining how much money the State would secure from the Federal Government allotments to the various states. Last year the Federal Government reduced its appropriation, and the Director of Finance granted the Bureau of Vocational Rehabilitation \$42,828 from the Emergency Fund. The money from the Emergency Fund was used to provide \$22,828 for Administration and Vocational Guidance and Placement which normally receive all of their funds from the Federal Government, and \$20,000 was given to Case Service. The latter application of Emergency Fund money had the effect of supplementing federal matching money and thereby requiring additional state matching money, which normally would have reverted to the General Fund, according to the language contained in the Budget Act. In the opinion of the Legislative Counsel this granting of matching money is contrary to the Budget Act limitation.

The 1951-52 budget request for the Bureau of Vocational Rehabilitation has been placed upon a different basis than in previous years. It

is now proposed that the program be financed on an over-all basis of two federal dollars for each state dollar. This over-all limitation is proposed in lieu of the present matching provisions for case service only. This means that the budgeted amount will probably be spent in its entirety instead of having a large reversion as in previous years when federal appropriations decline.

We do not feel that the restrictive language of the Budget Act of 1950 should be abandoned. In past years the Legislature has been liberal in appropriations to this agency with the knowledge that:

1. The larger the amount appropriated from state funds, the greater the amount of federal funds that would probably be allotted to California.
2. There have been large reversions when federal matching money declined for case service.

We recommend that the Legislature appropriate money in the same amounts as appropriated last year, or \$860,000. This would provide \$825,000 for matching purposes for case service, and \$35,000 for vending stands for the blind.

We realize that there have been increases due to salary adjustments and higher operating expenses. However, we feel that inasmuch as this program has received about 70 percent of its money through federal appropriations, the expenditures have not been as critically reviewed as they would have been under state operations.

Department of Education
VOCATIONAL REHABILITATION ADMINISTRATION OF VENDING STANDS
FOR THE BLIND

ITEM 77 of the Budget Bill

Budget page 226
 Budget line No. 48

For Support of Additional Vocational Rehabilitation From the General Fund

Amount requested	\$35,000
Estimated to be expended in 1950-51 Fiscal Year.....	35,000
Increase	None

Summary of Increase

	INCREASE DUE TO			Budget page	Line No.
	Total increase	Work load or salary adjustments	New services		
Salaries and wages.....	\$993	\$993	---	226	29
Operating expense	---	---	---	226	40
Equipment	—993	—993	---	226	46
Total increase	None	None			

RECOMMENDATIONS

Amount budgeted	\$35,000
Legislative Auditor's recommendation	35,000
Reduction	None

ANALYSIS

This program was created by Chapter 1457, Statutes of 1947, which appropriated \$25,000 for this purpose. In 1950-51 the annual appropriation was increased to \$35,000, and it is proposed that the same amount be appropriated for the 1951-52 Fiscal Year.

This is a program whereby vending stands are established in office buildings throughout the State for operation by blind persons. These blind persons are selected by three-man local committees consisting generally of one representative of the office building in which the stand is to be located, one businessman in the community, and one representative of the Bureau of Vocational Rehabilitation. The State purchases the equipment which is made available on loan to the blind operator who pays a nominal charge based on a percentage of gross sales. The State also supervises the program and maintains the equipment. This is being done by these rehabilitation officers and at the present time there are 94 stands in operation.

During the past year approximately \$5,000 was collected from blind operators of the state vending stands and another \$7,000 was collected from blind operators of vending stands that are operating as part of case service in which the Federal Government contributes one-half of the money. This \$12,000 that was collected is not reflected in the budget inasmuch as the money goes into a special trust fund which is spent at the discretion of the Chief of Vocational Rehabilitation. This special trust fund at the disposal of the Chief of Vocational Rehabilitation gives him greater flexibility in his operations, such as giving loans to blind persons for initial purchase of equipment, buying insurance premiums, for guide dogs at the stands, purchases of equipment, and for emergencies. However, we feel that the expenditures from this fund should be included in the Budget for review by the Legislature so that the whole picture of the operation of the vending stands for the blind would be presented.

The charge to operators apparently is a precedent that has been established for many years. There is no legal basis for such a charge in either the Federal Randolph-Shepard Act or by Chapter 1457, Statutes of 1947, by which the State started contributing to the vending stands for the blind. The Bureau of Vocational Rehabilitation contends that the amounts collected are not a charge to the blind operators but rather a contribution. Every operator has signed a statement to the effect that he approves of the contributions with the knowledge that this special fund will be used for the benefit of the operators of the vending stands.

We recommend that the amount requested be approved and that an annual review be made of the expenditures from this trust fund at the time of the budget hearing for this agency.

**Department of Education
DIVISION OF LIBRARIES**

ITEM 78 of the Budget Bill

Budget page 227
Budget line No. 7

For Support of Division of Libraries From the General Fund

Amount requested	\$401,455
Estimated to be expended in 1950-51 Fiscal Year.....	378,175
Increase (6.2 percent)	\$23,280

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$14,474	\$14,474	---	229	27
Operating expense-----	5,780	5,780	---	229	28
Equipment-----	3,226	3,226	---	229	29
Less:					
Reimbursement for photo- stat services-----	—200	—200	---	229	33
Total increase-----	\$23,280	\$23,280	---		

RECOMMENDATIONS

Amount budgeted-----	\$401,455
Legislative Auditor's recommendation-----	398,641
Reduction-----	\$2,814

ANALYSIS

The increase requested for the Division of Libraries is upon a work load basis with no new services being added. We therefore recommend that the four new positions consisting of a senior librarian for the cataloging section, intermediate typist-clerk in the order section, intermediate clerk (male) to handle the increased amount of heavy work in the stacks, and the junior typist for increased inter-library loans be granted.

We recommend, however, that there be a reduction of \$2,564 on Budget page 228, line 44. This item is for temporary help to keep the law library open after hours primarily for the benefit of the local law school. This amount first appeared in last year's budget, and was used to keep the law library open from 5 to 9 p.m. Monday through Friday, and from 12 noon to 9 p.m. on Saturdays. The library has kept a record of the usage of this library during these periods as they were requested to do at the time of the budget hearing. This record shows that for the period from January 1, 1950 through June 30, 1950 the library averaged 2.8 persons in the evenings and 6.4 persons on Saturdays. In our opinion this limited usage of the library during these periods does not justify the expenditure of \$2,564, plus operating expenses. It should also be emphasized that we have always opposed this library expanding its services as a local library, except where it was as a by-product of its primary function as a state library. We therefore recommend its elimination.

Operating expenses have increased due to increased costs and work load. We recommend approval of the amount requested.

A review of the equipment items revealed that the budgeted amount is needed with the exception of the replacement of two typewriters, Budget page 228, line 5, costing \$250. *These typewriters requested for replacement are in very good condition and we recommend that the request for replacement not be granted at this time.*

Department of Education
STATE COLLEGES

Summary of the Budget Requests of the State Colleges, ITEMS 79 to 88, inclusive

The proposed budget for the nine state colleges is \$12,971,930 for the 1951-52 Fiscal Year. This is \$1,158,246, or 9.8 percent higher than the estimated expenditure of \$11,813,684 during 1950-51. Enrollments are budgeted to increase by 7.0 percent.

