

8/18/64

Memorandum 64-56

Subject: Budget for 1965-66 Fiscal Year

Attached is a copy of a proposed revision of the budget for the 1964-65 Fiscal Year and a proposed budget for the 1965-66 Fiscal Year.

The revised budget for 1964-65 and the proposed budget for 1965-66 are within the amounts allotted to the Commission by the Department of Finance.

Although there is no amount specifically budgeted for upgrading of staff positions, we will finance such upgrading from funds available for temporary help. We contemplate an upgrading of the position of Junior Staff Analyst (our Administrative Assistant) and the position of Associate Counsel.

We believe the attached materials fully explain and justify the proposed revised budget for 1964-65 and the proposed budget for 1965-66.

Respectfully submitted,

John H. DeMouilly
Executive Secretary

PROPOSED BUDGET
for
1965-66 Fiscal Year

CALIFORNIA LAW REVISION COMMISSION

School of Law
Stanford University
Stanford, California

SUPPORT EXPENDITURE DETAIL

	Actual 1963-64	Budgeted 1964-65	Revised 1964-65	Proposed 1965-66
PERSONAL SERVICES				
Authorized Positions				
Commission members (7)(per diem)	3,460	3,500	3,500	3,500
Executive Secretary	19,728	18,768	20,668	20,688
Assistant Executive Secretary	17,898	17,020	18,768	18,768
Associate Counsel	10,576	11,474	12,646	13,279
Assistant Counsel	716	---	---	---
Junior Staff Analyst	1,497	6,120	6,432	6,744
Administrative Trainee	3,000	---	---	---
Senior Stenographer	4,371	---	5,259	5,533
Intermediate Stenographer (2)	4,615	10,588	---	---
Intermediate Typist	---	---	4,119	4,542
#901 - Blanket (Temporary help)	5,742	5,500	5,775	5,500
Total, Authorized Positions	71,603	72,978**	77,187****	78,554
Less Salary Savings	---	---	---	---
Staff Benefits				
Cost of Employees' Retirement	4,351	---	5,055	5,149
Cost of Health and Welfare	357	5,665**	488	488
O.A.S.D.I.	522	---	671	752
Totals, Staff Benefits	5,230	5,665	6,214	6,389
TOTALS, PERSONAL SERVICES	76,833	78,643**	83,401	84,943
OPERATING EXPENSES				
General Expense	3,406	3,500	3,500	3,500
Rent	1,550	3,000	5,000	8,000
Printing & Binding	16,089	12,070	12,070	8,500
Telephone & Telegraph	---	---	---	---
Exchange Charges	462	476	476	476
Long Distance Tolls	20***	400	400	300
Postage	1,210	1,000	1,200	1,000
Travel, In-State	6,424	8,000	8,000	6,400
Travel, Out-of-State	---	400	400	500
Research and Contractual Services	4,656	6,000	3,800	5,500
TOTALS, OPERATING EXPENSE	33,817	34,846**	34,846	34,176
EQUIPMENT				
Total	626	500**	500	2,200
TOTAL EXPENDITURES	111,276	113,989**	118,747****	121,319

* Salary savings 1963-64 were \$989

** Amount approved by Legislature for 1964-65

*** Most of long distance tolls not billed during 1963-64 fiscal year because calls were charged to another agency through error. This error is being corrected.

**** Amount of increase is caused by salary increases which makes available \$5,560 from salary increase fund. Salary savings make it necessary to obtain only \$4,758 from salary increase fund.

GENERAL ANALYSIS

Objectives

This Commission examines the law to discover defects and recommends needed changes, receives proposed changes in law recommended by other bodies, recommends changes in the law necessary to modify or eliminate obsolete or unconstitutional provisions and reports proposed studies to the Legislature.

Program and Performance

The workload of this Commission is determined primarily by the number of studies assigned to it by the Legislature. Because studies are scheduled for completion just prior to the general session of the Legislature, workload statistics are presented below in terms of fiscal periods of two years.

	<u>Actual 1959-61</u>	<u>Actual 1961-63</u>	<u>Estimated 1963-65</u>
Studies	10	2	2

A study on Sovereign Immunity was one of the studies upon which a substantial number of recommendations were made to the 1963 general session of the Legislature. A recommendation on the Rules of Evidence will be the major recommendation to the 1965 general session of the Legislature.

