

Ventura School for Girls—Continued

Out of the total of \$12,349 for equipment, the sum of \$9,899 is for replacement items and the further sum of \$2,450 is for additional equipment.

The budget as originally submitted by this facility requested \$29,652 for equipment. Modification of this amount after review to \$12,349, a reduction of \$17,303, or 58.4 percent, results in a level of expenditure for the purpose that appears reasonable and ample to meet agency requirements at this time.

Department of Education

GENERAL ACTIVITIES

ITEM 78 of the Budget Bill

Budget page 240
Budget line No. 6

FOR SUPPORT OF GENERAL ACTIVITIES FROM THE GENERAL FUND

Amount requested	\$2,733,241
Estimated to be expended in 1955-56 Fiscal Year	2,660,994
<hr/>	
Increase (2.7 percent)	\$72,247

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$79,668	\$64,794	\$14,874	258 9
Operating expense	2,608	—18,668	21,276	258 10
Equipment	—7,124	—25,774	18,650	258 11
Increased reimbursements	—2,905	—2,905	—	258 27
<hr/>				
Total increase	\$72,247	\$17,447	\$54,800	258 30

RECOMMENDATIONS

Amount budgeted	\$2,733,241
Legislative Auditor's recommendation	2,728,009
<hr/>	
Reduction	\$5,232

ANALYSIS

The budget request of the State Department of Education is \$2,733,241. This is \$72,247, or 2.7 percent, greater than the estimated expenditure in the 1955-56 Fiscal Year.

The Department of Education consists of five divisions. These divisions and their 1956-57 budget requests and budget increases are as follows:

<i>Division</i>	<i>Request</i>	<i>Increase</i>
1. Departmental Administration	\$509,148	—\$375
2. School Administration	762,584	—13,009
3. Instruction	698,785	—16,707
4. State Colleges and Teacher Education	538,231	+52,591
5. Special Schools and Services	257,893	+57,347
<hr/>		
Subtotal	\$2,766,641	\$79,847
Income	—33,400	—7,600
<hr/>		
Total	\$2,733,241	\$72,247

From the above table it can be readily seen that the increases occur in the Division of State Colleges and the Division of Special Schools.

Department of Education—Continued

1. *Division of Departmental Administration*—(\$509,148) (—\$375)

This division includes the expenses of the State Board of Education, the salary and expenses of the Superintendent and Deputy Superintendent of Public Instruction, the accounting, personnel, legal and research services of the State Department of Education.

In our opinion the following items should be considered in the Division of Departmental Administration:

a. *State Board of Education.* At the 1955 Session of the Legislature, legislation was introduced, but not enacted, to create a State College Board to meet the growing problems attendant with the rapid growth of the state colleges. A separate board for the state colleges had been previously recommended by the *Restudy of Higher Education*. Subsequent to this the State Board of Education increased its meetings from four to six each year and provided that each meeting would be scheduled for three days instead of two in case of a lengthy calendar. Provision has been made in the budget request for this added expense of the State Board of Education meetings.

b. *Legal Services.* The budget request for legal services for the Department of Education is \$51,520 compared with the \$40,017 estimated to be expended for this service during the current year. The increase is due to the addition of a junior counsel, an intermediate clerk and temporary help.

In the 1951-52 Fiscal Year, the Legislature acting upon the advice of this office, deleted two positions from the legal staff so that the department has been operating with two professional positions for the past five years, excluding the junior counsel position used in connection with the fingerprinting program under the credentials unit. A review of the added legal problems faced by the department in recent years has convinced us that additional help is warranted at this time on a work load basis.

c. *Contributions to Teachers' Retirement.* Chapter 1395, Statutes of 1955, provided retirement benefits for public school teaching personnel similar to the retirement program for state employees. The estimated added cost, approximately \$12,000,000, will be met in local school districts through levies on the property tax. As this source of financing is not available to meet the increased costs of the benefits provided in Chapter 1395 to staff members of the State Department of Education, it will be necessary to make an appropriation of \$10,322 for this purpose during the 1956-57 Fiscal Year. This is in contrast to the \$522 contributed during the current year.

d. *Accounting Office.* During the past year the department has effected improvements in their operations with these changes in the accounting operations: (1) inventory records are now on punched cards, including all vending stand equipment in the Bureau of Vocational Rehabilitation, (2) the typing of all claim schedules formerly done in district Vocational Rehabilitation offices is now done in the central accounting office and (3) schedules of refunds to agencies participating under the Surplus Property program are now done by machine operations.

Department of Education—Continued

2. *Division of School Administration*.....(\$762,584) (—\$13,009)

This division includes school planning, school district organization, school lunch, free textbooks, surplus educational property, supervision of child care centers, veteran training, approval of schools, and advisory service in school finance and attendance.

a. *Federal Milk Program*. Congress appropriated \$50,000,000 a year for a two-year period to encourage the consumption of surplus milk over and above the normal consumption of surplus milk under the school lunch program. To insure that California schools would participate fully in this increased federal subsidy, at the last Session of the Legislature the State Department of Agriculture urged that additional positions be granted to the State Department of Education for promotional purposes. Accordingly, three field representatives and a clerical position were added to the Department of Education's budget to encourage schools to participate under the new complex formula. In the meantime, the formula was simplified and the Department of Education found it necessary to hire only one additional field representative and a clerical position during the current year, and only the latter position will be continued in 1956-57.

Of the \$50,000,000 grant, California will receive \$2,611,595. However, at the current rate of surplus milk consumption in the California schools it is anticipated that Congress will have to furnish California approximately \$4,000,000 under the present formula and at least a similar amount in 1956-57.

Under this augmented program school districts can receive from the Federal Government up to four cents for each one-half pint of milk. The parents ordinarily pay the balance. Milk that is consumed under the school lunch program cannot be reimbursed under this augmented program of surplus milk consumption.

At the present time 1,221 elementary and high school districts participate in the program. These districts include 95 percent of the average daily attendance for those grade levels. However, not all of the pupils in those districts participate in the program.

b. *Duplicate Schoolhouse Plans*. Chapter 1307, Statutes of 1955, provided that the Department of Education establish a pool of duplicate plans and specifications for school buildings appropriate for rural areas. From this pool the department would furnish sets of these plans to local districts at cost not to exceed 2 percent of the total construction cost. The Department of Education requested a field representative and a clerical position at a total cost of \$9,732 to administer the program. However, the Department of Finance did not include the program in the 1956-57 Budget on the basis that Chapter 1307 needs further clarification, particularly in respect to Chapters 1831 and 1835 which were also passed during the 1955 Session of the Legislature, and which appeared to be conflicting.

c. *Attendance Accounting in the Public Schools*. Attendance accounting in the public schools has become exceedingly complex and it involves a large amount of time and effort on the part of 100,000 certificated personnel in the teaching fields.

Department of Education—Continued

It is a state system that has been devised over many years. The multiplicity and complexity of the forms indicate that in all probability the objective of a good state-wide system of attendance reporting has been lost. Since 1947-48 the average daily attendance figure has been between 95.4 and 97.0 percent of enrollment in grades kindergarten through eight. The 100,000 certified personnel must go through a considerable amount of work to compute average daily attendance figures, whereas securing enrollment figures and defining average daily attendance in terms of enrollment figures would be simple.

In view of the magnitude of the problem and the potential savings of time and effort on the part of large numbers of certificated and other personnel in the public schools, we recommend that a study designed to simplify attendance accounting in the public schools be given a high priority, with a report to be submitted to the next session of the Legislature.

3. *Division of Instruction*-----(\$698,785) (—\$16,707)

This office provides consultative services, in the instructional fields, to the public schools. This division has the bureaus of elementary and secondary education as well as bureaus in subject matter fields such as audio-visual, special education, guidance, physical and health education and recreation, adult, and vocational education.

Special items for discussion are as follows:

a. *Printing—Publications.* In our analysis of the 1951-52 Budget, this office recommended that, because of certain constitutional guarantees concerning the furnishing of free textbooks to the public schools, only textbooks and accompanying teachers guides be included under the free textbook appropriation item, and all other bulletin and manual printing be included under the printing-publications item of the Department of Education. The Legislature approved the recommendation and that general policy has since been followed.

Most of the printing-publications cost in the departmental budget has been for various bulletins costing \$1,000 or \$2,000 each to print. The major exceptions have been three teachers guides which cost in the vicinity of \$50,000 to \$60,000 each. The problem of printing these guides was placed before the Legislature several times and at the 1955 Session authorization was granted to print the teachers guide for grades 1 to 3 and the teachers guide for grades 4 to 6. At this writing the guide for grades 1 to 3 is at the State Printing Plant and the guide for grades 4 to 6 is being edited by the staff members of the division. This latter guide will be printed within the next year. The teachers guide for grades 7 to 9, as originally programmed for publication, has been dropped and will no longer be requested by the Department of Education.

b. *Civil Defense Project.* California, Connecticut and Michigan were the three states selected by the Federal Government to conduct a pilot study designed to integrate civil defense instruction in the curriculum of the public schools. Accordingly, in March, 1955, the Superintendent of Public Instruction entered into a contract with the Federal Government to conduct a pilot study at a cost not to exceed \$15,000 to the Federal Government.

Department of Education—Continued

The result of the project is a bulletin designed for teachers, students and parents. The 10,000 bulletins being printed will be distributed to school superintendents, principals, curriculum directors, and supervisors.

4. *Division of State Colleges and Teacher*

Education ----- (\$538,231) (+\$52,591)

The Division of State Colleges and Teacher Education administers the 10 state colleges, Maritime Academy, the issuance of credentials, and has general supervision of the state program of teacher education.

The proposed expansion in this division is a major exception to the general policy for the budget year. However, this request is considered to be an emergency expansion due to the unprecedented growth of the state colleges.

A brief review of factors that have led to this requested increase is as follows:

a. To counteract proposed legislation based upon a recommendation of the Restudy of Higher Education that a separate board be created to administer the state colleges, the State Board of Education increased its number of meetings during the year from four to six to devote more time to the problems of the state colleges. This unquestionably will increase the demands upon central staff services of the Division of State Colleges.

b. *The Restudy of Higher Education* has proposed a large augmentation in the central staff services. The budget year expansion goes part of the way toward meeting the restudy recommendations.

c. The latest projections of full-time equivalent enrollments in the state colleges indicate that the present 36,693 full-time students will be doubled in the next six years. Such an increase unquestionably will compound the problems of this division markedly.

The above general considerations have resulted in a decision to increase the Division of State Colleges and Teacher Education in the budget year. The proposed new positions are discussed as follows:

1. *Consultant in Admission Requirements.* The admissions policy of the state colleges has been debated at some length for the past several years, particularly as to whether the entrance requirements should be raised thereby sending the less qualified students to junior colleges to participate in programs geared to the level of ability or interest indicated by their prior academic accomplishments, or to prove their ability to continue in higher education beyond the two-year junior college program. The restudy recommended raising the entrance requirements and the State Board of Education did increase the standard slightly but not to the extent recommended in the restudy. The Department of Education has requested a consultant in admission requirements to study admission policies in the following areas:

- (1) Entrance at the freshman level, direct from high school.
- (2) Entrance at the freshman level, but not direct from high school.
- (3) Entrance by transfer from other collegiate institutions.

Department of Education—Continued

- (4) Entrance at the graduate level.
- (5) Entrance into the teacher credential program.
- (6) Entrance into other occupational programs.

One of the first jobs of this consultant would be to study the possibility of securing a uniform system of reporting, and recording the results of the various tests given to new students at the colleges. Studies should also be made to determine the feasibility of having multiple admission requirements or variance in admission requirements in the different fields of training.

Although at present the colleges are operating under a policy of no ceiling on enrollments, we must be mindful of the fact that certain of the colleges, notably San Francisco and San Jose, may be forced to resort to enrollment ceilings due to a lack of space for expansion. If the present policy of unrestricted enrollments is reversed then the need for facts concerning the admission of students will be at a premium.

There is much to be learned from studying entrance or admissions standards which will be of assistance in the over-all planning of college facilities, and it is in this area that some of the most important decisions affecting the pattern of higher education in California will have to be made. For example, studies of junior college transfer admission could develop facts for the State Board of Education that could be useful in improving programs offered at the junior colleges in this State. We therefore recommend approval of the position requested.

2. *Consultant in State College Curricula.* At the present time the Department of Education has a specialist in curricula studies whose main function is to study and review curricula in the state colleges and to make recommendations concerning their approval by the State Board of Education. The extent of faculty staffing at each college is dependent upon approved curricula and courses by the curricula specialist. During the past year a joint study by the Department of Education, Department of Finance and the Legislative Auditor focused attention upon the close coordination that was needed between the approved and projected curricula planning and the building program. Considerable attention must be devoted to this problem. The integration of building programming with curricula planning and approval will require additional effort. The addition of a curricula consultant is requested to assist the curricula specialist in this area as well as in the area of specialized curricula studies.

