

8/21/69

Memorandum 69-84

Subject: Budget for 1970-71 Fiscal Year

The Law Revision Commission, like other state agencies, is required to submit certain budget documents to the Department of Finance in accordance with the State Administrative Manual. Many of these documents are routine; others represent important policy decisions and require Commission attention.

This year a new procedure has been established. Briefly, each department has received a budget allocation for the 1970-71 fiscal year. Each department must submit a list of the priority programs that can be financed within the allocation. This list may then be supplemented by an additional list of programs that could be financed under a larger allocation. See Exhibit V attached. The Department of Finance has allocated \$139,114 from the General Fund to the Law Revision Commission as the amount to be budgeted for the 1970-71 fiscal year. (This represents approximately a 20 percent or \$30,000 reduction in the level of expenditures authorized by the approved budget for 1969-70.

The Law Revision Commission has only one program--law revision. Exhibit I (pink) is a draft of the documents that must be submitted to the Department of Finance. The first two pages set forth the program that can be financed within the \$139,114 allocation. These pages were due August 25 and have already been submitted. The two following pages contain the supplemental request items which would increase the amount available for the one program carried on by the Commission. The material on these pages will set forth the amount the Commission requests in addition to the \$139,114 and represents important policy decisions for the Commission.

Exhibit II (yellow) is a budget prepared which remains within the \$139,114 allocated by the Department of Finance. This budget provides for the elimination of one position on the legal staff, a substantial reduction in the amount available for temporary help, and substantial reductions in every category of operating expense that is not fixed in amount. (The Commission, in considering the amount needed for 1970-71, should bear in mind the effect of inflation. Operating expenses will increase approximately 6 percent over 1968-69. Printing costs will significantly increase. Telephone and postage costs will increase. A 7.6 percent increase in the air fares between San Francisco and Los Angeles has been approved.) The staff estimates that this 20 percent reduction in expenditures would result in approximately a 25 percent reduction in Commission production since a significant amount of staff resources must be devoted to overhead activities (budget and other fiscal matters, office management, personnel, and the like) without regard to the number of staff members, the amount of material prepared for meetings, or the number of recommendations submitted. Also, each additional bill recommended does not require a proportionate increase in the amount of time devoted by the staff to legislative hearings. In short, we are convinced that the amount allocated for 1970-71 would result in both a significant reduction in production and a substantial increase in the cost per unit of Commission production.

The staff recognizes that the Governor has determined that the cost of operation of the Commission, like other state activities, must be reduced to the lowest possible level commensurate with efficient operation. Moreover, we believe that a good faith effort to comply with the Governor's policy requires that the Commission's budget request for 1970-71 be reduced

so that it represents the bare minimum for efficient operation, even though such a reduction will result in some reduction in Commission production. To provide such a bare minimum budget, the staff has prepared a proposed budget for 1970-71 (Exhibit IV--gold) that requires \$159,818 for 1970-71. This compares favorably with the \$169,654 budgeted for the 1969-70 fiscal year, although it exceeds by \$20,000 the amount now allotted by the Department of Finance for 1970-71. The staff proposed budget (\$159,818) would finance all currently authorized positions on the staff, would provide \$6,000 (as compared to \$7,765 for 1969-70) for temporary help, and would reduce various categories of operating expenses from the 1969-70 level. If the Department of Finance is willing to provide a lump sum appropriation for the Commission--as distinguished from an appropriation divided between (1) personal services expense and (2) operating expenses and equipment--we believe that it would be possible to have an efficient operation during 1970-71 within the amount provided in this proposed budget. If we could realize some savings in personal services expense (as we anticipate) we could use the savings to cover operating expenses which are likely to be in excess of the amounts budgeted for these items in the staff proposed budget. Nevertheless, it should be recognized that the amount of funds included in the staff budget may be inadequate and it might be necessary, for example, to cancel one or more meetings or to defer printing some material in order to remain within the amounts budgeted. Thus, the net result of the "bare minimum" budget probably would be that some studies the Legislature has directed the Commission to make would need to be deferred. The budget is fully explained in the gold sheets that follow the first page of Exhibit IV.