NUMBER OF POSITIONS

	<u>1963-64</u> <u>(filled)</u>	<u>1964-65</u> <u>(authorized)</u>	<u>1964-65</u> <u>(proposed)</u>	<u>1965-66</u> <u>(proposed)</u>
Commission member (7)	0.7	0.7	0.7	0.7
Executive Secretary	1	1	1	1
Ass't Exec. Sec'y	1	1	1	1
Associate Counsel	0.9	1	1	1
Assistant Counsel	0.1			
Jr. Staff Analyst	0.3		1	1
Admin. Trainee	0.5	1		
Sr. Steno.	0.9	1	1	1
Intermediate Steno.	1	1		
Intermediate Typist			1	1
#901 - Blanket Temporary* 1		1	1	1
	<hr/> 7.4	<hr/> 7.7	<hr/> 7.7	<hr/> 7.7

*Temporary clerical personnel equal to approximately one full-time employee.

PERSONAL SERVICES

	Actual 1963-64	Budgeted 1964-65	Revised 1964-65	Proposed 1965-66
<u>PERSONAL SERVICES</u>				
<u>Authorized Positions</u>				
Commission members (7)(per diem)	3,460	3,500	3,500	3,500
Executive Secretary	19,728	18,768	20,688	20,688
Assistant Executive Secretary	17,898	17,028	18,768	18,768
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Junior Staff Analyst	1,497	6,120	6,432	6,744
Administrative Trainee	3,000	---	---	---
Senior Stenographer	4,371	---	5,259	5,533
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#901 - Blanket (Temporary help)	5,742	5,500	5,775	5,500
Total, Authorized Positions	71,603	72,978**	77,187****	78,554
Less Salary Savings	---*	---	---	---
<u>Staff Benefits</u>				
Cost of Employees' Retirement	4,351	5,665**	5,055	5,149
Cost of Health and Welfare	357		488	488
O.A.S.D.I.	522		671	752
Totals, Staff Benefits	5,230	5,665	6,214	6,389
TOTALS, PERSONAL SERVICES	76,833	78,643**	83,401	84,943

*
Salary savings \$ 989

Comment:

In compliance with the policy of the Department of Finance, the upgrading of positions is shown in the proposed budget only where class specifications clearly provide that a trainee position is to be upgraded after completion of a training period. Contemplated reclassification of other positions--i.e., Associate Counsel and stenographic positions--will be financed from salary savings.

Although we expect the purchase of new equipment to reduce substantially the need for part-time clerical help, the amount budgeted for temporary help has not been cut noticeably. We intend to use more of this amount to pay legal assistants and thereby to reduce the work load on the Commission's legal staff. (From January 1, 1963, to June 30, 1964, the three members of the legal staff worked approximately 700 hours of overtime which was not compensated for by time off.

In addition, during this period, no vacation time was taken. Since state regulations limit the amount of vacation credits which can be accumulated, a total of 25.5 days of vacation lapsed on January 1, 1964, and we anticipate that a substantially greater amount of vacation time will lapse on January 1, 1965.)

GENERAL EXPENSE (INCLUDES SUBSCRIPTIONS)

<u>Actual</u> <u>1963-64</u>	<u>Budgeted</u> <u>1964-65</u>	<u>Revised</u> <u>1964-65</u>	<u>Proposed</u> <u>1965-66</u>
\$ 3,406	\$ 3,500	\$ 3,500	\$ 3,500

RENT

<u>Actual</u> <u>1963-64</u>	<u>Budgeted</u> <u>1964-65</u>	<u>Revised</u> <u>1964-65</u>	<u>Proposed</u> <u>1965-66</u>
\$ 1,550	\$ 3,000	\$ 5,000	\$ 8,000

Comment:

The Commission has long been provided office quarters by Stanford University at a nominal rental. Stanford has recently indicated that such office quarters can be provided in the future only at a reasonable rental. In fact, there is some doubt as to whether Stanford can continue to provide office quarters for the Commission.

