

Item 71

Education

Ventura School for Girls—Continued

operating expenses is indicated to be \$3,775. The Department of Finance should clarify this difference.

Equipment

Equipment expenditures are scheduled at \$16,098 for 1957-58. This is an increase of \$3,749 over the amount of \$12,349 estimated for expenditure in 1956-57.

Out of the total of \$16,098 for equipment, the sum of \$3,102 is for replacement items and the further sum of \$12,996 is for additional equipment.

The budget as originally submitted by this facility requested \$19,699 for equipment. Modification of this amount after review to \$16,098, a reduction of \$3,601, or 18.2 percent, results in a level of expenditure for the purpose that appears ample to meet agency requirements at this time.

Department of Education

GENERAL ACTIVITIES

ITEM 71 of the Budget Bill

Budget page 243

Budget line No. 6

FOR SUPPORT OF GENERAL ACTIVITIES FROM THE GENERAL FUND

Amount requested	\$3,122,135
Estimated to be expended in 1956-57 Fiscal Year	2,899,958
Increase (7.7 percent)	\$222,177

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$117,832	\$96,942	\$20,890	262 9
Operating expense	100,507	90,483	10,024	262 10
Equipment	5,577	4,531	1,046	262 11
Less increased reimbursements	—1,550	—1,550	—	262 26
Less increased special fund support	—189	—189	—	242 55
Total increase	\$222,177	\$190,217	\$31,960	

RECOMMENDATIONS

Amount budgeted	\$3,122,135
Legislative Auditor's recommendation	3,113,543
Reduction	\$8,592

Recommended Reductions

Division of Special Schools and Services—Field Rehabilitative Services for Blind

	Amount	Budget	
		Page	Line
2 field representatives for the blind	\$8,592	259	75

General Activities—Continued

GENERAL SUMMARY

The general activities budget of the Department of Education provides funds for performance of administrative, supervisorial, and advisory functions for the public school system under the general direction of the State Board of Education. The department also is responsible for the administration of 10 state colleges, the California Maritime Academy, five special schools for physically handicapped children, three workshops for the blind, the vocational rehabilitation program and the state-federal program of vocational education.

These activities are carried on through the divisions of departmental administration, instruction, state colleges and teacher education, special schools and services, and libraries.

Table of Increases 1947-48 to 1955-56

Work index	1947-48	1955-56	Percent increase
Credentials issued -----	34,114	38,127	11.7
Building allocation requests -----	550	492	-10.5
Total number of public schools -----	4,500	4,800	6.6
Number of employees -----	217.6	395.8	81.8
Total departmental expenditures -----	\$1,058,928	\$2,808,841	165.2
Apportionments to local districts -----	\$173,521,609	\$429,691,097	147.6
Total average daily attendance -----	1,433,655	2,381,104	66.1
Unit rate per a.d.a. -----	\$120	\$180	50

The work indexes in the above table are selective and do not attempt to show the scope of the department's activities. The table shows a decrease in the number of building allocation requests for 1955-56 as compared to 1947-48 Fiscal Year. The 1947-48 number of allocations reflects the heavy use of a \$55,000,000 grant, most of which was allowed during that year. The 1955-56 total comes under the Chapter 19 loan funding program for needy local districts and is in a category of an austerity operation.

The number of schools shown above includes elementary, junior high, secondary, and junior colleges. The average daily attendance figures represent the a.d.a. for the prior year which are used to compute apportionments for the year designated in the table.

ANALYSIS

The 1957-58 budget request of \$3,122,135 for the State Department of Education represents an increase of \$222,177 or 7.7 percent over the estimated expenditures of \$2,899,958 for the current fiscal year.

The Department of Education consists of five divisions. These divisions and their 1957-58 budget requests are as follows:

Division	Request	Increase
1. Departmental administration -----	\$965,562	\$40,251
2. Public school administration -----	792,921	17,983
3. Instruction -----	752,630	27,172
4. State colleges and teacher education -----	253,223	39,761
5. Special schools and services -----	357,799	97,010
Total -----	\$3,122,135	\$222,177

General Activities—Continued

New position requests in the Department of Education budget are as follows:

Departmental Administration**Administrative Unit**

1 assistant personnel analyst (Budget page 244, line 63) -----	\$5,496
5 clerical positions (Budget page 244, lines 62 and 64) -----	16,080

Credentials Unit

3 credentials technicians (Budget page 246, line 48) -----	16,488
4 clerical positions (Budget page 246, lines 49 to 51) -----	13,020

Public School Administration**School Lunch Program**

1 senior account clerk (Budget page 249, line 20) -----	4,296
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School District Organization

1 field representative (Budget page 251, line 64) -----	7,008
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Instruction—Junior College Bureau

1 chief of bureau (Budget page 257, line 16) -----	8,940
1 intermediate stenographer-clerk (Budget page 257, line 17) ----	3,372

State Colleges and Teacher Education-Administrative Unit

1 field representative (Budget page 258, line 45) -----	7,356
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Special Schools and Services**Field Rehabilitation Services for the Blind**

2 field workers (Budget page 259, line 75) -----	8,592
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Opportunity Work Center—Visalia

1 handicraft supervisor (Budget page 260, line 36) -----	4,512
1 intermediate clerk (Budget page 260, line 37) -----	3,294
0.3 janitor (Budget page 260, line 38) -----	1,072

22.3 Total new positions ----- \$99,526

Division of Departmental Administration

The Division of Departmental Administration 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 Department of Education.

The 1957-58 Budget request of this division totals \$965,562 which represents an increase of \$40,251 over the current year's estimated expenditures. Most of this proposed increase is for salaries and wages of new positions in the administrative and teacher credentials unit.

1. Administrative Unit

One assistant personnel analyst and three clerical positions, one of which was provided during the current budget year but identified as a new position, are requested in the personnel office to handle an increased work load. The analyst position is sought to assist the personnel officer in the growing volume of classification and pay studies in the exempt state college area, to process department personnel records and requests, and to provide relief for the personnel officer to establish an in-service departmental training program. An examination of the work load increase, especially in the field of the state colleges whose teacher and noncertificated employee population is increasing on an average of 700 per year, shows sufficient justification for these new positions.

However, every effort should be made by this unit to avoid duplication of any services which normally would fall within jurisdiction of the State Personnel Board.

General Activities—Continued

Other new positions in the administrative unit include one intermediate typist-clerk to handle an increased volume of Board of Education minutes which developed with the board's increasing its annual number of meetings from four to seven, and two half-time clerical positions to absorb additional work load in the Accounts and Claims Audits Section.

2. Credentials Unit

The Credentials Unit, with the exception of one specialist in teacher education, one coordinator of teacher recruitment, and three clerical positions, has been transferred from the Division of State Colleges and Teacher Education to the Division of Departmental Administration.

The 1957-58 Budget proposes three new credential technicians to process an increased work load in teacher credential evaluations. The volume of this work is expected to increase from 116,700 evaluations during the current year to 122,100 for 1957-58. Based on standard ratios of work load per technician, the three new positions are justified for the increased volume of evaluations. Four clerical positions also are proposed to furnish staff support.

At present there are some 60 separate credential categories for teachers in the state public school system. This office has continually recommended steps be taken to reduce this number in the belief that a simplification of the credential system is educationally desirable and would result in savings of time in the credentials evaluation process. While some action has been taken to consolidate credentials in the school supervisory category, which resulted in grouping six separate credentials into one, we feel there are other areas where similar unifications can be made. A Department of Education committee is studying this matter, and a report is due in June, 1957.

Education Code Section 12500 provides that a fee of four dollars (\$4) shall be charged for issuing regular and provisional credentials, life diplomas and renewal of credentials. This fee was established in 1949 after being increased from \$3, the fee set in 1945. No fee is charged for evaluations not resulting in credential issuance.

Expenditures of the credentials unit are expected to exceed revenue from fees by approximately \$93,000 in 1957-58. It is our feeling that this operation should be placed on an entirely self-supporting basis, and therefore we recommend consideration be given to amending the law to increase the fee in the amount of \$1 or \$2. Cost increases alone since 1949 seemingly would justify the higher fee.

We do not feel this would hinder public school teacher recruitment in that evaluation requests where credentials are not issued still would be done without charge. Nor do we believe that an additional one or two dollar fee assessment would place an unreasonable burden on teachers seeking credentials.

Division of Public School Administration

The Division of Public School Administration includes the office of the associate superintendent of public instruction who is in charge of the following public school programs: school planning, school district organization, school lunch, free textbooks, surplus educational property,

General Activities—Continued

supervision of child care centers, approval of educational institutions offering veteran training, and advisory services in the fields of school finance and attendance.

The 1957-58 Budget proposal for this division totals \$792,921 which represents an increase of \$17,983 over the current year. With the exception of two new positions, this division is budgeted generally at the existing level of services.

1. School District Organization

The Bureau of School District Organization is responsible for assisting local survey committees in the reorganization of local school districts in conformity with population, transportation, economic conditions, and school building facilities.

The aims of this program are to provide, through reorganization of school districts, more effective use by the local district of State School Building Aid Funds for construction expenses, as well as a better organizational system for rendering educational services to the children and people of the community.

During the past 20 years, California has reduced its number of school districts from 3,047 to 1,849. At present there are 95 unified districts among that total, half of which have been formed since 1945-46. During 1955-56, joint local-state surveys resulted in recommendations for 19 school district reorganizations which were approved by the State Board of Education. Of these 19 reorganization proposals, 10 were approved by the voters in the local districts, and nine failed. With study groups currently functioning in 59 local areas of the State, further gains in this reorganization program can be expected.

The bureau is requesting one additional field representative (\$7,008) for increased work load. This new position will relieve the bureau chief who has been performing 25 percent of the case load services. We recommend approval of the position.

2. School Lunch Program

This section provides administrative services for the federal school lunch program and special milk programs, advises school districts on nutritional problems, and apportions federal grants for school lunches to districts.

One additional senior account clerk position was allowed during the current fiscal year to handle increased work load in the claims arising out of the growth in the special milk program. It is shown as a new position. Federal funds in 1956-57 for the school lunch program reached \$4,275,000, and the special school milk program funds totaled \$5,192,000.

3. School Planning

Chapter 1307, Statutes of 1955, provides 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 a cost not to exceed two percent of the total construction cost.

One field representative position was budgeted by the Legislature in

General Activities—Continued

the 1956 session to implement this plan if there was a response indicated from the local school districts. Granting the position was contingent on the demand for the duplicate plans.

The Bureau of School Planning was designated as the agency to set up the duplicate plan pool. Information outlining the program was mailed out in June, 1956, to all county school superintendents, school districts, and school architects. Accompanying this data was a questionnaire asking for any expression of local districts' building needs and whether they were interested in utilizing the pool. Heavy response of interest came from large districts, but very little from the smaller districts.

While there was no direct interpretation of what constituted a rural district, the statute did specify a school building size of from one to nine classrooms. This would generally exclude participation of the large, municipal districts.

The lack of interest by the smaller schools is reflected in a report from the agency that there have been no requests from districts for duplicate plans. Consequently, the budgeted position to implement this program has not been filled.

4. Attendance Accounting

The Senate Finance Committee during the 1956 legislative session directed this office, in cooperation with the Departments of Finance and Education, to conduct a study of the attendance accounting procedures required by the State Department of Education. The initiative for this request stemmed at least in part from our budget analysis which pointed out that possibly a great deal of savings in time and money might be effected for some 100,000 personnel in the state school system if simplifications of the highly detailed and complex attendance accounting procedure could be made.

It is expected that a report will be submitted to the Senate Finance Committee in February, 1957.

Division of Instruction

This division provides consultative services in the instructional fields to public schools. It is comprised of 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.

The budget request of \$752,630 represents an increase of \$27,172 over the current year. The budget proposes maintaining the same level of services except for establishment of a new Bureau of Junior College Education, which will absorb most of the increased expenditures proposed for this division.

1. Bureau of Junior College Education

This new bureau is proposed to meet the growing population in the 13th and 14th grade junior colleges throughout the State. In 1955, the full-time enrollment in junior colleges reached 90,500. In addition, there were more than 140,000 part-time and adult students attending the junior colleges.

General Activities—Continued

The Department of Education proposes the sum of \$27,706 to set up this new bureau. New positions would consist of a bureau chief (\$8,940), and one intermediate stenographer-clerk (\$3,372). A consultant in secondary education would be transferred from the Bureau of Secondary Education to complete the staff.

We feel that establishment of this new bureau is a sound proposal. Rightly, the services to the widespread system of junior colleges in the State belong in a separate and distinct class on the higher education level so it is appropriate to separate this area from the Bureau of Secondary Education which provides consultant services in curriculum to the State's high schools. However, as this new bureau's program grows with the expected expansion in the junior college field, we feel it can materially assist in defining and maintaining the boundaries of educational purposes between junior college level, state college level, and the university.

The Restudy of Higher Education points to the purposes on which the junior colleges should concentrate, namely, (1) lower-division pre-transfer education; (2) vocational and technical education, usually designated as "terminal"; and (3) community service and adult education. In this concept of functions for the junior colleges we concur.

Each level of higher education is designed to play a particular role, and we urge this new bureau to keep a close watch on the junior colleges to ascertain that they do not duplicate certain functions of the state colleges or the university. It is hoped that through close liaison among the representatives of these other institutions of higher education and the new bureau that this will be accomplished.

Division of State Colleges and Teacher Education

The Division of State Colleges and Teacher Education handles overall administration of the 10 state colleges and the California Maritime Academy, and general supervision of the state program of teacher education.

The 1957-58 Budget proposal for this division totals \$253,223, an increase of \$39,761 over the estimated expenditures for the current year.

While the existing level of services will remain generally the same, except for the addition of one new position in the administrative staff, most of the \$39,761 increase is due to the retention of five positions in this division which formerly were carried in the teacher credentials unit. The credentials unit was transferred this year to the Division of Departmental Administration, and all of the unit's expenditures now are reflected in that division. While there is no increased expense in the over-all department budget, retention of the five positions in the State College Division results in this increase.

One field representative is requested to provide relief in mounting work load in state college facility planning. The position is justified, and we recommend approval.

Division of Special Schools and Services

The Division of Special Schools and Services provides administrative control over the state special schools for the deaf, blind, and cerebral

General Activities—Continued

palsied children and blind adults; and coordinates the operations of the three industries workshops for the adult blind; and administers the vocational rehabilitation program.

The budget request of \$357,799 for 1957-58 in this division represents an increase of \$97,010 over the current year. Most of this increase is due to the transfer of \$77,000 in diagnostic and clinic costs from the two cerebral palsy schools.

A new opportunity work center where blind persons may learn handicraft skills is proposed in Visalia at a total cost of \$13,638. This sum is comparable to amounts budgeted for the other two opportunity centers at San Jose and San Bernardino. The San Jose center has been operating for the full 1956-57 Fiscal Year, but the San Bernardino center did not open until February 1, 1957.

Two new field representatives are proposed in the Field Rehabilitative Services for the Blind unit. As near as estimates can be made, there are 25,000 blind persons in the State, approximately 18,000 of whom are 50 years of age or older. It is in the area of this older group where these services mainly are provided.

At present there are 23 field representatives serving the entire State. One of the two new field representatives is proposed to be located in San Bernardino where a heavy volume exists. The other would be placed where the greatest need shows at the time the position is authorized.

Apparently, the justification for these two new positions is based solely on providing services in areas where a heavy volume of blind persons makes it difficult for the existing staff covering these areas to handle. The only work load standard seems to be a general relationship of one field representative per 1,000 blind population. Thus, if the two new positions are allowed, it would bring the number of field workers up to 25 to serve an estimated 25,000 blind in the State.

We question the validity of this vague type of standard in that it does not consider the specific aspects of the work load such as types of cases, number of visits per case, and geographic differentials.

Therefore, until a sounder basis for justifying the work load per field worker is determined, we cannot recommend approval of the two new positions.

Organization Changes

A number of principal management improvements, organization changes or other steps taken during 1955-56, by the Department of Education to improve the department operations or secure economies include: (a) transfer of the bulletin shipping function, freeing 2,160 square feet in floor space in the Education Building for office space that now rents for \$6,500 per year; (b) improving textbook shipping procedures to provide better service to local school districts and eliminate double handling of large volumes; and (c) streamlining the operation in the Bureau of School Apportionments and Reports with the resultant elimination of overtime and one clerical position due to the decreasing work load.

Department of Education
SCHOOL BUILDING AID FUND

ITEM 72 of the Budget Bill

Budget page 243
 Budget line No. 25

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

Amount requested	\$62,000
Estimated to be expended in 1956-57 Fiscal Year	61,811
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Increase	\$189

RECOMMENDATIONS

Amount budgeted	\$62,000
Legislative Auditor's recommendation	62,000
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Reduction	None

ANALYSIS

The appropriation of \$62,000 from the School Building Aid Fund is for the purpose of covering the costs of the Bureau of School Planning that are attributable to processing projects under the school construction aid program.

We recommend approval of the sum requested.

Department of Education
WESTERN REGIONAL HIGHER EDUCATION COMPACT

ITEM 73 of the Budget Bill

Budget page 243
 Budget line No. 37

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

Amount requested	\$7,000
Estimated to be expended in 1956-57 Fiscal Year	7,000
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Increase	None

RECOMMENDATIONS

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

ANALYSIS

Chapter 1694, Statutes of 1955, provided for California's participation in the Western Regional Higher Education Compact with nine other western states and the Territory of Alaska to promote better cooperation in higher education in medicine, dentistry, veterinary medicine and public health.

The sum of \$7,000 was appropriated to the Department of Education to be expended as California's share of the expenses of the Western Interstate Commission during 1956-57 and provision is made for continuance of the program at the same level for 1957-58.

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

Department of Education
VOCATIONAL EDUCATION

ITEM 74 of the Budget Bill

Budget page 263
 Budget line No. 38

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

Amount requested -----	\$748,577
Estimated to be expended in 1956-57 Fiscal Year -----	743,433

Increase (0.7 percent) -----	\$5,144

RECOMMENDATIONS

Amount budgeted -----	\$748,577
Legislative Auditor's recommendation -----	748,577

Reduction -----	None

GENERAL SUMMARY

The program of vocational education at secondary and junior college level has been developed in conformity with the provisions of a series of federal acts beginning with the basic Smith-Hughes Act of 1917 and supplemented most recently by the George Barden Act of 1946. The California program for vocational education is based upon a cooperative plan among the local school district, the Department of Education, and the U. S. Office of Education.

This plan of cooperation for the development of vocational education was originally, and continues to be, based upon two fundamental concepts:

1. That vocational education is a matter of national interest and is essential to the national welfare.

2. That federal funds are necessary to stimulate and to assist the states in making adequate provisions for such training.

The needs of two distinct groups of people are recognized by the acts in stating that the education provided shall be designed to meet the needs of persons over 14 years of age (1) who are preparing for, or (2) who have entered upon, the work of various occupations in the fields of agriculture, distribution of goods and services, home economics, trades, industry, and public service.

This program is administered through the Bureaus of Agricultural Education, Industrial Education, Homemaking Education, and Business Education. Briefly, it provides for the following:

1. Agricultural Education. This program covers practically all of the rural school districts of California and is designed for students who are likely to make farming their principal occupation upon completion of school.

2. Industrial Education. Instruction is provided in the fields of industrial arts, and areas of pre-employment as well as extension of trade skills for employed workers. Included under this bureau are the state fire training and peace officer training programs.

3. Homemaking Education. This program provides for instruction, mainly in secondary schools, in the homemaking fields of clothing, and food preparation.

Vocational Education—Continued

4. Business Education. The purpose of business education instruction is to train people to work effectively in a business occupation. This type of business training serves four major groups of workers: (a) business executives, managers, and supervisors; (b) proprietors of businesses; (c) workers in office occupations, and (d) workers in distributive occupations.

A program also exists in vocational education for developing instruction materials for apprentices registered in the state apprenticeship program. This is solely a state-financed activity where publications developed are sold to the apprentice at a price calculated to recover direct costs.

The Smith-Hughes Act (1917) both authorizes and appropriates three separate funds annually to the State for promotion of vocational education and teacher training in agriculture, home economics, and the industrial trades. It provides that each dollar of federal money must be matched by at least another dollar of State and/or local money. This law also prescribes that the federal funds are to be used only as reimbursement to schools for expenditures already incurred and is based on the amount of excess costs in meeting required standards.

The Smith-Hughes Act appropriates \$7,000,000 annually to the states and territories on a formula which considers the relationship of the population of the United States to the population of the respective states, with deviations for farm population, urban population, and total population. The formula is adjusted following each official national census.

The George-Barden Act (1946) is an amendment to the Smith-Hughes Act and is different in the following respects:

1. It authorizes \$29,267,080 annually and Congress must consider the actual appropriation each year.

2. It adds to the occupational fields of agriculture, homemaking, and industry, the fields in the distributive trades occupations.

3. It permits federal funds to be used for such auxiliary services as vocational guidance, advisory committees, travel, instructional equipment, and special consultant assistance.