The above figures are misleading inasmuch as there are three new colleges in the group that are rapidly expanding. A more accurate picture of the over-all increase in costs in the state colleges, as related to enrollment increases, can be presented by placing the colleges in two groups. Group I includes the six older colleges, and Group II the three newer colleges:

Group I—Full-Time Equivalent Students				
College	1950-51	1951-52	Net Change	Percent
1. Chico -----	1,350	1,300	—50	—3.7
2. Fresno -----	2,675	2,625	—50	—1.9
3. Humboldt -----	625	600	—25	—4.0
4. San Diego -----	3,750	3,600	—150	—4.0
5. San Francisco -----	4,060	4,150	90	2.2
6. San Jose -----	5,600	6,000	400	7.1
Totals -----	18,060	18,275	215	1.2

Expenditure				
College	1950-51	1951-52	Increase	Percent
1. Chico -----	\$792,150	\$874,922	\$82,772	10.4
2. Fresno -----	1,521,657	1,575,601	53,944	3.5
3. Humboldt -----	500,710	533,857	33,147	6.6
4. San Diego -----	1,962,699	1,972,707	10,008	0.5
5. San Francisco -----	2,134,752	2,351,471	216,719	10.2
6. San Jose -----	2,644,536	2,795,984	151,448	5.7
Totals -----	\$9,556,504	\$10,104,542	\$548,038	5.7

Group II—Full-Time Equivalent Students				
College	1950-51	1951-52	Increase	Percent
1. Los Angeles -----	2,530	2,800	270	10.7
2. Long Beach -----	600	1,500	900	150.0
3. Sacramento -----	1,115	1,300	185	16.6
Totals -----	4,245	5,600	1,355	31.9

Expenditure				
College	1950-51	1951-52	Increase	Percent
1. Los Angeles -----	\$1,258,416	\$1,401,157	\$142,741	11.3
2. Long Beach -----	345,158	696,467	351,309	101.8
3. Sacramento -----	653,606	769,764	116,158	17.8
Totals -----	\$2,257,180	\$2,867,388	\$610,208	27.0

Group I, the six older colleges, anticipates an increase of 1.2 percent in enrollment, while expenditures are budgeted to increase by 5.7 percent.

Group II, the three newer colleges, is anticipating a 31.9 percent increase in enrollment, and expenditures are budgeted to increase 27.0 percent.

Although the expenditure program of the nine state colleges is budgeted to increase by \$1,158,246, or 9.8 percent, the cost to the General Fund will increase \$1,771,623, or 21.1 percent. This difference is due mainly to the fact that the General Fund is absorbing the drop in veterans fees amounting to \$734,430. Revenues from the Federal Government for veterans' education are budgeted to decline from \$1,851,316 in the current year to \$1,116,886 in the 1951-52 Fiscal Year. The State General Fund will also probably have to absorb most of the remaining \$1,116,886

received from the Federal Government during the 1952-53 Fiscal Year.
The cost to the General Fund by college is as follows:

<i>College</i>	<i>1950-51</i>	<i>1951-52</i>	<i>Increase</i>	<i>Percent</i>
Chico -----	\$564,298	\$681,650	\$117,352	20.8
Fresno -----	926,342	1,228,236	301,894	32.6
Humboldt -----	402,504	453,642	51,138	12.7
Long Beach -----	290,632	533,752	293,120	100.9
Los Angeles -----	976,093	1,127,302	151,209	15.5
Sacramento -----	459,081	570,799	111,718	24.3
San Diego -----	1,365,251	1,519,906	154,655	11.3
San Francisco -----	1,416,942	1,745,228	328,286	23.2
San Jose -----	1,976,050	2,238,301	252,251	13.3
Totals -----	\$8,377,193	\$10,148,816	\$1,771,623	21.1

There are several important factors affecting the state college budgets for the 1951-52 Fiscal Year. Perhaps the most significant change has occurred as a result of the completion of the study on organization of the state colleges by the Division of Budgets and Accounts of the Department of Finance. This report has been incorporated into the budgets of the state colleges for the 1951-52 Fiscal Year. This study is only one of five studies which are being or have been prepared on state colleges. The other four studies include the organization of California Polytechnic College, administrative management, student-teacher ratio, and clerical staffing and procedures.

The estimated increased costs of these new positions is \$512,869 for the nine state colleges. However, most of this increase has been absorbed by a decrease in the student-teacher ratio. We have carefully reviewed the report and feel that basically the report is sound. It will put the colleges on a comparable basis from an organizational standpoint, and it is intended to clearly recognize those positions which are needed to do a proper administrative job in state colleges. The report identifies administrative tasks as such and has attempted to solve the problem which has existed for a long time of the colleges using their faculties in widely varying degrees for purely administrative tasks.

It would have been desirable, in our opinion, to consider this organizational study along with the study of student-faculty ratios. However, the latter study has not been completed. We have been led to believe that the study on student-faculty ratios will result in a decreased expenditure for this purpose.

This report has been adopted by the colleges and has been put into operation in varying degrees at the individual colleges by shifting funds budgeted for other positions to the new positions. The remaining request is to complete the transition. We recommend that the amount requested for this purpose be granted.

The administrative organization report was concerned with administrative positions only. The colleges have included many clerical positions for these administrative positions in their budget request. We recommend that these be not granted. The Management Analysis Section has not completed its report on clerical staffing and procedures and we do not believe that these new positions should be granted at this time inasmuch as the colleges do not use clerical pools nor has the possibility of greater use of dictating equipment been explored. We, therefore,

recommend that the following clerical positions be deleted from the budget:

College	Position	Budget Line		Amount
		page	No.	
Chico -----	2 Intermediate stenographer-clerks	236	53	\$4,800
Fresno -----	1 Intermediate stenographer-clerk	241	50	2,400
	1 Intermediate stenographer-clerk	243	12	2,400
Humboldt ----	1 Junior stenographer-clerk	249	36	2,160
	1 Intermediate clerk	250	34	2,160
Long Beach --	1 Intermediate stenographer-clerk	254	44	2,400
	1 Intermediate stenographer-clerk	255	26	2,400
	3 Intermediate stenographer-clerks	255	29	9,600
	Grant 3 junior stenographers instead of 4	255	29	720
Los Angeles --	1 Intermediate stenographer-clerk	259	35	2,400
Sacramento ---	1 Intermediate stenographer-clerk	263	35	2,400
San Diego ----	1 Senior stenographer-clerk	269	9	2,772
	1 Intermediate stenographer-clerk	269	10	2,400
San Francisco .	1 Intermediate stenographer-clerk	274	12	2,400
	1 Intermediate stenographer-clerk	275	49	2,400
San Jose -----	0.5 Junior stenographer-clerk	280	60	1,080
	2 Junior stenographer-clerks	285	16	4,320
Total -----				\$49,212

Another major factor in the state college budget requests is the anticipated effect of mobilization upon college enrollments. The enrollments at the older colleges are budgeted to increase only by 1.2 percent. If the situation becomes more grave we seriously doubt whether enrollments will hold up to the budgeted increase. Salary savings, on the other hand, are budgeted to increase from \$80,870 in 1950-51 to \$314,130 in 1951-52. This is an increase of \$233,260, or 288.0 percent over the estimated salary savings for the 1950-51 Fiscal Year.

Provision for payments of master teachers has been included in the budget for all of the colleges. The total amount provided is \$137,750 for payment to local school districts. This is the result of a joint study completed by the university and the state colleges as to the policy of paying master teachers. Last year only two colleges received money for master teachers pending the results of the study. We feel that a reasonably equitable solution to this difficult problem has been reached and recommend the approval of the amounts budgeted for this purpose.

**Department of Education
CHICO STATE COLLEGE**

ITEM 79 of the Budget Bill

Budget page 234
Budget line No. 19

For Support of the Chico State College From the General Fund

Amount requested -----	\$681,650
Estimated to be expended in 1950-51 Fiscal Year -----	564,298
Increase (20.8 percent) -----	\$117,352

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$52,140	\$18,852	\$33,288	238	23
Operating expense	21,280	9,030	12,250	238	24
Equipment	9,352	9,352	---	238	25
Plus:					
Decreased reimbursements	34,580	34,580	---	238	67
Total increase	\$117,352	\$71,814	\$45,538		

RECOMMENDATIONS

Amount budgeted	\$681,650
Legislative Auditor's recommendation	676,850
Reduction	\$4,800

ANALYSIS

The amount requested from the General Fund is \$681,650. This is \$117,352 or 20.8 percent more than the estimated expenditure of \$564,298 in the current year.

