ated with the community it serves, drawing upon members of the community to serve on its board of directors. Community involvement would tend to ensure that a high quality of care is provided.

Implementation of the community-nonprofit model requires capital and knowledge. The state could assist with financing through the California Health Facility Construction Loan Insurance Program (Cal Mortgage) and the California Health Facilities Financing Authority (CHFFA). These financing organizations provide nonprofit organizations an opportunity to obtain project funding for health facilities so long as they provide 10% of the total project cost.

The report suggests a revolving loan fund patterned after the County Health Facilities Assistance Fund (CHFAF). Further, a Nursing Home Assistance Fund could be established which would distribute funds through fines collected from nursing home code violations. Community-nonprofit nursing homes could then seek loans from the proposed Nursing Home Assistance Fund to meet the 10% requirement of the two major loan programs mentioned above.

The concern for quality of patient care makes the community-based model of nursing care attractive. By involving members of the community in the direct care of the elderly, the quality of care should be improved. Moreover, personal choice would be enhanced by the development of alternative care settings. However, the report acknowledges that state support favoring one type of nursing home ownership over another is a difficult policy issue.

Arts Education in California: Thriving or Surviving? (January 1989). This report examines the availability and quality of visual and performing arts instruction in elementary and secondary schools in California. For a number of years, there has been concern that visual and performing arts curricula have been in a continuing state of decline with diminishing resources for instructional time, instructional materials, and qualified personnel. The four major areas of study in the visual and performing arts include drama/theatre, music, dance, and visual arts.

The inclusion of the fine arts as a basic component of the educational curriculum is based on the theory that arts education enhances learning and development in other subject matters. In recent years, the nation's schools have emphasized the importance of learning fundamental skills in math, science, and writing. This shift has led to a decline in the importance of arts education. The AOR report notes, however, that a growing body of evidence suggests that a more balanced approach to education would be advantageous. Renewed interest in the importance of arts education has resulted in the development of programs to improve arts education across the country.

Based on the data collected, the AOR report concludes that arts education in California is not thriving. In school districts where there is overall high achievement, the visual and performing arts appear to be a substantive part of the educational curriculum. In others where children are not performing well, the arts are languishing.

Consistent policies, strong leadership, and sensitive collaboration between state and local agencies is needed to help advance arts education in California. The report offered a number of recommendations, including the following:

-a statewide plan for arts education should be adopted, requiring local school districts to develop arts education plans for grades K-12;

-all teachers trained in state universities and colleges should be required to receive adequate training in the arts;

-the Department of Education (Department) should plan and support a program of professional training for teachers seeking skills in arts education; facilitate the employment of artists as teachers in local school districts; and use programs developed by large arts organizations for in-service teacher training;

-the Department should recommend immediate adoption of model guidelines for art curriculum currently in proposed form for grades K-8;

-the California Arts Council should encourage local arts councils to work with local school districts; and

-the Department and the California Arts Council should explore special programs to reach underserved areas and populations.

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MAJOR PROJECTS:

Housing Costs and the Budgets of Low-Income Households (January 1989). Low-income families, defined as the poorest 25% of America's households, have been hardest hit by the changes in the housing market over the past fifteen to twenty years. The cost—both in real terms and as a percentage of total income—of rental and owner-occupied housing has dramatically increased, while the quality of housing available to low-income households has declined. This report listed the following indicators of the extent to which increased housing costs burden America's poor and low-income households:

-In 1974, one-third of all low-income households spent more than half their income on rent. Today, that percentage has risen to one-half of those households.

-Since 1980, the costs of both home ownership and renting have grown faster than the Consumer Price Index.

-Since 1974, the number of structurally inadequate rental housing units has gradually increased. Structural inadequacies include lack of plumbing, electricity, heat, or major problems with roofing or drainage.

-Between 1974 and 1983, the number of low-income households living in structurally inadequate rental housing units increased 81%, from 1.8 million to 2.2 million.

-Single parents and households headed by 25- to 34-year-olds are most at risk of living in inadequate or substandard housing.

For the first time since 1944, the percentage of families owning their homes has dropped. For example, 65.7% of American families owned their home in 1980, but that figure dropped to 64% by 1987. The reason for the decline is partly due to the fact that down payments have taken an increasingly large share of household income, severely undercutting the ability of young families and first-time buyers to enter the market. Between 1978 and 1985, the typical down payment had jumped from one-third to one-half of a household's yearly income. The decline in home ownership has also resulted from the fact that the "real burden" of owning a home, defined as out-of-pocket costs adjusted for both tax benefits and capital gains, has also increased in the past ten years. For instance, ownership costs for buyers in 1976 were about 8% of household income. In 1979, they were approximately 10%. By 1981, 41% of household income was consumed. This "real burden" cost leveled out to approximately 30% by the mid-1980s—a dramatic jump since 1976.

Analogous increases have occurred in the rental market. Rent burden for low-income families, defined as the rent charged plus the cost of heat, is rising faster than inflation and is consuming an increasing percentage of a household's total income. Most low-income families, especially those with children, are renters. The report states that between 1974 and 1983, the number of low-income households which paid 75% or more of their annual income for rent and heat rose from 15.5% to 26.8%. During the same interval, the number of low-income households which paid less than 25% of their annual income for rent and heat fell from 31% to 21%. By 1985, that figure had fallen to 9%.

Not surprisingly, those below the national median income are affected more severely by accelerating costs than those above the median, and the problem has worsened over the years. In general, from 1970 to 1983, the number of low-income households facing "excessive housing costs" (in excess of 25% of household incomes) doubled.

Income trends, homeownership rates, and "rent burdens" impact most severely on single parents and their children and on households headed by 25- to 34-year-olds. Between 1974 and 1987, the number of single-parent families grew from 1.2 million to 2.2 million; and while their median income fell from $10,965 to $7,271—a drop of 34%, their rent burdens rose from 35% to 58.6% of their annual income.

In 1973, slightly over 50% of all households headed by a young adult (25-34 years old) owned their home. That figure rose slowly to 52.2% by 1980, but retreated steadily to 45.1% by 1987. At the same time, the median income of households headed by 25- to 34-year-olds fell 52% from $46,900 to $24,400, while their gross "rent burdens" increased from 18.7% to 25.4%.