Table of Increases 1948-49 to 1956-57

Work Index:	1948-49	1956-57	Percent increase
Number of school districts, receiving reimbursements * -----	284	324	14.0
Number of employees -----	71.9	83.2	15.7
Expenditures:			
Total General Fund expenditures -----	\$652,585	\$743,443	13.9
Total federal funds available -----	1,077,490	1,620,978	50.4
Federal and state expenditures for supervision and teacher training -----	566,740	781,349	37
Total reimbursements to local school districts -----	1,188,241	1,458,775	22.8

* Includes junior college districts.

The above table shows an increase of 37 percent in the expenditures for the general department activities of teacher training and supervision of the vocational education program over a 10-year period with only a 14 percent increase in General Fund expenditures.

Vocational Education—Continued

The policy of the Department of Education is to divide the expenditures of the supervisorial and training program on a 50-50 basis with state and federal funds. Therefore, as this central administrative function has increased over the years, so has the amount taken from General Fund allocations each year. This means a greater portion of general expenditures go into the supervisorial phase of the program rather than for the local reimbursements. However, local reimbursements have gained due to the increased federal appropriations.

ANALYSIS

The \$2,369,555 expenditure program proposed in 1957-58 for vocational education is based upon a request of \$748,577 from the General Fund and \$1,620,978 in federal grants. Approximately 40 percent or \$960,262 of these funds will be expended directly by the State Department of Education and the remaining 60 percent (\$1,409,293) will be distributed to local school districts.

A breakdown of the total expenditure program of \$2,369,555 is shown below:

I.	State level expenditure		
A.	Supervision and teacher training-----	\$825,487	
1.	Administration -----	\$61,900	
2.	Agricultural education -----	208,820	
3.	Industrial education -----	282,813	
4.	Homemaking education -----	156,857	
5.	Business education -----	115,097	
B.	Fire training -----	\$115,685	
C.	Instructional materials for apprentices-----	19,090	
	Subtotal -----		\$960,262
II.	Reimbursements to local school districts		
A.	Agriculture -----	\$315,155	
B.	Industrial -----	783,161	
C.	Homemaking -----	292,103	
D.	Business -----	18,874	
	Subtotal -----		\$1,409,293
	Grand total -----		\$2,369,555

The \$1,409,293 reimbursement to local school districts is split \$1,208,234 from federal funds and \$201,059 from the State General Fund.

A breakdown of the General Fund expenditure request is as follows:

State supervision and teacher training-----	\$412,743
Reimbursements to school districts-----	201,059
Fire training -----	115,685
Apprentice instructional materials-----	19,090
Total -----	\$748,577

The 1957-58 vocational education budget proposes three new positions:

	Workload	New Service	Total
1 Special supervisor II-----	-	\$7,728	\$7,728
1 Regional supervisor -----	\$7,728	-	7,728
1 Teacher trainer and researcher-----	-	7,728	7,728
	\$7,728	\$15,456	\$23,184

Vocational Education—Continued

Funds for these three proposed new positions as well as related operating and equipment expenditures would come equally from the General Fund and federal allocations. However, if these positions, which would augment state level services, are not approved in the budget the money would go for reimbursements to local school districts. Existing federal and state statutes set no limitation on the proportion of state level services in relation to local reimbursements; this is regulated through the administrative judgment of the agency as reflected in the budget request. However, the final choice in the use of these funds for these purposes rests with the Legislature which in reviewing this budget item determines the balance between the state supervisory and consulting functions and the cash reimbursements to local school districts.

The special supervisor II is requested for a two-year period in the Bureau of Industrial Education in order to conduct a survey and develop a plan of technical education in secondary schools. After a suitable program is developed, it is proposed to eliminate this position, turning over the duties of administering the new technical education program to the regular staff of the Bureau of Industrial Education. As there is apparently a growing need for study in the field of technical education and as workload of the present staff of the bureau would not provide time for this survey, we recommend approval of the position for the two-year period.

Both the regional supervisor and the teacher trainer-researcher positions are sought for the Bureau of Business Education. The regional supervisor is requested for the Southern California area where growing demands in the field of business education have made it necessary during the current year to utilize the services of a consultant in business education from the Division of Instruction. At present the State is divided into four regions for business education services. Two supervisors serve in Northern California, and one regional supervisor and the consultant cover the southern part of the State. This new position is requested to replace the consultant who would return to the Division of Instruction where certain vocational education services are performed which cannot be supported under the joint federal-state program of vocational education. The teacher trainer-researcher position is sought to develop research in the field of distributive occupations such as merchandising, advertising, etc., and to coordinate in an advisory function with the teacher training programs in the University of California and the state colleges. The teacher trainer and researcher position formerly was in the budget, but was discontinued in 1952 when federal funds were reduced drastically. There appears to be valid justification for these two positions if the state vocational education services are to be provided where the greatest demands exist.

We recommend approval of the budget as submitted.

**Department of Education
VOCATIONAL REHABILITATION**

ITEM 75 of the Budget Bill

Budget page 270

Budget line No. 7

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

Amount requested	\$1,845,115
Estimated to be expended in 1956-57 Fiscal Year	1,525,069
 Increase (21.0 percent)	 \$320,046

Summary of Increase

	Total Increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$200,877	\$20,853	\$180,024	275 36
Operating expense	306,106	114,106	192,000	275 37
Equipment	34,924	34,924	--	275 38
Plus decreased reimbursements	7,283	7,283	--	275 47
Less increased federal grants	-229,144	-229,144	--	275 51
 Total increase	 \$320,046	 -\$51,978	 \$372,024	 275 50

RECOMMENDATIONS

Amount budgeted	\$1,845,115
Legislative Auditor's recommendation	1,845,115
 Reduction	 None

GENERAL SUMMARY

During the past 35 years vocational rehabilitation services have been extended to approximately 100,000 Californians in an effort to assist them to achieve economic independence. The program encompasses a broad range of services including vocational training, vocational guidance and counseling, physical restoration, medical treatment, provision of artificial appliances, maintenance, occupational equipment, and assistance on the job. All of these services or parts thereof are provided according to the individual needs of the client.

To administer these services, there are more than 100 rehabilitation counselors distributed among nine districts and 14 branch offices throughout the State. They are currently serving about 5,000 clients, nearly 50 percent of whom are either currently receiving public assistance or at some point during their bureau service have received this form of aid.

Eligibility for service is based upon several minimum qualifications, namely, one year's California residence, 16 years of age and over, a disability which constitutes an employment handicap, and a reasonable expectation that the services may render the individual fit to engage in a remunerative occupation. In addition, a work expectancy of at least three years must be anticipated. Services may only be provided for a disabled person found to be in financial need, except that counseling, rehabilitation training, and job placement shall be made available without regard to financial need.

Vocational Rehabilitation—Continued

Table of Increases 1947-48 to 1955-56

Work index :	1947-48	1955-56	Percent increase
Case load :			
Number rehabilitated	4,406	1,724	—61.0
Number on hand at end of fiscal year.....	9,113	4,919	—46.0
Number of employees.....	191.4	226.5	18.3
Expenditures :			
Total General Fund expenditures.....	\$431,983	\$1,345,812	211.5
Total federal grants.....	1,188,659	1,900,416	60.0

The marked decreases in the cases rehabilitated and cases on hand at end of the year are due to the shift in emphasis in the past several years to the more severe cases. This is explained in detail below.

Change in Program Emphasis

Because the demand for services far exceeds the number who can be served at any given time, the bureau has attempted to rationalize its selection of cases on a priority basis. The priorities policies, which have been in effect for the past three years, provide for service to the severely disabled, to those with dependents, to the publicly dependent, to the industrially injured; and to those whose needs are the greatest.

This policy change has resulted in a radical shift in case load emphasis. Whereas in previous years the case load was dominated by large numbers of less handicapped, highly motivated, young clients with ready made solution to their problems, the present case load contains a high proportion of severely involved clients who have social and economic as well as emotional problems. As a consequence, a higher degree of counseling skill is demanded, and the nature of rehabilitation counseling now covers a wider segment of the client's environment.

Total rehabilitations increased 7 percent from 1,618 to 1,724 during 1955-56 over the previous year. The number of public assistance recipients who were rehabilitated in 1955-56 increased 47 percent over the previous year from 500 to 733. The agency estimated that these 733 clients who had approximately 1,500 dependents resulted in public assistance savings of nearly \$1,000,000 per year.

The sharp gain in the number of public assistance cases rehabilitated resulted principally from the emphasis in the past several years of service to those publicly dependent. During the past year, 1955-56, public welfare recipients comprised about 50 percent of the total case load. Because priority policies of serving the disabled public assistance recipients have been in effect for several years, the agency reports noticeable signs that the backlog of potential cases has been materially reduced in most counties.

At the close of the Fiscal Year 1955-56, the Bureau of Vocational Rehabilitation was serving 2,187 welfare clients who comprised 44.5 percent of the bureau's active case load. These welfare recipients were receiving more than \$3,000,000 in welfare grants per year. If a sizeable portion of these clients are rehabilitated, as anticipated, substantial savings can be realized.

It appears that the current program of the Bureau of Vocational Rehabilitation is carrying out the intent of the Legislature as expressed

Vocational Rehabilitation—Continued

in Chapter 1647, Statutes 1953, and incorporated in Education Code, Section 9850, which declares the public policy shall be to encourage and assist handicapped persons to achieve the maximum degree of self-support.

Federal-State Matching

In 1954, the Federal Vocational Rehabilitation Act was amended by Public Law 565, 83d Congress. This action established a new variable grant formula for federal vocational rehabilitation aid to states, the full effect of which will not be felt until 1959.

At the present time the base vocational rehabilitation program is financed 59 percent federal to 41 percent state, and this base program ratio will continue until 1959. Running concurrently with the base program is an additional base program which is matched on a less-beneficial ratio of 52 percent federal to 48 percent state. After 1959 there will be a four-year transition period during which the present base program will adjust downward to the 52-48 matching ratio for federal and state, the same as the additional base program. This change-over will be made at about 25 percent adjustment each year. Therefore, the State can anticipate after 1959 that it will provide an increasingly greater expenditure for vocational rehabilitation if it is the intention of the Legislature to continue services on the same level for an expanding population.

There are two other principal programs of vocational rehabilitation which involve federal-state matching. One of these is the so-called Section 3 program of special projects which provides funds for extension and improvements in the state program and is financed 75 percent federal and 25 percent state. The other is the Section 4 project of research into industrial injuries, a two-year study to be concluded in 1957-58. This latter project is financed two-thirds federal, one-third state, and involves about \$75,000 total federal and state money for the Fiscal Year 1957-58. There remains some question whether the Section 3 extension and improvement program will continue on a 75-25 ratio after 1959 or be scaled down to near 50-50 matching ratio of the regular program.

Disability Freeze Program

Included in the budget for vocational rehabilitation is an entirely new category of expenditure, that of all expenses in connection with the disability certification program under the so-called "disability freeze" provisions of the Old Age Survivors Insurance program.

This budget item totals \$316,654 for the 1957-58 Fiscal Year, and all items in this budget are 100 percent federally supported from the Social Security Trust Fund. At present there are 40 authorized positions for this program. The budget makes provisions for 11 new positions, including seven professional staff members, because of workload under the disability certification program. The increase is in line with the policies of the Federal Government.

This new program of disability certification stemmed from an act of Congress in 1954 to make it possible for disabled workers covered by

Vocational Rehabilitation—Continued

social security to "freeze their benefits" or obtain what is in effect a waiver of premium through the means of a disability determination which is to be made by a state agency, preferably the vocational rehabilitation agency. California entered into an agreement with the Bureau of Old Age and Survivors Insurance in January, 1956, and the program is being operated through the newly-established state vocational rehabilitation regional offices in Oakland and Los Angeles.

In 1956, Congress further amended the Social Security Act to provide for direct payments to disabled workers at age 50. This is expected to have a profound effect on the state rehabilitation program, as it is indicated that Congress intended to make available vocational rehabilitation services to these disabled workmen as the needs for these services are found during the disability determination review.

The 1957-58 budget request of this agency reflects the anticipated increase in case service workload due to the expected referrals under the disability certification process, and new positions are requested accordingly in the state rehabilitation services category. This is explained in detail below in the analysis.

ANALYSIS

The proposed total expenditure program of \$4,325,492 for vocational rehabilitation is \$549,190, or 14.5 percent greater than the estimated expenditure program of \$3,776,302 for the current year.

Of the total expenditure program of \$4,325,492, the State will contribute \$1,845,115, or 42 percent, and the Federal Government \$2,480,377, or 58 percent.

The 1957-58 budget request for General Fund expenditures totals \$1,845,115, an increase of \$320,046 or 21.0 percent over the estimated current year's General Fund budget. The federal appropriation of \$2,480,377 for the 1957-58 budget year represents an increase of \$229,144, or 10.2 percent, over the current year.

The bulk of the increase in salaries and wages is for the following new positions in vocational guidance and placement services:

20 Vocational Rehabilitation Officer I-----	\$104,640
3 Vocational Rehabilitation Officer II-----	17,316
4 Clinical Psychologist I-----	20,928
1 Medical Consultant (intermittent)-----	10,860
14 Intermediate Stenographer Clerks-----	47,208
<hr/>	
42 Total new positions-----	\$200,952

All of these positions, with the exception of the four clinical psychologists, are linked to the anticipated workload increase in connection with the new disability certification program.

While this new program is financed 100 percent federally, the intent of the federal law has been determined to require that state vocational rehabilitation services be provided for those disabled workers found suited for rehabilitation.

The Social Security Administration expects that there will be some 30,000 disabled worker referrals to the Bureau of Vocational Rehabili-

Vocational Rehabilitation—Continued

tation in 1957-58 under the certification program. The state agency, with no experience to guide it, estimates about 5 percent of the total referrals, or 1,500 disabled workers will require rehabilitation services. It is for this increased workload to provide these new services that the 20 Vocational Rehabilitation Officer I positions are requested. Applying the standard workload ratio of one counselor to 75 cases, the 20 positions are justified.

In addition, supporting staff is sought consisting of three vocational rehabilitation officer II positions, which would serve as assistant district supervisors; one medical consultant (intermittent); and 14 intermediate stenographer-clerks. All of these supporting staff positions conform to established work load ratios.

We recommend approval of these new positions, for we feel that it will carry out the intent of the Legislature, as specified in Chapter 1647, Statutes 1953, in providing rehabilitative services for a greater number of Californians and assist them in becoming self-supporting. In addition, there is an economic and social desirability in reducing the number of disabled workers who otherwise would be carried on the disabled aid rolls of the Social Security Administration. While this reduction would not have a direct reflection on state spending, its effect still would be felt in the total economy.

Four new positions of clinical psychologists are requested to provide staff to conduct psychological testing of rehabilitation clients. This testing currently is being done on a fee per case contract basis with private psychologists. However, the agency feels the need for a uniform testing process which can be best achieved by having its own staff members. The costs of the testing will be about the same under the proposed staffing plan as under the contracting method, and the budget reflects a corresponding decrease in the case service expenses. We recommend approval of the positions.

Operating expenses represent the balance of the major budget increase for vocational rehabilitation. Case service expenditures were increased \$263,000 to allow for a 5 percent cost increase and also to provide funds for the 20 new counselors. This increase is reflected in a boost in average annual case service funds per experienced counselor from \$19,600 to \$20,278, and for inexperienced counselors from \$8,000 to \$9,600.

Blind Vending Stands

An item of \$90,000 is budgeted in the business enterprise program for the blind. This will be used to pay for equipment in establishing 20 new vending stands for the blind in various state, federal and other public buildings.

At the present time there are vending stands for the blind, including cafeterias and snack bars, in 46 federal locations, 46 state buildings, 30 county and city buildings, and 46 private industries. Equipment for all of these stands, except those in private industries, has been purchased by the State and is leased to the operator. In the case of private locations, the industries paid most of the equipment cost, with a token payment from the State.

Vocational Rehabilitation—Continued

Chapter 1405, Statutes 1953 provides for a fee to be charged all of the vendors in public buildings, including federal, state, county and city, and the fee is scaled to the operator's net profit but not to exceed 4 percent. These fees go into a special trust deposit fund to cover costs of maintenance and repair, and small loans for supplies. The fund is split into two separate accounts, one for federal building stands and one for all other public buildings. The law also specifies that none of these fees shall be used for new vending stand equipment in state, county or city buildings. In the case of the federal building stands, equipment can be replaced from the federal portion of the fund, but the amounts collected are too small to provide any real assistance.

A check of profit and loss statements of the vending stands for the Fiscal Year 1955-56 shows a number of operators are reporting substantial profits in excess of \$500 per month. None of these operators pays utility or rent costs, and all have had their equipment furnished at no charge.

We have felt that some consideration should be given to amending the law to require vending stand operators who show substantial profit from their enterprise to pay a more realistic charge into a fund to cover depreciation of their equipment. In years to come, many of these stands will require a sizeable equipment replacement for which, under the present policy, the State is obligated to pay, as the amount accumulating in the special funds would not adequately cover these costs. This will place an added burden on state spending and delay establishment of new stands for other blind persons waiting for the opportunity to strive for self-support.

It is not our intention to oppose this \$90,000 item for 20 new stands, nor do we disagree with the policy of initial assistance in furnishing the vending stand equipment. But we do feel some study should be given to a plan whereby high-profit operators must channel some of their gains into depreciation. We feel that this would create a more sound basis for the vending stand program and, in the long run, be beneficial to the blind population as a whole rather than a few select individuals.

We recommend approval of the Bureau of Vocational Rehabilitation budget as submitted.

Department of Education
DIVISION OF LIBRARIES

ITEM 76 of the Budget Bill

Budget page 277
 Budget line No. 7

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

Amount requested	\$685,479
Estimated to be expended in 1956-57 Fiscal Year	616,292
Increase (11.2 percent)	\$69,187

Division of Libraries—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$33,336	\$25,836	\$7,500	279 51
Operating expense -----	20,342	20,342	---	279 52
Equipment -----	15,059	15,059	---	279 53
Add: decreased reimbursements--	450	450	---	279 60
Total increase -----	\$69,187	\$61,687	\$7,500	279 62

RECOMMENDATIONS

Amount budgeted -----	\$685,479
Legislative Auditor's recommendation-----	685,479
Reduction -----	None

GENERAL SUMMARY

The State Library provides library facilities for state legislators, employees, and agencies. It maintains state-wide library services for the blind, including loans of talking book machines, and assists in establishing public libraries in those parts of the State without such service. The State Library lends books not available locally and does reference work requiring materials not in smaller libraries. It also collects library statistics, acts as a clearing house for library information and supervises, inspects, and advises county libraries.

Table of Increases 1947-48 to 1955-56

Work Index:	1947-48	1955-56	Percent increase
Book collection -----	430,000	491,389	14.2
Circulation of texts-----	85,027	105,643	24.2
Reference requests -----	58,359	76,307	30.7
Number of employees -----	82.7	100.2	21.1
Total expenditures -----	\$308,111	\$572,744	85.8

The work index item "reference requests" listed above includes all types of requests received by telephone, mail, or in person. The circulation of texts covers any of the library's services in loaning books or other materials, excluding the books for the blind.

Federal Library Services Act

Congress passed the Library Services Act during 1956 which provides federal funds over a five-year period to the states for stimulating the development of library services in rural areas where library services are not now provided. Areas will be chosen on a determination that there is a reasonable certainty they will continue the library program on their own after the development period. Funds can be used only for personnel and materials, not capital outlay items.

The amount allocated to each state is proportioned on a basis of the rural population, as recorded in the 1950 census. It is a program requiring the matching of 60 percent state funds to 40 percent federal funds. Any local spending can be considered part of the state matching. Detailed regulations and legal aspects of the agreement currently are being worked out between the State and Federal Governments.

Division of Libraries—Continued

The appropriation to California for the first year, 1956-57, is estimated at about \$40,000. Under the matching formula, this would require \$60,000 in state funds. Originally it was the intent of Congress to provide about \$240,000 annually for the five-year period, but the amount was cut to \$40,000 for this first year, 1956-57. However, it is anticipated that the original policy will be restored, and that the State will receive \$240,000 for the remaining four years beginning with 1957-58.

A preliminary analysis by the agency of the federal requirements indicates that the expenditures of current state library services qualify as matching funds even if the federal grant is increased to \$240,000. However, in event of the increase in 1957-58 it is likely the state library will seek additional positions in the field services area so that the regular services to libraries of the State are not curtailed in the course of developing the rural program. In effect, this means that the State would have to augment its budget by an undetermined amount to participate in the rural library development if it still intends to maintain its same level of regular services. Also it should be pointed out that while federal funds will be withdrawn at the end of the five-year period, the State Library's responsibilities in connection with the rural projects developed during the five-year demonstration period, will continue and perhaps even increase when the projects must depend upon local support.

ANALYSIS

The 1957-58 budget request of \$685,479 represents an increase of \$69,187 or 11.2 percent over the estimated expenditures for the current year.