To assure the Commission's operation at its present level of production, at the same time taking into account increasing costs, the staff believes that \$165,000 would be needed for 1970-71 as compared to \$169,654 for 1969-70. The lower amount for 1970-71 reflects the savings resulting from the Commission's decision to hold only one, instead of five, three-day meetings each year. The \$165,000 budget would provide sufficient funds to provide a maximum efficient operation.

You should note that the Commission was able to save approximately \$16,000 from the amount appropriated for 1968-69. See page 1 of Exhibit II. These savings were realized in part because we were unable to employ sufficient temporary legal assistance that we considered competent enough to justify expending money on their employment. Also, when the budget for 1968-69 was prepared, we had persons on the staff who would be at the Senior Attorney and Assistant Counsel level, but both left state service for private practice and were replaced during 1968-69 with two Junior Counsels at substantially lower pay levels. Thus, some savings were realized but at the expense of staff--and ultimately--Commission production. Further savings were realized in general expense, printing, and travel. These savings reflect the modest legislative program presented to the 1969 Legislature and the relatively low level of production during 1968-69. A significant saving resulted from the failure to complete the background study on the Right to Take during 1968-69 as had been contemplated when the budget for that year was prepared. In addition, during 1968-69, a number of new topics were considered for the first time. For example, considerable time was devoted to inverse condemnation but no printed recommendations have as yet been produced on this topic. Hence, we do not believe that 1968-69

should be considered a representative year for measuring either production or expenditures. At the same time, we believe that the substantial amount that we were able to save during 1968-69 does demonstrate that expenditures have been and will be made only to the extent that the state receives a full dollar of value for each dollar expended. Moreover, the staff believes that the Commission has become significantly more productive as new members of both the staff and the Commission have gained more experience. Our June 26-28 meeting, for example, was one of the most productive we have had during the past several years. Accordingly, we expect ever increasing production in the future and we believe that \$165,000 would be adequate to finance the Commission's activities at the 1969-70 level.

Respectfully submitted,

John H. DeMouilly
Executive Secretary

Department

Law Revision Commission

PROGRAM LIST--DEPARTMENTAL ALLOCATION BUDGET

EXPENDITURE REQUEST

Funds	1968-69	1969-70	1970-71
General Fund	\$114,051	\$169,654	\$139,114
Grand Totals, All Funds:	\$114,051	\$169,654	\$139,114

SUMMARY OF PROGRAMS

Program Number	Name of Program	Amounts		
		1968-69	1969-70	1970-71
1	Law revision	\$114,051	\$169,654	\$139,114

Note: An additional activity of the Commission required by Government Code section 10331, is recommending the express repeal of all sections repealed by implication or held unconstitutional. An insignificant amount of resources is devoted to this activity, estimated at approximately \$300-\$500 a year, which amount is included under law revision.

Department

Law Revision Commission

DEPARTMENTAL ALLOCATION BUDGET DETAIL

Name of Program: law revision		Program Number: 1		
Name of Element	Amounts			
	1968-69	1969-70	1970-71	
law revision	\$114,051	\$169,654	139,114	
Total of Program	\$114,051	\$169,654	\$139,114	

BRIEF DESCRIPTION OF CHANGES TO PROGRAM

The reduction in the amount available for law revision, the only program carried on by the Law Revision Commission, would result in an estimated 25 percent reduction in output. The output would be reduced by this amount because a significant amount of staff resources must be devoted to "overhead" activities (such as personnel, budget and other fiscal activities, general supervision, etc.) which remain fairly constant without regard to the amount of output. Also, some items (such as rent) are fixed in amount without regard to the amount of output. Accordingly, the reduction in the amount available for law revision would result in a significant reduction in output and also a significant increase in the cost of each unit of output.

Department
Law Revision Commission

LIST OF SUPPLEMENTAL REQUEST ITEMS

Request Items for 1970-71, Grand Totals, All Funds		
	General	Fund) \$25,886
		(Fund)
		(Fund)
		(Fund)
		(Fund)

SUMMARY

Priority Number	Name of Item	Total Amount 1970-711
1	Amount necessary to maintain law revision at efficient and economical level	\$20,704
2	Amount necessary to maintain law revision at 1969-70 level (addition to item 1)	5,182

Department: Law Revision Commission

Item Priority No.: 1 & 2

Name of Item: Amounts necessary to maintain law revision at 1969-70 level

Expenditure Request, Grand Total, All Funds

\$25,886

(Fund)