3. *Assistant Research Technician.* The division is also requesting an assistant research technician to make studies both in the area of room utilization as well as in the area of faculty staffing. It is particularly important to develop more data on the cost of faculty and building space for specialized curricula. On the basis of such studies, the State Board of Education would be in a much better position to determine the extent to which it would permit the addition of specialized courses and curricula at the various state colleges. Studies of student teacher ratios at other comparable institutions would be helpful as would studies of staffing by departments and faculty workloads by departments. The trend of class sizes in certain courses is needed to help in long-range planning of curricula and the building program.

Department of Education—Continued

4. *Associate Budget Analyst.* The fiscal section of the division has operated since the 1948-49 Fiscal Year with an Accounting Officer IV, an Accounting Officer II, semi-senior accountant, and an assistant budget analyst. The work load has increased considerably since that time. Insufficient attention has been given in recent years to equipment standards and equipment review. Numerous fiscal studies can be made to result in more effective business management practices in the colleges.

5. *Credential Technician.* The credentialing of teachers by the State Department of Education is estimated to cost \$333,864 in the 1956-57 Fiscal Year. Successful applicants for credentials must pay a fee for the service and it is anticipated that \$250,000 will be collected in fees. This means that the General Fund cost will be \$83,864.

We have taken a position in previous years that:

a. *There Are An Excessive Number of Credentials.* This results in much excess cost on the part of the credentials office and particularly the school districts in California. The present 59 credentials should be reduced considerably.

b. *The Credential Service Should Be Placed on a Self-supporting Basis.* The Legislature did not accept this latter recommendation during the last General Session. However, it is our opinion that the Legislature did not authorize a continuing increased cost upon the General Fund for this service. We therefore recommend that the new position requested of credential technician be not allowed at a savings of \$5232 plus operating expenses and equipment.

5. *Division of Special Schools and Services*—(\$257,893) (+\$57,347)

This division of the State Department of Education has responsibilities in four broad areas:

a. Central administrative control over the two schools for the deaf (Berkeley and Riverside), the School for the Blind (Berkeley) and the two schools for the cerebral palsied (San Francisco and Altadena).

b. Central administrative control over the three workshops for the blind (Oakland, Los Angeles and San Diego).

c. Central administrative control over the Vocational Rehabilitation program.

d. Central control of Field Rehabilitation Services for the Blind including three proposed new Opportunity Work Centers in San Bernardino, Visalia and San Jose.

The first three programs are included as separate budget items and therefore will not be discussed at this particular point in the Analysis.

The \$257,893 cost of the Division of Special Schools includes \$60,585 for the Central Administrative Unit and \$197,308 for the Field Rehabilitation Services for the Blind, which is the fourth program in the above listing. It is this latter program which represents the major change in the budget request for the division.

(1) *Field Rehabilitation Services for the Blind.* There are two distinct but closely related phases to this service.

Department of Education—Continued

(a) *The Field Services Supervision.* This program consists of field contact with newly blinded persons to assist in orienting these persons to their blindness, including counseling, occupational therapy and community adjustment. There are 23 field workers in this function and their role is to visit blind persons in their homes. This function will cost \$145,163 in the 1956-57 Fiscal Year.

(b) The establishment of Opportunity Work Centers in accordance with Chapter 1020, Statutes of 1955. The 1955-56 Budget made provision for \$25,501 for Opportunity Work Centers in Los Angeles, Oakland, San Jose and San Diego. The 1956-57 Budget provides that in lieu of the previous centers new centers will be created in San Bernardino, Visalia and San Jose at a total cost of \$52,145.

Chapter 1020 provides that:

“9142. In connection with the teaching service provided in Section 9141, the Department of Education, with the approval of the Director of Finance, may establish and maintain opportunity centers for the blind in communities where the active cooperation of local sponsoring organizations has been secured and in which fifty (50) or more adults who are blind, as blind is defined in Section 9183, indicate a desire to receive instruction in handicrafts and to make or assemble articles for sale in the local community or through the sales facilities of the California Industries for the Blind.

“9143. The Department of Education, with the approval of the Director of Finance, may:

(a) Rent, lease, or otherwise provide suitable rooms or buildings to house the activities of the opportunity centers for the blind.

(b) Employ such employees at the centers as it deems necessary.

(c) Perform all necessary and proper acts to carry out the provisions of Section 9142 and of this section.”

Inasmuch as the expansion of service in this program can be viewed as necessary to implement the legislative policy established at the 1955 General Session of the Legislature, we recommend approval of the amount requested.

Conclusion

The budget request of the State Department of Education is generally in accordance with the established policy of no new services in the Budget Year. We have commented on those changes that deviated from this policy and, subject to consideration of the above recommendations, we recommend approval of the budget as requested.

**Department of Education
SCHOOL BUILDING AID FUND**

ITEM 79 of the Budget Bill

Budget page 240
Budget line No. 24

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

Amount requested	\$33,400
Estimated to be expended in 1955-56 Fiscal Year	25,800
<hr/>	
Increase (29.5 percent)	\$7,600

RECOMMENDATIONS

Amount budgeted	\$33,400
Legislative Auditor's recommendation	33,400
<hr/>	
Reduction	None

ANALYSIS

The appropriation of \$33,400 from the School Building Aid Fund is for the purpose of assessing the costs of the Bureau of School House Planning that are attributable to processing projects under the School Construction Aid Program to the School Building Aid Fund.

We recommend approval of the amount requested.

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

ITEM 80 of the Budget Bill

Budget page 240
Budget line No. 39

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

Amount requested	\$7,000
Estimated to be expended in 1955-56 Fiscal Year	7,000
<hr/>	
Increase	None

RECOMMENDATIONS

Amount budgeted	\$7,000
Legislative Auditor's recommendation	7,000
<hr/>	
Reduction	None

ANALYSIS

California's participation in the Western Regional Higher Education Compact began with the enactment of Chapter 1694, Statutes of 1955.

Ten western states and the Territory of Alaska participate in the compact, providing an annual budget of \$77,000 for the commission that is now headquartered in Boulder, Colo.

The commission has two outside grants also—one from the National Institute of Mental Health in the amount of \$61,000 and one for \$7,000 from the Kellogg Foundation. These funds are being used for two principal surveys: the Mental Health Training and Research Survey and the Dental Manpower Survey.

We recommend approval of the \$7,000 budget request.

Department of Education
VOCATIONAL EDUCATION

ITEM 81 of the Budget Bill

Budget page 260
 Budget line No. 41

FOR SUPPORT OF VOCATIONAL EDUCATION FROM THE GENERAL FUND

Amount requested	\$737,457
Estimated to be expended in 1955-56 Fiscal Year	733,936
<hr/>	
Increase (0.5 percent)	\$3,521

RECOMMENDATIONS

Amount budgeted	\$737,457
Legislative Auditor's recommendation	737,457
<hr/>	
Reduction	None

ANALYSIS

The \$2,200,287 expenditure program budgeted for Vocational Education is based upon a request of \$737,457 from the General Fund and \$1,462,830 in federal grants. Approximately 40 percent (\$848,049) of these funds will be expended directly by the State Department of Education and the remaining 60 percent (\$1,352,238) will be distributed to local school districts.

The state level expenditure of \$848,049 is detailed in the budget and will be expended for the following services:

A. Supervision and teacher training	\$729,738
1. Administration	63,021
2. Agricultural education	195,378
3. Industrial education	264,131
4. Homemaking education	141,656
5. Business education	65,552
<hr/>	
Subtotal	\$729,738
B. Apprenticeship instructional materials	7,492
C. Fire training	110,819
<hr/>	
Total	\$848,049

The balance of the fund, or \$1,352,238, will be distributed to local school districts as follows:

Agriculture	\$314,394
Industrial	733,444
Homemaking	288,765
Business	15,635
<hr/>	
Total	\$1,352,238

From the 1954-55 Fiscal Year to the 1956-57 Fiscal Year the amount expended at the state level will increase from \$747,522 to \$848,049, or 13.4 percent, whereas the amount distributed to local school districts will decrease from \$1,429,775 to \$1,352,238, or 5.4 percent.

Vocational Education Reimbursements

During 1956-57 there will be \$1,352,238 in funds reimbursed to local school districts for their vocational education program. Of this total, \$1,038,806 will be derived from the Federal Government and \$313,432 from the State.

Vocational Education—Continued

The control of these expenditures is vested in the State Board of Vocational Education. The board decides, in accordance with a prescribed state plan and the federal vocational education acts (Smith-Hughes and George-Barden), conditions for reimbursements to some 340 high schools and about 30 junior colleges in the State.

The board has set the following general standards for a school's eligibility to the reimbursement funds:

1. Competent and qualified teachers.
2. Students must be able to profit in that their instruction will be applied to a particular field available within the community. (All students must be 14 years or more.)
3. Adequate facilities must be provided.
4. Sufficient time must be allowed for instruction.

Reimbursements go to all schools meeting standards and are based upon the premise that vocational education classes involve excess costs over other classes. This money is intended to pay for one-half of the school's excess costs for setting up the program and applies only to instructional costs. In other words, if a high school finds that it costs \$5,000 to conduct an agricultural program for instruction, then reimbursements will not exceed \$2,500. The board justifies its position in not supporting more than half of the local program on the basis that if the program meets state requirements it will benefit the community and therefore it is worth the local district's expenditure for the other half.

The State does not make cost studies to determine the economy of a local operation. It is pointed out that to do this would involve more funds for administering the program on a state level and therefore take moneys from the local districts as a result. Neither does the board recognize differences in assessed wealth of districts such as is done with other public school grants.

Vocational education reports that 75 percent of the 450 high schools in the State and 40 percent of the 68 junior colleges participate in the vocational education reimbursement program. The department feels that more schools would participate if qualified teachers were available.

The State provides all necessary materials and personnel for consultation and advice on the program and periodic investigations are made to determine if local districts are complying with state standards.

In reimbursing the local district, the federal law requires matching funds by the State and/or the local school district. In other words, if federal funds are matched, it makes no difference whether they come from the State or local school districts. Reimbursements are made on the basis of expenses incurred the previous year.

Agriculture Program

The state vocational education program in agriculture covers practically all of the rural school districts of California with about 50 percent of the excess costs of instruction paid from federal-state reimbursements.

In order to qualify, schools must meet certain specified requirements regarding teachers, hours of instruction and facilities, and schools must enroll only students who are likely to make farming their principal occupation upon completion of school.

Vocational Education—Continued

Some 230 secondary schools, or a little more than one-third of the state total, actively participate in this vocational program. Another 120 secondary schools have agricultural programs which do not meet state requirements for reimbursements. Most of these latter schools conduct only limited agricultural programs that are not specifically intended to prepare a student for lifetime occupation in farming, and many of the schools do not have sufficient land area to conduct full-fledged programs.

Some 13,800 students participated in the vocational training program during 1954-55, an increase of about 2,000 over the previous year. Of 24,577 projects begun in 1953-54, there were 21,482 completed last year. These range from field crops, such as corn, cotton, and wheat, to livestock raising.

Another important feature of the agricultural training program is the organization of Future Farmers of America (FFA). This is a nation-wide boys' organization made up of students of agricultural education. It operates under supervision of public schools and the Bureau of Agricultural Education. The FFA provides training for farm living dealing with leadership, citizenship, community service, thrift, cooperation, and recreation. Membership now totals 12,500 in more than 225 chapters throughout the State.

Another phase of the state program covers the adult classes in agriculture which last year enrolled 6,834 individuals in 295 varied classes and total of 3,795 meetings. These classes receive support in reimbursements from the state and federal vocational education funds.

The veteran "On-the-farm Training" program expired last year when Public Law 346 terminated June 30, 1955. However, Public Law 550 is still in effect, and about 500 veterans are receiving the same type of training afforded under Public Law 346. Administration of this program is handled directly under the Bureau of Agricultural Education and federal reimbursements cover the costs.

Bureau of Trade and Industrial Education

The Bureau of Trade and Industrial Education is part of the vocational education program of the Department of Education. It has responsibility for providing instruction in three major areas:

1. *Industrial arts*—which endeavors to provide a variety of exploratory experiences in working with materials, machines and tools, enabling the student to acquire a basis for intelligent vocational planning, useful work habits and basic skills.
2. *Pre-employment trade*—which concerns itself primarily with the manipulative skills and related knowledges prerequisite to entrance upon successful, gainful employment in an industrial occupation.
3. *Extension of trade*—which endeavors to provide skill and related training which will enable beginning workers, such as apprentices, to master the skills of the craft and become journeymen; and which will enable journeymen workers to upgrade themselves, as well as keep abreast of the constant change that is characteristic in modern industry.

Vocational Education—Continued

State services are provided by supervisors working out of three regional offices, Berkeley, Los Angeles, and Sacramento. During 1954-55 their emphasis has been on the improvement of local supervision. Several workshops have been held to further this objective.

Nearly all of the State's 650 secondary schools have some type of industrial arts program. Predominant among these are the wood and metal shops found in most high schools. These are not eligible for reimbursements but do receive state advisory services.

