

9/7/73

Subject: Budget for 1974-75 Fiscal Year

Attached (Exhibit I) is a draft of a proposed budget for the 1974-75 fiscal year. The Department of Finance has directed that we prepare a budget that does not exceed \$197,798, and the staff proposed budget is for this amount.

The first page of the budget (which tells the Legislature what it gets for the money it spends) is important. The estimates of output in this portion of the budget are based on the recommended output as set out in Memorandum 73-60.

The budget covers normal merit increases and anticipates the promotion of Mr. Sterling from Staff Counsel I to Staff Counsel II during 1974-75. The positions of Executive Secretary, Administrative Assistant, and one Clerk-Typist II position are at the maximum, and no merit increases are provided for these positions.

The Operating Expenses hold the line at basically the same level as is estimated for 1973-74. This is necessary to stay within the amount allotted by the Department of Finance. Nevertheless, the Commission should be advised that the Department of Finance anticipates that operating expenses generally will increase at 8 percent during 1974-75 over 1972-73, with the following different estimates:

Telephone - 1974-75 at 14 percent over 1972-73

Traveling (interstate air travel) - 1974-75 at 9 percent over 1972-73

Postage - It is likely that there will be substantial increases in postage, the exact amount being unknown at the present time.

Library acquisitions - 1974-75 at 12 percent over 1972-73

In addition, we anticipate a significant increase in rent for our offices. (We will soon end our five-year lease, and there has been no increase in rent for the last five years, despite substantial increases in maintenance and janitorial costs to Stanford. Also, we will be moving to different quarters, and some remodeling of the new quarters will be required.)

We expect to publish a substantial volume of material during 1973-74 and 1974-75. See projections set out on first page of Exhibit I attached. (Note that the anticipated number of pages will double in 1973-74 over 1972-73.)

We also have the following plans which are not reflected in the budget:

(1) We have hired as temporary help for not more than nine months an Order of the Coif graduate of the Stanford Law School. We have hired this man at the student assistant level even though he has passed the Bar. Primarily, he will be working on the nonprofit corporation study. He will also be available for spot research in connection with major projects. Right now he is polishing up the background study on partition procedure. We plan to finance the cost in part by transferring moneys from research and contractual services if necessary. (We suggest, in this connection, that we abandon the practice of providing an index for our bound volumes. We will provide a table of cases and a cumulative table of statutes enacted upon Commission recommendation. We estimate that we will save \$1,000 for 1973-74 and \$1,500 for 1974-75 in contractual services by omitting an index.)

(2) We are planning to purchase a Mag Card II typewriter (perhaps over a period of two or three years). This machine is essential if we are to expedite our printing schedule and also will permit continuing savings in printing costs conservatively estimated at \$5,000 a year if the machine is able to do what we anticipate that it will do. We plan to rent the machine until it proves to be able to produce what we anticipate it will. The machine costs about \$12,000. We plan to finance its purchase with savings in printing costs. We hope to realize significant savings even though the number of pages we will print will substantially increase.

Despite any misgivings the Commission may have concerning the adequacy of the funds allocated by the Department of Finance for 1974-75, the staff urges approval of the proposed budget as attached.

Respectfully submitted,

John H. DeMouilly
Executive Secretary

CALIFORNIA LAW REVISION COMMISSION

Need

The commission assists the Legislature in keeping the law up to date by intensively studying complex and controversial subjects, identifying major policy questions for legislative attention, gathering the views of interested persons and organizations, and drafting recommended legislation for legislative consideration. The commission also identifies deficiencies in the law that might not otherwise come to legislative attention and recommends corrective legislation.

The efforts of the commission permit the Legislature to devote its time to determining significant policy questions rather than having to be concerned with the technical problems in preparing background studies, working out intricate legal problems, and drafting needed legislation. The output of the commission thus permits the Legislature to accomplish needed reforms that the Legislature might otherwise not be able to effect because of the heavy demands on legislative time. In some cases, the commission's study results in a determination that no legislation on a particular topic is needed, thus relieving the Legislature of the burden of devoting its time to the study of such topic.

Objectives

The primary objective of the California Law Revision Commission is to study the statutory and decisional law of this state to discover defects and anachronisms and to recommend legislation to effect needed reforms.

Output

The basic measure of the commission's output is the number of statute sections recommended to be added, amended, or repealed at a given session. This is not an accurate measure of output, however, since one statute section dealing with a complex, controversial problem may require substantially more resources than 50 sections dealing with a relatively simple, noncontroversial problem.