A decline of \$43,695 in veterans' tuition accounts for 37.0 percent of the increase requested.

Other increases are due to the adoption of a uniform staffing pattern for administrative positions among the state colleges, new buildings and athletic fields, and additional clerical assistance.

We recommend that two intermediate stenographer-clerks as shown on Budget page 236, line 52, be not granted, saving \$4,800. This is part of the general policy recommendation in our over-all analysis of the nine state colleges presented prior to the analysis of the individual college budgets.

Department of Education
FRESNO STATE COLLEGE

ITEM 80 of the Budget Bill

Budget page 239
Budget line No. 32

For Support of the Fresno State College From the General Fund

Amount requested	\$1,228,236
Estimated to be expended in 1950-51 Fiscal Year	926,342
Increase (32.6 percent)	\$301,894

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$29,085	\$5,915	\$23,170	246	66
Operating expense	21,572	8,573	12,999	246	68
Equipment	1,220	1,220	---	246	69
Plus:					
Decrease reimbursements	250,017	250,017	---	247	31
Total increase	\$301,894	\$265,725	\$36,169		

RECOMMENDATIONS

Amount budgeted	\$1,228,236
Legislative Auditor's recommendation	1,223,436
Reduction	\$4,800

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ANALYSIS

The amount requested for the 1951-52 Fiscal Year is \$1,228,236. This is \$301,894, or 33.0 percent greater than the \$926,342 estimated to be expended in the current year. Of this increase, \$255,750, or 85.0 percent is due to the General Fund absorbing the decline in veterans' tuition payments from the Federal Government.

Our over-all recommendation for the nine state colleges includes a reduction of \$4,800 in clerical assistance at this school. With this reduction we recommend approval of the budget for Fresno State College.

**Department of Education
FRESNO STATE COLLEGE**

ITEM 81 of the Budget Bill

Budget page 239
Budget line No. 56

*For Support of the Department of Agriculture at Fresno State College
From the State College Fund*

Amount requested	\$227,791
Estimated to be expended in 1950-51 Fiscal Year	206,995
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Increase (10.0 percent)	\$20,796

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$10,829	\$10,829	---	246	66
Operating expense	8,875	8,875	---	246	68
Equipment	1,092	1,092	---	246	69
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Total increase	\$20,796	\$20,796	---		

RECOMMENDATIONS

Amount budgeted	\$227,791
Legislative Auditor's recommendation	227,791
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Reduction	None

ANALYSIS

The budget request for the Department of Agriculture at Fresno State College is \$227,791. This is \$20,796, or 10 percent higher than the estimated expenditure of \$206,995 in the 1950-51 Fiscal Year.

The increase is due to the request for two additional positions for building maintenance and a half-time position for the dairy. Student assistance has been increased by \$2,000.

We recommend approval of the budget as requested.

**Department of Education
HUMBOLDT STATE COLLEGE**

ITEM 82 of the Budget Bill

Budget page 248
Budget line No. 19

For Support of the Humboldt State College From the General Fund

Amount requested	\$453,642
Estimated to be expended in 1950-51 Fiscal Year	402,504
<hr/>	
Increase (12.7 percent)	\$51,138

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$10,176	—\$20,675	\$30,851	252	9
Operating expenses-----	10,582	9,382	1,200	252	10
Equipment-----	12,389	12,389	---	252	11
Plus:					
Decreased reimbursements	17,991	17,991	---	252	50
Total increase-----	\$51,138	\$19,087	\$32,051		

RECOMMENDATIONS

Amount budgeted-----	\$453,642
Legislative Auditor's recommendation-----	449,322
Reduction-----	\$4,320

ANALYSIS

Humboldt State College is the smallest of the state colleges and this is reflected in the budgeted cost of \$859 per student. San Jose State College which is the largest of the state colleges, has a budgeted cost of \$440 per student.

The budget request of Humboldt State College is \$453,642. This is \$51,138 or 12.7 percent greater than the estimated expenditure of \$402,504 for the current year.

This increase is due to a drop of \$25,511 in veterans' tuition fees, adoption of the administrative organization report, and new maintenance positions.

Our general summary of the state colleges includes a recommended reduction of \$4,320 at this college in clerical personnel.

Department of Education

LOS ANGELES STATE COLLEGE OF APPLIED ARTS AND SCIENCES

ITEM 83 of the Budget Bill

Budget page 257
Budget line No. 19

For Support of the Los Angeles State College of Applied Arts and Sciences From the General Fund

Amount requested-----	\$1,127,302
Estimated to be expended in 1950-51 Fiscal Year-----	976,093
Increase (15.5 percent)-----	\$151,209

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$81,892	\$69,008	\$12,884	260	42
Operating expense-----	60,949	60,949	---	260	43
Equipment-----	---	---	---	---	---
Plus:					
Decreased reimbursements	8,368	8,368	---	260	80
	\$151,209	\$138,325	\$12,884		

RECOMMENDATIONS

Amount budgeted-----	\$1,127,302
Legislative Auditor's recommendation-----	1,124,902
Reduction-----	\$2,400

ANALYSIS

The budget request for Los Angeles State College of Applied Arts and Sciences is \$1,127,302. This is \$151,209, or 15.5 percent higher than the estimated expenditure of \$976,093 for the 1950-51 Fiscal Year. Enrollment is budgeted to increase from 2,530 students to 2,800 students, or an increase of 11.0 percent.

The main increase in this budget is due to increased enrollment. However, part of the increase is due to the adoption of the administrative organization report and a \$32,378 increase is attributable to the decline in veterans' tuition payments from the Federal Government.

There has been much general dissatisfaction with the present location of the Los Angeles State College of Applied Arts and Sciences on the campus of the Los Angeles Junior College. This dissatisfaction is largely due to problems inherent in the present relationships between state colleges and junior colleges.

There is evidence that the State is paying a high rental for facilities and equipment, and administrative and curriculum problems have existed in the operations of this dual effort. Under present circumstances we do not believe that a satisfactory result, from the State's standpoint, can be obtained out of this arrangement.

We recommend that a comprehensive study of the present curriculums and proper responsibilities of the state colleges and junior colleges should be made, as well as the need for the proper location of a Los Angeles State College. We also recommend against the State entering into capital outlay obligations on the present site.

We recommend approval of the budget request with minor reductions as outlined in our general summary of the state college budgets.

**Department of Education
LONG BEACH STATE COLLEGE**

ITEM 84 of the Budget Bill

Budget page 253
Budget line No. 21

For Support of the Long Beach State College From the General Fund

Amount requested	\$583,752
Estimated to be expended in 1950-51 Fiscal Year	290,632
Increase (100.9 percent)	\$293,120

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$320,084	\$289,424	\$30,660	256	47
Operating expense	31,225	17,725	13,500	256	48
Equipment	---	---	---	256	49
Less:					
Increased reimbursements	58,189	58,189	---	256	78
	\$293,120	\$248,960	\$44,160		

RECOMMENDATIONS

Amount budgeted	\$583,752
Legislative Auditor's recommendation	568,632
Reduction	\$15,120

ANALYSIS

At the present time Long Beach State College is located in rented apartment buildings. The 1951-52 budget anticipates that the Legislature will permit construction of temporary structures at Long Beach by using money available in the current year for permanent buildings. It is hoped that with early legislative approval that the new temporary structures can be put up in 3 months and be ready for occupancy by July 1, 1951.

The college has had a small enrollment due to limited quarters. It is anticipated that if the new quarters are made available that the college will expand from 600 students to 1,500 students. This relatively large expansion is the main reason that the budget requests is 100 percent greater than the expenditure of the previous year, or a total appropriation of \$583,752 compared with an expenditure of \$290,632 for the previous year.

Other increases are due largely to the adoption of the administrative staffing report and increased clerical services.

The college is presently paying \$30,000 rent for 600 students. The new facilities will require \$37,000 for maintenance and operation with 1,500 students enrolled.