The pre-employment or so-called "all-day" program is conducted through specific classes in some 45 secondary schools and 45 state junior colleges. These classes cover such fields as auto mechanics, electronics, machine shop and other trades. This prepares a student for a particular line of work within his community. Last year there were 23,797 youths enrolled in the program. Fifty percent of the excess costs of the program to the school is covered by federal-state reimbursements, similar to other reimbursement programs. Most of these schools are in urban rather than rural areas.

Approximately two-thirds of the State's program is concerned with the field of trades extension. This attracts the apprentice or journeyman tradesman who is working on a job and wishes to further his skills. During 1954-55, there were 66,803 enrolled in this program of which 21,197 were apprentices. The trades most predominant in this category are auto mechanics, carpentry, electricity, plumbing, and sheet metal. Reimbursements are allowed for this program.

This year the bureau plans to study and strengthen trade extension, conduct a follow-up study of trade and industrial students, and study trade and industrial programs on the high school level.

One of the biggest difficulties encountered in the local districts is the expanding enrollments which place priorities on classroom space and the expanding of instruction. Some schools face having to cut back on their industrial trades program to make room for academic subjects, thus rendering the district ineligible for state support beyond advisory capacity because the district cannot meet the hours-per-class requirements.

California Peace Officers Training Program

Approximately \$40,000 is provided in the 1956-57 Budget of the Bureau of Trade and Industrial Education for peace officer training services. The state plan for peace officers' training is organized so that all law enforcement agencies within the State may participate in giving and receiving this training. These agencies include members of local police departments, district attorneys, sheriffs, constables, special agents of private corporations and special agents of federal and state agencies.

During 1954-55 the state program, under three supervisors working out of Sacramento, covered the following:

1. Zone schools—20 held for various smaller departments, 821 students, 1,020 hours of instruction.
2. Teacher training—seven held to train instructors to return to local departments and teach; 240 hours, 114 students.
3. Supervisory officer training—six schools, 160 hours, 161 students.

Vocational Education—Continued

4. Technical and administrative institutes—three schools conducted on such special subjects as psychiatry, sex criminals, lie detector, and report writing; 1,230 hours, 469 students.
5. Basic regional schools—two in north, two in south, 1,656 hours, 175 students.

The above listing does not show the various peace officer training, conference leadership or supervisory officers' training conducted through local groups by state supervisors and their staff. Also not shown are the meetings with chiefs, sheriffs, and other department heads, plus advisory committee meetings, speaking engagements, etc.

Other peace officer training is being conducted through properly trained staff members of local high schools and junior colleges. Vocational education reimbursements are paid for these special services under conditions similar to other vocational education participation. Enrollment in these local level classes has increased 100 percent in the past year.

Since the State's peace officer training program was re-established in 1946, the number of state-conducted schools has increased from two to 40. Nine junior colleges now are offering similar training for future peace officers.

One of the principal factors in the growing demand for this service is the estimated 50 percent annual turnover in law enforcement personnel. Frequently this means loss of supervisorial-trained members of a local department which must seek another officer to receive the state training.

Homemaking Education

The number of schools offering homemaking education classes in the State is increasing. The past difficulties in setting up the program, such as lack of funds and inability to engage qualified instructors have been cleared up for many districts. Others are on the verge of entering the program but for various reasons have delayed action.

Nearly all of the secondary schools in the State have some type of homemaking program. Approximately 30 percent of these schools have the approved vocational homemaking program and therefore are eligible for state-federal reimbursement funds which pay about half of their costs. In order to become approved, the schools must meet certain requirement; i.e., properly credentialed teachers, minimum hours for classes, counseling periods, and proper facilities.

This year 35,844 students (909 boys and 34,935 girls) were enrolled in reimbursed homemaking classes. This is an increase of 4,966 students over the previous year. Teachers qualifying for vocational homemaking education classes number 442. Of the 650 secondary schools in the State, approximately one-third, or 221, participate in the homemaking program.

There were 43 secondary schools and 19 elementary schools that completed new facilities for homemaking education during 1954-55; 26 secondary schools completed major improvements or remodeling of homemaking departments; and 26 schools are reported as having facilities in the process of being built or planned.

Vocational Education—Continued

Students in the vocational homemaking programs were reported by their teachers as completing 46,168 home projects in 1954-55. Clothing and food projects led the field, followed by home improvement, child care and guidance, home management, personal care, and family and social relations, in that order.

In addition to their services to homemaking instructors, the vocational education supervisors aid in a variety of community services such as offering advice to elementary schools setting up their own programs, and interpreting homemaking education to community groups. These supervisors also conduct state-wide conferences for vocational instructors to help strengthen the program and develop more economical methods.

Adult education in the field of homemaking also gained last year with 155 schools in the State holding 1,863 classes and an enrollment of 90,068 (86,833 women and 3,235 men). These schools also are eligible for reimbursements from the state and federal vocational education funds.

Also part of the homemaking program are the Future Homemakers of America (FHA) and the Young Homemakers Association (YHA). The larger of the two is FHA with 8,642 members last year in 226 chapters, a gain of 16 chapters over 1953-54. FHA seeks to further the interest of its members and the community in its goals of developing greater understanding among homes of the world, more democratic approach to life, acceptance of responsibilities, and understanding of what homemaking can contribute to future lives in home and business.

Rounding out the activities of the homemaking staff of the Vocational Education Bureau is its work with teacher education units to assist in developing teachers with broader concept of homemaking education and increased abilities in teaching. While the number of homemaking teachers prepared by these institutions increased this past year for the first time in several years, so did the ever-growing need for more teachers in the local districts to instruct homemaking classes.

Business Education

The major purpose of business education is to train people to work effectively in a business occupation. Since vocational competency is the major objective of such instruction, students are expected to measure up to the standards of efficient job performance. This type of business training serves four major groups of workers: (1) business executives, managers, and supervisors; (2) proprietors of businesses; (3) workers in office occupations; (4) workers in distributive occupations.

Another important responsibility of business education is to assist the individual to understand and use the services of the business community, and to conduct his own business affairs satisfactorily.

An increasing number of employment opportunities is forecast in the distributive occupations, and it is anticipated there will be a growing demand for well-trained men and women. The State's total labor force is five million. Of this total some 48 percent are engaged in the so-called distributive occupations such as real estate, insurance, transportation, merchandising, advertising, food handling, etc.

Vocational Education—Continued

Therefore, the Bureau of Business Education has placed its emphasis on this program, which has two major phases:

1. Training provided for full-time employed workers in distributive occupations.
2. Training provided for high school and junior college students enrolled in cooperative programs which feature on-campus study combined with a supervised and integrated work experience program.

During 1954-55, there were 42,730 persons enrolled in the state adult program and 1,110 students in the cooperative program. Both are supported under the state-federal reimbursement program.

Reduction in George-Barden federal funds in the past two years for distributive education caused some decrease in enrollment. However, the federal program was increased in August, 1955, and enrollment for 1955 showed a slight increase over 1954.

Work on the phases of distributive education in which state and federal funds are used requires most of the attention of the bureau staff and local coordinators. However, in order to assist in the meeting of community and school needs outside of the reimbursable program, bureau personnel engage in the following activities:

1. Serve on committees to plan educational training programs for state, county and city personnel.
2. Organize classes for regular day students in high schools and junior colleges in salesmanship, advertising, and merchandising.
3. Serve on local school district committees dealing with over-all problems of student placement, work experience, and guidance.

“How to Organize a Small Business” was the subject of considerable emphasis during the past year with the bureau. This came about due to the increasing awareness that something should be done to cope with the alarming rise in small business failures. Clinics were held locally in cooperation with the State Federation of Business and Professional Women’s Clubs and other interested organizations.

Fire Training Program

The State’s fire training program, under the Bureau of Industrial Education, showed increasing activity during the past year as more and more fire districts were being formed in the State to cope with the heavy growth in population.

Priority service is given new departments of which there are some 80 formed each year. This policy of serving the newly created departments on a priority basis tends to lengthen the period of follow-up visits which is important especially in districts with large turnover in volunteer forces.

Basically, this program provides, at the request of local fire departments, instruction in various subjects such as use of apparatus, water control, fire control and strategy, salvage, first aid, and instructor training.

Vocational Education—Continued

This training is conducted by various supervisor-instructors who are headquartered in eight district offices throughout the State. An attempt is made to encourage development of local training programs through the schools, thus relieving the load on the state service and reducing it to advisory status. Through such a localized program Contra Costa County has eliminated its need to call on state training, and Alameda County is nearly ready to assume a similar independent status.

During 1954-55 the State Fire Training Program covered 291 classes, 389 fire departments, 5,806 men registered, and 4,518 class hours.

The State also conducted:

1. An oil fire control school in Bakersfield in cooperation with the Western Oil and Gas Association (500 in attendance).
2. A fire service instructors conference in Fresno (90 in attendance).
3. Two courses in fire and arson investigation in cooperation with the University of California—one at Berkeley and one at UCLA (more than 100 persons in attendance at each course).

In addition to the above meetings and conferences, the staff members attended and spoke to service clubs and other organizations in communities where they were conducting programs. Also, fire prevention programs and fire drills were staged in public schools at the request of principals and superintendents.

Federal and State Vocational Education funds, available under the provisions of the Federal George-Barden Vocational Education Act and the California Act of Acceptance which authorized the State's participation in the matching program, are used to finance about one-third of the program on a 50-50 basis similar to other vocational education. The balance is an augmented program financed 100 percent by the State. The total program is budgeted at a \$110,000 expenditure level.

We recommend approval of the budget request for Vocational Education.

**Department of Education
VOCATIONAL REHABILITATION**

ITEM 82 of the Budget Bill

Budget page 267
Budget line No. 7

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

Amount requested	\$1,483,592
Estimated to be expended in 1955-56 Fiscal Year	1,269,960
Increase (16.8 percent)	\$213,632

Vocational Rehabilitation—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages.....	\$76,125	\$48,585	\$27,540	272	54
Operating expense.....	402,612	402,612	---	272	55
Equipment.....	-2,453	-2,453	---	272	56
Add: decreased reimbursements..	117	117	---	272	64
Less: grants from Federal Government.....	-262,769	-262,769	---	267	22
Total increase.....	\$213,632	\$186,092	\$27,540	267	15

RECOMMENDATIONS

Amount budgeted.....	\$1,483,592
Legislative Auditor's recommendation.....	1,483,592
Reduction.....	None

GENERAL SUMMARY

In 1953, the California Legislature enacted legislation calling for a strengthened and expanding vocational rehabilitation program for the State. Section 9850, Education Code, states:

"It is the public policy of this State to encourage and assist physically and mentally handicapped persons to achieve the maximum degree of self-support, and for that purpose to make adequate provision for such services as will enable them to prepare for and engage in remunerative employment to the maximum extent of their capabilities. This policy should be carried out by strengthening the existing program of vocational rehabilitation, by adding such services as will enable the greatest number of disabled persons to become self-supporting, and by the establishment of this service upon an adequate legal basis in the laws of this State."
(Emphasis added.)

The budget requests for the 1956-57 Fiscal Year reflect this intent and make use of the advantageous federal contributions for new programs.

ANALYSIS

The proposed expenditure program of \$3,680,531 for vocational rehabilitation is \$476,401, or 14.9 percent greater than the estimated expenditure program of \$3,204,130 for the current year.

Of the total expenditure program of \$3,680,531, the State will contribute \$1,483,592, or 40 percent, and the federal share will be \$2,196,939, or 60 percent.

The largest item of increase in this budget request is \$376,830 for case service funds. During the current year, 91 vocational rehabilitation officers had an average of \$17,500 in case service funds at their disposal, and the 11 new vocational rehabilitation officers averaged \$8,000 each. The budget request provides an average of \$19,600 for the 102 vocational rehabilitation officers. The increase is predicated upon granting an average price increase of 15 percent in case service funds which have not been adjusted in the past two or three years, and providing full case service amounts to the 11 vocational rehabilitation officers that were added to last year's budget.

Vocational Rehabilitation—Continued

There were nine clerical positions added in various offices throughout the State. This augmentation is in recognition of the fact that professional personnel have been called upon to perform some duties that could better be assigned to clerical personnel. The net effect of this augmentation will be to release an estimated five-man years of professional help which will be counted in future work-load requests.

We recommend approval of the amount requested.

**Department of Education
DIVISION OF LIBRARIES**

ITEM 83 of the Budget Bill

Budget page 273
Budget line No. 7

FOR SUPPORT OF DIVISION OF LIBRARIES FROM THE GENERAL FUND

Amount requested	\$586,623
Estimated to be expended in 1955-56 Fiscal Year.....	561,999
Increase (4.4 percent)	\$24,624

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages.....	\$15,686	\$15,686	—	275 9
Operating expense	3,333	3,333	—	275 10
Equipment	5,605	5,605	—	275 11
Total increase	\$24,624	\$24,624	—	275 21

RECOMMENDATIONS

Amount budgeted.....	\$586,623
Legislative Auditor's recommendation.....	586,623
Reduction	None

ANALYSIS

The budget request of the State Library is \$586,623. This is \$24,624, or 4.4 percent, greater than the amount requested in the previous year.

