fund and special reserve fund of the high school district or unified district at the end of the last year in which the district maintained a junior college shall be divided between such district and the junior college district in the following manner:

(a) The balance remaining in the general fund shall be divided in the same ratio that the expenditures from that fund for junior college purposes for the last year in which the junior college was maintained bear to the other expenditures of the district during that year. The amount so allocable to the junior college district shall be transferred to, and deposited in, the general fund of that district.

(b) The balance remaining in the special reserve fund deposited there by the district governing board to be used for junior college purposes, shall be transferred to the junior college district and deposited in the special reserve fund of that district.

CHAPTER 49

An act to add Division 16.5 (commencing at Section 22500) to the Education Code, relating to higher education, and making an appropriation.

[Approved by Governor April 27, 1960. Filed with Secretary of State April 27, 1960]

The people of the State of California do enact as follows:

Section 1. Division 16.5 is added to the Education Code, to read:

DIVISION 16.5. HIGHER EDUCATION

Chapter 1. General Provisions

22500. Public higher education consists of (1) all public junior colleges heretofore and hereafter established pursuant to law, (2) all state colleges heretofore and hereafter established pursuant to law, and (3) each campus, branch and function of the University of California heretofore and hereafter established by the Regents of the University of California.

22501. It is hereby declared to be the policy of the Legislature not to authorize or to acquire sites for new institutions of public higher education unless such sites are recommended by the Co-ordinating Council for Higher Education and not to authorize existing or new institutions of public education, other than those described in subdivisions (2) and (3) of Section 22500, to offer instruction beyond the 14th grade level.

Nothing in this section shall be construed to require any further recommendations as a prerequisite to legislative action with respect to state colleges intended to be in operation by
1965 or University of California campuses intended to be under construction by 1962, as set forth in the recommendations contained in the Master Plan for Higher Education printed at page 42, paragraphs 4 and 6, Senate Journal (Regular Session) for February 1, 1960.

22502. Each segment of public higher education shall strive for excellence in its sphere, as assigned in this division.

22503. This division shall not affect the existence or status of the state nautical school.

22504. The provisions of this division shall supersede the provisions of any other law which conflict with the provisions of this division.

CHAPTER 2. UNIVERSITY OF CALIFORNIA

22550. The Legislature hereby finds and declares that the University of California is the primary state-supported academic agency for research.

22551. The university may provide instruction in the liberal arts and sciences and in the professions, including the teaching profession. The university has exclusive jurisdiction in public higher education over instruction in the profession of law, and over graduate instruction in the professions of medicine, dentistry, veterinary medicine and architecture.

22552. The university has the sole authority in public higher education to award the doctoral degree in all fields of learning, except that it may agree with the state colleges to award joint doctoral degrees in selected fields.

22553. The university may make reasonable provision for the use of its library and research facilities by qualified members of the faculties of other institutions of public higher education in this State.

CHAPTER 3. THE STATE COLLEGE SYSTEM

22600. The State College System shall be administered by a board designated as the Trustees of the State College System of California, which is hereby created.

22601. The board shall be composed of the following four ex officio members: the Governor, the Lieutenant Governor, the Superintendent of Public Instruction, and the person named by the trustees to serve as the chief executive officer of the system; and 16 appointive members appointed by the Governor, except that the members, as of the effective date of this section, of the State Board of Education shall serve ex officio as and among the first appointive trustees. The terms of the appointive members shall be four years, except that the first appointive trustees, including the members of the State Board of Education, shall classify the terms of their offices by lot so that four of the first appointive terms shall expire on the first day of March of each calendar year, commencing in 1961 and ending in 1964.
The Speaker of the Assembly shall have the status of a legislative interim committee on the subject of the State College System and shall meet with the board and participate in its work to the extent that such participation is not incompatible with his position as a Member of the Legislature.

22601.5. Notwithstanding Section 22601, commencing on March 1, 1961, the terms of the appointive trustees shall be eight years, except that the 16 appointive trustees serving on February 28, 1961, shall have new terms of office which they shall classify by lot so that two of the terms of such appointive members shall expire on the first day of March of each calendar year commencing in 1962 and ending in 1969.

This section shall become operative only if Senate Constitutional Amendment No. 1 of the 1960 First Extraordinary Session of the Legislature is approved by the electors.

22602. The expiration of a trustee's term of office as a member of the State Board of Education or any earlier vacancy in that office shall create a vacancy in his trusteeship, unless the term ascribed thereto by lot has already expired. In case of any vacancy on the board of trustees, the Governor shall appoint a successor for the balance of the term as to which such vacancy exists.