The proposed addition of eight new positions in the State Library accounts for most of the increase in salaries and wages. These new positions are as follows:

Microfilming newspapers		Budget page	Line
1 Intermediate clerk -----	\$3,216	278	56
California Section			
1 Librarian I -----	4,296	278	51
1 Junior intermediate typist-clerk -----	2,988	278	55
Administrative-Legislative Reference Section			
1 Librarian II -----	4,512	278	50
1 Junior intermediate typist-clerk -----	2,988	278	55
Miscellaneous			
1 Intermediate clerk -----	3,216	278	56
1 Intermediate typist-clerk -----	3,216	278	52
1 Intermediate typist-clerk (to June 30, 1958) ---	3,216	278	54
8 Total positions -----	\$27,648		

Two of the above positions, the librarian II and one of the junior intermediate typist-clerks, reflect increases for new services. These are in the Administrative-Legislative Reference Section and are explained in detail below. The other six positions are for work load increases.

Microfilming Newspapers

At present the State Library subscribes to about 185 newspapers, including papers from each county in California, a number of major

Division of Libraries—Continued

urban California papers, a few selected California and out-of-state papers, and several trade, association, and specialized publications which may be classed as newspapers. Twenty-three of the papers subscribed to are out-of-state, and of the 162 California publications currently acquired, 78 are dailies, and 84 weeklies. There are about 750 newspapers circulated in the State.

The State Library launched its microfilming project in 1947, and has filmed some 3,550 rolls since then. In addition, the library has purchased about 4,600 rolls direct from newspapers that do their own microfilming. All of this microfilming covers newspapers acquired since the early 1940's. Due to limited personnel and demands for other services, a backlog of unfiled newspapers has developed over this period. The backlog is estimated at approximately 1,280,000 pages or 2,000 rolls.

Also on hand in the library basement are some 21,000 bound volumes of newspapers dating back from the early 1940's to pioneer days. About 17,000 of the bound volumes are California papers which would require 13,500 rolls of microfilm to record.

The 1957-58 Budget proposes a policy of acquisition and microfilming 70 California newspapers. This represents a reduction of about 60 percent in the 162 California papers now being acquired and filmed by the agency. The basis for determining a policy of 70 newspapers is that this would include one representative paper from each of the State's 58 counties plus 12 urban papers to be chosen at the library's discretion. This same basic policy would be applied to the 17,000 bound volumes of papers, but with a reasonable flexibility to allow for changes in newspaper status and content over the years. The same microfilming policy also would be carried to the current backlog of papers since the 1940's.

In order to implement this program, the budget proposes increases in operating expenses, equipment, and one additional clerical position. A summary of these increases is as follows:

Salaries and wages	
1 Intermediate clerk	\$3,216
Operating expenses	
Microfilming contractual services	15,160
Microfilming supplies	2,150
Equipment	
Microphotography laboratory—additional	5,096
Total	\$25,622

Microfilming of the current subscriptions as well as the current backlog would be contracted out to a microfilming firm. Contracting the job has been determined more efficient and more economical than continuing the microfilming of the current newspapers in the State Library.

The clerical position, supplies, and additional equipment would be used with existing library personnel and equipment to film the appropriate number of bound volumes dating prior to the early 1940's. While details of the bound volume microfilming still are being worked out, it is expected this phase of the microfilming will take about eight years, provided that the expenditure level remains the same as proposed in

Division of Libraries—Continued

this budget. Expenditures proposed in the 1957-58 Budget for the bound volume project include two existing photocopyists, \$8,196; a new intermediate clerk to prepare the papers for filming and inspect the finished rolls, \$3,216; additional microphotography equipment, \$5,196; and supplies, \$3,650. It is anticipated that the subsequent budgets after 1957-58 will include all of the above items with the exception of new equipment. Therefore, the total cost of the microfilming of the bound volumes for an eight-year period would approximate \$125,000.

The basic motivation for microfilming newspapers is to create a permanent record before deterioration begins and the documents are lost. Also the release of storage area is an important factor as the need for more space arises in the State Library. Therefore, we urge that as the microfilming program develops there be a corresponding decrease in the stacks and volumes of newspapers filmed, thereby justifying the purposes for microfilming. And also, if the proposed policy of retaining in film a certain portion of these newspapers is adjudged sound, we would question any attempt to retain the bulk of those papers which are not filmed.

California Section

New positions of a librarian I and a junior-intermediate typist-clerk are requested for the California section of the State Library. This section maintains a reference file and accumulates various documents and other material of California historical significance. At present there are three librarians and four clerks handling an increasing number of reference requests from authors, other citizens and interested groups in the State. This increased work load has resulted in an accumulated backlog in the processing of materials and documents submitted to the library from various sources. This includes such items as manuscripts, pictures, pamphlets, sheet music, letters, ledgers, scrapbooks, etc.

The proposed librarian I position would take over some of the reference requests, thus relieving the librarian II in the section to spend part time evaluating, classifying, and calendaring the unprocessed material, and supervise the work of the requested junior-intermediate typist-clerk, who would provide clerical assistance in the processing project.

In order to maintain the level of service demanded of this section, the positions seem to be justified. However, we suggest that serious consideration be given to examining the extent to which the California section should expand its reference services as well as the accumulation of materials. For instance, the following questions are raised. Is this to be an open-ended program which would develop far beyond the scope of general reference work? Is there justification for screening with the aim toward limiting the growing number of research requests, especially from commercial sources such as authors? Should the section take on the proportions of a fully equipped and heavily-staffed agency?

Administrative-Legislative Reference Section

Two new positions, a librarian II and a junior-intermediate typist-clerk, are proposed in the administrative-legislative reference section for the 1957-58 Budget Year. This section now has two librarians and two-thirds of one clerical position. The services of this section are ex-

Division of Libraries—Continued

tended to the State Legislature and the administrative departments of the State, and include answering requests, preparing bibliographies, and selecting pertinent material on desired subjects.

Whereas this service has been generally of a reference-type, the State Library now proposes, through these two requested positions, to establish a new service of a limited research nature that would go beyond reference work.

The work load basis for this section is extremely difficult to measure, since there can be vast differences between the processes for "research" and the processes for "reference" and either may be performed at levels which are either complex or routine. The existence of an extensive library collection leads to requests for service which are beyond the basic library function of acquiring, cataloging and finding titles, and to realize maximum benefit from a library collection warrants a certain amount of service beyond this basic function. On this basis we recommend approval of one new professional librarian position and the related clerical position.

However, we do not believe that it is an economy of operation for the State Library to undertake to provide a "research" service, as the justification statement submitted by the agency might seem to imply, and which necessarily involves specialist staff. Rather, we believe that this new staff should be provided primarily for the purpose of increasing library services to the Legislature, to its staffs, and to state departments and agencies, including services to individual departmental libraries.

The size and scope of operations of many of the departments has led to the establishment of extensive departmental libraries. The specialist nature of the functions performed requires, of course, specialist materials as necessary tools of operation. However, we have observed over the years a lack of coordination and economy in regard to some of these. For instance:

1. Some include extensive general reference materials as well as specialist.
2. There is extensive duplication in some.
3. Some have made no adequate appraisal of potential use as a guide to acquisition.
4. Many are maintained with inexperienced help, or not maintained at all.

It is our recommendation that in authorizing the extended library service, the Legislature express its intent that the State Library, with its professional library help, be authorized to survey the system of departmental libraries and give professional assistance in appraising, helping to coordinate, and in eliminating duplication. It is our further recommendation that the State Library, with its expanded library staff, be requested to report to the Legislature at the next session on opportunities for, and procedures for, further coordination and servicing departmental libraries.

Division of Libraries—Continued

Miscellaneous

The balance of the new positions requested by the State Library in its 1957-58 budget are as follows:

1. Property and Shipping Section—One intermediate clerk is sought in this section to provide relief in an area of increasing work load. The need is brought about by a gain of about 14 percent in the shipping volume since the last clerical position was allowed in this section. This gain is principally due to the increasing number of talking-book shipments to the blind. The new position also would be used to maintain the stacks throughout the library. This entails continual shifting of materials for the most efficient space utilization. The stack maintenance work has been done with temporary help, but on approval of this position the temporary help will be reduced approximately \$700. We recommend approval of the position.

2. Blind Section/Reference Section—One intermediate typist-clerk is proposed to be divided half time in the Blind Section and half time in the Reference Section. An increase in the circulation of books for the blind has placed a heavy burden on the one clerk in the Blind Section, and relief has been given by one of four librarians assigned to this section. An increase work load in the Reference Section has brought the request for a half-time position. This would bring the staff of the Reference Section up to three clerical positions serving four librarians. There appears to be valid justification for allowing this position as requested in the budget, and we recommend approval.

3. Law Section—One intermediate typist-clerk is requested for one year to assist the professional staff in the Law Section in reclassifying some 100,000 volumes by subject matter. These texts now are cataloged alphabetically by author, which is felt to be undesirable for reference purposes. There are two clerical positions in this section, and three librarians. The work load justification seems valid, and we recommend approval of the position for the one-year period, expiring June 30, 1958.

A sum of \$1,200 is requested as an operating expense item for the purchase of indexed catalog cards of the current acquisitions at the Bureau of Public Administration of the University of California. The University's cost in duplicating these cards would be paid by the State Library.

The State Library has instituted a number of management improvements, organizational changes, and other steps since July 1, 1955, to improve the Library's operations and secure economies. These include: (a) development in the Government Publications Section of a long-range plan for the integrated and systematic handling of serials and periodicals, revised cataloging and accessioning procedures; (b) discontinuance of maintaining a record of all invoices issued by the library; (c) changing to mimeograph reproduction rather than direct purchase of catalog cards from the Library of Congress which showed a saving in cost plus providing the State Library with the cards sooner than under the former system; and (d) adopting a microfilming technique of photographing two pages per single exposure, whenever possible, thereby reducing the cost of film nearly 50 percent.

Subject to our comments above, we recommend approval of the budget as submitted.

State Colleges—Continued

throws some light on the selective qualities of present college admission standards. This study was based upon an analysis of the transcripts of a total of 41,423, June, 1955, high school graduates out of a total for the State of 90,760 for the 1954-55 year. This survey showed that 43.6 percent of these graduates could meet state college entrance requirements.

The survey showed the intelligence quotients (IQ) for a selected sample of this group, or for a total of 21,597 students. This data revealed that of those students meeting the state college entrance requirements, over 25 percent had intelligence quotients of less than 100. Although this shows only those who qualify and not those who actually enroll, it is important in terms of the potential who qualify for college entrance. However, if any of this group do enroll in the college, the chances of their succeeding are very small with an I. Q. of less than 100.

In urging the improvement of admission standards we are not suggesting that the three levels of publicly financed higher education should become mutually exclusive to students of different degrees of aptitude and ability. There must be the opportunity for mobility among the levels of junior college, state college and the university. Further, each level has peculiar programs which can only be pursued at one type of institution. The admission standards therefore should permit mobility and allow entrance of qualified students into particular programs.

A study of the admission standards of other selected colleges reveals that in one major respect the state colleges are different and less strict. Many of the colleges require, in addition to a given number of units with a minimum grade, that the student fulfill certain subject requirements. These subject requirements emphasize a group of academic subjects often referred to as college preparatory courses. The courses include history, English, mathematics, laboratory science and foreign language. We recognize that professional educators differ in their opinions as to whether such subjects are needed to be successful in certain endeavors or whether the aptitude for academic subjects indicates success in all endeavors. Also, we realize that preparation in particular courses shows no relation to a student's grade point in college. However, it is felt by most colleges and universities that study of certain specified subjects will give the student both good preparation for the work of the school and reasonable freedom of choice of a major field of study after his entrance. In addition, it is believed that the best indicator of success in college is high quality of scholarship in previous work. Finally, we note that the "Restudy of the Needs of California Higher Education" suggests, in connection with its recommendation for minimum requirements, that the units be in academic subjects or in subjects related to occupational curriculums. While this does not mean a subject pattern, it does recognize academic subjects.

Consideration should also be given to requiring a minimum level of attainment on a standard college aptitude test. At present if a student does not have 70 semester periods of course work with grades A or B, he can have 50 semester units but must attain the twentieth percentile on the national norm of a standard college aptitude test. The aptitude

State Colleges—Continued

test seems to be the most selective and predictive of successful college work of any system. It would therefore seem reasonable to require such a test in conjunction with a student's demonstrated achievement in high school.

In summary, we believe that the present standards of the state colleges should be raised. The standards may be raised by increasing the number of recommending units, by some requirement of an academic or other subject pattern or by a mandatory aptitude test with an appropriate test score or by some combination of these standards. Further, we can see good reasons for applying different admission requirements to the various state colleges. Possibly there should also be varying standards applied to certain curriculums. The "Restudy" sums it up as follows, "above the minimum base, differentiation in admission standards and procedures should be allowed among and within the colleges."

Probation and Dismissal

Two other areas of scholastic standards in the colleges indicate weaknesses that relate closely to admission standards. These are the conditions of probation and dismissal and the extent to which remedial courses are provided to make up high school deficiencies.

A student must maintain a "C" average in most colleges and universities in order to graduate. For most schools the student must maintain a "C" average during his four years of college study or he is placed on probation. Failure to make a "C" average on courses taken during the following semester, including his prior low standards work, makes him subject to dismissal.

A review of the probation requirements of the state colleges shows that some have probation standards which become operative at less than a "C" average. Most often these exceptions to the "C" average apply only in the freshman and sophomore years. However, the student, although required to make a "C" average the following semester on work taken during that semester may still remain on probation because of failure to make up the previous semester's below standard work.

It should also be noted that the probation and dismissal standards vary among the colleges. The standards are apparently left to the college to determine and establish. We believe that the standards of academic achievement that apply after one is admitted to college are equally as important as those which applied to admission. Further, we believe that this is a proper area for uniform rules to be adopted by the State Board of Education. If the Division of State Colleges does not have this subject on their list of problems to be studied we strongly urge that it be included, and a report on their recommendations be made.

Remedial Courses

In connection with the general academic standards in the colleges, consideration should be given to remedial courses offered in the state colleges. Remedial courses in mathematics and English are offered in the colleges as the need demands for those students who are de-

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ficient in those areas or who need some improvement.

The enrollment in remedial courses and the positions budgeted for these courses for all the colleges for the 1956-57 Fiscal Year are as follows:

Enrollment

Total enrollment, all colleges (estimated) regular and limited	46,873 F. T. E.
Enrollment in remedial courses	468.2 F. T. E.
Percent of total enrollment in remedial courses	1.0%

Positions

Total teaching positions budgeted	2,586.6
Positions to handle remedial courses	32.7
Percent of total positions budgeted for remedial courses ..	1.26%

We recognize that percentage of students F. T. E. and the percentage of teachers involved are very small. It would appear that the incidence of this condition is not unreasonable. However, while we realize that remedial courses cannot be completely eliminated, we have no idea what is a minimum in this field. From the standpoint of the actual number of students involved, a minimum of 3,000 for the fall enrollment of 1956, the problem takes on educational significance. This aspect has been recognized in that a committee composed of college faculty personnel is working on the problem of defining the proper level of proficiency in these areas to be expected in the colleges.

In terms of the cost of providing these courses, the amount for 1956-57 for 32.7 instructors would approximate \$158,000. We believe that these instructors can be more effectively used than in teaching remedial courses. The students with such deficiencies should be encouraged to secure this instruction in high school evening classes and in the junior colleges wherever possible. Remedial courses such as these should properly be corrected before the student enters college. Only recently the University of Illinois announced that effective in 1959, remedial courses would not be given. The state college as well as the University of California, might well consider this problem and its solution and establish a long range plan of discontinuing these types of courses. It is a paradox that those subjects which are so fundamental that proficiency in them is considered to be a prerequisite to higher education should not be successfully taught in the secondary schools. This problem should be attacked at that level by the Department of Education.

Teacher Training

During the next 10 years California will need a total of 167,115 new teachers according to a recent bulletin of the Department of Education. This same bulletin, "Teachers for Tomorrow's Children," June, 1956, concludes by making 10 important recommendations on the problem of getting and keeping good teachers. We should like to single out two of these recommendations for attention because their accomplishment hinges, we believe, on the reputation and caliber of teacher training programs in the state colleges, and in fact, in all institutions of higher education. The recommendations to which we refer in "Teachers for Tomorrow's Children," are:

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1. A larger proportion of college students must be recruited to prepare for teaching.

2. An effective, long-range, active, coordinated teacher recruitment program at local, regional, and state levels, must be formulated and consistently implemented.

Full implementation of these recommendations means that the professional education programs in the state colleges and other colleges and universities must have the prestige and quality to attract and keep new students and other qualified persons in teacher training programs. In our opinion, herein lies a real trouble spot for teacher recruitment; a trouble area which receives little attention by the professionals guiding teacher training. But it is an area of concern to educators in general, students, and the public.

It is not uncommon to hear responsible educators, well informed citizens, and others speak very critically of teacher training and schools and departments of education. The criticisms made of teacher training are often basic to the entire program. It is said that the courses offered and required for a credential lack content, overlap, and are far removed from the problems the practicing teacher faces. Also, it is said that too many education courses involving methods, techniques and philosophy are required and not enough substantive courses imparting to the prospective (or practicing) teacher the fundamental knowledge and interests essential to successful teaching. The faculties teaching education courses are often said to be of poor quality, uninspiring, and out of contact with the practical teaching situation. Furthermore, teacher training programs in general have the lowest status of any of the professional programs. Faculty and students alike hold the teacher training programs in low esteem. Undoubtedly, many prospective teachers are lost in the colleges because they will not submit to the scorn of their fellow students and the low college prestige of teacher training.

Admittedly, these charges do not apply just to the state colleges. The entire corps of educators in professional education programs and the schools are the object of these criticisms. Nevertheless, the State has the prime responsibility for teacher recruitment in California and has under its jurisdiction 10 state colleges and a huge university system. These institutions provide the bulk of teachers trained in California. For example, of the 10 institutions in the State that are expected to have the greatest number of potential candidates for credentials in 1956, nine are state institutions. Thus, the State through the State Board of Education, the Department of Education, the colleges and the University should take the lead in what appears to be a serious need of re-establishing the reputation of teacher training programs.

We have heard these allegations from many sources and for many years. While this is not the sole or perhaps the most important obstacle to teacher recruitment, we are convinced it is serious. The Legislature should have the facts on this matter and should be informed as to what steps are or will be taken to improve the situation. The solution would

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appear to lie within the education departments, their professional faculties and the objectives and means of teacher education. The condition cannot be glossed over nor the charges allayed by the counter-charge that this is an attack on public education or that there is a need for better public relations. While these factors may affect the public's notion, the condition leading to these feelings lies deeper.

In order to explore this problem more specifically we examined as one aspect of this problem, the education course offerings listed in the state college catalogs and the requirements for certain credentials. Our survey covered such factors as: (1) the number of undergraduate and graduate courses offered in the 1956-57 school year, and (2) the units of professional education courses required for certain basic credentials.

A count of the number of education courses offered, exclusive of courses in methods on specific subjects, e.g., art or arithmetic, revealed a wide range among the state colleges. The total number of courses offered ranges from 31 to 97 courses with six colleges having 74 or more courses. In the undergraduate field there is a range of 24 to 54 courses. There is essentially the same range in the number of graduate courses offered, with a low of 23 and a high of 56.

Comparison of the units of professional education courses required for three basic teaching credentials also showed wide ranges and great disparity among the colleges. The requirements for recommendation for these credentials by the colleges are as follows:

Kindergarten-Primary Credential

1. The number of professional units required range from 29 to 43.
2. Six colleges required 40 or more units, and three required 39 or less.
3. The minimum requirements approved by the State Board of Education and found in the Administrative Code are 24 professional units.

General Elementary Credential

1. The number of professional units required range from 25 to 42.
2. Four colleges required 40 units or more and five required 39 or less.
3. The minimum requirements approved by the State Board of Education and found in the Administrative Code are 24 professional units.

Junior High Credential

1. The number of professional units required range from 20 to 35.
2. Three colleges required 26 or more and five require 25 or less.
3. The minimum requirements approved by the State Board of Education and found in the Administrative Code are 18 professional units.

We believe that these data permit us to draw several general conclusions which are indications of the validity of some charges and feelings held toward teacher training programs.

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1. That the extreme degree of specialization in teacher training in California may be a deterrent to some prospective teachers. The number of education courses offered by the colleges has been steadily increasing so that some colleges now have large and varied offerings. The necessity for the large number of courses cannot be attributed to any one factor. The granting of masters degrees as well as the requirements of the state credential system require a large number of courses, to cite only two explanations. Basically, the California certification system is responsible for the greatest portion of the specialization in the state college education curriculums. We have expressed our criticism of this system of certification in the past. We are also concerned about the further specialization of the teaching profession and wonder what efforts are being made in the colleges to get some limits to the further splintering of the profession. How much specialization in the profession is necessary and what influence should the college divisions of education exert in this area?