The State Librarian has effected many improvements in the operation of the State Library in the past two years. Two additional problems which the Library is attempting to resolve are the following:

Documents Section—Library of Congress Cards

The State Library is requesting a senior librarian on a two-year project to process 63,000 Library of Congress cards in the Documents Section. In the 1951-52 Budget provision was made for the purchase of 74,000 cards. Since that time the personnel in the Documents Section have been able to process 11,000 of the cards on a part-time basis. It is generally agreed that if the documents section of the State Library is to be of value to the legislative committees, state agencies, and researchers in general, that the cataloging should be done. It will not be possible to use a subject-matter approach to governmental publications until this cataloging is completed.

Division of Libraries—Continued**Microfilming Newspapers**

At the present time the State Library subscribes to about 240 newspapers, including papers from the county seat of each county in California, the major urban papers in California, selected California and out-of-state newspapers, and certain trade, association, and specialized publications which may be classed as newspapers.

The State Library began microfilming in 1947 and is currently processing 151 California newspapers. Generally speaking, copies of the 151 California newspapers dated prior to 1947 have not been microfilmed and are in bound volumes. These bound volumes occupy most of the space in the basement of the State Library. In addition, the State Library subscribes to a microfilm service for 29 newspapers. The remaining newspapers are subscribed to but are not microfilmed.

There are several important questions that should be reviewed by the State Library prior to the next Session of the Legislature.

1. Should the State Library keep either in microfilm or in copy complete sets of all newspapers now subscribed to?
2. If it is determined to be desirable to maintain all issues of selected newspapers would it not be more economical to microfilm those newspapers immediately to avoid the long-range expense of binding, storing and possible microfilming at a later date?

Although recent studies indicate that the cost of microfilming can be excessive in relation to inexpensive warehousing, there are two considerations that must be weighed heavily in this particular problem:

1. Almost the entire basement of the State Library is devoted to bound volumes of newspapers. This represents good space that could be used for future book storage.
2. Even if inexpensive warehousing would be cheaper than microfilming for the first 50 years, if it is determined to be good public policy to retain certain newspapers indefinitely, then if we microfilm immediately with its higher immediate cost we avoid (a) the problem of deterioration, (b) the immediate expense of handling and binding, (c) the long-range expense of storage, (d) the probable cost of microfilming at a later date.

We recommend that the problem of microfilming newspapers which is currently being investigated by the Library be the subject of a study by the State Librarian and a report made prior to the 1957 Session of the Legislature.

We recommend approval of the budget as submitted.

STATE COLLEGES**General Summary**

In our analysis of the budget request of the 10 state colleges for a total expenditure program of \$32,415,781, an attempt is made to consider policy matters that are of concern to the State College System rather than to deal with specific problems of each college. This is similar to the general approach that is used in relation to the \$98,008,584 expenditure program of the University of California with its eight campuses.

State Colleges—Continued

The enrollments in the state colleges have now exceeded the enrollments at the University. It is estimated that the 10 colleges will have 48,570 full-time students compared to 40,559 at the University in 1956-57. Enrollment predictions indicate a larger growth for the state colleges than for the University so that in terms of number of students, the State College System will be larger. The comparison of enrollments and expenditures of the state colleges and the University is intended only to illustrate that the State College System has experienced remarkable growth in the past few years.

The following discussion of the 10 state colleges includes items 84 through 95, inclusive, of the Budget Bill.

Growth of State Colleges

The following table is the latest projection by the Department of Education and the Department of Finance of the Full-Time Equivalent Enrollment of Regular Students in the State Colleges:

<i>State colleges</i>	<i>Actual</i>	<i>Estimated</i>	<i>1958-59</i>	<i>Projected</i>	
	<i>1954-55</i>	<i>1955-56 *</i>		<i>1959-60</i>	<i>1962-63</i>
Chico -----	1,563	1,927	2,700	2,900	3,300
Fresno -----	3,495	4,003	4,600	4,800	5,600
Humboldt -----	833	1,080	1,700	1,800	2,100
Long Beach -----	1,874	2,649	5,900	7,000	8,600
Los Angeles -----	2,760	3,347	7,000	8,000	11,900
Sacramento -----	1,528	2,186	3,800	4,100	5,700
San Diego -----	4,322	5,152	6,800	7,300	9,000
San Francisco -----	4,605	5,008	6,000	6,500	8,300
San Jose -----	7,017	7,630	9,500	10,500	14,400
California Polytechnic, San Luis Obispo -----	2,872	3,321	4,500	4,900	5,900
Kellogg-Voorhis -----	400	390	1,700	2,400	3,700
Totals -----	31,269	36,693	54,200	60,200	78,500

* Based on 1955 fall six-weeks enrollment.

By interpolating the estimates it can be seen that the number of students will be doubled by the 1961-62 Fiscal Year, a period of less than six years.

The enrollment estimate is in essence the real problem that is faced in respect to the support and capital outlay budget requests for the state colleges.

It should be noted that the projections in the above table differ from the full-time equivalent figures (FTE) used in the support requests for the state colleges. The difference can be explained by the fact that the projections consider only regular students whereas the FTE figures used for the support budget also includes the part-time students.

Support Costs of State Colleges

The total expenditures for support of the 10 state colleges is \$32,415,-781. The expenditure program budgeted for each college with the

State Colleges—Continued

amount and percent of increase over the estimated expenditure for the current year is presented in the following table:

<i>College</i>	<i>1956-57</i>	<i>Increase</i>	<i>Percent</i>
Chico -----	\$1,770,663	\$300,390	20.4
Fresno			
General and Professional Departments__	2,888,804	381,605	15.2
Department of Agriculture-----	457,192	43,767	10.6
Humboldt -----	1,437,000	241,156	20.2
Long Beach -----	2,554,275	620,486	32.1
Los Angeles -----	3,904,290	973,482	33.2
Sacramento -----	2,203,025	407,147	22.7
San Diego -----	3,826,711	666,610	21.1
San Francisco -----	3,894,446	429,390	12.4
San Jose -----	5,433,691	808,114	17.5
California State Polytechnic-----	4,045,684	695,809	20.8
Totals -----	\$32,415,781	\$5,567,956	20.7

The increased cost of the state colleges is largely a direct reflection of the growth of the colleges. It is anticipated that the full-time equivalent (FTE) students will increase by 18.1 percent. The latest estimate of growth for the colleges indicates that this pattern of growth will be followed for the next five to ten years.

State College Problems

Of the many problems that will be facing the administrative staffs of the Department of Education and the various state colleges during the next few years when the colleges will double in size, four major problem areas will be: (1) the recruitment of teaching staffs; (2) the construction program; (3) curriculum development; and (4) teacher training.

1. *Recruitment of Teaching Staffs.* The 1956-57 Budget includes a request for 449 new faculty positions in the 10 state colleges. The enrollment projections indicate that the state colleges will be requesting comparable or larger increases in faculty each year in the foreseeable future. The recruitment of teaching personnel has been left largely to the presidents of the individual colleges and it appears that the securing of qualified staff in such large numbers will be made progressively more difficult with each succeeding year.

The Legislature should be advised concerning this problem particularly in respect to whether the colleges can expect to recruit annually such large numbers of qualified teaching personnel and, if not, the alternatives should be discussed.

2. *Construction Program.* The fact that enrollments will double in the state colleges in less than six years means that the present college plants will have to be expanded rapidly, particularly if the policy of no new colleges is adhered to. Because of a minimum two-year lag between the time of legislative appropriation and actual occupancy of a completed building, the capital outlay appropriation in the next four years will determine the actual plant capacity at the various state colleges six years from now.

During the past year, staff personnel of the Department of Education, Department of Finance and the Legislative Auditor's office working with personnel of the state colleges held some 15 or 20 meetings and also

State Colleges—Continued

visited each state college on a survey designed to arrive at a common measure of plant capacity at each of the state colleges. Standards of measurement were worked out in considerable detail and each classroom, activity room and laboratory was visited and given a rated capacity figure. The Department of Finance is custodian of the records which will be kept on a current basis. This project was given priority consideration as it consists of basic information that is needed for long-range planning purposes.

Closely related to the study of room capacity ratings is the policy determination as to degree of utilization that can be achieved. For example, if a classroom has a rated capacity of 30 seats, should we expect that room to be scheduled 36 hours per week with an average of 20 pupils per class? Furthermore, should we measure only between 8 a.m. and 5 p.m. on weekdays for a 45-hour week? Decisions on these questions will involve considerable sums in the total building program of the state colleges.

3. *Curriculum Development.* The State Board of Education at its January, 1956, meeting confirmed previously approved curriculums and programs at the state colleges and approved certain new majors. This action provides a basic document to which the orderly planning and development of future curriculums and programs can be related.

Better procedures are being established for the method of approval of new curriculums. In addition, studies will be made for the board as to the need and economies of specialized programs so that the board will have before it better information for judging the relative merits of approving additional curriculums at the various colleges.

4. *Teacher Training.* Inasmuch as Section 20301 of the Education Code states that the primary function of the state colleges is the training of teachers, a brief review of the state college's role in teacher training as related to the current and predicted teacher shortage in the public schools is appropriate.

The Department of Education estimates that California will need approximately 15,000 new teachers a year for the next 10 years. On the average, the state colleges will provide approximately 3,900 teachers per year, the private colleges and universities 3,200, and the University of California 1,400. The unmet need of 6,500 teachers per year will have to come from out-of-state recruitment, enticement of more teachers back to the teaching field, and increased teacher production in the colleges.

It will be noticed that the figures quoted above as to the number of teachers provided by various institutions is considerably below the actual training of teachers by those same institutions. This is explained in a report on supply and demand of teachers prepared by the Department of Education which indicates that of the trained elementary teachers who graduate, approximately 20 percent will not teach and therefore the probable supply will be about 80 percent of the trained or potential supply. On the secondary level approximately 45 percent of those trained will not teach, therefore only 55 percent of those trained will be in the probable supply.

State Colleges—Continued

The following table indicates the estimated number and percentage of credential candidates at each of the state colleges in relation to the estimated enrollment for the 1956-57 Fiscal Year:

State college	Enrollment	Credential candidates	Percent
Chico -----	2,290	394	17.2
Fresno -----	4,330	345	8.0
Humboldt -----	1,265	105	8.2
Long Beach -----	3,900	1,032	26.5
Los Angeles -----	5,200	1,295	25.0
Sacramento -----	2,800	851	30.4
San Diego -----	5,920	446	7.5
San Francisco -----	5,150	1,028	20.0
San Jose -----	8,830	915	10.2
California Polytechnic -----	4,725	91	1.9
Totals -----	44,410	6,502	14.7

It can be seen that certain of the colleges place greater emphasis upon teacher training than the others. The three newer colleges have the highest percentage of credential candidates, but this is largely explained by the fact that these newer colleges started without lower division students and had limited programs. San Francisco and Chico seem to have the highest percentage of credential candidates among the older colleges.

Restudy of Higher Education

The results and recommendations of the Restudy of Higher Education were presented at the last session of the Legislature. A good percentage of the appropriate recommendations have already been endorsed by the Liaison Committee and the State Board of Education. The regents have approved a sizeable number of recommendations that applied to the University. A brief summary of selected major recommendations as they affect the state colleges and the current status of these recommendations is as follows:

1. *No new state colleges or university campuses be established before 1965, but that the existing ones be expanded.*
 - 1.1. The 1955 Legislature did not create any new colleges or campuses. However, there were many proposals for the establishment of new state colleges and these were referred to the legislative committees and the Joint Liaison Committee of the University of California and the State Department of Education for further study.
2. *The state colleges should conduct within their service regions off-campus extension centers for improving the preparation of teachers in rural areas.*
 - 2.1. A proposal was submitted by San Francisco State College to create an off-campus resident center in Santa Rosa for the full-time training of teachers. This proposal was not included in the budget. Any proposals of off-campus resident centers should be considered in the light of whether their service could be limited to teacher education or whether local pressures would result in these resident centers becoming new state colleges. Off-campus extension (not resident) centers have been recom-

State Colleges—Continued

mended for areas where state colleges or other appropriate institutions are not now serving the need for up-grading of teachers in service.

3. *The State should contract with private institutions for unused capacity if facilities are not available in public institutions.*

3.1. The only effort in this direction is the scholarship program which was approved by the last session of the Legislature, which is designed primarily to divert the award winners to private institutions.

4. *A new nine-member lay board for the government of the state colleges should be created.*

4.1. Legislation was introduced in the Assembly to create a State College Board but it was put on the inactive file upon request of the author.

4.2. The State Board of Education has increased their meetings from four to six each year to give additional time to state college problems. Coincident with this action the Council of State College Presidents was dissolved. The administration of the state colleges should be strengthened by this added time of the state board being devoted to state college problems and implemented by a proposed increase in the staff of the Division of State Colleges in the Department of Education.