The State and Stanford University entered into a six months lease for the period July 1, 1964, to December 31, 1964. The rental for this period is at the rate of \$3,000 a year. The lease is merely a temporary arrangement pending a determination as to whether Stanford can continue to provide the Commission with its present office quarters or whether it will be necessary to secure other office quarters. If Stanford is able to continue to provide the present office quarters for the Commission, it is anticipated that a realistic rent will be charged for the period after December 31, 1964.

The amounts set out in the revised budget for 1964-65 and 1965-66 are believed to be adequate to provide sufficient funds to cover rent of office quarters of approximately the same area as that now occupied by the Commission in the event that the Commission is required to secure other office space and will more than cover the rent for the present space if the Commission continues to occupy that space. The rent provided in the proposed budget for 1965-66 is based on approximately 37-1/2 cents per square foot.

If it is possible to secure the office space for less than the amount provided by the budget, it is planned to use the excess money primarily for research and contractual services. In order to remain within the amount allocated by the Department of Finance, it has been necessary to reduce various budget categories of operating expenses below amounts we consider adequate. (We may, for example, have to defer necessary research contracts until the 1966-67 Fiscal Year.) However, these reductions have been made because we recognize that we will need to pay an increased rental for the period covered by the 1965-66 budget. We believe that the amounts budgeted for 1965-66 for operating expenses will permit us to carry on our existing level of services if it is understood that we will have available for other operating expenses any excess we are able to realize if office quarters can be secured at a rental less than the amount budgeted.

PRINTING AND BINDING

<u>Actual</u> <u>1963-64</u>	<u>Budgeted</u> <u>1964-65</u>	<u>Revised</u> <u>1964-65</u>	<u>Proposed</u> <u>1965-66</u>
\$ 16,089	\$ 12,070	\$ 12,070	\$ 8,500

Comment:

In order to provide funds to finance increased rent, the amount budgeted for printing and binding in 1965-66 has been substantially reduced over previous years. We may require a substantial increase in the amount budgeted for printing and binding in 1966-67 to cover printing costs, but we believe that the amount budgeted for 1965-66 will be sufficient to cover essential printing that must be completed during that fiscal year. It is probable that some printing will have to be deferred to the 1966-67 Fiscal Year.

TELEPHONE AND TELEGRAPH

	<u>Actual 1963-64</u>	<u>Budgeted 1964-65</u>	<u>Revised 1964-65</u>	<u>Proposed 1965-66</u>
Exchange Charges	\$ 462	\$ 476	\$ 476	\$ 476
Long Distance Tolls	\$ 20	\$ 400	\$ 400	\$ 300

Comment:

The amount listed for actual long distance tolls for 1963-64 is only \$ 20 because, by mistake, our long distance telephone tolls were charged to another agency. This mistake is being corrected and we will ultimately be billed for the actual amount charged for 1963-64. Actual charge for Long Distance Tolls for 1962-63 was \$ 328.

POSTAGE

<u>Actual</u> <u>1963-64</u>	<u>Budgeted</u> <u>1964-65</u>	<u>Revised</u> <u>1964-65</u>	<u>Proposed</u> <u>1965-66</u>
\$ 1,210	\$ 1,000	\$ 1,200	\$ 1,000

TRAVEL, IN-STATE

<u>Actual</u> <u>1963-64</u>	<u>Budgeted</u> <u>1964-65</u>	<u>Revised</u> <u>1964-65</u>	<u>Proposed</u> <u>1965-66</u>
\$ 6,424	\$ 8,000	\$ 8,000	\$ 6,400

Comment:

Travel for 1964-65 is higher than for 1965-66 because 1964-65 covers the year of the general session of the legislature which requires considerable extra travel.

TRAVEL, OUT-OF-STATE

	<u>Actual</u> <u>1963-64</u>	<u>Budgeted</u> <u>1964-65</u>	<u>Revised</u> <u>1964-65</u>	<u>Proposed</u> <u>1965-66</u>
Representation at Annual Meeting of National Legislative Conference	--	\$ 400	\$ 400	\$ 500

Comment:

The 1963-64 approved budget contained money to attend the Annual Meeting of the National Legislative Conference, but the staff decided not to attend the meeting because it was held in Hawaii and because the funds were needed to finance the Commission's printing program.