2. The large number of courses offered by the colleges indicates that the problem of proliferation of courses in teacher education which was critically noted in the "Restudy of the Need of California in Higher Education," still exists. Proliferation of courses leads to the condition also mentioned in the "Restudy" that the divisions of education in the colleges are often overextended. Where splintering of courses exists, the value and purpose of the course is undermined and the essential content may be replaced by what may be unnecessary discussion, projects and reading. This is not just a problem confined to divisions of education; but, wherever it exists it is expensive and wasteful in faculty time and student training. It is apparently a factor in discouraging persons from preparing for teaching.

3. The great disparity in the minimum requirements for certain credentials among the colleges indicates a lack of agreement on what constitutes essential teacher preparation. The figures above show that whereas the State Department of Education will grant a kindergarten-primary credential on the basis of 24 units of professional education course work, six of the state colleges require 40 or more units. Are the state requirements too low or are these six colleges requiring an excessive number of teacher training courses? In either case, an explanation of these differences should be made.

The "Restudy" adequately sums up the situation by stating that "there should be more general agreement on the basic preparation which a teacher needs and greater similarity in the type of competence which institutions seek to develop." Again, we conclude that this condition contributes to the lack of respect and confidence in teacher training as a professional curriculum in the state colleges.

The problem of teacher training dealt with here is not only a major financial problem of the State Budget, but it is a far more significant issue in respect to the incalculable economic values represented by the over two and one-half million children in California's educational system. The effectiveness and quality of its teachers is the key to an effective and efficient education program.

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New Colleges vs. Residence Halls

The Legislature is faced this session with demands for new state colleges and at the same time a budget request of \$16,000,000 for approval of a residence hall program. There are important fiscal and educational considerations to the endorsement of either one of these proposals, or both, if that is possible financially. We believe that the Legislature may have to choose between new colleges and residence halls, at least from the financial aspect of the problem. With that assumption in mind, the educational implications of the choice take on great significance. Thus the central question is whether to provide first for growth in enrollments or spread educational opportunity through a residence hall program of this magnitude.

It is desirable at this point to review briefly the developments to date for each of these demands. On the one hand, there has been strong interest for several years for constructing new colleges in areas of the State that are not within commuting distance of existing colleges. Counterpressures against new colleges have posed the argument that the existing colleges should be expanded before new ones are built. The Joint Liaison Committee of the Regents of the University of California and the State Board of Education in "A Restudy of the Needs of California in Higher Education," recommended that no new state colleges should be built until 1965. In a recent report to the Legislature, titled, "Additional Centers of Higher Education," the Joint Liaison Committee again recommends expanding the size of present colleges but makes no recommendation on new colleges.

It is argued that a system of regional state colleges cannot succeed as such unless residence halls are provided for at least 7,400 students. There is provision for that number of students in residence halls in the five-year program prepared by the Department of Finance and contained in a report to the Joint Legislative Budget Committee entitled, "State Building Construction Program, April 3, 1956."

The 1957-58 Fiscal Year Budget provides sufficient funds for residence halls at eight colleges to house 4,200 students. It is interesting to note that because of the availability of funds, residence halls not scheduled for the budget year have been moved up on the priority list established by the five-year building construction program. Therefore, during the budget year more than half of the proposed dormitories will be funded.

It is estimated that with approximately \$12,000,000 the Legislature could construct a new college with an enrollment capacity of about 4,000 full time equivalent (F. T. E.) regular students. Or, the Legislature could choose to build residence hall facilities for approximately 3,000 students with \$12,000,000.

In the first instance, construction of a new college would open the door of higher education to at least 4,000 new students who could not otherwise be accommodated in the limited existing state college facilities. Of course, opening a new college would take more than the \$12,000,000 in capital outlay costs. The estimated average operating cost per student F. T. E. for existing colleges for the budget year,

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1957-58 is \$745; the minimum annual operating expense for a new college of 4,000 F. T. E. would be \$3,000,000.

Construction of residence halls is estimated at a minimum gross cost of \$4,200 per student. It is estimated that possibly as much as \$1,900 per student can be recovered through fees to partially offset the State's initial capital investment. However, since this amortization might not reach estimates and would come in over a long period, the initial expenditure of \$12,000,000 by the State would only house 3,000 students. It is anticipated that the residence halls will be self-supporting insofar as operating expense is concerned. Thus, an initial capital expenditure of \$12,000,000 would provide housing facilities for approximately 3,000 students who are now a part of the enrollment capacity counts of the colleges. In other words, a residence hall program does not expand the educational facilities or permit an increased number of students to enroll. Rather, the effect of residence halls is to spread educational opportunity by providing housing to students too far from a college to commute and for which satisfactory housing facilities are not available in the college community.

Enrollments for the existing colleges are estimated for the budget year at 54,200 F. T. E. and estimates increase this to over 80,000 by 1965. Is it more desirable, therefore, to spend available dollars to meet this expanding enrollment in new areas or to provide residence halls which merely shift the existing enrollment composition between those who live close to an existing college and those students who require some housing facilities near the college?

ANALYSIS

Support Costs of State Colleges

The total expenditures for the 10 state colleges is \$39,954,110. The expenditure program budgeted for each college with the amount and percent of increase over the estimated expenditure for the current year is presented in the following table:

College	Expenditures		
	1957-58	Increase	Percent
Chico			
General and Profession Divisions	\$2,175,611	\$321,056	17.3
Division of Agriculture	57,697	57,697	--
Fresno			
General and Profession Divisions	3,613,693	474,842	15.1
Division of Agriculture	505,045	35,051	7.4
Humboldt	1,703,954	217,053	14.6
Long Beach	3,375,826	731,714	27.7
Los Angeles	4,350,339	415,782	10.6
Sacramento	2,677,265	434,455	19.4
San Diego	4,788,785	778,788	19.4
San Francisco	4,922,288	702,377	16.6
San Jose	6,852,220	1,304,223	23.5
California State Polytechnic	4,931,387	760,940	18.2
Totals	\$39,954,110	\$6,233,978	18.5

As in previous years, the principal reason for this large increase is expanding enrollments at all the colleges which necessitate large increases in the instructional area. In addition, there are some substan-

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tial improvements in the level of administration and instruction. Then there are other increases which arise from the opening of new facilities and increases in work load in administrative areas. These can be stated more specifically as follows:

<i>Factors of increase</i>	<i>Number of positions</i>	<i>Cost</i>
New or expanded service		
1. Revision in the faculty staffing formula affecting laboratory teachers in the sciences.....	52.4	\$241,901
2. Revision and expansion of the organization staffing....	19.0	161,065
3. Punch card systems for processing student records and enrollment data	--	57,000
4. Expansion of the two-year agriculture program at Chico to a four-year program.....	5.0	23,303
5. Expansion of the audiovisual services program, San Jose	6.5	28,146
Work load		
1. Faculty positions:		
Instructor positions for increased enrollment....	260.0	1,209,260
Instructor positions for change in composition of enrollment	95.0	545,358
Division chairmen and curriculum specialists because of increased number of teachers.....	27.0	95,394
2. Library staffing	25.5	104,253
3. Student personnel functions	14.0	78,000
4. Maintenance positions for new facilities.....	115.5	403,887
5. Clerical and technical staffing in conjunction with enrollment increases in professional positions and for new buildings	173	731,200
6. Extension of part year positions and salary adjustments	--	1,341,900

Staff Increases to Meet Enrollment Growth

The growth in regular session enrollment at the state colleges again accounts for the large budget request for staff. The 1957-58 Fiscal Year budget is based upon an all-time peak of 54,190 full-time equivalent students which is an increase of 6,859 students over the 47,331 F.T.E. for 1956-57. This enrollment increase affects primarily the instructional area but that in turn requires many additional supporting positions. Also affected are student personnel functions, the business office and the libraries. Finally, the continued enrollment increases have necessitated many new buildings at the colleges which must be staffed and maintained.

The budget requests 434 new faculty positions for all the colleges for the 1957-58 Fiscal Year. These new faculty positions consist of 355 teacher positions that are justified on the basis of the existing teacher-staffing formula. We would like to direct the Legislature's attention to a more detailed discussion of the staffing formula and some important considerations in the growth and composition of the expanding enrollment.

Faculty Staffing Formula

The faculty staffing formula was adopted four years ago in an effort to improve the basis upon which teachers in the colleges are budgeted. The formula allows staff in relation to the total work load of the college, which is the number of units of course work which the college

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offers. The total work load is then divided by the work load per individual instructor in order to determine the number of teaching positions necessary for a college. In the development of the formula, agreement was reached on the work week of an instructor on which the work load is based; this work week consists of 45 hours which includes 36 hours of instructional work and 9 hours of general college duties not directly related to the classes taught. These general college duties consist of advising students, work on college committees and student activities.

The 36 hours of instructional work which an instructor must perform consists of two parts: the actual hours spent in the classroom teaching and the hours that are allowed for preparation of the class lecture or laboratory exercises, grading papers and advising students on their work in the class. The type of course an instructor teaches governs the number of hours of classroom teaching he will be assigned and the hours allowed for preparation. The various types of courses have been established and agreed upon among the colleges. Finally the formula provides for an optimum number of students for each type of course.

The following table shows the principal types of courses and the number of hours of classroom teaching and preparation allowed under the existing formula for each.

Standard Instructor Teaching Work Load

<i>Type of course</i>	<i>Total</i>	<i>Work load in hours per week</i>		
		<i>Class- room teaching</i>	<i>Course prepa- ration</i>	<i>General assign- ments</i>
Lecture -----	45	12	24	9
Activity -----	45	18	18	9
Laboratory -----	45	24	12	9
Coaching—Major Sports -----	45	30	6	9
Minor Sports -----	45	26	10	9

The implications of budgeting on the basis of a formula are that when the units of work load increase, there is justification based on the formula, for automatic increases in staff. This type of approach has many advantages. However, with an established formula such as this, it becomes increasingly important to watch closely the factors of enrollment increase and any proposed changes in the formula. This latter factor is an item of increase in this budget and will be discussed in detail below. At this point we would like to comment on certain aspects of the enrollment which gave rise to faculty increases based on the formula.

Enrollment Growth

Enrollment growth is being influenced significantly by population increases and by the action of the State Board of Education in approving a greater variety of curriculum and in approving graduate programs in the state colleges. The effect of new curricular programs is to attract a greater number of new students and to keep enrolled students on the campuses to take graduate studies. To the extent that enrollment increases because of these latter factors, we cannot say that staff

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increases for this enrollment is work load. At the same time, it is difficult to completely isolate that which can be judged to be simple work load and that which is not.

Secondly, since the staffing required for the portion of the enrollment due to new curriculum is not completely isolated, the Legislature does not review these curriculums as new programs. The Legislature has, of course, delegated the authority for approving curriculum and masters degree programs to the State Board of Education. The weakness that lies in this system is not in the lack of review of the year-to-year expansion of the new state college curricular programs. Rather, there is a need for long-range goals for the state college system accompanied by a five- or ten-year plan of curriculum expansion.

Enrollment Composition

Two important changes are taking place in the enrollment composition of the state colleges. There is a trend toward a greater number of students in the upper division and graduate levels than in the lower division. Secondly, there appears to be a shift to the occupational curricula with some effect on the liberal arts curricula.

The budget implications of these changes are important. A shift to the upper division and graduate levels means more teachers because class sizes are smaller at those levels. The effects are noticeable this year particularly at San Jose, San Francisco and Fresno but the change is affecting most of the colleges. At these three colleges, the amount for increased staffing directly attributable to these causes total \$545,358 for approximately 95 teaching positions.

The trend in this enrollment change may be seen, for example, in the last three years. In 1953-54, 49 percent of the total regular enrollment for all state colleges was in the upper division and graduate classes. This percentage increased to 50 in 1954-55 and to 56 percent in 1955-56. These figures do not show the large increase in the number of limited students.

Two reasons for this increase at the upper levels are the increase in limited students and the influx of junior college students. The limited students are being attracted by the new curriculums and graduate programs and the opportunity to take courses in the late afternoon and evening programs. And, by and large, the limited students are taking upper division and graduate courses.

The number of transfers from junior colleges is greater due in part to population increases and in part to the greater variety of courses offered at the colleges. The attraction of qualified junior college students is a desirable condition and is consistent with our feeling that more students should be encouraged to attend junior colleges for their lower division studies.

Revision of Faculty Staffing Formula

The budget proposes to revise the faculty staffing formula for laboratory instructors in the sciences. The budget request is for 52.4 positions at an approximate cost of \$241,901. It should be noted, however,

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as is stated in the budget, that the proposed revision actually involves 104.8 positions at a cost of more than \$500,000. Only half of the positions are proposed for 1957-58 with the remaining positions proposed for the 1958-59 Fiscal Year.

It is important, therefore, in considering the principle involved in revising the staffing formula to bear in mind that this particular revision amounts to \$500,000. The central idea to the revision affecting the laboratory instructors is that they should be allowed more time for out-of-class work such as preparing for the class, grading papers and advising students.

The formula as applied to the laboratory teachers operates as follows: It allows a work load of eight units of laboratory work to be the equivalent of the standard 12 units of teacher work load. The teacher who instructs straight lecture courses in the classroom 12 hours a week fulfills his 12-unit work load. Because laboratory classes are held usually for three hours at one time, the laboratory teacher spends many more hours in class. He is allowed a reduced unit work load or only eight units for which he spends 24 hours in class. Under the formula, this leaves 12 hours for preparation, grading papers and advising students. The work load as provided by the present formula for the various types of courses may be seen on page 267.

It is the contention of the Department of Education that the formula is unsound in respect to the hours for preparation allowed in relation to the number of hours of classroom instruction put in by the laboratory teacher. It is claimed that this weakness has led to a more than normal teaching load for some faculty members. As further evidence, the results of a survey of the actual hours spent by an instructor on a one-unit, three-hour laboratory class using a standard set of courses from the natural sciences are offered in support of the request. The study showed that the average instructor spent 7.6 hours for each unit of laboratory instruction. On the basis of the study it is proposed that the formula be revised to reduce the load to six units of laboratory work per instructor. The teaching work load of the laboratory instructor under the present and proposed formula is as follows:

Work Load in Hours per Week

	Units of credit	Total	Classroom teaching	Course preparation	General assignments
Present -----	8	45	24	12	9
Proposed -----	6	45	18	18	9

The effects of the proposed change are twofold: It would substantially lighten the work load of the laboratory instructor. In relieving the classroom teaching load of presently employed teachers it therefore requires additional teachers to conduct the same number of classes.

After considering the implications of this proposal, we cannot recommend the revision of the formula. Our reasons are as follows:

1. The formula is an approach to computing the over-all number of

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faculty needed for a given enrollment. While it takes into consideration specific factors such as class size, type of courses, units of credit, and teaching and preparation time of the instructor, we believe that these are factors which can be adjusted internally within the college. Under the present operation of the formula once the number of positions allowed under the formula is determined and approved the college is free to use them as they are needed. In fact, instructor time is often used for administrative duties, special studies and projects, and to teach new courses which have not been approved and for which instructor time is not provided under the formula. In short, we believe it would be very unwise to alter the formula every time some condition changes or when it is considered that one group of instructors should have some adjustment in their work load.

2. Revision of the formula with respect to the laboratory instructor will only lead to further adjustments. In fact, other adjustments are contemplated for other categories of instructors. Two minor adjustments were allowed in the Budget of 1956-57. Thus we may look forward to a steady flow of requests for adjustments of various kinds, all of which increase the number of teachers required to handle a given load.

3. Revision of the formula will require more teachers in the fields of instruction in which it is most difficult to get instructors. This change compounds the problem of securing a sufficient number of science teachers. Consideration should be given to providing more assistance to the science instructors rather than relieving these trained men to do work that can be delegated. There is no evidence that the fullest effort has been made in this direction. Has any study been given to analyzing what additional functions an instructor could delegate to students and other assistants?

Administrative Staffing and Organization

The budget proposes the adoption of a major policy involving the administrative staffing and organization of the state colleges. The proposed policy calls for a substantial revision and expansion of the organizational staffing over a two-year period. In the 1957-58 Fiscal Year Budget, 19 new positions at a cost of approximately \$160,000 are proposed. The remaining positions would be included in the following Budget for 1958-59.

All the colleges except California State Polytechnic College were included in the study which leads to this budget request. The study was conducted jointly by the Organization and Cost Control Division of the Department of Finance and a committee of representatives of the Department of Education and the colleges. It was felt that the unique type of program and the two-campus operation of the State Polytechnic College justified a separate organizational pattern. The study covered all major college areas: executive, student personnel, instruction, and business management.

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The management report, Survey 828, is the only major study of college organization since 1950. The report groups the colleges according to enrollment and recommends organizational changes in each of the three categories. The three categories are as follows:

Group A. Those colleges having, or expecting to have, an enrollment of 5,000 or more full-time equivalent regular students in the 1957-58 Fiscal Year.

Group B. Those colleges which will have enrollments between 3,000 and 5,000 full-time equivalent regular students in the 1957-58 Fiscal Year, but are expected to exceed 5,000 within approximately five years.

Group C. Those colleges which will have an enrollment of less than 3,000 full-time equivalent regular students in the 1957-58 Fiscal Year.

The general organizational structure recommended is comparable for all three groups. The differences in categories result, primarily, in there being fewer positions of the basic organizational structure recommended for colleges in the lower enrollment categories. Such new positions as vice president, dean of the college, dean of professional and occupational studies, and business services officer, are among those recommended for colleges in the various categories.

The over-all policy of the new organizational structure is being urged for adoption, as mentioned above. However, budget implementation, proposed over a two-year period, gives the colleges a preference as to which positions are to be included in the budget the first year. Some other adjustments to the policy recommended in the survey report were made.

For implementation of the study in the budget year it is proposed to add two new positions of dean of professional and occupational studies. In our opinion, the Legislature should not be expected to sanction nor to disapprove the entire proposed administrative staffing of which these two positions are only the first part. Rather, approval of funds for administrative staffing should be within an over-all formula, either a separate formula for administration, or a formula related to and recognizing the over-all instructional formula.

Although there may be sound reasons for the creation of positions of dean of professions and occupations, the duties of these positions are inherently related to the instructional activities of the colleges. It should be pointed out that the faculty staffing formula is based upon providing, for total institutional staff, 30 percent of the time for classroom instruction, 50 percent for classroom preparation, and 20 percent for noninstructional duties. It is not the intent of the faculty staffing formula that these be rigid standards applicable to each instructional position. Rather, the formula is designed to serve as a guide to the Legislature in providing a sufficient amount of money, in terms of total enrollment, for actual classroom instruction and related activities. In our opinion these two positions, if deemed desirable by the colleges, can fall within the formula. Although we do not recommend disapproval of these two positions nor the other proposed new administrative positions in this Budget, in our opinion, approval of these positions should not

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commit the Legislature to the adoption of a far-reaching administrative reorganization plan in the absence of an over-all administrative staffing formula placed in proper relationship to the "faculty" staffing formula. We urge that before any more positions are requested in conjunction with the new administrative reorganization, that this proper relationship be clearly defined.

Installation of Punched Card Systems

The Budget proposes that punched card equipment be installed in the registrars' offices of nine of the state colleges to facilitate the processing of student records and the reporting of enrollment data. The total cost for this change from manual to machine methods is budgeted at \$57,000 with a net cost estimated at \$34,000. The systems will be installed at all the colleges except Sacramento which already has an installation.

During the past year a pilot program employing a punched card system for registration, enrollment data accumulation, and statistical reporting was conducted at Sacramento State College. This pilot program demonstrated that a punch card system can do a more economical job and at the same time provide an increased amount of new pertinent information in less time. The pilot program showed a substantial saving in clerical time; the procedures performed on punched card equipment used a minimum of 37 percent less clerical time than was required to do the same procedures manually at two other state colleges.

There will be no savings in the first year of operation of the new systems. An estimate of the savings on a continuing basis has not been made either. However, the budget document reports that seven clerical positions were eliminated from budget requests for 1957-58 and that it is expected that 20 additional clerical positions will not be needed in the next two years as a result of the machine systems.

There is one difficulty in the Budget execution and control of a new program such as this. That pitfall is the possibility of losing all the savings through the unauthorized extension of the uses approved for this program. The Budget Division of the Department of Finance is aware of this problem, at the same time as the colleges are aware of the great potentiality of a punched card installation in performing other services. While the machines should be used to capacity at all times, the original savings upon which the system was justified should be accomplished, and any new programs planned should be approved through the regular budgetary process.