5. *Coordination of Public Higher Education should be improved by expanding the Liaison Committee.*

5.1. The restudy recommended that a nine-member Liaison Committee consisting of equal representation of the University, state colleges, and public junior colleges be created to continue the studies of the present voluntary liaison committee which represents only the University and the state colleges. The recommendation contemplated an expansion in technical staff to the committee and that a Bureau of Junior College Education would be established in the Department of Education to supply leadership to the junior college programs.

The 1956-57 Budget provides for a continuation of the present voluntary Liaison Committee without change and there is no provision in the Budget for a Bureau of Junior College Education.

To date there has been no change in the Administration Code, Title V, Article 15, Section 131, to establish minimum standards for retention of students in junior colleges. In the spring meeting, 1955, the State Board asked that such standards be prepared for adoption.

Last year the state board approved the establishment of clear-cut criteria for approving courses and curriculums for junior colleges as a condition for qualifying for state aid. No such criteria have been published by the Division of Instruction which, in the absence of a Bureau of Junior College Education, is responsible for the administration of this board directive. (Education Code 10603.)

State Colleges—Continued

6. *Residence halls and a system of state scholarships would be provided.*

The restudy felt that this would permit the economy of fewer and larger institutions and equalizes educational opportunities.

- 6.1. *Residence halls* have not been financed and they have not been included in the 1956-57 Budget. The \$200,000,000 bond issue which will be voted upon by the people of California in the fall of 1956 includes \$60,000,000 for the state colleges. However, none of the amount has been earmarked for residence hall construction. The Regents of the University have committed approximately \$13,000,000 of their reserve funds to the construction of residence halls and related facilities.
- 6.2. *State Scholarships.* The restudy anticipated a state system of scholarships that would include the following major provisions:
- (1) The grants, which would not exceed \$600 each, would be made to legal residents of California based on actual and demonstrated need and would be usable at either public or private institutions in the State.
 - (2) These grants would be made to students of exceptional promise and would be applicable for undergraduate study for one year only. Each recipient of such an award would be eligible to apply for a new award for each successive year (not to exceed four in all) until the baccalaureate degree was obtained.
 - (3) Because of the great shortage of teachers in California, 40 percent of the total number of annual awards be made to those preparing to teach.
 - (4) The responsibility for developing the specific plans for, and the administration of, the program would be that of the appropriate governing boards in higher education. This responsibility might well be delegated to the liaison committee.
 - (5) The appropriation for the first year would be for 800 scholarships at an estimated average of \$400 each; for the second year, \$1,600; for the third year, \$2,400, and for the fourth and each following year \$3,200. Also there should be included in the appropriation the additional costs necessary for the organization and administration of the program.

The 1955 Legislature provided for a system of state scholarships. However, the scholarship program did not coincide with the recommended program in the restudy. The adopted system of scholarships is basically designed to direct students into private institutions in California.

7. *A fee for nonresidents should be added to the material and service fee of the state colleges.*

- 7.1. Chapter 1468, Statutes of 1955, provided for an annual \$180 nonresident fee for the state colleges. It is anticipated that the net income from this fee will be \$309,580 in 1955-56 and \$322,820 in 1956-57.

State Colleges—Continued

8. *The state colleges and the University should reduce their lower-division enrollments, provided adequate lower division courses are available in nearby junior colleges or private colleges.*
- 8.1. There is no evidence to date that this recommendation has been acted upon. However, preliminary data indicate that on a percentage basis a slight trend in that direction is taking place.
9. *Chico and Humboldt State Colleges should discontinue offering junior college facilities at state expense.*
- 9.1. The Department of Education has not announced any plans to carry out this recommendation which was approved by the State Board of Education last year. The recommendation anticipated local reimbursement for junior college courses offered. The 1956-57 Budget contemplates the offering of junior college courses at these two colleges at full state expense.
10. *The drop-out rate in higher educational institutions in California is high when compared with the Nation as a whole. The state colleges particularly should improve their selection and holding power.*
- 10.1. The restudy estimated that approximately one-fourth of state college entrants are graduated. It has been shown repeatedly that a high percentage of the brightest students remain in college, but few of the medium ability remain longer than two years.
- 10.2. The Department of Education is requesting an added consultant to study admission and transfer requirements. Presumably studies of retention rates at the various colleges would be included in their studies.

Nonresident Student Fees

In our analysis of the Budget Bill for the 1953-54 Fiscal Year we recommended a nonresident fee for the state colleges on the basis that this was a general practice nation-wide and that the University of California also charged a nonresident fee. No action was taken on this recommendation in either the 1953-54 or 1954-55 Fiscal Years. However, the 1955-56 Governor's Budget was submitted to the 1955 Legislature in anticipation that the Legislature would approve a \$150 nonresident tuition fee at the state colleges. The Department of Finance conservatively estimated that a \$150 fee would result in \$138,000 in additional reimbursements.

The 1955 Legislature did approve a nonresident fee for the state colleges and Chapter 1468 provided for a fee of \$180 at each of the state colleges. The following table is an estimate of the revenues that will accrue from this source by college for the 1955-56 and 1956-57 Fiscal Years:

State Colleges—Continued

Schedule of Nonresident Student Fees Estimated in the 1956-57 Governor's Budget as Presented to the Legislature

State College	1955-56	1956-57
Chico -----	\$9,000	\$9,000
Fresno -----	29,000	30,000
Humboldt -----	7,704	7,920
Long Beach -----	18,000	22,500
Los Angeles -----	12,000	13,000
Sacramento -----	24,840	27,000
San Diego -----	41,760	43,200
San Francisco -----	50,076	51,200
San Jose -----	59,600	60,000
California Polytechnic -----	57,600	59,000
San Luis Obispo ----- (54,000)		(55,000)
Kellogg-Voorhis ----- (3,600)		(4,000)
Total -----	\$309,580	\$322,820

Student Health Services

At the 1953 Session of the Legislature the Legislative Auditor recommended that a study be made of the student health program at the state colleges to determine:

1. What is the extent of medical coverage contemplated at the state colleges?
2. Who is to be served by these health service personnel?
3. What is the extent of state support versus student support of these health services?

The Ways and Means Committee and the Senate Finance Committee then requested that a study be made of the student health services at the state colleges by the Department of Finance, Department of Education, and the Legislative Auditor.

At the 1954 Session of the Legislature this office had reached the following conclusions:

1. There has been no uniform direction of college health services, and policies have varied considerably from campus to campus.
2. Services are not uniformly financed. Appropriations in 1953-54 ranged from a low of \$7.05 to a high of \$13.29 per regular student.
3. Physical facilities at some of the colleges are inadequate in size.
4. Some health services are in temporary or unsuitable quarters.
5. In comparison with the University of California the state college health program has been giving minimal services.

Meanwhile, the Department of Education had created a State College Committee on Student Health Services. This committee prepared a recommended health program which divided health services into three major categories:

1. State supported health services.
2. Student supported health services.
3. Special health needs at colleges which were to be supported through special student charges.

The Department of Finance and the Legislative Auditor reported to the Legislature that the proposed program of the state colleges appeared

State Colleges—Continued

reasonable in scope and that it promised to be a fair method of financing. Both agencies then recommended, and the Legislature approved, a pilot study at San Diego State College to determine more definitely the proper charges to be assessed against the students and the amount that the State should share.

The pilot study was conducted during the 1954-55 school year and a final report was submitted by the Director of Student Health Services at San Diego College on June 28, 1955.

On August 18, 1955, the State College Committee on Student Health Services and representatives of the Department of Finance and the Legislative Auditor's office jointly reviewed the pilot project report.

At that meeting the State College Committee on Student Health Services decided to recommend to the State Department of Education a student health program for the state colleges which closely parallels the program offered at San Diego State College last year. The total program will cost approximately \$16 per regular student, of which the State would pay \$10 and the student \$6.

The student health service program varies from college to college. The following table has been prepared to indicate the number of regular students, health service costs and health service costs per regular student.

**Student Health Service Costs¹ at State Colleges Estimated for 1955-56
Recommendations**

<i>College</i>	<i>Regular students²</i>	<i>Total health cost</i>	<i>Per student cost</i>
Chico -----	1,600	\$15,816	\$9.89
Fresno -----	3,887	32,027	8.24
Humboldt -----	978	12,967	13.26
Long Beach -----	2,518	23,710	9.42
Los Angeles -----	(3,462)	(19,000)	(5.49)
Sacramento -----	2,062	16,934	8.21
San Diego -----	(4,992)	(81,583)	(16.34)
San Francisco -----	5,058	44,667	8.83
San Jose -----	8,122	67,034	8.25
California Polytechnic -----	3,500	35,637	10.18
Totals ¹ -----	27,725	\$248,792	\$8.97

¹ Los Angeles and San Diego excluded from totals.

² Daily average as budgeted.

The average budgeted cost per student at the colleges was approximately \$9 in 1955-56. Los Angeles was excluded from the average because it is a new college and the health program is just being established. San Diego was excluded because it had an augmented pilot program and study in effect.

As there is a \$2 health service fee in effect in the colleges the State's share of the cost has been \$7. If we assume that this average applies to all colleges, including Los Angeles and San Diego, the added cost to the State of budgeting this program during 1955-56 at the proposed level would have been \$108,537 (\$3 × 36,179 students). However, the lack of facilities would not make it possible to institute the full program immediately and it would take a few years to get all colleges up to the proposed level of service.

State Colleges—Continued

The proposed \$16 health service program at the state colleges is low in comparison to the health service cost of over \$55 per student at the University of California. The large differential in cost of the two programs is due primarily to the fact that the University offers full hospitalization services to its students.

At the state colleges, the proposed state-supported costs would include such items as an entrance examination for all new regular students, an annual examination for regular students when indicated, examinations for teaching credential candidates and food handlers. In addition, health counseling (not treatment), emergency care and campus public health services would be state supported.

The student would pay for treatment on an outpatient basis for conditions such as acute respiratory infections, skin diseases, immunizations and vaccines.

There are, in addition, three special areas of services that are chargeable solely to the students:

1. *X-ray.* The college health officers feel that an X-ray unit is an essential tool for their work. The State College Committee proposes that the full cost of X-ray equipment and operations be supported as part of the \$6 student fee. At the present time most of the colleges have their original chest X-rays made free of charge by the county health department or local agencies. It is anticipated that this will continue to be the practice.

2. *Intercollegiate Athletics.* The committee has recommended that the college health officer be responsible for medical services for intercollegiate athletics and that the full cost of this service be paid for by the students. This will place the determination of the physical ability of students to engage in intercollegiate activities with the college health officer rather than with the college athletic departments.

3. *Infirmaries.* At the present time only San Jose State and California State Polytechnic College have infirmaries. These are fully student-supported and are not contemplated at the other state colleges. However, when and if the colleges have a residence hall program it would appear that an infirmary should be considered as necessary adjunct to that program.

Recommendations

The 1956-57 Budget provides for continuing the health program at San Diego State College at the \$16 per student program level and the other colleges, with the exception of San Francisco State College, at their same level of service. It is proposed to increase the health service program of San Francisco State College to the \$16 per student program level on the basis that San Francisco State College has the necessary capital facilities. It is assumed that as the remaining colleges gradually acquire the necessary health facilities that their health programs will be implemented by additional appropriations as well as corresponding increased student fees.

We recommend the budget request and approval of the policy of gradually improving the student health programs at the state colleges.

State Colleges—Continued

The Use of Surplus Property by the State Colleges

The following table indicates the extent to which the various state colleges made use of surplus property during the 1954-55 Fiscal Year:

College	FTE 1954-55	Charges	Fair value
California Polytechnic	3,401	\$23,631	\$200,067
San Jose	7,157	6,180	67,033
Chico	1,619	5,305	47,918
Long Beach	2,344	2,597	20,307
Fresno	3,656	2,333	20,696
Sacramento	1,925	1,197	9,510
Humboldt	866	880	6,361
Los Angeles	3,781	879	5,205
San Francisco	5,271	818	6,991
San Diego	4,614	780	60,696*
Totals	34,634	\$44,649	\$445,388

* Includes \$57,000 jet aircraft engine for \$500 charge.

The annual report of surplus property distribution for 1954-55 in hardware (i.e., all materials other than foodstuffs) showed that 27 public colleges in the State accounted for 11.5 percent of all surplus property dispersed. Recent federal legislation has opened the way for providing more surplus goods.

The total amount of surplus purchased by the state colleges was almost double the purchases made the previous year. Such purchases should be encouraged.

Conclusion

We recommend approval of the budget requests of the 10 state colleges, Items 84 through 95, inclusive.