(Fund)

(Fund)

(Fund)

(Fund)

This item is a new program
 expansion of an existing program
 restoration of a program reduction

Analysis:

To maintain law revision at an efficient and economical level in terms of units of production, it is necessary (taking into account fixed costs such as rent and overhead administrative costs) to increase the amount allotted to the law revision commission by \$20,704. This amount would permit operation at a level somewhat below that permitted by the funds available during 1969-70 and might result in a significant reduction in output. However, it is likely that increasing the allotment by \$20,704 would permit the Commission to operate without a substantial adverse effect on its production.

To maintain law revision at the 1969-70 level would require an additional \$5,182, that is, a total of \$25,886 more than the \$139,114 allotment. Although this amount would not be essential to an efficient and economical operation, it is essential if the potential of the Commission as a legislative service agency is to be fully achieved. The 1969 Legislature directed the Commission to study six additional topics. The Legislature also has indicated (through legislative committee chairmen) that the Commission should give a top priority to the inverse condemnation and condemnation studies. A reduction in the level of funds available during 1969-70 would, of course, result in delay in completing the projects the legislature has directed the Commission to give priority.

It should be noted that the Commission has in the past achieved substantial savings because monies are expended only when full value is received. Thus, funds for employment of temporary help or for printing have been saved because competent personnel were unavailable. It is the Commission's objective to achieve savings in whatever amount is made available to it, but adequate funds are essential if projects are to be completed as soon as possible when competent personnel are found who can assist in such projects.

Refer to Section 6212 - SAM

EXHIBIT II
Memo 69-84

BUDGET PREPARED TO COMPLY WITH GOVERNOR'S DIRECTIVE
20 PERCENT OUT

LEGISLATIVE

LAW REVISION COMMISSION

LINE	SUMMARY	NO. OF POSITIONS			ACTUAL	ESTIMATED	PROPOSED	AMOUNT OF CHANGE
		68-69 (bill.)	69-70 (est.)	70-71 (est.)	1968-69	1969-70	1970-71	
1	TOTAL EXPENDITURES							
2	Support (General Fund)				\$114,051	\$169,654	\$139,114	
3	Personnel man-years				8.3*	8**	6.7**	
4								
5								
6								
7								
8								
9								
10	EXPENDITURES							
11								
12								
13	PERSONAL SERVICES							
14	(See page 11, Salary Supplement)							
15	Authorized positions	8.3*	8**	6.7**	\$95,884	\$113,649	\$97,614	
16	Staff benefits	==	==	==	8,764	9,731	8,900***	
17	Workmen's compensation	==	==	==		100	100	
18	Totals, Personal Services	8.3	8	6.7	\$104,648	\$123,480	\$106,614	
19								
20								
21	OPERATING EXPENSES AND EQUIPMENT							
22	General expense				\$ 3,842	\$ 6,000	\$ 5,000	
23	Printing				2,717	14,500	8,000	
24	Communications				2,702	3,000	3,000	
25	Traveling--in-state				5,651	7,500	5,000	
26	Traveling--out-of-state				382	400	2,000	
27	Rent--building space				4,000	4,000	4,000	
28	Accounting and personnel services				1,677	2,713	2,500	
29	Research and contractual services				10,480	5,000	5,000	
30	Equipment				912	1,061		
31	Totals, Operating Expenses and Equipment				\$39,403	\$46,174	\$32,500	
32								
33								
34								
35	TOTAL EXPENDITURES				\$114,051	\$169,654	\$139,114	
36								
37								
38								
39								
40	RECONCILIATION WITH APPROPRIATIONS							
41	General Fund							
42	APPROPRIATIONS							
43	Budget Act appropriation				\$154,579	\$163,922	\$139,114	
44	Allocations from Salary Increase Fund				5,677	5,934		
45	Total Available				160,256	169,856	139,114	
46	Unexpended balance, estimated savings				(16,205)	(202)		
47	TOTAL EXPENDITURES				144,051	169,654	139,114	
48								
49								
50								

* Includes Commission members (0.5)
** Does not include Commission members
*** Estimated

(20 PERCENT CUT BUDGET)