**Department of Education
CHICO STATE COLLEGE**

ITEM 77 of the Budget Bill

Budget page 285

Budget line No. 8

FOR SUPPORT OF CHICO STATE COLLEGE FROM THE GENERAL FUND

Amount requested	\$2,056,965
Estimated to be expended in 1956-57 Fiscal Year	1,739,373
Increase (18.2 percent)	\$317,592

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$286,992	\$271,824	\$15,168	290 54
Operating expense	35,982	33,710	2,272	290 55
Equipment	2,042	2,042	—	290 56
Less increased reimbursements	—7,424	—7,424	—	290 65
Total increase	\$317,592	\$300,152	\$17,440	290 67

RECOMMENDATIONS

Amount budgeted	\$2,056,965
Legislative Auditor's recommendation	2,042,871
Reduction	\$14,094

Summary of Recommended Reductions

	<i>Budget</i>		
	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Instruction			
Salaries and wages			
Proposed new positions—2.8 teachers	\$14,094	288	29

**Department of Education
CHICO STATE COLLEGE**

ITEM 78 of the Budget Bill

Budget page 285

Budget line No. 28

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

Amount requested	\$55,105
Estimated to be expended in 1956-57 Fiscal Year	—
Increase (100 percent)	\$55,105

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$41,893	\$18,590	\$23,303	291 22
Operating expense	6,586	6,586	—	291 39
Equipment	6,626	6,626	—	291 46
Total increase	\$55,105	\$31,802	\$23,303	291 48

RECOMMENDATIONS

Amount budgeted	\$55,105
Legislative Auditor's recommendation	55,105
Reduction	None

Education**Items 79-80****Department of Education
FRESNO STATE COLLEGE****ITEM 79 of the Budget Bill**Budget page 292
Budget line No. 7**FOR SUPPORT OF FRESNO STATE COLLEGE FROM THE GENERAL FUND**

Amount requested	\$3,393,895
Estimated to be expended in 1956-57 Fiscal Year	2,946,025
Increase (15.2 percent)	\$447,870

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$409,916	\$386,984	\$22,932	300 11
Operating expense	58,261	52,509	5,752	300 12
Equipment	22,739	22,739	--	300 13
Less increased reimbursements	—43,046	—43,046	--	300 22
Total increase	\$447,870	\$419,186	\$28,684	300 24

RECOMMENDATIONS

Amount budgeted	\$3,393,895
Legislative Auditor's recommendation	3,380,815
Reduction	\$13,080

Summary of Recommended Reductions

Instruction	Amount	Page	Budget Line
Salaries and wages			
Proposed new positions—3 teachers	\$13,080	296	29

**Department of Education
FRESNO STATE COLLEGE****ITEM 80 of the Budget Bill**Budget page 292
Budget line No. 21**FOR ADDITIONAL SUPPORT OF FRESNO STATE COLLEGE FROM THE STATE COLLEGE FUND**

Amount requested	\$480,655
Estimated to be expended in 1956-57 Fiscal Year	447,663
Increase (7.4 percent)	\$32,992

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$30,816	\$30,816	--	302 58
Operating expense	3,634	3,634	--	302 59
Equipment	—1,453	—1,453	--	302 60
Total increase	\$32,992	\$32,992	--	302 68

RECOMMENDATIONS

Amount budgeted	\$480,655
Legislative Auditor's recommendation	480,655
Reduction	None

**Department of Education
HUMBOLDT STATE COLLEGE**

ITEM 81 of the Budget Bill

Budget page 303
Budget line No. 8

**FOR SUPPORT OF HUMBOLDT STATE COLLEGE FROM THE
GENERAL FUND**

Amount requested	\$1,610,486
Estimated to be expended in 1956-57 Fiscal Year	1,403,716
Increase (14.7 percent)	\$206,770

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$157,037	\$144,834	\$12,203	308 32
Operating expense	48,264	45,994	2,270	308 33
Equipment	14,386	14,386	---	308 34
Less increased reimbursements	-12,917	-12,917	---	308 43
Total increase	\$206,770	\$192,297	\$14,473	308 45

RECOMMENDATIONS

Amount budgeted	\$1,610,486
Legislative Auditor's recommendation	1,601,326
Reduction	\$9,160

Summary of Recommended Reductions

	Amount	Budget Page	Line
Instruction			
Salaries and wages			
Proposed new positions—2 teachers	\$9,160	305	54

**Department of Education
LONG BEACH STATE COLLEGE**

ITEM 82 of the Budget Bill

Budget page 309
Budget line No. 7

**FOR SUPPORT OF LONG BEACH STATE COLLEGE FROM THE
GENERAL FUND**

Amount requested	\$3,169,886
Estimated to be expended in 1956-57 Fiscal Year	2,482,508
Increase (27.7 percent)	\$687,378

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$691,673	\$662,649	\$29,024	314 21
Operating expense	93,695	85,005	8,690	314 22
Equipment	3,870	3,870	---	314 23
Less increased reimbursements	-101,860	-101,860	---	314 32
Total increase	\$687,378	\$649,664	\$37,714	314 34

Education**Items 83-84****Long Beach State College—Continued****RECOMMENDATIONS**

Amount budgeted	\$3,169,886
Legislative Auditor's recommendation	3,150,534
Reduction	\$19,172

Summary of Recommended Reductions

Instruction	Amount	Budget Page	Line
Salaries and wages			
Proposed new positions			
4 Teachers	19,172	311	82

Department of Education**LOS ANGELES STATE COLLEGE OF APPLIED ARTS AND SCIENCES****ITEM 83 of the Budget Bill**

Budget page 315

Budget line No. 7

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

Amount requested	\$4,149,482
Estimated to be expended in 1956-57 Fiscal Year	3,754,740
Increase (10.5 percent)	\$394,742

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$416,398	\$402,770	\$13,628	321 60
Operating expense	94,039	85,349	8,690	321 61
Equipment	—38,251	—38,251	—	321 62
Less increased reimbursements	—77,444	—77,444	—	321 71
Total increase	\$394,742	\$372,424	\$22,318	321 73

RECOMMENDATIONS

Amount budgeted	\$4,149,482
Legislative Auditor's recommendation	4,141,914
Reduction	\$7,568

Summary of Recommended Reductions

Instruction	Amount	Budget Page	Line
Salaries and wages			
Proposed new positions—faculty reclassifications	\$7,568	318	22

Department of Education**SACRAMENTO STATE COLLEGE****ITEM 84 of the Budget Bill**

Budget page 322

Budget line No. 7

**FOR SUPPORT OF SACRAMENTO STATE COLLEGE FROM THE
GENERAL FUND**

Amount requested	\$2,514,850
Estimated to be expended in 1956-57 Fiscal Year	2,106,070
Increase (19.4 percent)	\$408,780

Item 85

Education

Sacramento State College—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$383,134	\$360,916	\$22,218	327 55
Operating expense-----	54,380	54,380	--	327 56
Equipment-----	3,710	3,710	--	327 57
Less increased reimbursements--	—32,444	—32,444	--	327 66
Total increase-----	\$408,780	\$386,562	\$22,218	327 68

RECOMMENDATIONS

Amount budgeted-----	\$2,514,850
Legislative Auditor's recommendation-----	2,502,484
Reduction-----	\$12,366

Summary of Recommended Reductions

Instruction	Amount	Budget	
		Page	Line
Salaries and wages			
Proposed new positions—2.7 teachers-----	\$12,366	325	20

**Department of Education
SAN DIEGO STATE COLLEGE**

ITEM 85 of the Budget Bill

Budget page 328
Budget line No. 7

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

Amount requested-----	\$4,485,068
Estimated to be expended in 1956-57 Fiscal Year-----	3,752,779
Increase (19.5 percent)-----	\$732,289

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$675,862	\$622,888	\$52,974	334 33
Operating expense-----	84,487	75,797	8,690	334 34
Equipment-----	21,517	21,517	--	334 35
Less increased reimbursements--	—49,577	—49,577	--	334 44
Total increase-----	\$732,289	\$670,625	\$61,664	334 46

RECOMMENDATIONS

Amount budgeted-----	\$4,485,068
Legislative Auditor's recommendation-----	4,456,214
Reduction-----	\$28,854

Summary of Recommended Reductions

Instruction	Amount	Budget	
		Page	Line
Salaries and wages			
Proposed new positions—6.3 teachers-----	\$28,854	331	41

**Department of Education
SAN FRANCISCO STATE COLLEGE**

ITEM 86 of the Budget Bill

Budget page 335
Budget line No. 7

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

Amount requested	\$4,622,708
Estimated to be expended in 1956-57 Fiscal Year	3,953,316
Increase (16.9 percent)	\$669,392

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$523,568	\$487,088	\$36,480	342 9
Operating expense	102,875	94,010	8,865	342 10
Equipment	33,655	33,655	--	342 11
Plus decreased reimbursements	9,294	9,294	--	342 20
Total increase	\$669,392	\$624,047	\$45,345	342 22

RECOMMENDATIONS

Amount budgeted	\$4,622,708
Legislative Auditor's recommendation	4,614,248
Reduction	\$8,460

Summary of Recommended Reductions

Instruction	Amount	Page	Line
Salaries and wages			
Proposed new positions—1.8 teachers	\$8,460	338	54

**Department of Education
SAN JOSE STATE COLLEGE**

ITEM 87 of the Budget Bill

Budget page 343
Budget line No. 7

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

Amount requested	\$6,442,014
Estimated to be expended in 1956-57 Fiscal Year	5,213,967
Increase (23.6 percent)	\$1,228,047

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$1,129,796	\$980,991	\$148,805	349 35
Operating expense	79,544	71,096	8,448	349 36
Equipment	66,191	66,191	--	349 37
Less increased reimbursements	—47,484	—47,484	--	349 46
Total increase	\$1,228,077	\$1,070,794	\$157,253	349 48

Item 88

Education

San Jose State College—Continued

RECOMMENDATIONS

Amount budgeted	\$6,442,014
Legislative Auditor's recommendation	6,390,547
Reduction	\$51,467

Instruction Summary of Recommended Reductions

Salaries and wages	Amount	Budget Page	Line
Proposed new positions			
10.7 Teachers	51,467	346	44

Department of Education

CALIFORNIA STATE POLYTECHNIC COLLEGE

ITEM 88 of the Budget Bill

Budget page 350
Budget line No. 7

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

Amount requested	\$3,803,683
Estimated to be expended in 1956-57 Fiscal Year	3,671,445
Increase (3.6 percent)	\$132,238

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$624,869	\$547,189	\$77,680	360 9
Operating expense	65,811	62,474	3,337	360 10
Equipment	62,564	62,564	--	360 11
Less increased reimbursements	—34,171	—34,171	--	360 25
Less increased General Fund appropriation	—586,835	—586,835	--	360 28
Total increase	\$132,238	\$51,221	\$81,017	360 29

RECOMMENDATIONS

Amount budgeted	\$3,803,683
Legislative Auditor's recommendation	3,726,003
Reduction	\$77,680

Instruction Summary of Recommended Reductions

Salaries and wages	Amount	Budget Page	Line
Proposed new positions			
14.5 Instructors—San Luis Obispo	\$64,600	353	25
3.0 Instructors—Kellogg-Voorhis	13,080	357	19
Total	\$77,680		

Department of Education
CALIFORNIA STATE POLYTECHNIC COLLEGE

ITEM 89 of the Budget Bill

Budget page 350

Budget line No. 19

**FOR ADDITIONAL SUPPORT OF CALIFORNIA STATE POLYTECHNIC
COLLEGE FROM THE GENERAL FUND**

Amount requested	\$847,362
Estimated to be expended in 1956-57 Fiscal Year	260,527
 Increase (225.2 percent)	 \$586,835

RECOMMENDATIONS

Amount budgeted	\$847,362
Legislative Auditor's recommendation	847,362
 Reduction	 None

Department of Education
CALIFORNIA MARITIME ACADEMY

ITEM 90 of the Budget Bill

Budget page 361

Budget line No. 7

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

Amount requested	\$352,183
Estimated to be expended in 1956-57 Fiscal Year	308,390
 Increase (14.2 percent)	 \$43,793

Summary of Increase

	Total increase	INCREASE DUE TO Work load or salary adjustments	New serv. ces	Budget Line page No.
Salaries and wages	\$22,264	\$10,720	\$11,544	365 9
Operating expense	13,706	7,506	6,200	365 10
Equipment	11,589	11,589	---	365 11
Less: increased reimbursements	-3,766	-3,766	---	365 20
 Total increase	 \$43,793	 \$26,049	 \$17,744	 365 22

RECOMMENDATIONS

Amount budgeted	\$352,183
Legislative Auditor's recommendation	352,183
 Reduction	 None

GENERAL SUMMARY

The purpose of the California Maritime Academy is to educate and train qualified young men to become licensed officers in the Merchant Marine. The program is a three-year curriculum and leads to the Bachelor of Science degree in Nautical Science. Included in the course is training at sea each year on the training ship, Golden Bear, which is on loan to the State from the Federal Maritime Administration.

General Fund appropriations for the support of the academy are supplemented by federal subsidies. The annual federal subsidy consists of an amount of \$25,000 for general overhead, \$50,000 for maintenance of the training ship and a per diem payment of 68 $\frac{7}{10}$ cents for subsistence of students qualified for the Naval Reserve.

The academy is located at Morrow Cove, Vallejo.

California Maritime Academy—Continued

Table of Increases 1947-48 to 1956-57

	1947-48	1956-57	Percent increase
Work index:			
Average enrollment	94	166	76.6
Number of employees	58.5	61.3	4.8
Expenditures:			
Cost per student	\$3,321	\$1,990	-40.1
Total	\$312,214	\$355,341	13.8

ANALYSIS

The budget request for the California Maritime Academy proposes a slight increase in level of service. The appropriation request for the 1957-58 Fiscal Year is an increase of \$43,793 or 14.2 percent over the 1956-57 estimated expenditures. It is expected that the average enrollment will increase from 166 to 175 students.

This increase arises principally from the following improvements in program and work load:

	New service	Work load
Instructor positions (2)	\$11,544	
Clerical position (1)		\$3,996
Whaleboat		7,800
Fuel oil	6,200	
Total	\$17,744	\$11,796

The remaining portion of the increase is for normal salary adjustments and miscellaneous items of operating expense and equipment.

Two of the above items of increase are improvements in the level of instruction at the academy. The two instructor positions are requested to teach mathematics and to conduct the physical education program. Both of these subjects are taught now by the existing staff; however, the academy feels that more specific attention to these areas are needed. Physical education instruction is now handled by several instructors in addition to their primary responsibilities in other areas. The position to teach mathematics would relieve the present condition of excessively large classes in mathematics. In addition, an additional course in mathematics would be taught.

The principal justification for adding these two positions is that they are in conformity with the faculty staffing formula applied to the state colleges. In fact, the curriculum and faculty requirements have not been budgeted in the past on the basis of the faculty staffing formula. The addition of these positions to the existing instructional staff results in a low ratio of students to teachers but not a lower ratio than one of the state colleges.

The other item of improvement in service is an increase over the current year of \$6,200 for fuel oil for the annual cruise. It is commendable that the budget increase is accompanied by a planned schedule for a three-year sea training program. Under this program the student would go to a different area of the Pacific Ocean each year and be exposed to different training conditions. This planned itinerary includes the projection of fuel oil needs for a three-year period and the budget proposes an average of 6,780 barrels a year.

California Maritime Academy—Continued

The 1957-58 budget request for fuel oil is \$18,950. The 1956-57 Budget was approved for \$10,000 but because of price increases has been adjusted to \$12,750. The adjustment to \$12,750 permits the academy the same number of barrels of fuel oil as originally approved, 5,000 barrels. The proposed budget increases the amount of fuel oil from 5,000 barrels to an annual average of 6,780 or an increase of 1,780 barrels per year.

The idea of establishing a three-year schedule of sea training with predetermined destinations and mileages is desirable because it gives the Legislature an opportunity to establish a policy on the amount of fuel necessary for an adequate sea training program. One of the objectives of the sea training is to fulfill the U. S. Coast Guard requirement of at least six months sea experience to qualify to sit for a license examination. The proposed three-year training schedule together with other operations in the San Francisco Bay area, fulfill that requirement.

Related to this effort of the academy to see that the student meets the Coast Guard requirements, is a requirement of the academy that the student pass this examination to graduate. This requirement of the academy seems to be an existing practice that grew out of years of general usage and acceptance. The requirement is not a formally adopted policy of the Board of Governors.

The State certainly has no responsibility to the student to fully qualify him to sit for the examination. However, the Legislature is being asked to support this general practice of the academy by providing sufficient fuel oil to provide six months sea experience over a three-year period.

Presumably, to provide six months sea experience in three years, an average of 6,780 barrels a year or 7,723 miles of travel are necessary; therefore, since the proposed schedule for sea training appears reasonable, we recommend it as a policy and a basis for budgeting in the future.

The other main items of increase are proposed on the basis of work load. The clerical position appears necessary to handle various clerical operations which have expanded in volume.

The whaleboat is requested to replace an existing boat. The boat is necessary for lifeboat training for the students.

We recommend that the budget be approved as submitted.

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

ITEM 91 of the Budget Bill

Budget page 366

Budget line No. 7

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

Amount requested	\$494,228
Estimated to be expended in 1956-57 Fiscal Year	502,901
Decrease (1.7 percent)	\$8,673

California School for the Blind—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	—\$17,319	—\$17,319	--	369 45
Operating expense-----	9,999	9,999	--	369 46
Equipment-----	—895	—895	--	369 47
Less increased reimbursements----	—458	—458	--	369 56
Total increase-----	—\$8,673	—\$8,673	--	369 58

RECOMMENDATIONS

Amount budgeted-----	\$494,228
Legislative Auditor's recommendation-----	494,228
Reduction-----	None

GENERAL SUMMARY

The California School for the Blind is a residential school at Berkeley for the general education of the blind, partially blind, and the deaf-blind children throughout the elementary and high school levels. The educational program utilizes specialized equipment such as Braille writers, Braille books, models and various types of apparatus for corrective physical education. Guidance service is available for preschool blind children, parents, and also to graduates and expupils by the school's field service.

Table of Increases 1947-48 to 1956-57

	1947-48	1956-57	Percent increase
Work Index:			
Number of students-----	134	159	18.6
Number of employees-----	60.4	77.5	28.3
Total expenditures-----	\$242,444	\$502,901	107.4

ANALYSIS

The 1957-58 Budget request of the School for the Blind totals \$494,228. This represents a decrease of \$8,673 or 1.7 percent from the estimated expenditures for the current year.

The principal decrease is in salaries and wages which shows a decline of \$17,319 for 1957-58 as compared to the current year. This is brought about by the discontinuance of the following positions:

- 1 Teacher for deaf-blind children
- 2 Food service assistants
- 1 Teacher for preschool children

The elimination of one teacher for deaf-blind children is due to a decline in the number of these pupils in the school. The improved operation of the new school cafeteria, which opened this year, permits cutting off two food service assistants. A decrease in work load allows the elimination of one teacher for preschool children.

There also is a reduction of about \$20,250 in salaries and wages for readers for blind college students and a savings of about \$10,000 over the current fiscal year. This is brought about by the transfer of \$10,125,

Education**Item 92****California School for the Blind—Continued**

half of the funds requested, to the Bureau of Vocational Rehabilitation to be matched with federal funds for those blind college students, numbering about 53, who are now under vocational rehabilitation. A sum of \$14,000 is retained in the school's budget to provide this service for about 27 college students who do not come under vocational rehabilitation jurisdiction.

However, the School for the Blind is seeking two new positions:

1 teacher for the blind	\$3,760 (Budget page 367, line 26)
1 counselor	3,250 (Budget page 367, line 66)

Total	\$7,010
-------	---------

These positions are based on an anticipated increase in enrollment of 25 children in the 1957-58 year. At present there are 165 students at the school, but an increase of about 25 is expected next fall when a large number of youngsters blinded at birth by retrolental fibroplasia become of school age. Records show that the highest incidence of this malady, which mainly affected premature babies, took place in the 1951-52 Fiscal Year. Therefore, these youngsters would be becoming of school age in the 1957-58 Fiscal Year.

These two proposed positions have been placed in the budget on condition that they be established only if the increased enrollment is realized. Based on the existing work load ratios, there is justification for these positions if the enrollment shows the expected increase.

We recommend approval of the budget as submitted.

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

ITEM 92 of the Budget Bill

Budget page 370
Budget line No. 7

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

Amount requested	\$1,218,967
Estimated to be expended in 1956-57 Fiscal Year	1,171,951
Increase (4.0 percent)	\$47,016

Summary of Increase

	Total Increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$32,034	\$32,034	--	374 9
Operating expense	13,602	13,602	--	374 10
Equipment	2,268	2,268	--	374 11
Less : Increased Reimbursements	—888	—888	--	374 21
Total increase	\$47,016	\$47,016	--	374 23

RECOMMENDATIONS

Amount budgeted	\$1,218,967
Legislative Auditor's recommendation	1,218,967
Reduction	None

California School for the Deaf, Berkeley—Continued

GENERAL SUMMARY

The California School for the Deaf, Berkeley, is a residential school admitting mentally normal deaf children from 5½ to 21 years of age. Students are given elementary and high school general education, with special emphasis on development of language concepts. Students are given special speech instruction using oral techniques as well as finger spelling and lip reading. Opportunities are provided for learning a trade in one or more of the following fields: home economics, commercial art, printing, cabinet making, shoe repair, baking and business techniques.

Opportunity is provided for the students to qualify for attendance at Gallaudet College in Washington, D.C., the only college in the United States providing collegiate instruction for deaf persons. Costs of transportation, meals, and books are paid for these college students.