Department of Education
CHICO STATE COLLEGE

ITEM 84 of the Budget Bill

Budget page 281
Budget line No. 6

FOR SUPPORT OF CHICO STATE COLLEGE FROM THE GENERAL FUND

Amount requested	\$1,666,241
Estimated to be expended in 1955-56 Fiscal Year	1,361,243
Increase (22.4 percent)	\$304,998

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$248,925	\$248,925	--	286 9
Operating expense	46,576	46,576	--	286 10
Equipment	23,558	23,558	--	286 11
Less: increased reimbursements	—14,061	—14,061	--	286 20
Total increase	\$304,998	\$304,998	--	286 22

RECOMMENDATIONS

Amount budgeted	\$1,666,241
Legislative Auditor's recommendation	1,666,241
Reduction	None

Department of Education
FRESNO STATE COLLEGE

ITEM 85 of the Budget Bill

Budget page 287
Budget line No. 8

FOR SUPPORT OF FRESNO STATE COLLEGE FROM THE GENERAL FUND

Amount requested	\$2,692,040
Estimated to be expended in 1955-56 Fiscal Year	2,332,692
Increase (15.4 percent)	\$359,348

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$279,907	\$279,907	--	293 57
Operating expense	68,701	68,701	--	293 58
Equipment	28,736	28,736	--	293 59
Less: increased reimbursements	—17,996	—17,996	--	293 69
Total increase	\$359,348	\$359,348	--	293 71

RECOMMENDATIONS

Amount budgeted	\$2,692,040
Legislative Auditor's recommendation	2,692,040
Reduction	None

Department of Education
FRESNO STATE COLLEGE

ITEM 86 of the Budget Bill

Budget page 287
Budget line No. 22

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

Amount requested	\$439,072
Estimated to be expended in 1955-56 Fiscal Year	396,862
Increase (10.7 percent)	\$42,210

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$22,132	\$22,132	--	296 11
Operating expense	10,893	10,893	--	296 12
Equipment	9,285	9,285	--	296 13
Less: increased reimbursements	—100	—100	--	296 19
Total increase	\$42,210	\$42,210	--	296 21

RECOMMENDATIONS

Amount budgeted	\$439,072
Legislative Auditor's recommendation	439,072
Reduction	None

Department of Education
HUMBOLDT STATE COLLEGE

ITEM 87 of the Budget Bill

Budget page 297
Budget line No. 7

FOR SUPPORT OF HUMBOLDT STATE COLLEGE FROM THE
GENERAL FUND

Amount requested	\$1,356,817
Estimated to be expended in 1955-56 Fiscal Year	1,128,862
Increase (20.2 percent)	\$227,955

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$194,517	\$194,517	--	302 9
Operating expense	20,462	20,462	--	302 10
Equipment	21,163	21,163	--	302 11
Less: increased reimbursements	-8,187	-8,187	--	302 20
Total increase	\$227,955	\$227,955	--	302 22

RECOMMENDATIONS

Amount budgeted	\$1,356,817
Legislative Auditor's recommendation	1,356,817
Reduction	None

Department of Education
LONG BEACH STATE COLLEGE

ITEM 88 of the Budget Bill

Budget page 303
Budget line No. 7

FOR SUPPORT OF LONG BEACH STATE COLLEGE FROM THE
GENERAL FUND

Amount requested	\$2,380,754
Estimated to be expended in 1955-56 Fiscal Year	1,801,836
Increase (32.1 percent)	\$578,918

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$550,660	\$550,660	--	308 9
Operating expense	64,318	64,318	--	308 10
Equipment	33,931	33,931	--	308 11
Less: increased reimbursements	-69,991	-69,991	--	308 21
Total increase	\$578,918	\$578,918	--	308 23

RECOMMENDATIONS

Amount budgeted	\$2,380,754
Legislative Auditor's recommendation	2,380,754
Reduction	None

Education

Department of Education

LOS ANGELES STATE COLLEGE OF APPLIED ARTS AND SCIENCES

ITEM 89 of the Budget Bill

Budget page 309.

Budget line No. 7

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

Amount requested	\$3,701,327
Estimated to be expended in 1955-56 Fiscal Year	2,783,178
Increase (33.0 percent)	\$918,149

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$966,748	\$966,748	--	315 60
Operating expense	33,057	33,057	--	315 61
Equipment	17,988	17,988	--	315 62
Less: increased reimbursements	—99,644	—99,644	--	315 71
Total increase	\$918,149	\$918,149	--	315 73

RECOMMENDATIONS

Amount budgeted	\$3,701,327
Legislative Auditor's recommendation	3,701,327
Reduction	None

**Department of Education
SACRAMENTO STATE COLLEGE**

ITEM 90 of the Budget Bill

Budget page 316.

Budget line No. 7

FOR SUPPORT OF SACRAMENTO STATE COLLEGE FROM THE GENERAL FUND

Amount requested	\$2,063,022
Estimated to be expended in 1955-56 Fiscal Year	1,683,855
Increase (22.5 percent)	\$379,167

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$315,876	\$315,876	--	321 33
Operating expense	44,280	44,280	--	321 34
Equipment	5,361	5,361	--	321 35
Decreased reimbursements	13,650	13,650	--	321 44
Total increase	\$379,167	\$379,167	--	321 46

RECOMMENDATIONS

Amount budgeted	\$2,063,022
Legislative Auditor's recommendation	2,063,022
Reduction	None

**Department of Education
SAN DIEGO STATE COLLEGE**

ITEM 91 of the Budget Bill

Budget page 322
Budget line No. 7

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

Amount requested	\$3,556,824
Estimated to be expended in 1955-56 Fiscal Year	2,933,976
Increase (21.2 percent)	\$622,848

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$536,863	\$536,863	--	327 58
Operating expense	47,049	47,049	--	327 59
Equipment	63,233	63,233	--	327 60
Less: increased reimbursements	-24,297	-24,297	--	327 70
Total increase	\$622,848	\$622,848	--	327 72

RECOMMENDATIONS

Amount budgeted	\$3,556,824
Legislative Auditor's recommendation	3,556,824
Reduction	None

**Department of Education
SAN FRANCISCO STATE COLLEGE**

ITEM 92 of the Budget Bill

Budget page 328
Budget line No. 7

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

Amount requested	\$3,652,274
Estimated to be expended in 1955-56 Fiscal Year	3,230,608
Increase (13.1 percent)	\$421,666

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$361,985	\$361,985	--	333 60
Operating expense	60,285	60,285	--	333 61
Equipment	23,432	23,432	--	333 62
Less: increased reimbursements	-24,036	-24,036	--	333 71
Total increase	\$421,666	\$421,666	--	333 73

RECOMMENDATIONS

Amount budgeted	\$3,652,274
Legislative Auditor's recommendation	3,652,274
Reduction	None

Education

**Department of Education
SAN JOSE STATE COLLEGE**

ITEM 93 of the Budget Bill

Budget page 334
Budget line No. 7

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

Amount requested	\$5,098,453
Estimated to be expended in 1955-56 Fiscal Year	4,336,390
Increase (17.6 percent)	\$762,063

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$654,476	\$654,476	---	340 9
Operating expense	116,059	116,059	---	340 10
Equipment	28,356	28,356	---	340 11
Less: increased reimbursements ..	—36,828	—36,828	---	340 21
Total increase	\$762,063	\$762,063	---	340 23

RECOMMENDATIONS

Amount budgeted	\$5,098,453
Legislative Auditor's recommendation	5,098,453
Reduction	None

**Department of Education
CALIFORNIA STATE POLYTECHNIC COLLEGE**

ITEMS 94 and 95 of the Budget Bill

Budget page 341
Budget line No. 25

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

Amount requested	\$3,815,719
Estimated to be expended in 1955-56 Fiscal Year	3,128,052
Increase (22.0 percent)	\$687,667

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$609,068	\$609,068	---	351 31
Operating expense	94,481	94,481	---	351 32
Equipment	9,816	9,816	---	351 33
Less: increased reimbursements ..	—25,698	—25,698	---	351 47
Total increase	\$687,667	\$687,667	---	351 49

RECOMMENDATIONS

Amount budgeted	\$3,815,719
Legislative Auditor's recommendation	3,815,719
Reduction	None

**Department of Education
CALIFORNIA MARITIME ACADEMY**

ITEM 96 of the Budget Bill

Budget page 352
Budget line No. 7

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

Amount requested	\$295,700
Estimated to be expended in 1955-56 Fiscal Year	289,991
Increase (2.0 percent)	\$5,709

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$10,048	\$10,048	--	355 59
Operating expense	—795	—795	--	355 60
Equipment	95	95	--	355 61
Less: increased reimbursements	—3,639	—3,639	--	355 70
Total increase	\$5,709	\$5,709	--	355 72

RECOMMENDATIONS

Amount budgeted	\$295,700
Legislative Auditor's recommendation	295,700
Reduction	None

ANALYSIS

The budget request of the California Maritime Academy is at the same level of service as the current year.

Several improvements have been effected during the past year. Service of food in the wardroom to the academy staff has been discontinued and all meals are now being served cafeteria style and, in addition, a secretarial pool has been established.

We recommend approval of the amount requested.

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

ITEM 97 of the Budget Bill

Budget page 356
Budget line No. 7

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

Amount requested	\$478,912
Estimated to be expended in 1955-56 Fiscal Year	481,122
Decrease (0.5 percent)	\$2,210

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$7,675	\$7,675	--	359 45
Operating expense	—6,937	—6,937	--	359 46
Equipment	—2,198	—2,198	--	359 47
Less: increased reimbursements	—750	—750	--	359 56
Total increase	—\$2,210	—\$2,210	--	359 58

California School for the Blind—Continued
RECOMMENDATIONS

Amount budgeted	\$478,912
Legislative Auditor's recommendation	478,912
<hr/>	
Reduction	None

ANALYSIS

The budget request of \$478,912 is \$2,210, or 0.5 percent, less than the estimated expenditures for the current year of \$481,122.

The enrollment has increased from 150 to 157 students, but savings in operating expenses and equipment purchases accounted for the decrease.

The proposed budget retains services at the same level, therefore we recommend approval as submitted.

Department of Education
CALIFORNIA SCHOOL FOR THE DEAF, BERKELEY

ITEM 98 of the Budget Bill Budget page 360
Budget line No. 8

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

Amount requested	\$1,114,467
Estimated to be expended in 1955-56 Fiscal Year	1,081,695
<hr/>	
Increase (3.0 percent)	\$32,772

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$16,027	\$16,027	---	363 53
Operating expense	13,986	13,986	---	363 54
Equipment	3,284	3,284	---	363 55
Less: increased reimbursements	-525	-525	---	363 64
<hr/>		<hr/>		
Total increase	\$32,772	\$32,772	---	363 66

RECOMMENDATIONS

Amount budgeted	\$1,114,467
Legislative Auditor's recommendation	1,114,467
<hr/>	
Reduction	None

ANALYSIS

The budget request of \$1,114,467 is \$32,772, or 3.0 percent, greater than estimated expenditures for the current year. The increase is due primarily to additional expenditures for operation as a result of increased enrollment in the school from the current year of 415 to an expected 430 in 1956-57. The level of the program remains unchanged, and there are no new services.

We recommend approval as submitted.

Department of Education

CALIFORNIA SCHOOL FOR THE DEAF, RIVERSIDE

ITEM 99 of the Budget Bill

Budget page 364
Budget line No. 7

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

Amount requested	\$961,250
Estimated to be expended in 1955-56 Fiscal Year	879,389
Increase (9.3 percent)	\$81,861

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$67,621	\$67,621	--	367 33
Operating expense	18,919	18,919	--	367 34
Equipment	-4,679	-4,679	--	367 35
Total increase	\$81,861	\$81,861	--	367 44

RECOMMENDATIONS

Amount budgeted	\$961,250
Legislative Auditor's recommendation	961,250
Reduction	None

ANALYSIS

The budget request of \$961,250 is \$81,861 or 9.3 percent larger than estimated expenditures for the current year of \$879,389. This school opened in February, 1953, with 56 students. It has grown to its current size of 311 students which will be maintained in the 1956-57 Fiscal Year. The 9.3 percent increase in costs without an increase in the number of students is due largely to normal salary increases, plus the fact that new personnel were not hired on a full year's basis during the current year.

The second unit of construction is essentially completed and will provide for the present enrollment. The final phase of construction, which will provide for a maximum enrollment of 500 students, was financed in the 1956-57 Budget, and is scheduled for completion in the 1957-58 Fiscal Year. The cost per student increased from \$2,780 in 1954-55 to an estimated \$3,042 for the current year. The per capita cost is considerably higher than the per capita cost at the School for the Deaf at Berkeley. However, the Departments of Education and Finance have stated that the per capita cost will be lowered to that of the Berkeley school when the Riverside school is equal in size.

We recommend approval of the budget as submitted.

Department of Education

SCHOOL FOR CEREBRAL PALSIED CHILDREN, NORTHERN CALIFORNIA

ITEM 100 of the Budget Bill

Budget page 368
Budget line No. 7

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

Amount requested	\$357,704
Estimated to be expended in 1955-56 Fiscal Year	341,144
Increase (4.8 percent)	\$16,560

Education

— 244 —

School for Cerebral Palsied Children, Northern California—Continued Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$29,246	\$22,246	\$7,000	371 32
Operating expense -----	—17,037	—17,037	—	371 33
Equipment -----	2,351	2,351	—	371 34
Plus: decreased reimbursement---	2,000	2,000	—	371 43
Total increase-----	\$16,560	\$9,560	\$7,000	371 45

RECOMMENDATIONS

Amount budgeted-----	\$357,704
Legislative Auditor's recommendation-----	357,704
Reduction-----	None

ANALYSIS

The budget request of \$357,704 is \$16,500 or 4.8 percent more than estimated expenditures of \$341,144 for the current year.