22603 If the trustees and the Regents of the University of California both consent, the chief executive officer of the State College System shall sit with the Regents of the University of California in an advisory capacity and the President of the University of California shall sit with the trustees in an advisory capacity.

22604. The Trustees of the State College System shall succeed to the powers, duties and functions with respect to the management, administration and control of the state colleges heretofore vested in the State Board of Education or in the Director of Education, including all powers, duties, obligations, and functions specified in Article 2 (commencing at Section 24501) of Chapter 11 of Division 18 of this code, and all obligations assumed by the State Board of Education pursuant to that article prior to July 1, 1961.

On and after July 1, 1961, the Trustees of the State College System shall have full power and responsibility in the construction and development of any state college campus, and any buildings or other facilities or improvements connected with the State College System. Such powers shall be exercised by the Trustees of the State College System notwithstanding the provisions of Chapter 2 (commencing at Section 14100) and Chapter 3 (commencing at Section 14250) of Part 5 of Division 3 of Title 2 of the Government Code, except that the powers shall be carried out pursuant to the procedures prescribed by these laws.

The provisions of this chapter relating to the transfer of the powers, duties, and functions with respect to the management, administration and control of the state colleges shall become operative on July 1, 1961.
22605. The State College System shall be entirely independent of all political and sectarian influence and kept free therefrom in the appointment of its trustees and in the administration of its affairs, and no person shall be debarred admission to any department of the state colleges on account of sex.

22606. The primary function of the state colleges is the provision of instruction for undergraduate students and graduate students, through the master's degree, in the liberal arts and sciences, in applied fields and in the professions, including the teaching profession. Presently established two-year programs in agriculture are authorized, but other two-year programs shall be authorized only when mutually agreed upon by the Trustees of the State College System and the State Board of Education. The doctoral degree may be awarded jointly with the University of California, as provided in Section 22552. Faculty research is authorized to the extent that it is consistent with the primary function of the state colleges and the facilities provided for that function.

22607. All state employees employed on June 30, 1961, in carrying out functions transferred to the Trustees of the State College System of California by this chapter, except persons employed by the Director of Education in the Division of State Colleges and Teacher Education of the Department of Education, are transferred to the State College System.

Nonacademic employees so transferred shall retain their respective positions in the state service, together with the personnel benefits accumulated by them at the time of transfer, and shall retain such rights as may attach under the law to the positions which they held at the time of transfer. All nonacademic positions filled by the trustees on and after July 1, 1961, shall be by appointment made in accordance with Chapter 9 (commencing at Section 24201) of Division 18 of this code, and persons so appointed shall be subject to the provisions of Chapter 9.

The trustees shall provide, or co-operate in providing, academic and administrative employees transferred by this section with personnel rights and benefits at least equal to those accumulated by them as employees of the state colleges, except that any administrative employee may be reassigned to an academic or other position commensurate with his qualifications at the salary fixed for that position and shall have a right to appeal from such reassignment, but only as to whether the position to which he is reassigned is commensurate with his qualifications. All academic and administrative positions filled by the trustees on and after July 1, 1961, shall be filled by appointment made solely at the discretion of the trustees. The trustees shall establish and adjust the salaries and classifications of all academic and administrative positions and neither Section 18004 of the Government Code nor any other provision of law requiring approval by a state officer or agency for such salaries or classifications shall be applicable thereto. The trustees, however, shall make no adjustments
which require expenditures in excess of existing appropriations available for the payment of salaries. The provisions of Chapter 9 (commencing at Section 24201) of Division 18 of this code relating to appeals from dismissal, demotion or suspension shall be applicable to academic employees.

Persons excluded from the transfer made by this section shall retain all the rights and privileges conferred upon civil service employees by law. Personnel of state agencies employed in state college work other than those transferred by this section and who are employed by the trustees prior to July 1, 1962, shall likewise be provided with personnel rights and benefits at least equal to those accumulated by them as employees of such state agencies.

CHAPTER 4. JUNIOR COLLEGES

22650 The public junior colleges shall continue to be a part of the public school system of this State. The State Board of Education shall prescribe minimum standards for the formation and operation of public junior colleges and exercise general supervision over public junior colleges.

22651 Public junior colleges shall offer instruction through but not beyond the 14th grade level, which instruction may include, but shall not be limited to, programs in one or more of the following categories (1) standard collegiate courses for transfer to higher institutions; (2) vocational and technical fields leading to employment; and (3) general or liberal arts courses. Studies in these fields may lead to the associate in arts or associate in science degree.