We recommend that the budget be approved with the exception of five clerical positions as detailed in our general summary of the state college budgets.

**Department of Education
SACRAMENTO STATE COLLEGE**

ITEM 85 of the Budget Bill

Budget page 261
Budget line No. 19

For Support of the Sacramento State College From the General Fund

Amount requested	\$570,799
Estimated to be expended in 1950-51 Fiscal Year	459,081
Increase (24.3 percent)	\$111,718

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$84,793	\$77,131	\$7,662	264	61
Operating expense	31,115	22,115	9,000	264	62
Equipment	250	250	---	264	63
Less:					
Increased reimbursements	—4,440	—4,440	---	265	30
Total increase	\$111,718	\$95,056	\$16,662		

RECOMMENDATIONS

Amount budgeted	\$570,799
Legislative Auditor's recommendation	568,399
Reduction	\$2,400

ANALYSIS

The budget request for Sacramento State College is \$570,799. This is \$111,718, or 24.3 percent greater than the estimated expenditure of \$459,081 for the current year.

The increase is due largely to a 16.0 percent increase in enrollment. The adoption of the administrative organization report, the decline in

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veterans' payments and provision for master teachers also contribute to the increased costs.

We recommend that the budget be approved with the exception of one position. This position is part of our recommended reduction shown in the summary of state college budgets.

Department of Education
SAN DIEGO STATE COLLEGE

ITEM 86 of the Budget Bill

Budget page 266
Budget line No. 19

For Support of the San Diego State College From the General Fund

Amount requested	\$1,519,906
Estimated to be expended in 1950-51 Fiscal Year	1,365,251
Increase (11.3 percent)	\$154,655

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$12,758	\$45,032	\$32,274	270	70
Operating expense	12,388	12,388	---	270	71
Equipment	10,378	10,378	---	270	72
Plus:					
Decreased reimbursements	144,647	144,647	---	270	36
Total increase	\$154,655	\$122,381	\$32,274		

RECOMMENDATIONS

Amount budgeted	\$1,519,906
Legislative Auditor's recommendation	1,514,734
Reduction	\$5,172

ANALYSIS

The budget request for San Diego State College is \$1,519,906 for the 1951-52 Fiscal Year. This is \$154,655, or 11.3 percent greater than the estimated expenditure of \$1,365,251 for the current year.

The college anticipates a 4.0 percent decrease in enrollment. The major factor in the increased budget at this college is a decrease of \$137,475 in veterans' tuition payments from the Federal Government.

We recommend approval of the budget as requested except for two clerical positions. We have recommended deletion of these positions as part of the general reduction in state college budgets as outlined in the general summary.

Department of Education
SAN FRANCISCO STATE COLLEGE

ITEM 87 of the Budget Bill

Budget page 272
Budget line No. 24

For Support of the San Francisco State College From the General Fund

Amount requested	\$1,745,228
Estimated to be expended in 1950-51 Fiscal Year	1,416,942
Increase (23.2 percent)	\$328,286

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$137,732	\$109,702	\$28,030	277	36
Operating expense-----	52,409	52,409	---	277	37
Equipment-----	26,578	26,578	---	277	38
Plus:					
Decreased reimburse- ments-----	111,567	111,567	---	278	39
Total increase-----	\$328,286	\$300,256	\$28,030		

RECOMMENDATIONS

Amount budgeted-----	\$1,745,228
Legislative Auditor's recommendation-----	1,740,428
Reduction-----	\$4,800

ANALYSIS

The budget request for San Francisco State College is \$1,745,228. This is an increase of \$328,286 or 23.2 percent over the estimated expenditure of \$1,416,942 in the 1950-51 Fiscal Year.

The college anticipates a 2 percent increase in enrollment. However, most of the increase is due to the operation of dual campuses, a decline of \$120,421 in veterans' tuition payments, and adoption of the administrative organization report of the Department of Finance.

We recommend approval of the amount requested less two clerical positions which we recommended deletion of in our general summary of the state college budgets.

**Department of Education
SAN JOSE STATE COLLEGE**

ITEM 88 of the Budget Bill

Budget page 279
Budget line No. 19

For Support of San Jose State College From the General Fund

Amount requested-----	\$2,238,301
Estimated to be expended in 1950-51 Fiscal Year-----	1,976,050
Increase (13.3 percent)-----	\$262,251

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$77,106	\$33,999	\$43,107	283	76
Operating expense-----	50,817	40,817	10,000	283	77
Equipment-----	23,525	23,525	---	283	78
Plus:					
Decreased reimburse- ments-----	110,803	110,803	---	284	39
Total increase-----	\$262,251	\$209,144	\$53,107		

RECOMMENDATIONS

Amount budgeted-----	\$2,238,301
Legislative Auditor's recommendation-----	2,232,901
Reduction-----	\$5,400

ANALYSIS

The budget request for San Jose State College is \$2,238,301. This is \$252,251 or 13.3 percent greater than the estimated expenditure of \$1,976,050 for the 1950-51 Fiscal Year.

Enrollment is budgeted to increase by 7 percent. Other increases are due to a decline in veterans' tuition payments from the Federal Government of \$124,630 and the adoption of the administrative organization report.

We recommend approval of the budget as requested except for 2.5 clerical positions which we recommend be deleted as part of the general reduction in state college budgets proposed in our over-all summary of the state college budgets.

**Department of Education
CALIFORNIA STATE POLYTECHNIC COLLEGE**

ITEM 89 of the Budget Bill

Budget page 285
Budget line No. 30

For Support of the California State Polytechnic College From the Fair and Exposition Fund

Amount requested.....	\$1,781,277
Estimated to be expended in 1950-51 Fiscal Year.....	1,701,332
Increase (4.7 percent)	\$79,945

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages.....	\$26,030	—\$32,910	\$6,880	293	51
Operating expense	7,443	5,143	2,300	293	52
Equipment	13,539	13,539	---	293	53
Plus:					
Decreased reimburse- ments	84,993	84,993	---	293	56
Total increase	\$79,945	\$70,765	\$9,180		

RECOMMENDATIONS

Amount budgeted	\$1,781,277
Legislative Auditor's recommendation.....	1,778,877
Reduction	\$2,400

ANALYSIS

The budget request for California State Polytechnic College, amounting to \$1,781,277 for the 1951-52 Fiscal Year, is \$79,945, or 4.7 percent greater than the estimated expenditure of \$1,701,332 for the current year. The enrollment is budgeted to decline by 7 percent.

The college maintains two branches in Southern California. These are the Voorhis Unit at San Dimas and the nearby Kellogg Campus at Pomona.

The budget for California Polytechnic College is presented under four main divisions. These are administration, San Luis Obispo Campus, Voorhis Campus, and the Kellogg Campus. The fact that administration is budgeted as a separate item makes it extremely difficult to arrive at the per student costs on the individual campuses, and thereby makes a comparison as to efficiency between campuses almost impossible.

Administration

The amount requested for administration is \$270,698. This is \$9,594, or 4 percent higher than the \$261,104 estimated to be expended in the 1950-51 Fiscal Year.

The amount budgeted for administration equals 15 percent of the total college expenditure program.

We recommend that an intermediate stenographer-clerk, as shown on Budget page 287, line 30, be deleted at a saving of \$2,400. This additional clerical service should not be granted until the Department of Finance has completed its study on clerical staffing and procedures.

With this reduction we recommend approval of the budget as requested.

San Luis Obispo Campus

The budget request for this campus is \$1,484,029. This is an increase of \$26,017, or 2 percent over the estimated expenditure of \$1,458,012 during the current year. The college anticipates a 3 percent decrease in enrollment.

The increase is due mainly to a decrease in veterans' tuition payments from the Federal Government, faculty reclassifications, and the addition of student assistants.

We recommend approval of the amount requested.

Voorhis Campus

The amount requested is \$227,852. This is \$20,406, or 8 percent less than the \$248,258 estimated to be expended in the current year. Enrollment is budgeted at 400 students, or 29 percent less than the previous year.