Services will continue at the existing level, and enrollment remains at 34 students.

The decrease in operating expenses is reflected in a corresponding increase in salaries and wages. Three proposed new positions shown are:

Clinical psychologist-----	\$6,672
Supervising physical therapist-----	5,496
Medical social worker-----	4,092

Total----- \$16,260

Their purpose is to provide services for residents at the school which formerly were performed at the University of California Medical Center under contract. The 1955-56 Budget made provision for the transfer of 9.4 positions from the contract with the university to the staff of the school. Transfer of these three positions had to be deferred until the 1956-57 budget year. It is contended this move will better utilize these services under school authority than under contract at the university.

Temporary help for the summer session program is increased \$7,000 to provide for six teacher positions for a period of two months each for the summer school and post-semester summer school camp program. The Cerebral Palsied School now is located on the campus of San Francisco State College. In order to operate in conjunction with the college teacher training program, it is necessary that the school operate fully staffed the year round, including summer session.

The teaching staff at the Cerebral Palsied Schools has been teaching on the basis of a 205-day school year. The teaching staffs at the Schools for the Deaf and Blind have a school year not unlike the public school teachers which approximates a 175-day school year. This proposal is designed primarily to secure equality of treatment on length of school year for the teachers.

In view of the fact that the Cerebral Palsied School is also conducting a teacher training service for San Francisco State College it is recommended that the Department of Finance study this matter with

School for Cerebral Palsied Children, Northern California—Continued

a view of allocating teacher training costs, including summer session costs, to the budget of San Francisco State College in the 1957-58 Budget, if the cost of this function is large enough to warrant a financial distinction.

We recommend the budget be approved as submitted.

Department of Education

SCHOOL FOR CEREBRAL PALSIED CHILDREN, SOUTHERN CALIFORNIA

ITEM 101 of the Budget Bill

Budget page 372

Budget line No. 7

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

Amount requested	\$346,201
Estimated to be expended in 1955-56 Fiscal Year	339,069
Increase (2.1 percent)	\$7,132

Summary of Increase.

	INCREASE DUE TO			Budget Line page No.
	Total increase	Work load or salary adjustments	New services	
Salaries and wages	\$4,906	\$4,906	--	375 36
Operating expense	1,055	1,055	--	375 37
Equipment	1,241	1,241	--	375 38
Less: increased reimbursements	-70	-70	--	375 43
Total increase	\$7,132	\$7,132	--	375 45

RECOMMENDATIONS

Amount budgeted	\$346,201
Legislative Auditor's recommendation	346,201

Reduction

None

ANALYSIS

The budget request of \$346,201 is \$7,132, or 2.1 percent more than the estimated expenditures of \$339,069 for the current year.

In Southern California the diagnostic services are being provided through contract with three hospitals, Children's and Orthopedic Hospitals for out-patients and the White Memorial Hospital for both residents and out-patients. These services total about \$65,000 for the 1956-57 Fiscal Year.

The level of service at this school remains about the same with a slight increase in enrollment from 25 to 28 pupils. The budget increase is due to normal increases in salaries and operating expenses.

We recommend approval as submitted.

Department of Education

OAKLAND ORIENTATION CENTER

ITEM 102 of the Budget Bill

Budget page 376

Budget line No. 6

FOR SUPPORT OF OAKLAND ORIENTATION CENTER FROM THE GENERAL FUND

Amount requested	\$298,892
Estimated to be expended in 1955-56 Fiscal Year	281,233
Increase (6.3 percent)	\$17,659

Oakland Orientation Center—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$4,648	\$4,648	---	379 33
Operating expense-----	11,565	11,565	---	379 34
Equipment-----	1,536	1,536	---	379 35
Less: increased reimbursements--	—90	—90	---	379 43
Total increase-----	\$17,659	\$17,659	---	379 45

RECOMMENDATIONS

Amount budgeted-----	\$298,892
Legislative Auditor's recommendation-----	298,892
Reduction-----	None

ANALYSIS

The budget request of \$298,892 for the Oakland Orientation Center is \$17,659, or 6.3 percent, greater than the estimated expenditure of \$281,233 for the current year.

The center is operated in accordance with the general plan outlined in Chapter 1144, Statutes of 1951. There are two main functions served.

1. Residential Care Program—\$221,950

Chapter 1144 provided for the continuing care of aged blind residents who were in the former training center for the adult blind on March 1, 1951. There were 76 residents during the 1952-53 Fiscal Year and it is anticipated that there will be 63 residents in the 1956-57 Fiscal Year. In spite of the decline in the number of residents the cost of operating the residence program has increased from \$180,995 in 1952-53 to \$221,950 in 1956-57. The per capita cost has risen to the point where it is estimated that the care of these blind residents will be in excess of \$300 per resident per month. This per capita cost will continue to increase under present policy, therefore, it is recommended that the Department of Education and the Department of Finance present at the next session of the Legislature some proposals for alternate methods of caring for these persons.

2. Orientation Program—\$76,942

The Oakland Orientation Center is designed to do two things: first, to help the blind person overcome some of the physical problems presented by blindness; and second, to develop a healthy mental attitude of the blind person toward his blindness. The program at the orientation center provides for the blind person to live in residence for several months with expenses paid to receive, if appropriate, instruction in (1) travel training, (2) physical conditioning, (3) communication skills, (4) business practices, (5) shop, (6) household arts, (7) daily living.

The program is new. However, we have been impressed with the results obtained so far and recommend that the budget be approved.

Department of Education

LOS ANGELES CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 103 of the Budget Bill

Budget page 380
Budget line No. 7

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

Amount requested.....	\$120,761
Estimated to be expended in 1955-56 Fiscal Year.....	120,607
<hr/>	
Increase (0.1 percent).....	\$154

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages.....	—\$959	—\$959	—	381 58
Operating expense.....	1,610	1,610	—	381 59
Equipment	—497	—497	—	381 60
<hr/>		<hr/>		
Total increase.....	\$154	\$154	—	381 62

RECOMMENDATIONS

Amount budgeted.....	\$120,761
Legislative Auditor's recommendation.....	120,761
<hr/>	
Reduction	None

ANALYSIS

At the 1955 Session of the Legislature a report was submitted by a special advisory committee of prominent businessmen on the operations of the Industries for the Blind. The advisory committee had been appointed by the Joint Legislative Budget Committee to make such a study.

The report included some major policy recommendations including, but not limited to, the following:

1. A long-range plan should be set up for the dissolution of the California Industries for the Blind as a production shop.
2. The physical assets of the industry and competent personnel should be integrated into an orientation and training program which has as its goal the placement of blind people in industry.

The Assembly Ways and Means Committee and the Senate Finance Committee felt that it would be desirable to have a long-range plan presented for consideration and requested that the Department of Finance, Department of Social Welfare and the Department of Education study the Report of the Advisory Committee and from their combined experience present a feasible plan that would implement the findings of the Advisory Committee. The legislative committees also recognized that the Industries for the Blind was only one of several blind programs offered by the State and that, in fact, the blind clientele are one of several handicapped groups in need of rehabilitation. Therefore, they did not confine the request solely to the Industries for the Blind but provided that the administrative agencies should also give proper consideration to all related rehabilitation programs.

Subject to consideration of the report of the administrative agencies we recommend approval of the amount requested.

Education

— 248 —

Department of Education**OAKLAND CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND**

ITEM 104 of the Budget Bill

Budget page 382

Budget line No. 7

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

Amount requested	\$90,114
Estimated to be expended in 1955-56 Fiscal Year	91,370
Decrease (1.4 percent)	\$1,256

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	—\$2,688	—\$2,688	—	384 44
Operating expense	6,331	6,331	—	384 45
Equipment	—4,899	—4,899	—	384 46
Total increase	—\$1,256	—\$1,256	—	384 54

RECOMMENDATIONS

Amount budgeted	\$90,114
Legislative Auditor's recommendation	90,114

ANALYSIS

See recommendation under Item 103.

Department of Education**SAN DIEGO CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND**

ITEM 105 of the Budget Bill

Budget page 385

Budget line No. 7

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

Amount requested	\$47,785
Estimated to be expended in 1955-56 Fiscal Year	52,435
Decrease (8.9 percent)	\$4,650

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	—\$4,058	—\$4,058	—	386 35
Operating expense	—130	—130	—	386 36
Equipment	—462	—462	—	386 37
Total increase	—\$4,650	—\$4,650	—	386 39

RECOMMENDATIONS

Amount budgeted	\$47,785
Legislative Auditor's recommendation	47,785

Reduction	None
-----------------	------

ANALYSIS

See recommendation under Item 103.

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

ITEM 106 of the Budget Bill

Budget page 388
Budget line No. 7

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

Amount requested	\$188,330
Estimated to be expended in 1955-56 Fiscal Year	186,845
Increase (0.8 percent)	\$1,485

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	—\$327	—\$327	—	388 72
Operating expense	1,581	1,581	—	389 19
Equipment	231	231	—	389 25
Total increase	\$1,485	\$1,485	—	389 27

RECOMMENDATIONS

Amount budgeted	\$188,330
Legislative Auditor's recommendation	188,330
Reduction	None

ANALYSIS

The State Teachers' Retirement System administers the Teachers' Retirement Act through the State Teachers' Retirement Board. It computes, collects, records and refunds contributions, and computes and pays retirement benefits. Members of the system consist of certificated employees of the Public School System and employees of the state departments holding valid teaching credentials who have elected to join the State Teachers' Retirement System.

The composition of the State Teachers' Retirement System is as follows:

	Actual 1954-55	Estimated 1955-56	Proposed 1956-57	Increase over 1955-56	
				Amount	Percent
Active accounts	143,418	152,083	161,355	9,272	6.1
Retired accounts	14,739	15,616	16,796	1,180	7.6
Total case load	158,157	167,699	178,151	10,452	6.2
Closed accounts	6,638	7,175	7,742	767	10.6

Chapter 1395, Statutes of 1955 provides for a new retirement formula which will become effective on July 1, 1956. The increased benefits provided by this law will be applicable for persons who have retired before that date, and the system is in the process of recalculating some 15 or 16 thousand cases which will be affected. Funds for this recalculation have been allocated from the Emergency Fund in the amount of \$9,000 for the 1955-56 Fiscal Year. The actuarial study of the retirement system indicated that this new formula will require an additional expenditure of approximately \$12,000,000 annually to fund the allowances already granted. The additional money is to be provided from contributions which will be paid by the employers at the rate of 3 percent of the pay roll applicable to members of this system.

State Teachers' Retirement System—Continued

The State Teachers' Retirement System has requested one Accountant-Auditor Grade I and a minor amount for additional machine rental to administer the additional work brought about by the changes in the law.

One significant change which was inaugurated to improve the efficiency of the operation during 1955-56 was that of placing bond accounting on tabulating equipment. This will save time and will provide detailed information in such form that it will be of greater value in the inventoring and the analyzing of the bond accounts in the future.

Approval of the amount budgeted is recommended.

**Department of Education
CALIFORNIA SCHOLARSHIP COMMISSION**

ITEM 107 of the Budget Bill

Budget page 387
Budget line No. 7

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

Amount requested	\$44,365
Estimated to be expended in 1955-56 Fiscal Year	15,000
<hr/>	
Increase (195.8 percent)	\$29,365

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$7,608	--	\$7,608	387 44
Operating expense	319,648	--	319,648	387 59
Equipment	2,109	--	2,109	387 61
<hr/>				
Estimated expenditures	\$329,365	--	\$329,365	387 64
Less: balance available				
Chapter 1846/1955	-\$300,000	--	-\$300,000	387 9
<hr/>				
Total increase	\$29,365	--	\$29,365	

RECOMMENDATIONS

Amount budgeted	\$44,365
Legislative Auditor's recommendation	44,365
<hr/>	
Reduction	None

ANALYSIS

This is a new agency established to award college undergraduate scholarships having a tuition and fee value up to \$600 to residents under 24 years of age who are qualified academically, have a financial need, have graduated from high school, are good citizens, have a high moral character, and are dedicated to American ideals. This commission was established by Chapter 1846, Statutes of 1955, which provides:

1. Students must compete for the State scholarships and must display both academic ability and financial need. The commission will establish appropriate standards to govern these considerations.

California Scholarship Commission—Continued

2. Scholarships are for tuition and fees only—not for living expenses. In general, the scholarships are worth \$600 at private institutions, \$84 at the University of California, and \$45 at the state colleges, and may be reviewed each year for four years. Students must pay all necessary examination fees. The examination fee is \$6, and those who qualify must pay an additional \$3 for final eligibility determination. Students taking the examination have about one chance in 10 of winning a scholarship.