Salary Supplement for Budget

SALARIES AND NUMBER OF POSITIONS	NUMBER OF POSITIONS			ACTUAL 1968-69	ESTIMATED 1969-70	PROPOSED 1970-71
	68-69 filled	69-70 auth.	70-71 auth.			
Commission member (7) (\$20 day)	0.5	-	-	(2,460)	3,500	2,500
Executive Secretary	1	1	1	1,793-2,179	26,148	26,148
Asst. Executive Secretary	1	1	1	1,626-1,976	22,584	23,712
Sr. Attorney	-	1	1	1,405-1,708	16,860	17,700
Assoc. Counsel	0.5	-	-	1,273-1,548	-	-
Jr. Counsel	1.1	1	-	830-1,007	12,084	-
Student Legal Asst.	0.5	-	-	509-915	-	-
Administrative Asst. I	1	1	1	821-998	11,496	11,976
Sr. Legal Steno.	0.1	1	1	571-692	6,852	7,188
Clerk Typist II	1	1	1	435-556	6,360	6,360
Clerk Typist I	0.8	-	-	395-480	-	-
Temporary help	0.8	1	0.7	(4,038)	7,765	<u>4,700</u>
						100,284
Estimated				Salary Savings		(2,670)
Totals, Authorized positions	8.3	8	6.7	95,884	113,649	97,614

(20 PERCENT CUT BUDGET)

ACTUAL PROJECTIONS OF POSITIONS CURRENTLY FILLED
(one legal position abolished; temporary help reduced)

Positions	Estimated 1969-70	Proposed 1970-71
Commission members	3,500	2,500
Executive Secretary	26,148	26,148
Asst. Executive Secretary	22,584	23,712
Senior Attorney	---	4,425
Associate Counsel	15,660	12,237
Asst. Counsel	6,288	---
Junior Counsel	6,042	---
Administrative Assistant I	11,496	11,976
Clerk Typist II	10,341	11,913
Clerk Typist I	1,245	---
Temporary help	<u>7,765</u>	<u>4,700</u>
	111,069	97,611

Schedule 7A (draft)

SALARIES AND NUMBER OF POSITIONS	NUMBER OF POSITIONS			ACTUAL	ESTIMATED	PROPOSED
	68-69 filled	69-70 auth.	70-71 auth.	1968-69	1969-70	1970-71
	SALARY RANGE					
Commission member (7)	0.5	-	-	\$20 day (2,460)	\$ 3,500	\$ 3,500
Executive Secretary	1	1	1	\$1,793-2,179	26,148	26,148
Asst. Executive Secretary	1	1	1	1,626-1,976	22,584	23,712
Sr. Attorney	-	1	1	1,405-1,708	16,860	17,700
Assoc. Counsel	0.5	-	-	1,273-1,548	-	-
Jr. Counsel	1.1	1	1	830-1,007	12,084	12,084
Administrative Asst. I	1	1	1	821-998	11,496	11,976
Student Legal Asst.	0.5	-	-	509-915	-	-
Sr. Legal Steno.	0.1	1	1	571-692	6,852	7,188
Clerk Typist II	1	1	1	435-556	6,360	6,360
Clerk Typist I	0.8	-	-	395-480	-	-
Temporary help	0.8	1	1	(4,038)	7,765	7,765
Totals, Authorized Positions	8.3	8	8	\$95,884	\$113,649	\$116,433

EXHIBIT IV

Memo 69-84

PROPOSED STAFF BUDGET (1970-71)