We plan to divide the money provided in the 1965-66 budget among those members of the staff who wish to attend the Annual Meeting of the National Legislative Conference, and this will permit each staff member attending reimbursement of his expenses to the extent that the available funds permit.

RESEARCH AND CONTRACTUAL SERVICES

<u>Actual</u> <u>1963-64</u>	<u>Budgeted</u> <u>1964-65</u>	<u>Revised</u> <u>1964-65</u>	<u>Proposed</u> <u>1965-66</u>
\$ 4,656	\$ 6,000	\$ 3,800	\$ 5,500

Comment:

The cost of printing Commission publications has resulted in a reduction over the past several years in the amount of funds devoted to research and contractual services. The staff has been called upon to do (on an overtime basis) much of the research that formerly was contracted for. The amount budgeted for research and contractual services for 1964-65 has been reduced to provide funds to finance increased rent. The amount budgeted for 1965-66 is a minimum amount. To the extent that these amounts do not prove adequate, the staff will have to do the necessary research on an overtime basis. However, some additional research services will be available during 1965-66 under the #901 Blanket for temporary help. Although the amount available under the #901 Blanket during 1965-66 has not been increased, we anticipate that the savings in temporary clerical help resulting from the purchase of a Gestefax (See Equipment comment on next page) will permit more use of student legal assistants and other part-time legal assistance.

EQUIPMENT

<u>Actual</u> <u>1963-64</u>	<u>Budgeted</u> <u>1964-65</u>	<u>Revised</u> <u>1964-65</u>	<u>Proposed</u> <u>1965-66</u>
\$ 626	\$ 500	\$ 500	\$ 2,200

Comment:

The \$500 available for 1964-65 will be used to purchase a wide-carriage IBM electric typewriter with the same type face as two other typewriters now owned by the Commission. The new typewriter will replace an old electric typewriter acquired at least 10 years ago. Because much of the clerical work involves correcting old stencils to reflect revisions, it is essential that all typewriters have the same type face. Careful planning of the clerical workload has not made it possible to reduce the need for clerical help to less than three typists during about two weeks each month. We are presently renting an IBM typewriter which will also be replaced by the typewriter we propose to purchase.

The major portion of the amount budgeted for 1965-66 (approximately \$2,000) will finance the purchase of a Gestefax which produces mimeograph stencils by a photoelectric process. Although the initial expense of acquisition of this machine is high, it will pay for itself in a relatively short time.

The Gestefax will substantially reduce the need for temporary clerical assistance because the same clerical work can be accomplished in much less time using the machine. Much of the clerical work involves revisions of material on stencils and the machine will permit the clerical staff to do this work in less time. Thus, it will reduce time in correcting stencils

and in proofreading. It will also result in higher accuracy. Moreover, it will permit us to produce the total volume of work more rapidly than is now possible when complicated corrections must be made on old stencils. In addition, our clerical staff finds the correction of old stencils a rather disagreeable task.

More important, the new machine will permit us to reduce substantially the amount now expended for comparable work done by the Stanford Multilith Service. The costs are compared below:

	<u>Stanford Multilith Service</u>	<u>Using Gestefax</u>
Make stencil from copy	\$ 1.75 (price lower on high volume)	\$ 0.22 (plus 1 minute clerical time)
Run one page	\$ 1.00 (minimum for 100 copies or less)	4 or 5 minutes clerical time (for 100 copies)
Cost of paper	\$ 1.80 a ream	\$ 0.95 a ream

Since July 1, 1962, we have expended more than \$1,000 for the Stanford Multilith Service. We have used the service only when it resulted in a substantial savings in clerical salaries and time. Using the Gestefax, it will be economically feasible to use it to reproduce many items that we do not now have multilithed. Some of these items are now produced in approximately 15 copies at a cost of \$0.10 a page using a photoduplicating machine, thus costing \$1.50 per page plus substantial clerical time. Although the use of the photoduplicating machine would not be completely eliminated, we anticipate additional savings in this expense as a result of the acquisition of the Gestefax machine. We expend approximately \$75.00 a year for reproducing copies on the photoduplicating machine.

The remaining funds budgeted for equipment during the 1965-66 Fiscal Year will be used to purchase either a five-drawer file, a small table, or a large table, the priority of the particular item to be purchased to be determined during the 1965-66 Fiscal Year.