We recommend approval of the amount requested.

Kellogg Campus

The amount of \$97,533 is requested for maintenance of the Kellogg Campus for the 1951-52 Fiscal Year. This is \$5,165, or 5 percent less than the \$102,698 estimated to be expended during the current year.

The Department of Education has developed a long-range program for the development of this college as requested by the Legislature. This plan will be presented to the 1951 Legislature for approval.

**Department of Education
CALIFORNIA MARITIME ACADEMY**

ITEM 90 of the Budget Bill

Budget page 295
Budget line No. 8

For Support of the California Maritime Academy From the General Fund

Amount requested	\$207,500
Estimated to be expended in 1950-51 Fiscal Year	210,945
Decrease (1.6 percent)	\$3,445

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$5,216	\$5,216	---	298	30
Operating expense-----	10,769	6,969	\$3,800	298	31
Equipment-----	-2,263	-2,263	---	298	32
Reimbursements:					
Appropriated student fees-----	-16,040	-16,040	---	298	49
Service to employees-----	-1,127	-1,127	---	298	36
Total increase-----	-\$3,445	-\$7,245	\$3,800		

RECOMMENDATIONS

Amount budgeted-----	\$207,500
Legislative Auditor's recommendation-----	191,317
Reduction-----	\$16,183

ANALYSIS

In our analysis of the budget for the Maritime Academy for the 1949-50 and 1950-51 Fiscal Years we pointed out the high cost of maintaining this school for the relatively few graduates produced, and emphasized that the activity should properly be supported as a federal function. From the standpoint of securing the objectives of the program, which is primarily to provide the shipping industry with trained merchant marine officers, the State would do well from a financial standpoint to abolish the academy and pay the expenses of sending the students to the Federal Academy at King's Point, New York.

To the extent that the Academy provides reserve officer training for the United States Naval Reserve we believe that the full cost should be borne by the Federal Government.

If the school is to be continued as at present with an annual training cruise, the result will be high per capita costs that cannot be materially reduced. Our recommended reductions in this case, though in many instances very minor, will assist slightly in reducing the high per capita cost of this school. The total recommended reduction is \$16,183 and our proposals would reduce the per capita cost from \$2,133 to \$2,025.

Although we recommend no specific reductions in existing positions, we wish to point out the high cost of salaries on a per student basis. For every 2.3 students, there is one employee at the Maritime Academy. In other words, for each student at the Academy there is \$1,504 budgeted for salaries of employees. The School for the Blind which has approximately the same enrollment as the academy, and which has a much more difficult problem in providing for the care of small blind children, does not exceed this figure.

The feeding ration at the Maritime Academy would appear to be the highest of any state institution. The annual cost per student for food amounts to \$368. This ration multiplied by the 49 weeks of actual operation of the school totals \$52,023 for student rations. Inasmuch as this school operates on a five and a half day week with week-end leaves granted to the students, we would question the amount of food budgeted, which is based on a seven-day week. We realize that a certain number of students stay on the base on weekends. Therefore even budgeting them on a six and a half day week would appear to allow a better ration than is provided by the food administrator. Budgeting on a six and a half day week for

49 weeks will result in a saving of \$3,715 in the feeding costs for students as included in the amount shown on Budget page 297, line 5.

The cost for employee feeding is \$8,169 for the 1951-52 Fiscal Year, whereas the reimbursement for employee meals is only \$4,037. This means that employees' salaries are being augmented by \$4,132 for food costs. We recommend that employees be charged so as to pay for the cost of the food which they are receiving. To continue on the present basis would be to perpetuate partial maintenance for self and family (MSF) for a favored few at the Maritime Academy when it is state policy to eliminate MSF payments to state employees.

On Budget page 296, line 9, we recommend that long distance telephone calls be reduced from \$682 to \$100, a saving of \$582. This is in line with other schools with a comparable number of students.

On Budget page 296, line 10, we recommend that teletype and telegraph charges be reduced from \$434 to \$150, a saving of \$284 on the same basis as our recommended reduction of long distance telephone calls.

On Budget page 297, line 8, we recommend that laundry service charges be such as to make laundry service fully reimbursable. This would result in an increase in reimbursements of \$800. During last year's budget hearing the Maritime Academy was granted two half-time positions for the laundry on the basis that the laundry would be a self-sustaining operation. It appears now that charges were set too low at the academy for this service and the State is paying for a loss of \$1,060 in operations.

On Budget page 297, line 52, we recommend that operating expenses for maintenance of grounds be reduced from \$1,200 to \$600, a saving of \$600. The amount budgeted during the 1949-50 Fiscal Year for this purpose was \$447. We do not see the need for providing \$100 per month for this service in view of the limited grounds.

On Budget page 298, line 7, we recommend that fuel oil be budgeted at the same amount as was provided for during the 1950-51 Fiscal Year. This would result in a saving of \$3,000.

Although there is a possibility that fuel oil prices may be higher in the 1951-52 Fiscal Year, we do not feel that a slight curtailment of their proposed 11,000 mile cruise will work a hardship upon the school.

A review of the budget requests for equipment by a qualified merchant marine officer indicates that the following equipment items and operating expenses can be reduced without affecting operations.

On Budget page 296, lines 19 and 20, we recommend that replacement and additional office equipment be each reduced by \$50, a total saving of \$100.

On Budget page 298, line 14, we recommend that miscellaneous equipment for deck replacement be reduced by half, or \$50.

On Budget page 298, line 15, we recommend that additional miscellaneous deck equipment be reduced by \$570. Our recommended reduction includes three riggers vises costing \$270, two reels for lifeboat falls costing \$80, and one rowboat costing \$170, and \$50 for miscellaneous unnamed additional equipment budgeted at \$100.

On Budget page 298, lines 16 and 17, we recommend that replacement and additional miscellaneous equipment for engineering be each reduced from \$100 to \$50, a saving of \$100.

On Budget page 296, lines 56 and 57, we recommend that miscellaneous replacement and additional items for physical education each be reduced by one-half, or \$100.

On Budget page 297, line 60, we recommend that \$100 for miscellaneous additional equipment for operation of buildings be reduced by \$50.

On Budget page 297, lines 61 and 62, we recommend that miscellaneous replacement and additional items for maintenance of grounds each be reduced by \$50, a saving of \$100.

On Budget page 298, lines 14 and 15, we recommend that operating expenses for the deck and engineering departments each be reduced from \$5,000 to \$4,000, a saving of \$2,000.

We would like to point out that the Superintendent of the Academy has made voluntary reductions in his budget the last two years before the Legislature. This was indicative of the fact that more equipment and operating expense money than was actually needed was being budgeted for the academy.

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

ITEM 91 of the Budget Bill Budget page 299
Budget line No. 9

*For Support of the California School for the Blind, Berkeley,
From the General Fund*

Amount requested	\$339,116
Estimated to be expended in 1950-51 Fiscal Year	319,090
Increase (6.3 percent)	\$20,026

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$11,708	\$890	\$10,818	303	27
Operating expense	6,347	6,197	150	303	28
Equipment	6,223	4,598	1,625	303	29
Less:					
Increased reimburse- ments	—4,252	—4,252	---	303	32
Total increase	\$20,026	\$7,433	\$12,593		

RECOMMENDATIONS

Amount budgeted	\$339,116
Legislative Auditor's recommendation	336,866
Reduction	\$2,250

ANALYSIS

The California School for the Blind is budgeted to increase from an estimated expenditure of \$319,090 in the 1950-51 Fiscal Year to \$339,116 in the 1951-52 Fiscal Year, an increase of \$20,026, or 6.3 percent. There has been a slight change in budget procedure by including the amounts for preschool field services and readers for blind students in the budget for the School for the Blind. These amounts were formerly

treated as separate budget items. To clarify this change the total budgeted figure for the School for the Blind is as follows:

Purpose	1950-51	1951-52	Increase	
			Amount	Percent
1. School for the blind-----	\$283,209	\$302,299	\$19,090	6.7
2. Preschool field service-----	10,881	11,817	936	8.6
3. Readers for blind students---	25,000	25,000	---	---
Totals -----	\$319,090	\$339,116	\$20,026	6.3

Another change which has occurred in the budget for the School for the Blind has been the transfer of the hospital unit from the California School for the Deaf to the School for the Blind and the transfer of the power plant and grounds maintenance operations from the School for the Blind to the School for the Deaf. We believe these changes are desirable.