3. Scholarships are awarded on the basis of: (1) senatorial districts (eight each when the program reaches maturity in 1959-60); (b) assembly districts (eight each upon maturity); and (c) the State at large (1,600 upon maturity). Scholarships may be continued through four years if students meet established standards. Because of this, 240 scholarships from senatorial and assembly districts and 400 from the State at large will be awarded this year. These will increase arithmetically for four years until the maximum of 960 on a legislative district basis, and 1,600 state-wide scholarships is reached. After four years a total of 2,560 will be awarded each year with approximately one-fourth being new awards and three-fourths continuations of previous awards.

4. The nine member commission consists of:

- a. Three representatives of private colleges and universities.
- b. One representative of the University of California.
- c. One representative of the state colleges.
- d. One representative of public junior colleges.
- e. Three lay members not related in any way to the above institutions.

5. A sum of \$300,000 for scholarships and \$15,000 for administration was appropriated by the original law. Of this amount a balance of \$300,000 will be available in 1956-57, and the budget request is for an additional \$44,365. The commission is authorized to appoint a director and necessary staff. One of the primary purposes of this law is to relieve pressure on state colleges and the University, since these facilities now provide virtually free education for any qualified resident of California. It appears that there will be administrative difficulties in determining standards of "need" as provided in the law and it is not certain just what effect the law will have in diverting students to private schools who would otherwise go to the State's public institutions.

Although it cannot be precisely determined, it is our opinion that the diverting of a sizable number of highly qualified students away from state colleges and the University into the private colleges will be accomplished by this law. The incentive to attend a private institution is greater since the worth of the scholarship depends on the amount of tuition charged. It also appears inevitable that the academic standards of private colleges and universities will be enhanced by the attendance of these highly qualified students that otherwise would be in attendance in the public institutions.

The budget request carries out the intent of the legislation and we recommend approval as submitted.

Education

— 252 —

UNIVERSITY OF CALIFORNIA

ITEM 108 of the Budget Bill

Budget page 390
Budget line No. 66**FOR SUPPORT OF UNIVERSITY OF CALIFORNIA FROM THE
GENERAL FUND**

Amount requested -----	\$67,084,663
Estimated to be expended in 1955-56 Fiscal Year -----	61,115,852
Increase (9.8 percent) -----	\$5,968,811

RECOMMENDATIONS

Amount budgeted -----	\$67,084,663
Legislative Auditor's recommendation -----	67,084,663
Reduction -----	None

ANALYSIS

The 1956-57 expenditure program of the University of California is estimated to be \$98,008,954. This expenditure program is roughly divided into two broad categories:

I. Approximately \$51,400,000 is identified with the cost of providing the education of 40,521 students at an average cost of \$1,270 per student. The following table provides this detail by campus:

<i>Campus</i>	<i>Enrollment</i>	<i>Expenditures per student</i>	<i>Total student expenditures</i>
Berkeley -----	18,004	\$1,044	\$18,796,176
Davis -----	2,199	1,639	3,604,161
Los Angeles			
General -----	15,266	892	13,617,272
Medical -----	534	9,439	5,040,426
Riverside -----	870	1,763	1,533,810
San Francisco -----	1,338	4,937	6,605,706
Santa Barbara -----	2,310	987	2,279,970
Totals ¹ -----	40,521	\$1,270	\$51,477,521

¹ Excludes 38 students at La Jolla.

It may be seen that the expenditures per student vary considerably by campus. The high cost of \$9,439 for each medical and nursing student at UCLA compares with the \$4,937 per medical, nursing, dental and other miscellaneous students at San Francisco. The per capita cost at Los Angeles will drop as more students enter the program. However, it is difficult to make comparable per capita comparisons at the medical schools because of the variance in distribution of medical, dental and nursing students between the two schools. The per capita cost is not particularly meaningful.

The relatively high per capita cost of \$1,639 at Davis is due primarily to the college specializing in agriculture. The two largest campuses, Berkeley and Los Angeles, have per capita costs of \$1,044 and \$892, respectively.

II. Approximately \$46,600,000 of the University expenditure program is for purposes that are not directly related to the education of the students at the university. Definitions of these costs has been made by the university and is contained in a footnote on page 392 of the 1956-57 Governor's Budget. We have followed these definitions and ar-

University of California—Continued

rive at the following costs not directly attributable to the education of the students:

1. Mount Hamilton -----	\$224,454
This observatory is located near San Jose. The entire operation can be classified as astronomical research.	
2. La Jolla -----	1,083,773
Although there are 38 students at La Jolla, this campus is devoted primarily to marine research.	
3. Summer session -----	1,003,758
The main summer session programs are concentrated at Berkeley and Los Angeles.	
4. University extension -----	3,334,008
This item includes the Far East Command Program (\$250,000) and the Real Estate Program (\$30,000) but does not include the Agricultural Extension Program which is shown under Item No. 11.	
5. Auxiliary enterprises -----	3,307,663
Auxiliary enterprises consist largely of residence hall and feeding operations of the University and the University Press.	
6. Organized research -----	4,517,981
The amounts earmarked for this purpose include \$498,837 at the San Francisco Medical School; \$1,929,395 at Berkeley; \$1,517,818 state-wide; \$508,756 at Los Angeles; \$38,475 at Davis; \$14,500 at Riverside and \$10,200 at Santa Barbara.	
(The figure for Organized Research does not include the La Jolla and Mount Hamilton campuses)	
7. Organized activities -----	10,724,424
The large items under this category are \$6,157,405 for the operation of the teaching hospital in San Francisco and \$3,942,002 for the Los Angeles campus, of which most of the expenditure is chargeable to the teaching hospital.	
8. Vocational education -----	58,025
This item appears as a state-wide expense.	
9. Student aid -----	547,123
The largest amounts appear under state-wide (\$127,408) and the Berkeley campus (\$315,141).	
10. Annuities and agency fund payments -----	167,347
11. Agricultural extension -----	3,810,070
This expenditure appears as a state-wide item.	

The 11 items total \$28,857,653 out of a total nonstudent expenditure of \$46,600,000. The difference of approximately \$18,000,000 appears to be included in the following items.

12. Agriculture -----	10,462,097
The above figure is the total of agricultural education listed under Research and Instruction at the various campuses. Although most expenditures under the Research and Instruction category are chargeable to student costs this appears to be an exception. It would appear to us that most of this expenditure could not be assessed as direct student education expenditures. This allocation for agriculture would be in addition to the agricultural extension cost of \$3,810,070 as shown in Item No. 11 and the costs for agriculture included under Organized Activities (Item No. 6). An example of the latter, the entire \$407,663 for organized activities at Davis is for agriculture.	
13. State Employees Retirement Fund -----	3,745,000
The State's contribution of \$3,745,000 to the State Employees Retirement Fund for university employees should be prorated.	

University of California—Continued

14. State-wide ----- 20,777,474

Of the total state-wide expenditure of \$20,777,474, Items 1 through 11, inclusive, account for \$9,315,284. It would appear that of the balance of \$11,400,000 that not all of this amount would be allocable to student costs.

The university budget can be viewed broadly in terms of \$51,400,000 directly related to educational expense of the 40,521 students and \$46,600,000 for expenses not directly related to the education of the students. We have attempted to briefly explain the major categories of expense in this latter category in a way which we believe will be helpful in understanding the total function of the university.

The university is requesting \$67,084,663, plus \$3,745,000 for Retirement, from the General Fund to meet the budgeted expenditure program of \$98,008,584. We recognize that the university is regarded as one of the great research institutions of the world. We believe, however, that the demand for educating the rapidly increasing numbers of students who will desire to enroll may properly require greater emphasis on instruction in relation to research, or this problem will have to be met by a disproportionate expansion in the state college system. We recommend approval.

**Department of Education
UNIVERSITY OF CALIFORNIA**

ITEM 109 of the Budget Bill

Budget page 291
Budget line No. 27

**FOR SUPPORT OF UNIVERSITY OF CALIFORNIA FROM THE
REAL ESTATE FUND**

Amount requested -----	\$100,000
Estimated to be expended in 1955-56 Fiscal Year -----	100,000
<hr/>	
Increase -----	None

RECOMMENDATIONS

Amount budgeted -----	\$100,000
Legislative Auditor's recommendation -----	100,000
<hr/>	
Reduction -----	None

ANALYSIS

The appropriation of \$100,000 from the Real Estate Fund is to continue the program of the Institute of Real Estate at the same level of expenditure as the current year.

We recommend that the amount be approved.

THE UNIVERSITY OF CALIFORNIA

ITEM 110 of the Budget Bill

Budget page 391
Budget line No. 41

**FOR SUPPORT OF UNIVERSITY OF CALIFORNIA, NEMOTODE
RESEARCH, FROM THE FAIR AND EXPOSITION FUND**

Amount requested -----	\$80,000
Estimated to be expended in 1955-56 Fiscal Year -----	80,000
<hr/>	
Increase -----	None

University of California—Continued

RECOMMENDATIONS

Amount budgeted	\$80,000
Legislative Auditor's recommendation	80,000
<hr/>	
Reduction	None

ANALYSIS

This is a continuation of the present program being conducted by the university. This program was authorized by an amendment to the Budget Act at the 1953 Session of the Legislature. Originally \$230,000 was appropriated from the Fair and Exposition Fund for this purpose, of which \$150,000 was for capital outlay and \$80,000 for support. This same amount from the same source has been continuously requested for research.

We recommend approval of the item.

UNIVERSITY OF CALIFORNIA

ITEM 111 of the Budget Bill

Budget page 391
Budget line No. 39

**FOR SUPPORT OF UNIVERSITY OF CALIFORNIA, SPOTTED ALFALFA
APHID CONTROL, FROM THE FAIR AND EXPOSITION FUND**

Amount requested	\$58,792
Estimated to be expended in 1955-56 Fiscal Year	--
<hr/>	
Increase	\$58,792

RECOMMENDATIONS

Amount budgeted	\$58,792
Legislative Auditor's recommendation	58,792
<hr/>	
Reduction	None

ANALYSIS

The \$58,792 requested from the Fair and Exposition Fund for the control of the spotted alfalfa aphid is appearing in the budget for the first time. We understand that work was begun on aphid research during the current fiscal year on an emergency basis. The university evidently used its own funds to get the program under way and now desires to continue it out of the Fair and Exposition Fund.

It is our understanding that in January, 1956, the spotted alfalfa aphid was first detected in San Diego, Imperial, and Riverside Counties, but at the present time it is known to be in 30 counties extending as far north as Shasta County. It is estimated that for the current season there are 1,058,900 acres of alfalfa within the 30 infested counties with approximately 15,000 acres lying outside their boundaries. Approximately 726,000 acres are known to be infested and 1,275,850 acres have been treated in the 1955 season. This represents a cost of \$3,521,535 to the grower and a crop loss to date of \$9,330,000. The estimates for the 1956 season indicate that there will be roughly 1,085,000 acres planted in alfalfa and the treatment costs will run as high as \$6,825,000. This latter figure is arrived at on the basis of an estimated cost of \$3 per acre per treatment.

University of California—Continued

If the State Department of Agriculture were to carry on an eradication program it is estimated that the cost would be in the neighborhood of \$5,000,000 for the 1956-57 Fiscal Year. The department points out also that these figures are purely tentative and could be revised upward or downward when the problem is better understood. Based on the foregoing it is evident that the small amount requested by this appropriation for research would be money well spent if the university discovers that an eradication program is not necessary but in lieu of such a program could develop resistant varieties and/or natural predators to alleviate the existing infestation.

Consequently, we recommend approval of the item as requested.

Department of Education
HASTINGS COLLEGE OF LAW

ITEM 112 of the Budget Bill

Budget page 402
Budget line No. 7

FOR SUPPORT OF HASTINGS COLLEGE OF LAW FROM THE
GENERAL FUND

Amount requested	\$49,000
Estimated to be expended in 1955-56 Fiscal Year.....	49,000
Increase	None

RECOMMENDATIONS

Amount budgeted	\$49,000
Legislative Auditor's recommendation.....	49,000
Reduction	None

ANALYSIS

The budget request of \$49,000 consists of two items. One is the annual interest payment of \$7,000 which the State must make to the college under the original agreement with the founder; and two, an amount of \$42,000 to pay for the cost of maintenance and operation of the physical plant which is in line with the policy established by the Legislature in the 1954 Session.

The college is contemplating the use of \$152,115 from its reserves for the 1956-57 Fiscal Year. The reserves will soon be exhausted and it is anticipated that the Legislature will furnish the necessary funds for the annual operation of the school.

We recommend approval of the amount requested.

BOARD OF CONTROL

ITEM 113 of the Budget Bill

Budget page 405
Budget line No. 7

FOR SUPPORT OF BOARD OF CONTROL FROM THE GENERAL FUND

Amount requested	\$22,095
Estimated to be expended in 1955-56 Fiscal Year.....	22,101
Decrease	\$6