CHAPTER 5. CO-ORDINATING COUNCIL FOR HIGHER EDUCATION

22700 There is hereby created an advisory body, the Co-ordinating Council for Higher Education, to be composed of three representatives each of the University of California, the State College System, the public junior colleges, the private colleges and universities in the State, and the general public. The university shall be represented by three representatives appointed by the regents. The State College System shall be represented by its chief executive officer and two trustees appointed by the trustees. Public junior colleges shall be represented by a member of the State Board of Education or its chief executive officer as the board may from time to time determine, and a member of a local public junior college governing board and a public junior college administrator. The junior college governing board member shall be selected by the State Board of Education from a list or lists of five names submitted for its consideration by any association or associations of statewide coverage which represent junior college governing boards. The public junior college administrator shall be selected
by the State Board of Education from a list of five names submitted for its consideration by the California Junior College Association. The private colleges and universities shall be represented by three persons, each of whom shall be affiliated with a private institution of higher education as a governing board member or as a staff member in an academic or administrative capacity and shall be appointed by the Governor after consultation with an association or associations of such private institutions. The general public shall be represented by three members appointed by the Governor. Appointments and removals made pursuant to this section shall be at the sole discretion of the appointing authority specified herein.

22701. The council shall appoint and may remove a director in the manner hereinafter specified. He shall appoint persons to such staff positions as the council may authorize.

22702. The council shall prescribe rules for the transaction of its own affairs, subject, however, to the following requirements and limitations: (1) the votes of all representatives shall be recorded; (2) effective action shall require the affirmative vote of eight members and (3) the affirmative votes of 10 members shall be necessary to the appointment or removal of the director.

22703. The co-ordinating council shall have the following functions, advisory to the governing boards of the institutions of public higher education and to appropriate state officials: (1) review of the annual budget and capital outlay requests of the university and the State College System, and presentation of comments on the general level of support sought; (2) advice as to the application of the provisions of this division delineating the different functions of public higher education and counsel as to the programs appropriate to each segment thereof, and in connection therewith shall submit to the Governor and to the Legislature within five days of the beginning of each general session a report which contains recommendations as to necessary or desirable changes, if any, in the functions and programs of the several segments of public higher education; and (3) development of plans for the orderly growth of public higher education and the making of recommendations on the need for and location of new facilities and programs.

22704. The council shall have power to require the institutions of public higher education to submit data on costs, selection and retention of students, enrollments, plant capacities and other matters pertinent to effective planning and coordination, and shall furnish information concerning such matters to the Governor and to the Legislature as requested by them.

22705. This division shall be known and may be cited as the Donahoe Higher Education Act.

Sec. 2. There is hereby appropriated from the General Fund for the support of the state system of higher education.
the sum of one hundred thirty-one thousand eight hundred sixty dollars ($131,860), or so much thereof as may be necessary, to be expended as follows:

(a) To the Trustees of the State College System of California for expenses incurred by the trustees pursuant to Chapter 3 (commencing at Section 22600) of Division 16.5 of the Education Code, including planning for the uninterrupted performance of the functions and duties transferred to the board. $81,860

(b) To the Co-ordinating Council for Higher Education for expenses incurred by the council pursuant to Chapter 5 (commencing at Section 22700) of Division 16.5 of the Education Code. $50,000

CHAPTER 50

An act to add Article 5h (commencing at Section 996.75) to Chapter 6 of Division 4 of the Military and Veterans Code, authorizing the creation of a debt or debts, liability or liabilities, through the issuance and sale of state bonds, to create a fund to provide farm and home aid for veterans in accordance with the provisions of the Veterans Farm and Home Purchase Act of 1943 and acts amendatory and supplemental thereto; defining the powers and duties of the Veterans' Finance Committee of 1943 and of the Department of Veterans Affairs and other state officers in respect to the administration of the provisions hereof; providing ways and means, exclusive of loans, for the payment of the interest of such debt or debts, liability or liabilities, as such interest falls due, and also for the payment and discharge of the principal of such debt or debts, liability or liabilities, as such principal matures, and appropriating money for the expense of preparing and of advertising the sale of bonds herein authorized to be issued.

[Approved by Governor April 27, 1960 Filed with Secretary of State April 27, 1960.]

The people of the State of California do enact as follows:

Section 1. Article 5h is added to Chapter 6 of Division 4 of the Military and Veterans Code, to read:

Article 5h. Veterans Bond Act of 1960

996.75. This article may be cited as the Veterans Bond Act of 1960.

996.76. The State General Obligation Bond Law, except as otherwise provided herein, is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this article,