LEGISLATIVE

LAW REVISION COMMISSION

LINE	SUMMARY	ACTUAL 1968-69	ESTIMATED 1969-70	PROPOSED 1970-71	AMOUNT OF CHANGE
1	TOTAL EXPENDITURES				
2	Support (General Fund) -----	\$114,051	\$169,654	\$159,818	
3	Personnel man-years -----	8.3*	8**	8**	
4					
5					
6					
7					
8					
9					
10					
11					
12					
13	PERSONAL SERVICES				
14	(See page 17, Salary Supplement)				
15	Authorized positions -----	8.3* 8** 6.7***	\$95,894	\$113,649	\$113,087
16	Staff benefits -----		8,764	9,731	9,731***
17	Workmen's compensation -----			100	100
18	Totals, Personal Services -----	8.3 8 6.7	\$104,648	\$123,480	\$122,918
19					
20	OPERATING EXPENSES AND EQUIPMENT				
21	General expense -----	\$ 3,812	\$ 6,000	\$ 5,500	
22	Printing -----	9,707	14,500	19,000	
23	Communications -----	2,702	3,000	3,000	
24	Traveling--in-state -----	5,651	7,500	6,500	
25	Traveling--out-of-state -----	392	1,000	400	
26	Rent--building space -----	4,000	4,000	4,000	
27	Accounting and personnel services -----	1,877	2,713	2,500	
28	Research and contractual services -----	10,180	7,000	5,000	
29	Equipment -----	912	1,061	--	
30	Totals, Operating Expenses and Equipment -----	\$39,403	\$46,174	\$36,900	
31					
32					
33					
34	TOTAL EXPENDITURES -----	\$114,051	\$169,654	\$159,818	
35					
36					
37					
38					
39					
40					
41	RECONCILIATION WITH APPROPRIATIONS				
42	General Fund				
43	APPROPRIATIONS				
44	Budget Act appropriation -----	\$154,579	\$163,922	\$159,818	
45	Allocations from Salary Increase Fund -----	5,677	5,234	--	
46	Total Available -----	160,256	169,156	159,818	
47	Unexpended balance, estimated savings -----	(16,205)	(202)	--	
48	TOTAL EXPENDITURES -----	114,051	169,654	159,818	
49					
50					

* Includes Commission members (0.5)
 ** Does not include Commission members
 *** Estimated

PERSONAL SERVICES DETAIL

<u>Position</u>	<u>Estimated 1969-70</u>	<u>Proposed 1970-71</u>
Commission members	\$ 3,500	\$ 2,750
Executive Secretary	26,148	26,148
Assistant Executive Secretary	22,584	23,712
Senior Attorney	---	4,425
Associate Counsel	15,660	19,875
Assistant Counsel	6,288	6,288
Junior Counsel	6,042	---
Administrative Assistant I	11,496	11,976
Clerk Typist II	10,341	11,913
Clerk Typist I	1,245	---
Temporary Help	7,765	6,000
	<hr/>	<hr/>
Total, Personal Services	\$111,069	\$113,087

Commissioner's salaries. The amount budgeted for Commissioner's salaries (\$20 per meeting day) has been reduced from \$3,500 to \$2,750. This reduction is made on the following assumptions: (1) Commissioner Arnebergh will continue his practice of not drawing any salary (he has directed that he not be included in the report to the Controller which serves as the basis for paying salaries). (2) The Commission will hold two-day meetings with only one three-day meeting in September (instead of meeting three days every other month as was the former practice). (3) One Commissioner will fail to attend some of the meetings. If the amount budgeted proves to be inadequate, it will be supplemented from the amount budgeted for temporary help.

Merit increases and normal staff promotions. The budget provides funds to finance normal merit increases and for the normal promotions of members of the staff when they qualify for promotion.

Temporary help. The amount budgeted for temporary help covers clerical assistance during the summer when the clerical staff takes vacations and during peak periods. It also covers student legal assistants and other legal positions of a temporary nature. It is essential that adequate funds be available for temporary help. Adequate clerical assistance maximizes the production of legal staff members because it permits clerical tasks to be performed by nonprofessional staff members. Similarly, intermittent student legal assistants maximize the production of legal staff members because they perform relatively simple legal research tasks (such as cite checking and spot research) that otherwise would be performed by a higher paid member of the professional legal staff. In addition, temporary legal help has prepared some relatively simple research studies.

The amount budgeted for 1970-71 for temporary help is \$6,000, a reduction from the \$7,765 available for 1969-70. It should be noted that only \$4,038 was actually expended during 1968-69 for temporary help because (1) the production of the Commission was relatively low and the demands on the clerical staff were less than normal and (2) the number of student legal assistants who were considered competent was inadequate and the money available for their employment was saved rather than expended on less capable personnel. This latter saving resulted in some reduction in staff production during 1968-69. During 1967-68, the actual expenditure for temporary help was \$7,043.