Table of Increases 1947-48 to 1956-57

Work Index:	1947-48	1956-57	Percent increase
Average student enrollment.....	340	442	30.0
Students attending Gallaudet College.....	19	28	47.4
Number of employees.....	119.3	186.6	56.4
Total expenditures.....	\$498,880	\$1,171,951	134.9
Cost per student attending Gallaudet College..	\$331	\$430	29.9

ANALYSIS

The budget request of \$1,218,967 is \$47,016 or 4 percent greater than the estimated expenditures for the current year.

The following new positions are requested:

1 speech correction teacher.....	\$3,760
1 supervising teacher.....	5,560
1 intermediate typist-clerk.....	3,294
1 groundsman.....	3,372
1 janitor.....	3,138

The speech correction teacher is sought to provide remedial instruction for students in the intermediate and advanced classes. This teacher would do full-time speech correction work, augmenting the present staff of three teachers who engage in a limited amount of speech correction instruction.

The supervising teacher is proposed as an organizational change to provide emphasis on the educational aspect of the after-school-hours activity of the children. This supervising teacher will assume the duties previously carried out by two deans of students, whose positions will be abolished this year with the retirement of the persons holding those jobs. The reorganization also proposes to reclassify six counselors to head counselors who will function directly under the supervising teacher in charge of the after-school-hours program.

One intermediate typist-clerk is requested in the administrative offices to provide better inventory record-keeping; and the groundsman and janitor positions are sought to absorb increased work load upon completion of the school's new athletic field, track, and gymnasium. We have

California School for the Deaf, Berkeley—Continued

examined the requests for these positions, and the justification appears to be valid.

The school's program as budgeted for 1957-58 reflects a continuation of the established level of service, with an increase in 10 resident students raising the total school enrollment from 442 to 452.

Expenditures for the students attending Gallaudet College in Washington, D.C., propose an increase from \$12,040 in the current year to \$16,302 for 1957-58. This is due to an increase in students from 28 to 38.

We recommend approval of the budget as submitted.

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

ITEM 93 of the Budget Bill

Budget page 375

Budget line No. 7

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

Amount requested	\$1,199,159
Estimated to be expended in 1956-57 Fiscal Year	1,009,128
Increase (18.8 percent)	\$190,031

Summary of Increase

	Total Increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$148,289	\$145,557	\$2,732	379 9
Operating expense	38,747	38,747	—	379 10
Equipment	6,225	6,225	—	379 11
Less increased reimbursements	—3,230	—3,230	—	379 20
Total increase	\$190,031	\$187,299	\$2,732	379 22

RECOMMENDATIONS

Amount budgeted	\$1,199,159
Legislative Auditor's recommendation	1,199,159
Reduction	None

GENERAL SUMMARY

The School for the Deaf at Riverside is a residential school admitting mentally normal deaf children from 5½ to 21 years of age. Students are given elementary and high school general education, training in speech development and lip reading, and an opportunity to learn the fundamentals of a trade in one or more of the following fields: home economics, commercial art, printing, cabinet making, body and fender repair, spotting and pressing, business education, baking, electric motor re-winding, and electric appliance repair.

The school opened in February, 1953, with 56 students and increased to 225 in 1953-54, its first full year of operation. During the current year the average enrollment was 335 students, and it is expected to climb to 420 in 1957-58 with completion of new classroom buildings and dormitories next year. The school contemplates an ultimate maximum enrollment of 500.

California School for the Deaf, Riverside

Table of Increases 1953-54 to 1956-57

Work Index:	1953-54	1956-57	Percent increase
Number of students -----	225	335	48.9
Number of employees -----	122.3	169.1	38.3
Total expenditures -----	\$520,634	\$1,009,128	93.8

ANALYSIS

The 1957-58 budget request of \$1,199,159 represents an increase of \$190,031 or 18.8 percent above the estimated expenditures during the current year.

Most of this increase is based on a projected gain in average student enrollment from 335 in 1956-57 to 420 in 1957-58. Facilities to provide for this increase are near completion. A new intermediate and advanced classroom building, an intermediate girls' dormitory, and an advanced boys' dormitory are scheduled for occupancy in September, 1957. A new primary classroom and dormitory building is to be ready in February, 1958.

Staff increases to serve this enrollment gain are proposed as follows:

8 teachers (effective September 1, 1957) -----	\$41,856
4 teachers (effective January 1, 1958) -----	10,464
7 counselors (effective September 1, 1957) -----	22,750
4 counselors (effective January 1, 1958) -----	7,800
2 food service assistants (effective September 1, 1957) -----	4,620
1 junior-typist clerk (effective January 1, 1958) -----	1,458
2 janitors -----	5,204
2 groundsmen -----	6,744
1 watchman -----	2,732

Total 31 new positions ----- \$103,628

Eight new teacher positions are proposed effective September 1, 1957, when new facilities will be ready for occupancy to allow an average enrollment gain of 69 students from 335 to 404. Six of these teachers will conduct regular classes. The other two positions will be for special teaching as follows: one-half time physical education, one-half time speech correction, one-half time business machines and typing, and one-half time driver training. The six standard teaching positions are justified on a basis of continuing the existing ratio of 1 to 8 for lower school, and 1 to 10 for intermediate and upper school. The two special teachers would provide additional coverage in the fields mentioned above. If the two special teacher positions are allowed, this would bring Riverside up to the same level as Berkeley School for the Deaf, each with 16 special teachers for a comparable student enrollment.

Seven new counselors are requested, effective September 1, 1957, to take charge of the increased after-school-hours program linked to the enrollment rise. New dormitory facilities will be completed for upper boys with a capacity of 32, and for middle girls, with a capacity of 25, for a total of 57 students. Under the existing ratio of 3.5 counselors assigned to 24-hour care for each dormitory averaging 30 students, these seven counselors are justified.

School for Cerebral Palsied Children—Northern California—Continued

Services will continue at the existing level. The major cause for the decrease is the transfer of \$13,476 in operating expense of the diagnostic clinic costs from the budget of the school to the general activities budget of the Department of Education for central administration by the Division of Special Schools and Services.

This diagnostic service is solely for cerebral palsied children in Northern California who are not enrolled in the resident school, and it is performed under contract with the University of California Medical Center. Diagnostic and treatment services previously conducted by the UC Medical Center for youngsters residing at the school have been transferred during the current year to the residence school. Completing the transfer was the salary of an intermediate typist-clerk (\$3,216), which shows in the 1957-58 budget as a new position. Actually it is only a change in category from operating expenses under the contract and not a new position.

With these diagnostic services at the UC Medical Center now exclusively for children outside the school, there may be some merit in moving this function to the Crippled Children's Service in the Department of Public Health, thus eliminating duplication of central administrative costs and consolidating services for children under one agency. We urge that full consideration be given to studying the advantages of such a move.

Records of the school show that during the past several years the average stay has been cut down from more than 12 months to the present nine-month average. This has been done even with a corresponding increase in acceptance of more severely handicapped children. Of the 75 youngsters served during 1955-56, some 30 were in the categories of severe or moderately severe.

The school's ability to serve an increasing number of the more severe cases and still reduce the length of stay at the school is due to increase community activities in bringing about a better developed program on the local level. Records show that in the Northern California area the number of public school classes for cerebral palsied children increased from 49 in 1951-52 to 73 in 1955-56 with an enrollment gain from 440 to 590 for the same period.

Generally, the staff at the school can appraise its results through liaison with the local areas. However, a full evaluation of the training program and the effectiveness of the phase performed by the residential school would require a more formal, complete study. As the school has been operating for 10 years, it is likely such a follow-up examination of what becomes of these youngsters and how they are progressing might be valuable. Also, there is reason to believe that the role of the State has changed since the beginning of the cerebral palsied schools; such an evaluation would point out more clearly the changing role of the State and the scope of its responsibilities.

We recommend approval of the budget as submitted.

Department of Education

SCHOOL FOR CEREBRAL PALSID CHILDREN, SOUTHERN CALIFORNIA

ITEM 95 of the Budget Bill

Budget page 384

Budget line No. 7

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

Amount requested	\$320,532
Estimated to be expended in 1956-57 Fiscal Year	363,454
Decrease (11.8 percent)	\$42,922

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$12,663	\$12,663	--	387 8
Operating expense	58,897	58,897	--	387 9
Equipment	3,302	3,302	--	387 10
Add decreased reimbursements	10	10	--	387 15
Total increase	\$42,922	\$42,922	--	387 17

RECOMMENDATIONS

Amount budgeted	\$320,532
Legislative Auditor's recommendation	320,532
Reduction	None

GENERAL SUMMARY

The School for Cerebral Palsied Children of Southern California, housed in rented quarters at Altadena, is a school for the education and intensive treatment of children afflicted with cerebral palsy. The residential school has a 30-bed capacity and enrolls children from the 13 counties of Southern California.

Students are in residence on the average from 3 to 18 months depending upon the severity of their handicap and their degree of difficulty in establishing an educational, medical, and therapy program. Experience indicates that the majority of the students remain with the school in excess of 12 months. Upon establishment of an individual program the child is returned to his local community for continued medical supervision, treatment, and special education.

Table of Increases 1948-49 to 1956-57

Work Index:	1948-49	1956-57	Percent increase
Average enrollment	14	28	100
Number of employees	29.9	53.9	82.5
Total expenditures	\$176,783	\$383,135	117

ANALYSIS

The budget request of \$320,532 is \$42,922 or 11.8 percent less than the \$363,454 in estimated expenditures for the current year.

The decrease is due largely to the transfer of about \$60,000 in diagnostic and treatment center costs for nonresident children to the general

School for Cerebral Palsied Children—Southern California—Continued

activities budget of the Division of Special Schools, Department of Education. This item still will be used to finance and operate, by contract, three state outpatient clinics at the Children's Hospital, Los Angeles; the Orthopedic Hospital, Los Angeles; and the White Memorial Hospital, Los Angeles. Formerly expenditure provisions for these clinics were contained in the school's budget. All children enrolled in the school are referred through the state cerebral palsy clinic at either of the three hospitals, but they receive consulting examinations and hospitalization at White Memorial. With regard to the White Memorial resident service, the school's 1957-58 budget proposes to retain \$4,126, the same amount as budgeted for the current year.

Again, as commented in the analysis of the Northern California School, we urge looking into the possible advantages in transferring the nonresident diagnostic program from the Department of Education to the Crippled Children's Service within the Department of Public Health.

During 1955-56, there were 51 children served at the school. This is about constant with previous years. In public school classes for cerebral palsied children in Southern California, enrollment has gained from 693 in 1951-52 to 967 in 1955-56. We also call attention here, as in the analysis of the Northern School, to the possible value of some type of study or follow-up evaluation of the residential program in terms of progress of the youngsters who are returned to the community.

As the budget proposes continuation of generally the same level of services as the current year, we recommend approval as submitted.

**Department of Education
OAKLAND ORIENTATION CENTER**

ITEM 96 of the Budget Bill

Budget page 388

Budget line No. 7

**FOR SUPPORT OF OAKLAND ORIENTATION CENTER FROM THE
GENERAL FUND**

Amount requested	\$303,739
Estimated to be expended in 1956-57 Fiscal Year	309,088
Decrease (1.7 percent)	\$5,349

Summary of Increase

	INCREASE DUE TO			Budget Line page No.
	Total increase	Work load or salary adjustments	New services	
Salaries and wages	\$4,260	\$4,260	---	391 8
Operating expense	—4,224	—4,224	---	391 9
Equipment	—4,305	—4,305	---	391 10
Less increased reimbursements	—1,080	—1,080	---	391 18
Total increase	—\$5,349	—\$5,349	---	391 20

RECOMMENDATIONS

Amount budgeted	\$303,739
Legislative Auditor's recommendation	303,739
Reduction	None

Oakland Orientation Center—Continued
GENERAL SUMMARY

The Oakland Orientation Center was established September 22, 1951, by Chapter 1144, Statutes of 1951. The agency also provides a residence to the blind persons who were residing there when Chapter 1144 went into effect. As no more residents were to be accepted after the passage of this statute, this part of the program will ultimately disappear.

The center admits blind persons as trainees in an intensive program designed to assist these blind persons in becoming more self-sufficient, and in cases where feasible, partially prepares them for useful and remunerative work.

Table of Increases 1952-53 to 1956-57

	1952-53	1956-57	Percent increase
Work Index:			
Average number of residents.....	76	63	-17.1
Average number of students	9	37	311.1
Number of employees	50.2	53.3	6.1
Total expenditures	\$209,948	\$309,088	47.2

ANALYSIS

The budget request of \$303,739 for the Oakland Orientation Center is \$5,349 or 1.7 percent less than the estimated expenditure of \$309,088 for the current year.

This budget is divided between the two functions of the center:

Residence care program	\$164,251
Orientation program	158,729

The budget proposal for 1957-58 reflects an expected decrease in the resident population of eight persons from 63 to 55. This is accompanied with a corresponding decrease in the total cost of the resident program from \$179,627 during the current year to \$164,251, but an increase in the per capita cost from \$2,851 to \$2,986. In years to come this per capita cost will gradually climb as the number of residents decrease.

Meanwhile, the costs of the orientation program show an increase from \$148,359 in the current year to \$158,729 for 1957-58. With no change in the number of students (37) the per capita costs for this program are expected to rise from \$4,010 to \$4,290.

Some criticism has been voiced with regard to the physical facilities of the orientation center, the maintenance problems, and incompatibility of the orientation and residence programs being under the same roof. In view of this, as well as the rising per capita costs, we again recommend that the Department of Education and Department of Finance give serious thought to possible alternatives for the care of persons in the residential program at the center. Gradually, as the number of residents decline the per capita costs will rise to or may have already exceeded an amount which might provide comparable alternative care. In studying this matter, it also would be feasible to give a close examination to the orientation program and how suited the present facilities are in effecting the best results. Consideration also

Oakland Orientation Center—Continued

should be given to the fact that the Oakland Industries for the Blind shop is located to the rear of the center, and that certain services such as heat and power are provided for the shops by the center.

As the budget for the orientation center proposes continuing the program at generally the same level of service, we recommend approval as submitted.

CALIFORNIA INDUSTRIES FOR THE BLIND**GENERAL ANALYSIS**

The California Industries for the Blind consists of three shops located in Oakland, Los Angeles, and San Diego. They provide sheltered employment to blind, visually handicapped and some physically handicapped men and women who are unable to get employment in private industry but need to contribute to their own self-support.

The centers manufacture domestic and industrial type of corn brooms, street brooms, pillow cases, mailing bags, sanitary brushes, and wet and dry mops. Sewing manufacturing activities, including supervision, are financed from working capital supplied by the California Industries for the Blind Manufacturing Fund.

Continued Delay on Study of Shops

In 1954, a Citizens Advisory Committee, consisting of prominent businessmen appointed by the Joint Legislative Budget Committee, compiled a report on its study of the three shops of the California Industries for the Blind and submitted it to the 1955 Legislature. The report contained some broad, major policy recommendations which sought to dissolve the Industries as production shops and convert them into an orientation and training program which would have the goal of placing blind persons in industry.

After receiving this report, the Assembly Ways and Means Committee and the Senate Finance Committee directed the Department of Finance, the Department of Education, and the Department of Social Welfare to conduct a long-range study of the problem and determine if a feasible plan could be developed which would implement the findings of the advisory committee. It also was the intent of the legislative committees that this study not be limited to the shops of the Industries, but also to cover other rehabilitative services and benefits available to the State's blind population.

When the study was not available for the 1956 Legislative Session, both the Assembly Ways and Means, and Senate Finance Committees reaffirmed their desire that the project be undertaken. However, it is unlikely anything will be forthcoming during the 1957 Session, for it is our understanding that the study which was requested two years ago has still not been started. It would appear that there is no intention on the part of the agencies to comply with this legislative request.

Meanwhile, there has been very little change in the unsatisfactory conditions at the industries shops as found in 1954 when surveyed by the Citizens Advisory Committee.

Blind Industries Summary—Continued

This office is still very concerned with the future of the Industries for the Blind. The present program is stagnant and nonconstructive with no prospect of change. The industries are clearly not performing a rehabilitative function. No real effort is made to assist the blind workers by providing a constructive environment or to help them function at their most effective level of achievement. On the other hand, these so-called production shops, which are not self-supporting, are maintained for a group of workers the majority of whom are not capable of rehabilitation. This is not sound policy because it ignores other state programs and services available to the blind and because it does not meet the real problem of rehabilitating blind persons for effective economic activity and livelihood. It also has become increasingly apparent to us that there is no truly integrated program for the blind nor any significant attempt by the responsible agencies to provide leadership in this particular area.

In an effort to gain more information about the industries with an aim to stimulating some action in this field we made inquiries as to the kind of blind people employed at the shops. We attempted to learn something of the personal characteristics and capabilities of the 300 workers in these shops in order to determine their potential for rehabilitation to private industry. Our examination was based on records of the individual workers as well as consultation with experts in the fields of education, social welfare, and vocational rehabilitation. While this represents only a cursory investigation into the problem, the findings appear to set a definite pattern. Here is what was learned:

1. Only 25 percent of these blind shop workers appear to have any real potential for rehabilitation to private industry. The reason for this low proportion is due to low education level, poor health, advanced age, and lack of prior work experience of the employees.

2. There apparently is no motivation or incentive to move to private industry as evidenced by the fact that the workers have remained in the shops on the average of seven years or longer.

3. Less than 6 percent of the employees depart each year for private industry jobs, and many return unable to make the readjustment.

4. About 70 percent of the blind shop workers receive public assistance payments under either the Aid to Needy Blind (ANB) or Aid to the Partially Self-Supporting Blind (APSB) programs. Eligibility to participate in these aid programs hinges upon the worker not earning enough to constitute self-support.

5. Welfare agencies in the areas where the three shops are located gradually are disallowing APSB benefits for these workers on the basis that the shops are not, in their opinion, satisfying the criteria which the Department of Social Welfare sets for participating in the APSB program.

6. Admittedly the shops emphasize the production aspect of the program with little or no attention given to training or orientation of the workers for a move to outside industry.

These findings support a tentative conclusion that, generally, the present workers of the Industries for the Blind do not possess the basic

Blind Industries Summary—Continued

qualifications and personal characteristics necessary to bring about their integration to industry and eventual self-support. It also can be stated that even if these workers possessed the required potential for advancement to industry jobs, the present physical facilities at the blind shops, their operation, and supervision would not be adequate to conduct such a training program.

Courses of Action

Several alternative courses of action are available to the Legislature. They include:

1. Dissolve the production shop system and refer the workers, according to their abilities and incentives, to: (a) the State's Vocational Rehabilitation program for training toward full support in private industry; (b) opportunity work centers where income could be augmented in handicraft fields; or (c) 100 percent public assistance programs.

2. Retain the production shop system but alter the current operation to develop an orientation and training program the goal of which would be to place blind persons in private industry.

3. Again urge the agencies of Finance, Education, and Social Welfare to begin the thorough review of the entire blind problem in the State in order to provide a basis for future, permanent programs.

It is our feeling that there should be no further delay in determining a course of action. Each year combined cost of operation of the three shops approximates \$250,000 in what apparently is nothing more than a straight subsidy program. Perhaps this money could more efficiently be used for aid to the blind through the alternate proposals mentioned above. This could be done without decreasing the blind worker's income, but still channeling his efforts into the proper category commensurate with his abilities.

Manufacturing Fund

Allocation of costs of the production shops is made either to the General Fund or the Manufacturing Fund.

The original plan, which went into effect July 1, 1949, allocated administrative general office and related costs and salaries of shop superintendents to the General Fund, and allocated those costs directly related to production to the Manufacturing Fund. Two years later the salaries of shop superintendents were transferred to the Manufacturing Fund.

It has been suggested, and we concur, that a reappraisal of the distribution of these costs be made, as it is felt that the General Fund is carrying costs which would more logically be allocated to the Manufacturing Fund.

Department of Education

LOS ANGELES CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 97 of the Budget Bill

Budget page 392

Budget line No. 7

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

Amount requested	\$147,492
Estimated to be expended in 1956-57 Fiscal Year	124,580
Increase (18.4 percent)	\$22,912

Summary of Increase

	Total Increase	INCREASE DUE TO		Budget Line page	No.
		Work load or salary adjustments	New services		
Salaries and wages	\$1,550	\$1,550	--	393	54
Operating expense	20,177	20,177	--	393	55
Equipment	1,185	1,185	--	393	56
Total increase	\$22,912	\$22,912	--	393	58

RECOMMENDATIONS

Amount budgeted	\$147,492
Legislative Auditor's recommendation	147,492
Reduction	None

Table of Increases, 1947-48 to 1956-57

Work Index:	1947-48	1956-57	Percent increase
Average number of blind workers	118	140	19
Number of employees	14	22.6	69
Total expenditures (General Fund)	\$53,040	\$124,580	134

ANALYSIS

The 1957-58 budget request of \$147,492 represents an increase of \$22,912 or 18.4 percent over the current year. The bulk of the increase is due to \$24,200 being provided for special repairs and maintenance of the shop building to correct deficiencies to the roof and water tank.

The budget proposes continuing the operation at the same general level of service, and while we cannot recommend the present program, as indicated in our general analysis, we recommend approval as submitted if the program is to continue as it is currently organized and operated.