The School for the Blind is requesting 3.7 new positions costing \$10,818. These positions consist of 0.5 intermediate stenographer-clerk in order that the superintendent can have full-time clerical assistance, 0.2 teacher (Braille), and 0.5 teacher of music to provide full-time teachers in each position, 0.2 senior physician and surgeon, a graduate nurse, and 1.3 hospital attendants. The transfer of hospital operations to the School for the Blind has resulted in increased medical care available to the children of the two schools. This increase is small, however, and is recommended.

On Budget page 302, line 30, we recommend a reduction of \$2,250. Included in the budgeted amount of \$4,600 for replacement under maintenance of structures is \$4,500 to replace 300 seats in the auditorium. These seats have been inspected and it is found that about 50 percent are in need of replacement, and the other 50 percent are in very good condition. We recommend that the school replace 150 of the chairs and continue to use the other chairs until they justify replacement.

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

ITEM 92 of the Budget Bill

Budget page 304
Budget line No. 8

*For Support of the School for the Deaf, Berkeley,
From the General Fund*

Amount requested -----	\$767,206
Estimated to be expended in 1950-51 Fiscal Year-----	600,887
Increase (27.7 percent) -----	\$166,319

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$124,582	\$103,792	\$20,790	308	9
Operating expense -----	49,334	49,334	---	308	10
Equipment -----	6,892	—2,418	9,310	308	11
Less:					
Increased reimbursements -----	—14,489	—14,489	---	308	14
Total increase -----	\$166,319	\$136,219	\$30,100		

RECOMMENDATIONS

Amount budgeted	\$767,206
Legislative Auditor's recommendation	767,206
Reduction	None

ANALYSIS

The proposed increase for support of the School for the Deaf amounts to \$166,319 or 28 percent over the estimated expenditure for the 1950-51 Fiscal Year. This increase is due in part to the fact that the school has acquired new facilities and to the fact that the population is budgeted to increase from 358 students to 492 students, or 37 percent. There have also been several changes made in the budget. These include transferring maintenance and operation positions from the adjoining School for the Blind to the School for the Deaf and transferring the operation of the hospital from the School for the Deaf to the School for the Blind. We have reviewed these transfers of functions and recommend approval of the changes.

The proposed budget for the School for the Deaf is composed mainly of work load requirements. The Department of Finance has decreased the student-teacher ratio, thereby saving eight teaching positions costing \$22,480. Offsetting this decrease, Budget page 306, line 71, includes nine counselors costing \$20,790 which represents a new service. This was done to allow the school to get proper coverage for the 40-hour week, which it has never requested previously due partially to problems attendant with its construction transition period. With its new facilities, the school is now able to determine its requirements for complete coverage. This requires five counselors for relief and four counselors for night coverage. Inasmuch as this represents standard coverage which has previously been applied to other state institutions when the 40-hour week was adopted, we recommend approval of these nine new counselor positions even though they represent a new service for the School for the Deaf.

Another new service is included on Budget page 306, line 13, for feeding replacement. The budgeted amount includes \$4,560 for 456 chairs and \$4,750 for 38 new tables. The present tables could probably last another four or five years, but are not large enough to take maximum advantage of the dining halls which is now necessary in view of the increased enrollment. Although the present tables could easily be extended an additional two feet, such an expenditure would not be economical in the long run. We, therefore, recommend that the additional tables and chairs be approved.

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

ITEM 93 of the Budget Bill

Budget page 308
Budget line No. 37

*For Expenses of Deaf Graduates Attending Gallaudet College, California
School for the Deaf, Berkeley, From the General Fund*

Amount requested	\$7,446
Estimated to be expended in 1950-51 Fiscal Year	7,884
Decrease (5.5 percent)	\$438

RECOMMENDATIONS

Amount budgeted	\$7,446
Legislative Auditor's recommendation	7,446
<hr/>	
Reduction	None

ANALYSIS

The \$7,446 requested is for travel and other incidental expenses of deaf graduates attending Gallaudet College, Washington, D. C. The budgeted amount provides for sending 17 graduates at a cost of \$438 each. Student fees and other incidental expenses are provided for by the Federal Government.

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

ITEM 94 of the Budget Bill Budget page 309
Budget line No. 8

*For Support of California School for the Deaf, Riverside,
From the General Fund*

Amount requested	\$16,869
Estimated to be expended in 1950-51 Fiscal Year	4,560
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Increase (270.0 percent)	\$12,309

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$6,644	\$6,644	---	309	38
Operating expense	4,040	1,540	\$2,500	309	51
Equipment	1,625	1,625	---	309	54
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Total increase	\$12,309	\$9,809	\$2,500		

RECOMMENDATIONS

Amount budgeted	\$16,869
Legislative Auditor's recommendation	14,369
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Reduction	\$2,500

ANALYSIS

It is anticipated that the new facilities at the California School for the Deaf at Riverside will be completed in June, 1952, and that students will be enrolled in September, 1952.

The proposed budget provides for a full-time superintendent and a secretary-stenographer with necessary operating expenses and an automobile for the superintendent for the 1951-52 Fiscal Year in order that he may plan his curriculum and organize a staff for operation of the school.

The proposed budget allows \$804 for salary savings. We think that this will not be realized, which will require an emergency allocation of that amount in 1951-52 for insufficient appropriation for salaries and wages.

On Budget page 309, line 43, we recommend that the amount of \$2,500 for telephone exchange charges be eliminated. This is for installation of a telephone system at the new school and should be a Capital Outlay charge.

Department of Education
SCHOOL FOR CEREBRAL PALSID CHILDREN, NORTHERN CALIFORNIA

ITEM 95 of the Budget Bill

Budget page 310
 Budget line No. 8

For Support of the School for Cerebral Palsied Children in Northern California From the General Fund

Amount requested -----	\$272,042
Estimated to be expended in 1950-51 Fiscal Year -----	273,552
Decrease (0.6 percent) -----	\$1,510

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$1,115	\$1,115	---	312	68
Operating expense -----	2,607	2,607	---	312	69
Equipment -----	-1,388	-1,388	---	312	70
Less:					
Increased reimbursements -----	-1,614	-1,614	---	312	74
Total increase -----	-\$1,510	-\$1,510	---		

RECOMMENDATIONS

Amount budgeted -----	\$272,042
Legislative Auditor's recommendation -----	272,042
Reduction -----	None

ANALYSIS

The State is presently supporting two cerebral palsied schools in California. The northern school is located in temporary quarters at Redwood City, and the southern school is in temporary quarters at Altadena.

Provision has been made for permanent facilities for these two schools, one to be located on the campus of San Francisco State College and the other on the campus of the University of California at Los Angeles. At the present time, \$1,500,000 has been provided for construction, or \$750,000 for each school. The appropriation appears to be inadequate, and it is contemplated that the northern school will be constructed at a proposed cost of \$850,000, or \$30,357 per bed, and that the unexpended balance will revert to the General Fund. The Legislature will then be asked to appropriate money for the new school in southern California.

The support budget for the School for Cerebral Palsied Children in Northern California provides for a transfer to their new quarters at San Francisco State College on November 1, 1951. Inasmuch as the new school will house fewer resident pupils, it is contemplated that there will be a reduction in staff, feeding costs and rental as of November 1, 1951. The present status of the plans indicates that the new school will not be finished by that early date, and unless the number of resident pupils at the temporary quarters is reduced as of November 1, 1951, it appears as though the amount budgeted will be insufficient and will require emergency funds from the Department of Finance at a later date.