Staff benefits. Staff benefits are budgeted at the amount estimated for 1969-70. The exact amount for staff benefits will be computed later. We are advised to budget state employee's retirement at current rate schedules, to increase the amount budgeted for Old Age, Survivors' and Disability Insurance at a higher rate to reflect the increase in rates that will become effective on January 1, 1971, to budget Health and Welfare Benefits at current rates, and to increase the contribution for reserve purposes. The net result will be some increase in the amount that must be included in the final budget for staff benefits.

GENERAL EXPENSES

<u>Actual</u> <u>1968-69</u>	<u>Estimated</u> <u>1969-70</u>	<u>Proposed</u> <u>1970-71</u>
\$ 3,842	\$ 6,000	\$ 5,500

COMMENT

General expenses were exceptionally low during 1968-69 because the Commission production was relatively low during that period. During 1967-68, the actual expenditures for items covered by general expenses was \$5,595, which amount includes a separate amount for law books which are now covered by general expenses.

The major Commission projects during 1969-70 and 1970-71 will be inverse condemnation and condemnation law and procedure. Accordingly, a substantial volume of mimeographed material (tentative recommendations and studies) will be produced and distributed to approximately 500 persons and organizations interested in these areas of the law. Although the distribution of this material to such a substantial number of persons and organizations is costly, the Legislature in the past has urged the Commission to obtain the views of all interested persons and to consider those views in preparing the recommendations it submits to the Legislature. Failure to make this distribution results in many extra hours of legislative hearings in an effort to work out problems that can often be resolved before the legislation is submitted to the Legislature if interested persons and organizations are provided an opportunity to study tentative recommendations and studies and to comment thereon before the recommendation to the Legislature is prepared.

PRINTING

<u>Actual</u> <u>1968-69</u>	<u>Estimated</u> <u>1969-70</u>	<u>Proposed</u> <u>1970-71</u>
\$ 9,747	\$ 14,500	\$ 10,000

COMMENT

Most of the funds available for printing during 1969-70 and 1970-71 will be used to cover the cost of printing required in connection with the studies on inverse condemnation and condemnation law and procedure.

Past experience for printing costs is summarized below:

1961-62 --	\$ 6,410
1962-63 --	24,271 (sovereign immunity recommendations)
1963-64 --	16,089
1964-65 --	19,000 (Evidence Code)
1965-66 --	8,108
1966-67 --	12,421
1967-68 --	15,836
1968-69 --	9,747

COMMUNICATIONS

<u>Actual</u> <u>1968-69</u>	<u>Estimated</u> <u>1969-70</u>	<u>Proposed</u> <u>1970-71</u>
\$ 2,702	\$ 3,000	\$ 3,000

COMMENT

The major portion of the amount budgeted for communications is used for postage and telephone. The cost of telephone service by Stanford has been increased to reflect the rate increase for telephone service. The cost of postage "for educational mail" is increasing. Accordingly, no reduction can be made in this amount from the amount for 1969-70 and the amount is a bare minimum.

TRAVELING-IN-STATE

<u>Actual</u> <u>1968-69</u>	<u>Estimated</u> <u>1969-70</u>	<u>Proposed</u> <u>1970-71</u>
\$ 5,651	\$ 7,500	\$ 6,500

COMMENT

The amount of travel expense for 1968-69 is relatively low because the Commission did not present a substantial legislative program to the 1969 Legislature.

Past experience on traveling-in-state is summarized below:

1961-62	--	\$ 5,318	
1962-63	--	7,828	
1963-64	--	6,424	
1964-65	--	8,035	
1965-66	--	4,803	(no recommendation submitted to Legislature)
1966-67	--	6,701	
1967-68	--	3,894	(number of commission meetings not held due to vacancies on commission)
1968-69	--	5,651	

It should be recognized that an air fair increase for travel between Los Angeles and San Francisco has been approved and this will have a substantial effect on Commission travel since meetings are held in Los Angeles and San Francisco. Air fares between San Francisco and Los Angeles will be increased by 7.6 percent.

TRAVELING-OUT-OF-STATE

<u>Actual</u> <u>1968-69</u>	<u>Estimated</u> <u>1969-70</u>	<u>Proposed</u> <u>1970-71</u>
\$ 392	\$ 400	\$ 400

COMMENT

The amount budgeted provides for attendance by one member of the Commission's legal staff at the Annual Meeting of the National Legislative Conference. Attendance at the annual meeting is a means of saving staff research time by learning of current developments in other states in areas of law under study as well as improving the substance of the Commission's recommendations to the Legislature. The benefits of such attendance are far in excess of the amount required for payment of the travel expenses.

