

Memorandum 84-91

Subject: Finances

GENERAL FINANCIAL SITUATION

The funds available to the Commission at the present time for the 1984-85 fiscal year are approximately \$34,000 less than the amount of the Governor's budget as approved by the fiscal committees of the Senate and Assembly. This is because the money budgeted for the Commission was transferred to the legislative contingent funds and is available only to the extent that the Rules Committee of each House makes money available.

The funds available to the Commission come from the following sources:

(1) \$225,000 (one-half of the amount of the approved budget) comes from the bill to continue the existence of the Commission. This amount will become available on January 1, 1985.

(2) \$112,500 (one-quarter of the amount of the approved budget) comes from the Assembly Contingent Fund. Assemblyman McAlister and Commissioner Gregory obtained this amount.

(3) \$78,750 (instead of the \$112,500 share) comes from the Senate Contingent Fund. Commissioner Gregory obtained this amount. We understand that the amount is determined on the same basis as for staff of Senate Committees. The amount allowed requires that a \$33,750 reduction be made in the approved budget.

In addition to the above amounts, we understand that the Department of Finance will allocate from a special fund the amount needed to cover the salary increases approved by the Legislature.

Exhibit 1 attached shows how the \$33,750 reduction would be made in the approved budget for 1984-85. The savings would be realized by making the following reductions:

Salary Savings -- increase from \$12,000 to \$18,000, a \$6,000 savings.

Printing -- reduction from \$21,000 to \$11,000 (savings of \$10,000 to be achieved by not expending money to print reports during 1984-85).

Consultants-External-- reduction from \$20,000 to \$2,000, an \$18,000 savings to be achieved by not retaining any additional consultants (except possibly one of the two consultants the staff was directed to retain at the last meeting).

The budgeted \$12,000 salary savings are realized by having Bob Murphy work on a 3/4 time basis. The additional \$6,000 salary savings will be made by leaving one of our two secretarial positions vacant for August, September, and October and filled on only a one-half time basis in November and December 1984.

The Executive Secretary discussed the Commission's fiscal needs with top representatives of the Department of Finance. They did not consider the need to expedite the Probate Code study to be an "emergency" that would justify resort to the State Emergency Fund. (The State Emergency Fund is available to cover unanticipated emergencies that arise during 1984-85.) But the Department of Finance has agreed to add \$38,000 to our previously submitted budget for 1985-86. This additional amount is added to increase the amount available for printing by \$10,000 to \$31,000 to cover the extraordinary cost of printing the recommendation proposing a new Probate Code and to provide \$28,000 to cover the cost of modern word processing equipment (discussed later in this memorandum).

We have sufficient money for 1985-86 if the increased Governor's Budget for 1985-86 is approved by the Legislature. We are seriously deficient for the 1984-85 fiscal year, as the discussion later in this memorandum will indicate. I understand that Commissioner Marzec will seek additional money from the Senate Rules Committee and from private sources. (Assemblyman McAlister advised me that he believed that the Commission had been treated very well by the Legislature with respect to funds for the 1984-85 fiscal year and that any additional funds should be sought from "private sources.") By the time of the meeting, Commissioner Marzec may be able to advise us as to what success he has had in obtaining additional funds. We primarily need additional funding to make a down payment on word processing equipment so that it will be available during the first six months of 1985 when we will be doing the basic work on the new Probate Code. The word processing equipment is needed to improve the productivity of the clerical support staff.

LEGAL STAFF SERVICES

The production of a new Probate Code for the 1986 legislative session will require a significantly increased level of legal staff services. Not only must the work on Division 3 of the Probate Code be completed, but the entire Probate Code must be reviewed and be put in the form of a new Probate Code.

A much greater effort will be required of the existing legal staff. In this connection, the Commission should be aware that Bob Murphy has for a number of years worked on a 3/4 time basis. He requested to go on this part-time basis because his wife is a medical doctor and Bob has substantial family responsibilities that he cannot avoid. Nat Sterling's wife died in August of this year. He has five children, the youngest being two twin girls who recently attained the age of 9. These circumstances limit the extent to which Murphy and Sterling can work additional time during 1985.

Accordingly, we are going to need additional new staff resources to meet the schedule to produce the new Probate Code. We need these additional staff resources now. The staff believes that the solution would be to obtain an experienced probate lawyer to work in our office for the six-month period from January 1 to July 1, 1985. We do not have any money available during 1984-85 to pay for additional staff. Accordingly, the present employer of this temporary attorney would need to continue to pay his or her salary while he or she is working in our office. The temporary staff attorney must be an experienced probate lawyer. The kind of person we need is the kind of person the law firm will hesitate to give up for a six-month period.