Department of Education

OAKLAND CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND

ITEM 98 of the Budget Bill

Budget page 394

Budget line No. 7

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

Amount requested	\$101,826
Estimated to be expended in 1956-57 Fiscal Year	93,929
Increase 8.4 percent	\$7,897

Education**Items 98-99****Oakland Center, California Industries for the Blind—Continued
Summary of Increase**

	Total Increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages -----	\$1,705	\$1,705	--	396 36
Operating expense -----	6,294	6,294	--	396 37
Equipment -----	—102	—102	--	396 38
Total increase -----	\$7,897	\$7,897	--	396 40

RECOMMENDATIONS

Amount budgeted -----	\$101,826
Legislative Auditor's recommendation -----	101,826

Reduction -----	None
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Table of Increase 1952-53 to 1956-57

	1952-53	1956-57	Percent increase
Work index:			
Average number of blind workers -----	154	180	17
Number of employees -----	10.8	12.7	17
Total expenditures (General Fund) -----	\$62,693	\$93,929	49

ANALYSIS

The 1957-58 Budget request of \$101,826 is \$7,897 or 8.4 percent above the estimated expenditures for the current year. Special maintenance projects and normal adjustments in other areas of operation account for the increase.

The budget proposes maintaining the same level of service as the current year, therefore, subject to our general comments above, we recommend approval as submitted.

Department of Education**SAN DIEGO CENTER, CALIFORNIA INDUSTRIES FOR THE BLIND****ITEM 99 of the Budget Bill**Budget page 397
Budget line No. 7**FOR SUPPORT OF SAN DIEGO CENTER, CALIFORNIA INDUSTRIES
FOR THE BLIND, FROM THE GENERAL FUND**

Amount requested -----	\$51,056
Estimated to be expended in 1956-57 Fiscal Year -----	50,529
Increase (1.0 percent) -----	\$527

Summary of Increase

	Total Increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages -----	\$263	\$263	--	398 44
Operating expense -----	329	329	--	398 45
Equipment -----	—65	—65	--	398 46
Total increase -----	\$527	\$527	--	398 48

San Diego Center, California Industries for the Blind—Continued

RECOMMENDATIONS

Amount budgeted	\$51,056
Legislative Auditor's recommendation	51,056
Reduction	None

Table of Increases 1947-48 to 1956-57

Work Index:	1947-48	1956-57	Percent increase
Average number of blind workers	51	40	-21
Number of employees	6	8	33
Total expenditures (General Fund)	\$27,900	\$50,529	81

ANALYSIS

The 1957-58 Budget request of \$51,056 represents an increase of \$527 or 1 percent over the estimated expenditures for the current year.

The activity of this shop proposes the same level of service, and, subject to the comments in our general analysis, we recommend approval as submitted.

STATE TEACHERS' RETIREMENT SYSTEM

ITEM 100 of the Budget Bill

Budget page 400
Budget line No. 7

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

Amount requested	\$232,960
Estimated to be expended in 1956-57 Fiscal Year	214,641
Increase (8.5 percent)	\$18,319

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$11,687	\$11,687	---	401 10
Operating expense	3,375	3,375	---	401 27
Equipment	3,257	3,257	---	401 33
Total increase	\$18,319	\$18,319	---	401 35

RECOMMENDATIONS

Amount budgeted	\$232,960
Legislative Auditor's recommendation	232,960
Reduction	None

GENERAL SUMMARY

The State Teachers' Retirement System administers two major retirement funds. The Permanent Fund was established in 1913 on a non-actuarial basis. The original act has been subject to numerous amendments to keep the fund solvent. The Retirement Annuity Fund was created in the Fourth Extraordinary Session of 1944. This fund now provides the larger share of retirement coverage. A third fund enables

State Teachers' Retirement System—Continued

teachers to purchase additional annuities, while a fourth, the Teachers' Retirement Disbursement Fund, has been established for simplicity in disbursing retirement benefits.

Members of the System consist of employees of the public school system of the State, of the State Department of Education and of various state institutions' instructional staffs, who hold valid teaching credentials.

The State Teachers' Retirement Board establishes policies for and has general oversight of the system. This staff computes, collects, records and refunds contributions, and computes and pays retirement benefits. Administrative costs are a charge on the State General Fund.

Table of Increases 1947-48 to 1956-57

	1947-48	1956-57	Percent increase
Work index:			
Active members -----	68,384	191,695	180.3
Retired members -----	8,483	19,250	126.9
Number of employees -----	30.5	35.5	16.4
Total expenditures (for administration) ---	\$113,224	\$214,641	89.6

The best single criterion of work load increase is the 180 percent increase shown in active members' accounts (inactive accounts are not shown), as these require monthly postings. That this has been achieved with but a 16 percent increase in number of employees is a credit to the efficiency of its administration. The larger portion of the increase in expenditure is accounted for by the general rise in salaries and wages.

ANALYSIS

On July 1, 1956, a new retirement formula became effective, under Chapter 1395, Statutes of 1955. This applied both to teachers already retired, and to currently active members. During 1955-56, \$8,898 was spent from the Emergency Fund to pay the cost of recalculating the allowances for some 16,000 retired members. The budget for 1956-57 included \$4,404 for an additional accountant-auditor to absorb continuing work load.

Retirements, 1953-56

For earlier years, terminal date is November 30th of year shown.

The 1956 figure is for 10 months, including the June-July peak.

1953 -----	1,322	1955 -----	1,272
1954 -----	1,229	1956 -----	2,400 (approx.)

However, by July 1, 1956, it was found that the number applying for retirement had jumped from about 1,250 a year to 2,400 because of the additional benefits. As a result of this a supplementary allocation of \$13,186 was made from the Emergency Fund for the additional calculations.

The budget for 1957-58 carries over one intermediate typist-clerk position previously authorized for a single year. It adds three intermediate clerks, one senior clerk, and one junior clerk-typist, a total of six positions, at an estimated cost of \$20,238.

State Teachers' Retirement System—Continued

Justification of the three intermediate clerk positions is based primarily on a 65 percent assignment of duties to compute and verify individual service credits from county annual reports, as revised under the 1955 statute. The new basis of calculating service credits produces some rather tedious calculations on accounts of persons who teach for some fraction of the standard school year. Although somewhat more expensive to administer, the new rule is more equitable, and is a protection to public funds.

It may be of interest to note that the projected growth in number of active accounts between 1956-57 and 1957-58 is 7.2 percent, while the over-all budget increase asked (allocation from Emergency Fund included in the figure for 1956-57) is 8.5 percent.

We recommend approval of this budget, with the note that the additional positions granted should be reviewed before continuing them for a second year.

STATE SCHOLARSHIP COMMISSION

ITEM 101 of the Budget Bill

Budget page 399

Budget line No. 7

FOR SUPPORT OF STATE SCHOLARSHIP COMMISSION FROM THE GENERAL FUND

Amount requested	\$614,539
Estimated to be expended in 1956-57 Fiscal Year	305,609
Increase (101.1 percent)	\$308,930

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$5,305	\$5,305	---	399 52
Operating expense	345,365	345,365	---	399 70
Equipment	103	103	---	399 73
Less: Surplus carryover from prior year balances, Chapter 1846, Statutes 1955	—41,843	—41,843	---	399 10
Total increase	\$308,930	\$308,930	---	---

RECOMMENDATIONS

Amount budgeted	\$614,539
Legislative Auditor's recommendation	614,539
Reduction	None

GENERAL SUMMARY

The nine-member California Scholarship Commission was established by the 1955 Legislature (Chapter 1846, Statutes 1955) for the purpose of awarding college undergraduate scholarships under a state-wide competitive scholarship program. This legislation added Sections 21700-21716 to the Education Code and provides that:

1. Students must compete for the state scholarships, displaying both academic ability and financial need. They must be residents of Cali-

State Scholarship Commission—Continued

ifornia, under 24 years of age, have graduated from high school, be good citizens, of high moral character, and be dedicated to American ideals.

2. Scholarships will cover only tuition and fees—no living expenses—and up to but not exceeding \$600 per year.

3. Scholarships are awarded on a basis of:

- a. Senatorial districts (eight each when the program reaches maturity in 1959-60)
- b. Assembly districts (eight each upon maturity)
- c. The State at large (1,600 upon maturity)

(NOTE: 240 scholarships from 40 Senate and 80 Assembly districts—two per district—and 400 from the State at large were available for award for the 1956-57 school year. These are to 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 awards will be made each year with approximately one-fourth being new awards and three-fourths continuation of previous awards.)

4. Scholarships may be continued through four years, if students meet established standards.

5. Scholarships may be used at any institution of college level which is located in California and is accredited by the Western College Association.

FIRST YEAR PROGRAM

The first state scholarship competition began in January, 1956. There were 2,443 original applicants, 1,171 boys and 1,272 girls, who took the Scholastic Aptitude Test. Of this group 88 percent were high school seniors, and the rest were students already in college.

The maximum attainable score on the aptitude test was 1,600, and scores for this first applicant group ranged from 1,550 to 570. The median score of 1,075 was selected as the cutoff score, and all applicants above this level were designated semifinalists. These numbered 1,074, 640 boys and 434 girls.

Having shown their academic ability, the semifinalists were screened for determination of financial need. Each case was examined individually, comparing the cost of attending the school of the applicant's choice with the estimate of the family's financial contribution. These computations were made by the College Scholarship Service, a private nonprofit organization, and was a service contracted for by the Scholarship Commission. Confidential family financial statements were the basis for this examination. The final determination of need then was made by the Scholarship Commission based on the findings of the College Scholarship Service.

In the case of this year's applicants, the following determinations were made:

	<i>Need</i>	<i>No need</i>
Boys -----	415	225
Girls -----	289	145
Total -----	704 (65%)	370 (35%)

State Scholarship Commission—Continued

The distribution of the semifinalist by first choice of college or university was as follows:

Type of college	Needy			Not needy			Total		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
Independent	301	180	481	114	79	193	415	259	674
University of California	101	80	181	99	51	150	200	131	331
State colleges	13	28	41	10	14	24	23	42	65
Junior colleges	0	1	1	2	1	3	3	2	4
Totals	415	289	704	225	145	370	640	434	1,074

From the 704 semifinalists who had demonstrated financial need, the commission nominated 619 award winners. Reduction of the total number of awards from a maximum of 640 allowable (two from each of the 120 legislative districts and 400 at large) to 619 was due to lack of qualified applicants in certain legislative districts. The remaining 85 qualified semifinalists were officially designated as alternate award winners.

However, during the summer of 1956 several changes occurred within the award winner group. Almost one-fourth of the entire group changed first choice of colleges. Several students decided to attend out-of-state schools and a few accepted N. R. O. T. C. awards, appointments to the service academies, or full-expense scholarships. Many of these changes had direct bearing on the students' financial need status. Therefore, by the end of summer, every remaining qualified semifinalist in the group of 704 students had been nominated for an award.

A total of 602 award winners entered college in September, 1956. This included 358 boys and 244 girls. The majority (85 percent) started as freshmen, with 6 percent as sophomores, 7 percent juniors, and 2 percent seniors.

This distribution by institution was as follows:

	Number of award winners	Number of schools
Independent colleges	379	29
University of California (five campuses)	169	5
State colleges	51	8
Six-month military deferment	1	—
Junior colleges	2	2
Total	602	44

Stanford University was the selection of 110 award winners to lead the independent colleges. Others included University of Southern California, 46; Pomona, 30; Cal Tech, 29; Occidental, 25; Loyola, 19; and Santa Clara, 16.

The Berkeley campus of the University of California attracted 102 award recipients, followed by U. C. L. A. with 33; Santa Barbara, 14; Davis, 11; and Riverside, 9.

All State Colleges were represented except Long Beach and Los Angeles, with San Jose attracting the most, 17. The two junior colleges were Santa Rosa and Shasta.

State Scholarship Commission—Continued

The present major fields of concentration designated by the award winners were:

	<i>Percent</i>
Engineering -----	28
Education -----	18
Science -----	17
Pre-professional -----	16
Miscellaneous -----	21
	100

The high school records of the award group point to the high calibre student attracted to this scholarship program. Some 81 percent were members of the California Scholastic Federation, or a comparable honor society; 66 percent earned honor awards through various other academic competitions; and 51 percent held one or more elective offices in high school.

ANALYSIS

Examination of the first year's operation of this commission has brought out several matters which we feel deserve comment here.

1. *Financial Need Determination.* Probably one of the most complex and least understood phases of the scholarship award process falls in the area of determination of the student's financial need. Contrary to popular belief, these scholarships are not designed for students with no ability to pay any of their college expenses. These scholarships are for those students who can be partially self-supporting but still show financial need in carrying the full burden of living expenses plus tuition. The scholarships can only be applied to costs of tuition and fees, and therefore the student unable to pay his living expenses would be unable to participate in this program as it is now set up under the law.

Through a detailed evaluation of the family's confidential financial statement, submitted to the College Scholarship Service, a determination is made of the parents' ability to pay for the college education. While the level of income is an important factor, the final judgment is based on all assets and liabilities of the family. Consideration also is given to the parents' offer or willingness to contribute, and this has direct influence on the decision by the College Scholarship Service as to the family's ability to pay. While this may be an accepted procedure in similar evaluation processes, a question is raised as to what extent the law establishing this program intended the need of the student to be based on the willingness of the parents to contribute rather than a strict test of the ability to pay.

The final determination of need is made by the commission based upon data furnished by the College Scholarship Service. The parents' estimated ability to pay is matched against the total expenses of attending the school of the applicant's choice. If the parents' contribution is larger, no financial need is found. However, if it is smaller than the total expense item—this includes tuition, fees, and living costs—then need is determined on a basis of the school's charge for tuition

State Scholarship Commission—Continued

and fees. The choice of institution often has a definite bearing on whether a scholarship is awarded. This is illustrated by the following comparison where estimated family contribution is the same but choice of school different:

<i>School</i>	<i>Total expenses</i>	<i>Tuition and fees</i>	<i>Est. family contribution</i>	<i>Need (difference)</i>	<i>Amount approved</i>
University of California	\$1,185	\$90	\$1,200	----	None
Stanford	1,900	750	1,200	\$700	\$600

It is interesting to note that 379 of the 602 award recipients went to the independent, high-tuition schools. This heavy balance in favor of the private institutions occurred even though an analysis of the financial need data by the commission showed that about 65 percent of the award winners who went to private colleges still would have qualified for need in the lower-cost tuition state colleges and University of California.

Another factor influencing the need determination is whether the student will reside at the college or commute from home. Total expenses are based upon living costs as well as tuition, and an examination of cost estimates submitted by various colleges and universities show that living expenses are less for the commuting student than for the student residing at the institution. An example of this is shown below:

<i>School</i>	<i>Total expenses</i>	<i>Tuition and fees</i>	<i>Est. family contribution</i>	<i>Need (difference)</i>	<i>Amount approved</i>
University of California (commuting)	\$645	\$90	\$1,000	----	None
University of California (residence)	1,185	90	1,000	\$185	\$90

It is evident that any change in the student's status after the award is made might have a direct bearing on the eligibility under financial need. While no definite plan has been formulated, the commission proposes to set up a procedure for periodic review and, when necessary, reappraisal of the student's status. This conceivably would be done each spring before the next year's award is made and in conjunction with review of the academic standards of the student.

2. *Confidential Records.* An important issue has arisen with respect to the family's financial statement. The commission has declared these records to be confidential, and access to these records is possible only through a rigid and controlled process in addition to prearranged agreement to keep confidential any data pertaining to the family financial records.

In view of the fact that public funds are used in this program, the question is raised as to what extent there is, or there should be, the opportunity for spot check audit or verification of financial statements used as a basis for awarding scholarships, and to what degree this information should remain confidential.

3. *Relief of Public-supported Institutions.* One of the objectives of the Legislature in establishing the state scholarship program was

State Scholarship Commission—Continued

to offer incentives for students to attend the private institutions in the State and thereby relieve the burden on the state colleges and University of California. Undoubtedly this has been accomplished, but to what extent is difficult to measure. Since ceilings are being placed on enrollments at many private institutions, the scholarship winners probably will largely replace students who originally planned to attend the private colleges. Where these "displaced" students would go is not known. Possibly they might seek other private institutions outside of the State, and on the other hand, they may enter the university or a state college. Nevertheless, since some 65 percent of the group choosing private colleges and universities could show financial need even for the lower-cost state colleges and university, it is possible that a portion of this group would not have gone even to the state-supported institutions.

It should be recognized that 2,000 scholarship awards, representing only 2 percent of the 100,000 total enrollment of the state colleges and university, will not have any visible effect on the support or capital outlay budgets of the state-supported institutions.

4. *Legislative Proposals.* A number of proposals for changing the law regarding the scholarship program probably will be placed before the Legislature during the coming session. Some of these proposals which have been called to the attention of legislative committees by the commission, and other interested groups include:

A. Permit the transfer of vacant district awards to the at-large group, and specifically allow an award winner to change his place of residence without losing the award.

B. Increase the maximum allowable award from the present \$600 limit to a higher amount that would more closely approach tuition at several private institutions in the State.

C. Allow awards to cover a portion of the living expenses in addition to tuition and fees.

D. Provide awards as partial scholarships where some need is displayed but not enough to justify full amount.

E. Provide that the award winner must be a United States citizen as well as a resident of the State.

F. Modify the present age limitation to allow a student to finish four years of college even though he has passed his twenty-fourth birthday during his collegiate career.

G. Extend the present bill beyond the date of termination as established in Section 21716, Education Code, which is 91 days after adjournment of the 1959 Regular Session of the Legislature.

The many policy and procedural questions raised in connection with this program in its first year of operation make it apparent that the entire program should be carefully reappraised before the law is extended on a permanent basis.

The 1957-58 Budget request for the commission totals \$614,539, an increase of \$308,930 or 101 percent over the \$305,609 budgeted for the current fiscal year. The sum of \$41,843 is carried over from the

State Scholarship Commission—Continued

prior year balance, Chapter 1846, Statutes 1955, due to the fact that the full quota of scholarships was not awarded last year.

Of this requested increase, \$300,000 will be absorbed by the doubling of the number of scholarship awards. The number of these awards is scheduled to increase from 602 in 1955-56 (out of a maximum allowable of 640) to 1,280 in 1956-57 and to 1,920 in 1957-58. Funds to pay for the scholarship awards are budgeted one year after the award selection, as payment is not made until September. Therefore, the amount of \$600,000 is in the 1957-58 Budget to pay for 1,280 scholarships awarded in 1956-57.

Added expenditure will be incurred in the operating expense category of academic and need evaluation, and data processing. This will increase from \$12,365 for 1956-57 to \$14,680 in 1957-58 due to the growth in the program. Most of this money is used to pay the cost of \$4 per student for the financial need evaluation by the College Scholastic Service which was paid by the applicants for the 1956-57 scholarships.

One new position, a junior typist-clerk (\$2,916) is requested on a basis of increased work load due to the expansion of the award program. An examination of the work load shows justification of this position.

During 1955-56, the Department of Finance allowed a new position of junior intermediate typist-clerk to be paid from the budget item for temporary help. This was justified on a basis of increased work load. Although actually a new position, it is not designated as such in the 1957-58 Budget.

The budget request carries out the apparent intent of the Legislature, and although we believe that the effect of this program should be carefully evaluated along lines suggested above, we recommend approval as submitted.

UNIVERSITY OF CALIFORNIA

ITEM 102 of the Budget Bill

Budget page 402

Budget line No. 66

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

Amount requested	\$78,009,863
Estimated to be expended in 1956-57 Fiscal Year	71,507,013
Increase (9.1 percent)	\$6,502,850

RECOMMENDATIONS

Amount budgeted	\$78,009,863
Legislative Auditor's recommendation	78,009,863
Reduction	None

University of California—Continued
GENERAL SUMMARY

Table of Increases 1947-48 to 1956-57

Work index:	1947-48	1956-57	Percent increase
Total full-time student enrollment, all campuses -----	41,299	39,683	—3.9
Faculty-student ratio -----	1:25	1:10.26	—59.1
Number of employees -----	8,750	15,411	76.1
Total university expenditures -----	\$37,847,319	\$103,205,354	172.7
State fund expenditures -----	19,316,204	75,537,805	291.1
University fund expenditures -----	18,531,115	27,667,549	49.3
Cost per student -----	916	2,600	183.8

The 8,750 figure used in the table above for the number of employees at the university in 1947-48 represents an estimate of total full-time equivalent positions derived from full-time and part-time positions.

The cost per student figures above were determined by dividing the student enrollment into the total university expenditures.

It also is interesting to note the decrease over the 10-year period in the ratio of students to faculty members. This points to the change in emphasis to a higher level educational function with more stress in the research fields. This development has been carefully pointed out in prior analyses prepared by our staff and therefore reflects, we believe, legislative concurrence in the trend.

University Retirement System

It has come to our attention that the University of California has a substantial unfunded liability in the retirement system provided for academic personnel.