RENT - BUILDING SPACE

<u>Actual</u> <u>1968-69</u>	<u>Estimated</u> <u>1969-70</u>	<u>Proposed</u> <u>1970-71</u>
\$ 4,000	\$ 4,000	\$ 4,000

COMMENT

Rent is payable on a lease with Stanford University where the Commission's office is located. There is a possibility that the rent will be increased during 1970-71 if the new law school is completed by that time, but no attempt is made in this budget to anticipate that possibility.

ACCOUNTING AND PERSONNEL SERVICES

<u>Actual</u> <u>1968-69</u>	<u>Estimated</u> <u>1969-70</u>	<u>Proposed</u> <u>1970-71</u>
\$ 1,677	\$ 2,713	\$ 2,500

COMMENT

The amount budgeted for accounting and personnel services is used to finance a contract between the Commission and the Department of General Services for the performance of accounting and personnel services for the Commission. The reduction in the amount proposed for 1970-71 reflects the decision to reduce all items that can possibly be reduced.

Although only \$1,677 was expended pursuant to this contract during 1968-69, the amount for 1967-68 was \$2,402.

RESEARCH AND CONTRACTUAL SERVICES

<u>Actual</u> <u>1968-69</u>	<u>Estimated</u> <u>1969-70</u>	<u>Proposed</u> <u>1970-71</u>
\$ 10,480	\$ 7,000	\$ 5,000

COMMENT

A drastic reduction is made in research and contractual services to \$5,000. This budget item is used to finance background research studies and is a most economical method of financing the production of such studies when a competent research consultant can be obtained. The \$5,000 would be used to finance those studies most needed on the basis of priorities determined during 1970-71, taking into account the views expressed by legislative committees as to the priorities to be given to studies on the Commission's agenda.

Past experience on research and contractual services is summarized below.

1961-62 --	\$ 15,267
1962-63 --	5,170
1963-64 --	4,656
1964-65 --	1,897
1965-66 --	6,650
1966-67 --	12,750
1967-68 --	6,650
1968-69 --	10,480

Note: The major activity during 1962-65 was the study of evidence. The cost of the research studies on this topic was paid in prior fiscal years.

It should be noted that the Commission has found it necessary to double the amount of compensation for the ordinary research study because of the difficulty of obtaining consultants to prepare studies. Yet, even with the increase, the amount paid for such studies is substantially less than it would be if the study were prepared by a member of the Commission's staff since the amounts paid do not purport to be adequate compensation for such studies and the studies are prepared partly as a public service.

EQUIPMENT

Actual
1968-69

\$ 912

Estimated
1969-70

\$ 1,061

Proposed
1970-71

-0-

State of California

Memorandum

To : Mr. John H. De Mully
Executive Secretary
Law Revision Commission
Room 30, Crothers Hall
Stanford University

Date : July 28, 1969

File No.:

From : Department of Finance

Subject: Budget Preparation Plans for the 1970-71 Governor's Budget

Governor Reagan has announced that it is the policy of this Administration to reduce the cost of government to the lowest possible level commensurate with efficient State operations. Even in the face of national inflation and mounting costs, every effort must be made to reduce the budget.

It is also our goal to hold the total employment level in the executive branch to the lowest possible level, and certainly below the total levels of employment we found when we took over in 1967.

To achieve these goals, we will allocate specific sums to each agency and each non-agency department for their 1970-71 Budget. The various departments will be required to submit program format budgets within the sums so allotted, and to pattern their priorities and their programs accordingly. Supplementary program requests may be separately submitted on a priority basis. These programs will be considered in relation to overall statewide priorities, within our existing tax resources. One of the highest priority programs will be tax reduction.

The 1970-71 Governor's Budget will be prepared in the following manner. Each department head will receive a departmental allocation for the 1970-71 fiscal year. It will be necessary for the department to submit the higher priority programs which can be financed within the allocation, as the amount allocated will be the limit of funds available for the basic or "Departmental Allocation Budget". (This allocation process represents a significant difference in approach and should be reflected in the preparation of the Program Memorandum, originating as the result of the Governor's Policy and Program Conferences.) Each department will prepare the list of such programs, with approximate costs for each to be included in the departmental allocation budget, for submission to Department of Finance by August 25, 1969.

