

8/17/70

First Supplement to Memorandum 70-74

Subject: Budget for 1971-72 Fiscal Year

After Memorandum 70-74 was prepared and sent to you, we received instructions on preparation of the budget for the 1971-72 fiscal year from the Department of Finance.

We are advised that the following adjustments are required to reflect increased costs:

(1) Operating expenses for 1970-71 and 1971-72 should be increased 4 and 7 percent respectively above 1969-70 levels.

(2) Library acquisitions (included in operating expenses) should be increased at 3 and 6 percent respectively above 1969-70 levels.

(3) Telephone expenses should be increased by 2 and 6 percent respectively above 1969-70 levels.

(4) Air travel costs should be increased for 1970-71 and 1971-72 by 10 percent above 1969-70 levels.

(5) It is anticipated that the rental charge will be increased by 20 percent (\$1,000 a year) for 1971-72 over 1969-70 levels plus a service charge 2 and one-half percent of the rent to be paid to the Department of General Services.

(6) The Department of Finance did not provide any information on printing costs (a significant cost), but we estimate the increase at a minimum of 4 and 7 percent respectively over 1969-70 levels.

No additional funds will be made available to cover the increased costs for 1970-71. (These increased costs supposedly were taken into account in the final budget for 1970-71.) The Department of Finance has

advised us that they would consider a budget for 1971-72 that does not exceed \$172,300 as one that holds the line at the present level of services, the difference between \$172,300 and the amount available for the current fiscal year (\$168,918 according to the Department of Finance) being the amount allowed to cover merit increases and increased costs anticipated for 1971-72. Accordingly, the staff suggests that the budget contained in Memorandum 70-74 be increased to \$172,300. The approximately \$3,400 additional funds should be allocated as follows:

Operating expenses	-- add \$	500
Printing	-- add \$	500
Communications	-- add \$	250
Traveling--in-state	--- add \$	250
Rent--building space	-- add \$	1,000
Research	-- add \$	900

Total ----- \$3,400

In computing the amounts in the final budget to be submitted to the Department of Finance, we anticipate that various minor modifications will be required by the Budget Examiner and by the Fiscal Services of the Department of General Services to reflect more up-to-date information on personnel costs and other items of expenditure. Nevertheless, the staff recommends that in no event should the Commission request exceed the amount which the Department of Finance considers as holding the line--which amount we are advised would be \$172,300.

Respectfully submitted,

John H. DeMouly
Executive Secretary