Department of Education
SCHOOL FOR CEREBRAL PALSID CHILDREN, SOUTHERN CALIFORNIA

ITEM 96 of the Budget Bill

Budget page 313
Budget line No. 8

For Support of the School for Cerebral Palsied Children in Southern California From the General Fund

Amount requested	\$297,628
Estimated to be expended in 1950-51 Fiscal Year	293,476
Increase (1.4 percent)	\$4,152

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$5,199	\$5,199	---	315	76
Operating expense	333	333	---	315	77
Equipment	-735	-735	---	315	78
Less:					
Increased reimbursements	-645	-645	---	315	82
Total increase	\$4,152	\$4,152	---		

RECOMMENDATIONS

Amount budgeted	\$297,628
Legislative Auditor's recommendation	297,628
Reduction	None

ANALYSIS

The proposed budget for the School for Cerebral Palsied Children, Southern California, is the same as last year's budget, except for an increase of \$4,152, or 1.4 percent, due to normal salary increases, price increases and minor operating adjustments. We recommend approval of the budget as submitted.

Of the total request of \$297,628 for the 1951-52 Fiscal Year, \$102,500, or 34.4 percent, is for the Diagnostic and Treatment Center which enters into a contract with the Children's Hospital Society and the Orthopedic Hospital of Los Angeles to provide services for cerebral palsied children. This is the same amount as budgeted for this purpose during the 1950-51 Fiscal Year. Children may receive treatment at either hospital not only if they are residents at the school, but if selected and referred by the State Department of Public Health, a local health officer, or by a licensed practicing physician. It is estimated that of the \$102,500 budgeted for the Diagnostic and Treatment Center, \$13,725 will be for the resident pupils and \$88,775 will be for other children.

Department of Education
TRAINING CENTER FOR THE ADULT BLIND, OAKLAND

ITEM 97 of the Budget Bill

Budget page 316
Budget line No. 17

For Support of the Training Center for the Adult Blind From the General Fund

Amount requested	\$230,202
Estimated to be expended in 1950-51 Fiscal Year	228,951
Increase (0.5 percent)	\$1,251

Education

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$4,341	\$4,341	---	320	9
Operating expense-----	—2,123	—2,123	---	320	10
Equipment-----	—1,404	—1,404	---	320	11
Plus:					
Decreased reimbursements	437	437	---	320	14
Total increase -----	\$1,251	\$1,251	---		

RECOMMENDATIONS

Amount budgeted-----	\$230,202
Legislative Auditor's recommendation-----	227,430
Reduction -----	\$2,772

ANALYSIS

The budget request for the Training Center for the Adult Blind is \$230,202 for the 1951-52 Fiscal Year. This is \$1,251, or 0.5 percent higher than the \$228,951 estimated to be expended in the 1950-51 Fiscal Year. The increase is actually greater if compared to the amount approved last year by the Legislature which was \$221,710 for 112 residents. The actual comparison of changes that have occurred since the Legislature approved last year's budget would be:

Year	Expenditure	Residents
1950-51 (approved)-----	\$221,710	112
1950-51 (estimated)-----	228,951	107

The training center received \$1,368 from the salary increase fund, and \$6,890 from the Emergency Fund for increased food costs.

On Budget page 317, line 64, we recommend that the position of cook be deleted at a saving of \$2,772. We recommended disapproval of this same request last year on the basis that the training center now has a supervising cook, a cook, and five kitchen helpers for feeding. The new position is a new service which we do not feel should be granted at this time.

Department of Education

INDUSTRIAL WORKSHOP FOR THE BLIND, LOS ANGELES

ITEM 98 of the Budget Bill

Budget page 321

Budget line No. 18

For Support of the Industrial Workshop for the Blind From the General Fund

Amount requested-----	\$198,074
Estimated to be expended in 1950-51 Fiscal Year-----	197,700
Increase (0.2 percent) -----	\$374

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	—\$492	—\$3,069	\$2,577	322	58
Operating expense-----	1,577	77	1,500	322	59
Equipment-----	—711	—1,711	1,000	322	60
	\$374	—\$4,703	\$5,077		

RECOMMENDATIONS

Amount budgeted	\$198,074
Legislative Auditor's recommendation	198,074
Reduction	None

ANALYSIS

According to the Department of Education the main purpose of the Industrial Workshop for the Blind is to provide a sheltered workshop for disabled persons who are unable to obtain and retain a job in private industry. It would appear, then, that the real measure of the success of this enterprise would be the total annual wages paid to these disabled persons related to the annual cost to the State to enable these workers to earn their partial self-support.

The 1949 Legislature liberalized benefits to the blind. It is now possible for the blind to earn up to \$87 per month, or \$1,040 per year, and still collect full \$85 monthly blind aid. For each dollar the worker earns in excess of \$1,040, 50 cents is deducted from his \$85 monthly blind aid.

During the 1949 *calendar* year the workers at the Industrial Workshop for the Blind earned \$139,983 in wages, and in the 1950 calendar year it is estimated that they will earn \$190,463. The average of these two years is \$165,223, which can be used to represent a figure for total wages earned for the 1949-50 *Fiscal Year*. The cost to the State for support for the 1949-50 *Fiscal Year* was \$182,389. This means that for every \$1 earned by the workers it cost the State \$1.10 for support. The high cost is shown to be even greater if we add the pro-rata departmental administration charges to support.

These figures appear to indicate that the workers not only fail to earn for the shop the wages paid to them but that they could be paid more if the State had no shop. This certainly should not be the case. We can see the logic in having the State pay a reasonable amount in order that a worker can earn increased wages, but the cost to the State should certainly not exceed a dollar to enable a worker to earn a dollar.

We recommend approval of the budget as submitted only because we feel that these disabled persons should not suffer. We recommend, however, that an analysis be made of the reasons for this high administrative cost as well as a study of annual wages paid to workers who are not capable of earning partial self-support in private industry and that recommendations be presented to the Legislature as to alternative ways and means of enabling these disabled persons to earn comparable wages at less cost to the State.

**Department of Education
STATE BLIND SHOP, SAN DIEGO**

ITEM 99 of the Budget Bill

Budget page 323
Budget line No. 17

For Support of the State Blind Shop, San Diego, From the General Fund

Amount requested	\$40,109
Estimated to be expended in 1950-51 <i>Fiscal Year</i>	39,342
Increase (1.9 percent)	\$767

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$1,680	-\$4,465	\$2,785	324	48
Operating expense-----	1,092	342	750	324	49
Equipment-----	1,355	865	490	324	50
Total increase-----	\$767	-\$3,258	\$4,025		

RECOMMENDATIONS

Amount budgeted-----	\$40,109
Legislative Auditor's recommendation-----	40,109
Reduction-----	None

ANALYSIS

The budget request of the State Blind Shop is \$40,109 for the 1951-52 Fiscal Year. This is \$767 or 1.9 percent higher than the estimated expenditure of \$39,342 for the 1950-51 Fiscal Year.

A part-time kitchen helper at a cost of \$540 has been added which has been partially offset by transferring feeding supplies in the amount of \$275 to the Manufacturing Fund.

The position of workshop superintendent has also been transferred to the Manufacturing Fund.

One of the problems faced in attempting to analyze the budget of the State Blind Shop is that there is a separate Manufacturing Revolving Fund to finance the manufacturing activities. There are charges that are paid through the support budget that in our opinion rightfully should be paid by the Manufacturing Fund. It has been recognized that the State subsidizes the Blind Shops so that they may show an annual profit on their manufacturing activities. In our opinion, this is a questionable policy. It would be desirable for the Legislature to know the exact cost to the State, including a pro-rata charge for administration by the Department of Education, so that this could be compared with the wages earned by blind persons who are unable to work elsewhere.