Each department head may also list supplemental requests in priority order with approximate costs which, if developed must be submitted to the Department of Finance no later than September 8, 1969.

Both lists will be reviewed by the Department of Finance. Hearings will be held as required between September 22 and October 10, and, upon completion of final determinations by the Governor, decisions will be announced no later than October 13. Departments will then prepare detailed program budgets, as well as line-item expenditure budgets, including the approved allocation budget and any approved supplemental requests, and submit them to the Department of Finance as soon as possible after October 13, 1969, and in no event later than November 17, 1969. Where there is a difference in the procedures and timing required, this letter will supersede the conflicting portions of State Administrative Manual Sections 6212 and 6812.

Note that the emphasis will be on making decisions first, and then upon preparing detailed budgets for approved programs.

In accordance with the goals established by the Governor, your allocation information is attached.

The program list you prepare for this allocation must give emphasis to those programs which best serve the needs of the State. Naturally, I hope you can develop, if practicable, less costly alternatives to meet your objectives. I realize that you may wish to consider supplemental requests while you prepare your program list for the allocation budget. Your supplemental requests, ranked in departmental priority order, must, of necessity, be considered by the Governor in terms of total statewide priorities for the limited resources available. Obviously, therefore, it is essential that only programs of high priority be included.

Your program list to be submitted to the Department of Finance by August 25, 1969 should include the following information:

- a. Program name (based on the 1969-70 current budget).
- b. Amount requested for program for 1970-71 together with comparable amounts for 1968-69 and 1969-70.
- c. Brief description of programs (only if new or an expansion).

If you wish to submit a list of supplemental request items, that list should be submitted to Department of Finance by

September 8, 1969, and should be arranged in descending priority order and should include the following information:

- a. Program name.
- b. Amount requested for 1970-71.
- c. Brief statement of whether the program is:
 1. a new program
 2. an expansion of an existing program, or
 3. a restoration of funds eliminated as a result of the initial allocation process.
- d. A thorough program analysis, including a comparison of additional benefits and costs.
- e. Alternatives available, including probable consequences if supplemental request is not approved.

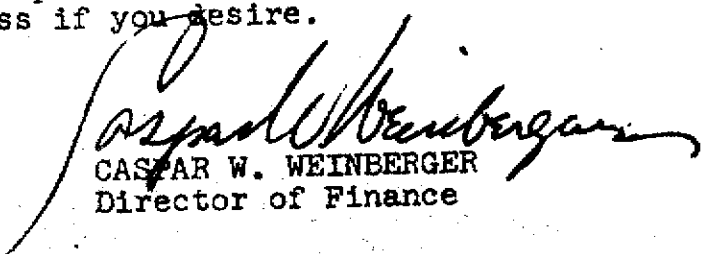
With respect to supplemental requests, you should know that only the most strongly justified and urgent requests can be considered.

After the total program levels for the 1970-71 fiscal year have been announced, departments will prepare the detailed program budgets, as well as line-item expenditure budgets, including 1969-70 fiscal year reestimates, and submit them to the Department of Finance as soon as possible, and no later than November 17, 1969 in completed form for final printing.

A modified price and population letter will be issued as soon as practicable for your guidance.

It is incumbent upon each department head to review and modify his 1969-70 operational plan so that there may be a reasonable transition during the 1969-70 fiscal year to the programs and levels approved for the Administration's 1970-71 program.

Let me emphasize that all of us in the Department of Finance stand ready to be of any assistance to you that you may wish. We all have a difficult but extremely important task in building the 1970-71 Budget, and realizing this, we will be glad to have anyone in the Department work with you at any and all stages of the process if you desire.


CASPAR W. WEINBERGER
Director of Finance

Law Revision Commission

Allocation Information
1970-71 Fiscal Year

The amount detailed below represents your departmental allocation for the 1970-71 fiscal year.

Agency and Item Number	Amount and Fund
<u>State Operations</u>	<u>General Fund</u>
Law Revision Commission Item 13, Budget Act of 1969	\$139,114