The staff has alerted Mr. Collier to this need and he is making the need known to those who might be in a position to fill the need. Commissioner Marzec is working on obtaining the temporary attorney as well. The staff plans to explore some possibilities.

We are counting on our administrative assistant to relieve the Executive Secretary of substantially all of the administrative burden imposed on the Commission and to do what is necessary to make the legal and clerical staff most productive.

CLERICAL SUPPORT SERVICES

The Commission's clerical support staff consists of two word processing technicians. They have the job of producing and xeroxing and mailing the material for Commission meetings and the material we send out to interested persons and organizations for review and comment. They produce the correspondence and other materials we are required to prepare as an independent state agency. One of their most important tasks is to produce the printed publications containing the Commission's Annual Report and Recommendations. The printing is accomplished by

taking the approved text of the Commission's recommendation (prepared by the clerical staff in typewritten form for the the Commission meeting and revised to reflect decisions at the meeting) and then typing computer codes into that material and sending the result over the telephone to a computer in Sacramento. The computer then produces a tape which is inputed into a composing machine in the state printing plant. The printing plant delivers to our office the printed material, which is proofread, and corrections are transmitted and received in the same manner. The copy is then pasted up in the form it will appear in our printed report and is sent to the State Printer to be printed. This is, of course, a great simplification of the actual process, but it will give you an idea of the magnitude of the task of the clerical staff.

We plan to increase the productivity of the clerical staff by obtaining modern word processing equipment. We do not have any funds available during the current fiscal year to obtain this equipment and we are working with the State Division of Procurement to solve the problems involved in the procurement of the equipment in time so that it will be in place on January 1, 1985. If we do not have it in place by then, we will have the problem of converting text that we have typed on our obsolete Mag Card typewriters so that it is compatible with the new equipment. In some way we need to obtain funds to make a down payment on the equipment this fiscal year and to pay for it next fiscal year out of the funds that will become available to the Commission on July 1, 1985 for equipment (if the Legislature approves this provision of the Governor's budget). The additional needed funds could come from the additional funds Commissioner Marzec is seeking from the Senate Rules committee or private sources. The staff also is exploring other sources of funds; we hope to make some sort of agreement to obtain additional funds from outside sources in consideration for the legal staff providing consultation that would not involve any significant additional burden on the legal staff.

Respectfully submitted,

John H. DeMouilly
Executive Secretary

	<u>1983-84</u> <u>Actual</u>	<u>1984-85</u> <u>Budgeted</u>	<u>1984-85</u> <u>Projected</u>	<u>1985-86</u> <u>Proposed</u>
Authorized Positions	\$ 241	\$ 293	\$ 293	\$ 297
Salary Savings	<u>-</u> 241	<u>- 12</u> 281	<u>- 18</u> 275	<u>- 12</u> 285
Staff Benefits	<u>69</u>	<u>77</u>	<u>77</u>	<u>79</u>
TOTAL, PERSONAL SERVICES	\$ 310	\$ 358	\$ 352	\$ 364
OPERATING EXPENSES				
General Expense	\$ 10	\$ 13	\$ 13	\$ 13
Env., Stationery, etc.				
Dues/Memberships				
Office Supplies (paper, ribbons, general office supplies, Xerox supplies)				
Freight				
Business Cards				
Purchased Clerical Svcs.				
Advertising				
Mtg. Conf. Rooms				
Library Expense				
Minor Equipment				
Equipment Maint.				
Other G/E				
Printing	25	21	11	31
Copier Supplies (from outside vendors)				
Copier Maintenance				
Publications				
Communications	5	7	7	7
Telephone				
Postage	5	7	7	7
Postage				
UPS				
Travel In-State	12	17	17	17
Travel Out-of-State	2	2	2	2
Facilities Operation	15	15	15	17
Rent Office Space				
Lease Management				
Police Services				
Consultants - External	9	20	2	20
Consultants - Interdept.	17	18	18	18
Accounting				
Personnel				
Equipment	-	-	-	28
Data Processing	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL, OPERATING EXP.	\$ 112	\$ 120	\$ 92	\$ 160
TOTAL EXPENDITURES	\$ 422	\$ 478	\$ 444	\$ 524