The workers earned \$53,117 in 1949 and \$40,889 in 1950. These calendar year figures average \$47,003 which we can assume were the wages earned for the 1949-50 Fiscal Year. The cost for support amounted to \$35,034 for the 1949-50 Fiscal Year. If we should add pro-rata administration charges and deduct wages earned by persons capable of earning partial support in private industry, it would appear that it is costing the State almost as much for support as the workers are able to earn by working throughout the year.

In view of the importance of this program to blind workers we recommend approval of the budget as submitted, but we recommend that an analysis be made of the annual wages paid to workers who are not capable of earning partial self-support in private industry and that recommendations be presented to the Legislature as to alternative ways and means of enabling these disabled persons to earn comparable wages at less cost to the State.

STATE TEACHERS' RETIREMENT SYSTEM

ITEM 100 of the Budget Bill

Budget page 326
Budget line No. 7

For Support of the State Teachers' Retirement System From the General Fund

Amount requested -----	\$135,787
Estimated to be expended in 1950-51 Fiscal Year -----	128,616
Increase (5.6 percent) -----	\$7,171

Summary of Increase

	INCREASE DUE TO			Budget page	Line No.
	Total increase	Work load or salary adjustments	New services		
Salaries and wages -----	\$210	\$210	---	326	65
Operating expense -----	2,214	2,214	---	327	16
Equipment -----	4,747	4,747	---	327	22
Total increase -----	\$7,171	\$7,171	---		

RECOMMENDATIONS

Amount budgeted -----	\$135,787
Legislative Auditor's recommendation -----	135,787
Reduction -----	None

ANALYSIS

The net increase of \$210 in salaries and wages results from a decrease of \$5,000 in temporary help to make an actuarial valuation study in 1950-51 and the addition of two junior clerks at \$4,080 per annum, plus normal salary adjustments in the amount of \$1,382. It appears that the additional clerks are justified to handle the extra work required on an estimated increase of 23,176 active and retired accounts for the 1951-52 Fiscal Year. Prior work load increases have been absorbed with negligible increases in staff. However, with an anticipated work load increase of 23,176 accounts, it becomes necessary to add additional employees.

The increase in work load causes a corresponding increase in operational cost of \$2,214. Also an increase in rental is anticipated when the present lease expires in February, 1951.

Equipment shows an increase of \$4,747. An inspection of the replacement equipment amounting to \$2,722 which includes typewriters and office furniture indicates that the equipment would be uneconomical to repair. The amount of \$4,621 will be spent for files to house the increased accounts and to purchase office equipment for new employees.

GENERAL SUMMARY

The State Teachers' Retirement Law was added by the Statutes of the Fourth Extraordinary Session, 1944, Chapter 13, Section 2. This law establishes a retirement system for the teachers of the State of California and provides for the collection of and accounting for the yearly contribution from members of the system, scheduling payments of allowances to retired members, refunds to active members, and death benefits to beneficiaries.

The State Teachers' Retirement Law is administered by the State Teachers' Retirement Board, composed of 10 members of the Board of Education and two teachers appointed by the Retirement Investment Board. An assistant executive officer, responsible to the board through the consulting actuary, is in charge of the operations of the system.

UNIVERSITY OF CALIFORNIA

ITEM 101 of the Budget Bill

Budget page 328
Budget line No. 34*For Support of the University of California From the General Fund*

Amount requested	\$39,443,542
Estimated to be expended in 1950-51 Fiscal Year	35,963,626
Increase (9.7 percent)	\$3,479,916

Summary of Increase

	Total increase	Budget page	Line No.
Salaries and wages	\$544,734	333	58
Supplies and expense	45,839	333	59
Special and nonrecurrent items	362,649	333	60
Pensions and retirement contributions	43,900	333	61
Price increases	450,000	333	62
Emergency funds	—27,356	333	63
	\$1,419,766		
Plus: Decreased University funds	2,060,150	328	12
Total increase	\$3,479,916		

RECOMMENDATIONS

Amount budgeted	\$39,443,542
Legislative Auditor's recommendation	35,963,626
Reduction	\$3,479,916

ANALYSIS

The budget request for the University of California is \$39,443,542 for the 1951-52 Fiscal Year. This is an increase of \$3,479,916 or 9.7 percent over the estimated expenditure of the previous year even though student enrollment is budgeted to decline by 10.5 percent. This is the second consecutive year that the University has requested an increase in its budget while enrollments have declined rather sharply.

In the 1949-50 Fiscal Year the enrollment at the University was 41,794. It is anticipated that there will be 33,794 students in the 1951-52 Fiscal Year or a 19 percent decrease in enrollment in the two-year period. During the same period the expenditure from the General Fund has increased from \$31,835,342 to a proposed \$39,443,542. This is an increase of \$7,608,200, or 24 percent.

We recognize that there are certain factors that increase costs to the General Fund, such as the loss in veterans' fees and the establishment of new professional schools. However, we feel that the principal reason that the budget for the University does not reflect the large decreases in enrollment is because of the University's reluctance to reduce the teaching staff. Salaries and wages account for 77.6 percent of the University's expenditures.

Berkeley had an enrollment of 22,118 students in 1949-50. It is anticipated that by the 1951-52 Fiscal Year there will be 16,707 students on the campus, or a drop of almost 25 percent in two years. In spite of this, it appears as though there will be another substantial increase budgeted for salaries and wages under instruction and research on the Berkeley campus.

It seems only logical to us that a reduction in staff should occur when there is a substantial drop in enrollment. It is difficult for a University

to act to reduce its faculty, but such a decision must be made at some point.

The University estimates that it will receive \$3,007,456 from the Federal Government for the education of 10,104 veterans in the 1950-51 Fiscal Year. The University also estimates that veteran enrollment will decline to 6,988 students in the 1951-52 Fiscal Year and veterans' receipts will total only \$1,454,320. Not only is there a large drop in the number of veterans on the campus but the University anticipates receiving much less per veteran from the Federal Government. The University estimates that it will receive \$298 per veteran in the 1950-51 Fiscal Year, but for the 1951-52 year it expects to receive only \$208 per veteran.

The Department of Finance has reduced the budget request of the University by \$993,000. This was a flat or undistributed reduction and it will be the responsibility of the University to adjust expenditure items to live within its reduced budget. The University plans to do this in part by abolishing vacant positions and not filling vacancies as they occur. Consequently it is not possible to use specific illustrations of where we think savings can be made in the Budget. However, we feel that with the large decreases in enrollments that it would not be unreasonable to require the University to live within the same appropriation as was granted last year. This would mean budgeting the University at \$35,963,626 instead of \$39,443,542, or a saving of \$3,479,916.

**Department of Education
HASTINGS COLLEGE OF LAW**

ITEM 102 of the Budget Bill

Budget page 336
Budget line No. 8

For Support of Hastings College of Law From the General Fund

Amount requested -----	\$7,000
Estimated to be expended in 1950-51 Fiscal Year -----	7,000
Increase -----	None

RECOMMENDATIONS

Amount budgeted -----	\$7,000
Legislative Auditor's recommendation -----	7,000
Reduction -----	None

ANALYSIS

The amount budgeted includes only the annual appropriation of \$7,000 interest on the original endowment which the State makes to the college under the provisions of Sections 20152 and 20153 of the Education Code. These sections are as follows:

"20152. The sum of 7 percent per annum upon one hundred thousand dollars (\$100,000) shall be appropriated annually by the State and shall be paid in semi-annual payments to the directors of the college.

"20153. If the State fails to pay to the directors of the college the sum of seven thousand dollars (\$7,000) annually, pursuant to Section 20152, or if the college ceases to exist, the State shall pay to the heirs or legal representatives of S. C. Hastings, the sum of one hundred thousand dollars (\$100,000), and all unexpended accumulated interest, unless the failure is caused by mistake or accident, or the omission of the Legislature to make the appropriation at any one session."

We recommend that the amount of \$7,000 be approved as requested.