Output	Actual 1972-73	Estimated 1973-74	Estimated 1974-75
Sections recommended	186	250	250

The Commission plans to submit its recommendations relating to condemnation law and procedure to the 1975 legislative session. Work on this topic has occupied a substantial portion of the Commission's time and resources for a number of years; the high output for 1974-75 anticipates that the recommendations arising out of this major study will be submitted to the 1975 legislative session.

Another measure of the commission's output is the number of printed pages contained in material published in a given fiscal year. To some extent, this reflects the commission's actual output since the complexity of the legal problem involved is generally reflected in the number of pages required to discuss the problem. However, the commission strives for conciseness in its publications in order to minimize printing costs and to reduce the volume of material that must be considered by the Legislature and other interested persons. Consequently, the more editorial resources that are devoted to a particular publication, the more likely that it can and will be shortened.

Output	Actual 1972-73	Estimated 1973-74	Estimated 1974-75
Commission reports (printed pages) -----	452	950	500

The high output for 1973-74 reflects publications arising out of the Commission's study of condemnation law and procedure. Work on these publications has been in progress for a number of years.

Authority

Section 10330 of the Government Code.

General Description

The commission consists of a Member of the Senate appointed by the Committee on Rules, a Member of the Assembly appointed by the Speaker, and seven additional members appointed by the Governor with the advice and consent of the Senate. The Legislative Counsel is an ex officio nonvoting member of the commission.

The workload of this commission is determined primarily by the number of topics assigned to it by the Legislature. The commission now has an agenda of 20 topics referred to it by the Legislature for study,

The commission will not request that any additional topics be authorized for study by the 1974 Legislature but will request that the 1974 Legislature authorize the commission to remove three topics from its agenda, legislation relating to these topics having been enacted upon recommendation of the commission.

Present staffing of the commission is adequate to handle the anticipated workload during 1974-75.

BUDGET SUMMARY

	<u>Actual 1972-73</u>	<u>Estimated 1973-74</u>	<u>Proposed 1974-75</u>
PERSONAL SERVICES			
Total, Authorized Positions	111,120	129,957	133,368
Estimated Salary Savings	---	<u>(5,889)</u>	<u>(5,410)</u>
Net Totals, Salaries & Wages (see attached sheet for details)	111,120	124,068	127,958
Staff Benefits	<u>12,258</u>	<u>13,551</u>	<u>13,650</u>
Totals, Personal Services	123,378	137,619	141,608
OPERATING EXPENSES			
General Expense	9,273	9,500	9,500
Printing	23,309	19,000	20,000
Communications	3,657	4,000	4,000
Traveling--in-state	6,404	7,500	7,500
Traveling--out-of-state	1,042	400	400
Consultant & professional services	6,478	9,474	9,500
Facilities operations	5,241	5,250	5,290
Equipment	<u>931</u>	---	---
Totals, Operating Expenses	56,335	55,124	56,190
TOTAL EXPENDITURES	179,713	192,743	197,798

Note. Estimated Operating Expenses for 1973-74 are the same as in the printed 1973-74 Budget as approved by the Legislature except that \$1,500 has been transferred from "Consultant and professional services" category to "General expense" category to reflect actual expenditures for "General expense" during 1972-73.

PERSONAL SERVICES DETAIL

	<u>Actual</u> <u>1972-73</u>	<u>Estimated</u> <u>1973-74</u>	<u>Proposed</u> <u>1974-75</u>
SALARY AND WAGES			
Commission Members	\$20 per day	3,500	3,500
Executive Secretary	2,403	28,836	28,836
Assistant Executive Secretary	1810-2201	24,440	25,670
Staff Counsel II	1564-1901	--	10,948
Staff Counsel I	1417-1724	17,508	7,445
Legal Counsel	1007-1285	12,879	14,282
Administrative Assistant	937-1196	13,656	13,656
Senior Legal Stenographer	635-772	7,620	7,992
Clerk-Typist II	484-683	7,068	7,068
Temporary Help	<u>(1,081)</u>	<u>8,561</u>	<u>8,561</u>
	111,120	124,068	127,958
STAFF BENEFITS			
Employees' Retirement	7,852	8,477	8,576
Social Security	3,296	3,774	3,774
Health Benefits	1,110	1,200	1,200
Workmen's Compensation	<u>--</u>	<u>100</u>	<u>100</u>
	12,258	13,551	13,650
TOTAL	123,378	137,619	141,608