In 1955, when the Board of Regents requested that a bill be introduced to permit transfer of the Retiring Annuities System to the State Employees Retirement System, it was recommended by this office that the university should join the state system. The university, however, subsequently elected not to integrate with the State Employees' Retirement System. The university felt that it could more effectively provide similar benefits by staying out of the state system. It thereupon created a new system known as the University Retirement System for Officers of Instruction and Administration with retirement provisions closely resembling those of the State Employees' Retirement System.

A primary argument was that university investments yield greater returns than state retirement invested money. While it is true that university investment policies permit a greater yield, this and other advantages of the system do not overcome disadvantages due to its small size compared to the state system. The university system because it is small is of necessity more costly. As a consequence of this and other factors, the General Fund contribution is increasing at a more rapid rate than was anticipated. The unfunded liability is apparently about \$23,000,000 at the present time and the university will have to raise its rates perhaps by 30 to 40 percent if its retirement system is to stay on a basis that is sound.

It is our recommendation that the financial aspects of the present university system in relation to the General Fund costs and the bene-

University of California—Continued

fits provided to its members be carefully examined. Secondly, we suggest that the question of integration of the University System with the State Employees' Retirement System might also be reconsidered.

University Business Management

The maintenance and operation of the University of California facilities will require the employment of nearly 1,500 persons and will cost approximately \$6,755,000 for the budget year. Maintenance and operation of the university plant is one of several business activities under the direction of the vice president—business affairs. Directing the business activities on all the campuses of the university involves functional supervision of the campus business managers and coordination of the efforts of the plant superintendents.

An analysis of the business practices of the university indicates that a significant effort is being made to develop standards of performance and to explore differences in costs between campuses of the university and other comparable universities. We believe that a careful approach has been made to these problems and that the standards employed indicate sound and economical business practices.

Maintenance and operation of plant consists of several separate activities. Arranged in order of the largest percent of cost to the total cost of the function, they are as follows: janitorial, 28.2 percent; utilities, 20.9 percent; building maintenance, 16.8 percent; ground maintenance, 10.5 percent; major repairs, 7.3 percent; police, 7.2 percent; and all other, 9.1 percent.

Attempts to establish standards of work and the cost have been concentrated to begin with in the activities which comprise the largest percentage of the cost of maintenance and operation of the plant. The aim of developing a standard for the janitorial activity is twofold: a standard of the number of square feet one janitor can keep clean provides a budgeting tool, and secondly, a standard points up the differences in operation and facilities among the various campuses. A determination of the total square feet of building space to be maintained revealed that the university has 10.1 million gross outside square feet. The present work load per janitor state-wide is 20,600 square feet. The cost per square foot for all campuses for the last four years is as follows:

<i>Year</i>	<i>Cost per square foot to clean university buildings</i>
1954-55	18.7 cents
1955-56	19.2 cents
1956-57 (est.)	19.1 cents
1957-58 (est.)	18.9 cents

Since these costs reflect increased labor rates the downward trend constitutes a significant improvement in efficiency.

The next largest activity in terms of expenditures is the cost of utilities. The business office is collecting cost data which will be used to determine unit costs and possibly will serve as an index for detection of high cost operations.

University of California—Continued

In summary, it would appear that the business office is taking positive steps to effect economies in the business activities of the university. This effort is not just confined to the function of maintenance and operation of plant but extends to other activities such as automotive equipment management, maintenance of ground, and property accounting wherein a new mechanized inventory system is in the process of being installed, design and equipping of facilities, planning of classroom sizes and utilization, and in the centralization of audio-visual and photographic services.

ANALYSIS

The 1957-58 total proposed expenditure program of the University of California is estimated at \$112,064,502 which represents an increase of \$8,859,148 or 8.6 percent over the estimated expenditures of \$103,205,354 for the current fiscal year.

The proposed source of the funds for this total program is itemized as follows:

	<i>Amount</i>	<i>Percent increase</i>
State funds		
General Fund -----	\$82,039,863	9.0
Accountancy Fund -----	30,000	--
Real Estate Fund -----	100,000	--
Fair and Exposition Fund -----	134,822	-2.9
Subtotal -----	\$82,304,685	
University funds -----	29,759,817	7.6
Total -----	\$112,064,502	8.6

Of the \$82,039,863 budgeted from the General Fund, the sum of \$4,030,000 represents contributions to the State Employees' Retirement Fund, leaving a General Fund balance of \$78,009,863 which is \$6,502,850 or 9.1 percent more than the estimated General Fund expenditures of \$71,507,013 for the 1956-57 Fiscal Year.

A breakdown of the total expenditures, including state and university funds, by campus is as follows:

<i>Campus</i>	<i>Amount budgeted</i>	<i>Increase over 1956-57</i>	<i>Percent increase</i>
State-wide -----	\$24,196,116	\$2,602,533	12.1
Berkeley -----	28,101,937	2,034,105	7.8
Davis -----	9,487,513	739,046	8.4
La Jolla -----	1,493,305	154,561	11.5
Los Angeles -----	25,471,626	2,060,817	8.8
Mt. Hamilton -----	263,763	32,882	14.2
Riverside -----	4,098,765	125,059	3.1
Santa Barbara -----	3,416,538	208,651	6.5
Total -----	\$108,034,502	\$8,591,148	8.6

Approximately \$7,900,000 of the increased expenditures will go for the educational and general expense items of the university budget. An anticipated enrollment growth in 1957-58 of 2,876 students is given as the most important factor involved in the increase request. The uni-

University of California—Continued

versity reports that 72 percent of this increased enrollment will be in the upper division or graduate level where costs are relatively higher than in the lower division.

In the above table of increases by campus, the smallest percentage of increase is the 3.1 percent at Riverside. This reflects the fact that enrollment at this campus must be limited due to lack of available residence facilities and inadequate transportation. Most of the other campuses show increases commensurate percentage-wise with their base budget.

A summary of increased expenditures by function for all campuses is as follows:

<i>Function</i>	<i>Proposed 1957-58</i>	<i>Amount increase</i>	<i>Percent increase</i>
General administration -----	\$6,225,851	\$377,644	6.5
General expense -----	4,230,086	132,365	3.2
Maintenance and operation of plant-----	6,754,694	434,888	6.9
Departments of instruction and research-----	45,560,843	2,810,647	6.8
Organized research -----	7,109,447	1,052,418	17.4
Extension -----	8,332,980	333,920	4.2
Libraries -----	4,486,399	211,827	5.0
Organized activities, educational departments -----	12,340,966	847,456	7.4
Pensions and retiring annuities-----	2,304,532	96,760	4.4
Miscellaneous -----	10,688,704	2,293,223	26.1
Totals -----	\$108,034,502	\$8,591,148	8.6

(NOTE—Included in the miscellaneous category above are the functions: summer session, auxiliary and service enterprises, student aid, and annuity and agency fund payments.)

It can be noted in the table above that the increases are fairly evenly distributed among the various educational and general functions, and that the only marked departures are a 17.4 percent increase in the category of organized research, and a 26.1 percent increase in the miscellaneous functions noted above.

In part, the increase for organized research attempts to compensate for increases which were denied in the austerity budget of 1956-57, but its major purpose is to augment old programs and to establish new programs which are declared to be essential to the maintenance of the university as a top-ranked center of education and research.

Among the major programs which will be established or further augmented, and the amounts involved, are: water resources research, \$150,000; the new computing center at Berkeley, \$123,360; the new data processing and computing center programs at Los Angeles, \$158,260; the oceanographic and marine resources research programs at La Jolla, \$119,462; Lick Observatory, \$32,432; the Institute of Industrial Relations, the Institute of Transportation and Traffic Engineering, and the air pollution research program, \$20,000 each; business administration research at Los Angeles, \$26,795; public administration research at Berkeley, \$18,801; and the Richmond Field Station, \$25,000. Research on conversion of sea water to fresh water will continue at the 1956-57 augmented level.

University of California—Continued

Comparative Summary of University Expenditures by Function 1953-54 Through 1957-58

	<i>Actual</i> 1953-54		<i>Actual</i> 1954-55		<i>Actual</i> 1955-56		<i>Estimated</i> 1956-57		<i>Proposed</i> 1957-58	
	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>
General administration -----	\$4,823,984	6.9	\$5,057,297	6.8	\$5,405,647	6.2	\$5,848,207	5.9	\$6,225,851	5.8
General expense -----	2,727,487	3.9	2,932,582	3.9	3,204,277	3.7	4,097,721	4.1	4,230,086	3.9
General maintenance and operation of plant -----	4,878,605	7.0	5,292,880	7.1	5,811,838	6.7	6,319,806	6.4	6,754,694	6.3
312 Departments of Instruction and Research -----	33,778,780	48.4	35,560,739	47.5	38,688,226	44.7	42,750,196	43.0	45,560,843	42.2
Organized research -----	4,602,416	6.6	4,856,591	6.5	5,358,811	6.2	6,057,029	6.1	7,109,447	6.6
Extension -----	5,973,189	8.5	6,628,534	8.9	7,560,530	8.7	7,999,060	8.0	8,332,980	7.7
Libraries -----	3,613,685	5.2	3,798,614	5.1	4,031,179	4.7	4,274,572	4.3	4,486,399	4.2
Organized activities—educational departments -----	4,108,531	5.9	5,203,118	6.9	10,119,305	11.7	11,493,510	11.6	12,340,966	11.4
Pensions and retiring annuities---	1,733,423	2.5	1,691,123	2.3	2,018,484	2.3	2,207,772	2.2	2,304,532	2.1
Miscellaneous * -----	3,594,559	4.0	3,788,080	5.0	4,260,443	5.1	8,395,481	8.4	10,688,704	9.6
Total -----	\$69,834,659	100.0	\$74,809,558	100.0	\$86,672,866	100.0	\$99,443,354	100.0	\$108,034,502	100.0

* Includes expenditures for summer sessions, auxiliary and service enterprises, student aid, and annuity and agency fund payments.

University of California—Continued

In the above table of a comparative summary of university expenditures by function from 1953-54 to 1957-58, it shows that in the areas of general administration, maintenance and operation of plant, and departments of instruction and research, there has been a slight but steady decrease in the percentage of these functions with respect to the total university budget.

Organized research showed a minor decrease from 1953-54 to 1956-57, but the proposed 1957-58 budget estimates an increase in this function with respect to its portion of the total budget.

In the category of organized activities in the educational departments, a sharp percentage gain can be noticed over the period. These activities include such operations as the university creamery at Davis, the optometry clinic at Berkeley, library photographic services, and engineering services to industry, which are covered by their own income.

University Enrollment Projection

Estimated projections of the full-time student enrollment at the university for the next 15 years have been made by the Joint Staff of the Liaison Committee of the University Regents and the State Board of Education.

The forecasts show the following:

<i>Fiscal year</i>	<i>Full-time student enrollment</i>
1955-56 -----	37,418 (actual)
1956-57 -----	39,683 (estimated)
1957-58 -----	42,559 (estimated)
1960-61 -----	50,800 (estimated)
1965-66 -----	73,200 (estimated)
1970-71 -----	97,850 (estimated)

Already of great concern to the university is the recruiting problem to provide faculty to cope with this large projected enrollment increase.

The university estimates that to provide the level of student training at a standard reasonably comparable with that now prevailing at the university, the teaching staff will have to increase to where it is $2\frac{1}{2}$ times its present size, i.e., the F. T. E. academic staff in the departments of instruction and research numbering 3,609 in 1955-56 will have to be augmented by 5,400 F. T. E. staff members, or by an average of 360 a year for 15 years. This does not take into consideration filling those positions left vacant by retirements.

Student-Faculty Staffing Ratio

The student-faculty ratios for the various campuses, and state-wide for the university, do not show any significant change for the period of years 1954-55 to 1957-58. In fact, only the San Francisco Medical Center shows any improvement in the ratio for the period shown. (See table below.)

The importance that may be drawn from these data lies in the ratios for the university as a whole. The very favorable ratios which have been maintained reflect the emphasis that is placed on research on all campuses.

University of California—Continued

Comparative Summary by Individual University Campus of Students per Academic Staff Member in Departments of Instruction and Research, 1954-55—1957-58

Year	Berkeley	San Francisco Medical Center	Total Berkeley and S.F.M.C.	Los Angeles (including medical center)	Santa Barbara	Davis	Riverside	Total, U. C. (including La Jolla and state-wide)
1954-55 -----	11.0	5.22	10.19	11.94	10.95	4.00	3.12	9.78
1955-56 -----	11.64	5.29	10.74	12.63	12.77	4.40	4.19	10.37
Percent change 1954-55 to 1955-56 ----	(+5.8)	(+1.3)	(+5.4)	(+5.8)	(+16.6)	(+10.0)	(+34.3)	(+6.0)
1956-57 (estimated) -----	11.40	5.07	10.52	12.59	12.24	4.80	3.62	10.26
Percent change 1955-56 to 1956-57 ----	(-2.1)	(-4.2)	(-2.1)	(-0.3)	(-4.2)	(+9.1)	(+13.6)	(-1.1)
1957-58 (proposed) -----	11.22	5.19	10.40	12.45	13.18	4.95	3.54	10.22
Percent change 1956-57 to 1957-58 ----	(-1.6)	(+2.4)	(-1.1)	(-1.1)	(+7.7)	(+3.1)	(-2.2)	(-0.4)

University of California—Continued

When the ratio of teachers to students is as low as it is at the university, the great demand for competent teachers becomes very significant. It would appear to us, therefore, that the university should attempt to make fullest use of teachers in instruction and research capacities as contrasted with administration. The university goes further than many universities in its academic committee system. As far as is determined to be consistent with the fundamental principle of faculty administration, we believe that emphasis should be placed on securing economy in the use of academic personnel in administration by employing nonacademic personnel in these capacities. Steps in this direction may be necessary ultimately in view of the shortage of academic personnel when related to prospective enrollment growth.

This budget again this year reflects the high level of research and academic instruction which has been established by the Board of Regents as a standard for the university, and which has been concurred in consistently by the Legislature along with its approval of prior budget requests. We should point out, however, that with increased enrollments the expenditures of the university will rise rapidly and it is questionable whether in the future research can expand proportionately with the increase in instruction requirements. This is a difficult problem in view of the role which opportunity for research plays in the necessary recruitment of additional academic personnel, but it is a serious fiscal problem which must be anticipated.

We recommend approval of the budget as submitted.

UNIVERSITY OF CALIFORNIA

ITEM 103 of the Budget Bill

Budget page 403
Budget line No. 46FOR SUPPORT OF UNIVERSITY OF CALIFORNIA, SPOTTED ALFALFA
APHID CONTROL, FROM THE FAIR AND EXPOSITION FUND

Amount requested	\$53,792
Estimated to be expended in 1956-57 Fiscal Year	58,792
Decrease (8.5 percent)	\$5,000

RECOMMENDATIONS

Amount budgeted	\$53,792
Legislative Auditor's recommendation	53,792
Reduction	None

ANALYSIS

The University of California for the second consecutive year is requesting an appropriation from the Fair and Exposition Fund for research in control of the spotted alfalfa aphid, an infestation which has caused millions of dollars in alfalfa crop loss in the State during the past several years.

The proposed expenditure of \$53,792 is \$5,000 or 8.5 percent below the \$58,792 estimated expenditures during the current fiscal year.

University of California—Continued

The money available for this project and other special university research studies comes from the second balance of the horse racing revenues in the Fair and Exposition Fund. It is part of 42 percent of the second balance which, after provision is made for these special projects, goes into capital outlay for local fairs.

Since 1954, when the spotted alfalfa aphid first hit California, the cost of crop damage has been considerable. The loss in 1954 was \$500,000, and in 1955 totaled \$13,000,000. During 1956, the loss was estimated at \$11,000,000, a decline over the previous year which was largely attributed to the control measures taken.

The university has been developing a spray which will kill the aphid. Research is also being conducted on predators which would provide a natural control.

We recommend approval of the item.

UNIVERSITY OF CALIFORNIA

ITEM 104 of the Budget Bill

Budget page 403

Budget line No. 47

FOR SUPPORT OF UNIVERSITY OF CALIFORNIA, KHAPRA BEETLE CONTROL, FROM THE FAIR AND EXPOSITION FUND

Amount requested	\$43,812
Estimated to be expended in 1956-57 Fiscal Year.....	--

Increase	\$43,812
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RECOMMENDATIONS

Amount budgeted	\$43,812
Legislative Auditor's recommendation	43,812

Reduction	None
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ANALYSIS

The University of California is requesting \$43,812 from the Fair and Exposition Fund for continuing its research in methods of eliminating the Khapra beetle from the State. During the current fiscal year, the program was financed by regular university funds, but in 1955-56 the sum of \$42,000 was appropriated from the Fair and Exposition Fund.

The Khapra beetle first was recognized in the State in 1954. It attacks agricultural products stored in warehouses and mills.

Research has been aimed at eradication of the beetle, and it is believed that this can be done eventually, due largely to the fact that the beetle does not fly but must be transported.

We recommend approval of this item.

UNIVERSITY OF CALIFORNIA

ITEM 105 of the Budget Bill

Budget page 403

Budget line No. 49

FOR SUPPORT OF UNIVERSITY OF CALIFORNIA, FRUIT FLY INVESTIGATIONS, FROM THE FAIR AND EXPOSITION FUND

Amount requested \$37,218

Estimated to be expended in 1956-57 Fiscal Year \$37,218

Increase \$37,218

RECOMMENDATIONS

Amount budgeted \$37,218

Legislative Auditor's recommendation 37,218

Reduction None

ANALYSIS

A request of \$37,218 from the Fair and Exposition Fund for research into the Oriental fruit fly control is appearing as a separate budget item for the first time.

Actually, study has been going on for a number of years as part of the regular university program.

The fruit fly first came to Hawaii in 1946, and immediate damage resulted to large parts of the island's fruit crop. Because of concern over what might happen if the fruit fly reached this country, the problem was attacked from several angles. The University of California, the University of Hawaii, and the United States Department of Agriculture engaged in research, and, to date, have been successful in keeping the fruit fly from entering the United States.

The university has made studies to determine the susceptibility of California fruit to the fly, and has tested and developed fumigants to fight it. Currently, the university is studying the climatic areas where the fruit fly would be the most persistent.

Therefore, this project is a continuing control program to keep alert against an invasion of the pest, and also to develop the proper tools to fight it if the time comes when the fruit fly should reach the California area.

We recommend approval of the item.

University of California
HASTINGS COLLEGE OF LAW

ITEM 106 of the Budget Bill

Budget page 414

Budget line No. 7

FOR SUPPORT OF HASTINGS COLLEGE OF LAW FROM THE
GENERAL FUND

Amount requested \$49,000

Estimated to be expended in 1956-57 Fiscal Year 49,000

Increase None

RECOMMENDATIONS

Amount budgeted \$49,000

Legislative Auditor's recommendation 49,000

Reduction None

Hastings College of Law—Continued
GENERAL SUMMARY

Table of Increases 1947-48 to 1956-57

	1947-48	1956-57	Percent increase
Work Index:			
Enrollment -----	562	467	-16.9
Number of employees -----	23	31.7	37.8
Expenditures:			
Per student -----	\$198	\$649	227.8
Total -----	\$111,270	\$334,924	201.0

The number of employees in the above table for 1947-48 is an estimated figure derived from 12 full-time and 22 part-time positions.

As the budget indicates, the continued existence of the college after the 1957-58 Fiscal Year depends upon finding new sources of revenue. It has been known for several years that eventually the problem of other sources of revenue would have to be faced; it will face the Legislature at the 1958 Budget Session.

The college now operates from two sources of revenue. Principally, these are the college funds consisting of student fees, receipts from the Federal and State Governments for education of veterans, investment income and surplus funds. Secondly, there has been a small General Fund appropriation. The surplus funds, built up largely during the immediate postwar years from federal receipts for veterans, have made up the continued deficit under which the college has operated the past few years. This surplus will be depleted at the end of the 1957-58 Fiscal Year.

At this time, it appears certain that the Legislature will be asked to support the college from the General Fund. Since 1954 the Legislature has appropriated \$49,000 annually. An amount of \$42,000 has been appropriated to cover the cost of operating and maintaining the college building and \$7,000 has been appropriated to meet the original agreement with the founder to pay 7 percent on a grant of \$100,000. The regular General Fund appropriation of \$49,000 plus an accumulated surplus available for support of the college will provide approximately \$100,000 of the total expenditures of nearly \$300,000. Thus, if the General Fund is to support this institution in the future, an increase of approximately \$200,000 can be expected for the 1958-59 Fiscal Year. Following 1958-59 complete assumption of the total expenditures will be necessary since the surplus will be exhausted.

ANALYSIS

The budget request of \$49,000 for 1957-58 remains the same as the appropriation for the current year. As was explained above the \$49,000 consists of an annual interest payment and maintenance of physical plant.

The total expenditures from all funds for the college shows a decrease of \$47,962 or 14.3 percent. This reduction is effected by a decrease of three positions because the fourth year courses will not be offered in 1957-58 and by the discontinuance of the bar review courses.

We recommend approval of the amount requested.