

8/23/67

Memorandum 67-60

Subject: Budget for 1968-69 Fiscal Year

Attached is a copy of a proposed revision of the budget for the 1967-68 fiscal year (current year) and a proposed budget for the 1968-69 fiscal year.

In connection with the attached materials, the following significant points should be noted:

(1) The total amount available for expenditure during the past fiscal year (1966-67) was \$161,576. The total expended was \$143,269; savings of \$18,307 were realized, partly because the Assistant Counsel resigned in October 1966 and the position was not filled during the fiscal year because we had difficulty in obtaining a qualified replacement.

(2) The total amount available for expenditure during the current fiscal year (1967-68) is \$149,323. The anticipated total expenditures will be \$137,543; we estimate salary savings at \$11,780 because of a delay in filling vacancies in the positions of Assistant Executive Secretary and Senior Counsel and because we do not plan to replace our Senior Legal Stenographer (who went from a full time to an intermittent basis because of pregnancy) during the current fiscal year. We believe that we can satisfy our needs for clerical assistance during the current fiscal year using moneys available for temporary help since we assume that the output of the legal staff will be less than normal as a result of staff turnover and staff vacancies.

(3) The amount of the proposed expenditures for the 1968-69 fiscal year is \$153,651. These expenditures are itemized and justified in the attached materials. We propose no increase in our presently

authorized staff, but we do plan that the presently vacant Senior Legal Stenographer position will be a full-time position during the entire 1968-69 fiscal year. The budget includes funds for normal merit salary increases and funds to finance the promotion of the Junior Counsel to Assistant Counsel when the Junior Counsel qualifies for this promotion. The expenditures for operating expenses are based on the assumption that the production of the legal staff will substantially increase since we will have a full legal staff during the budget year.

Respectfully submitted,

John H. DeMouilly
Executive Secretary

CALIFORNIA LAW REVISION COMMISSION

BUDGET SUMMARY

	Actual 1966-67	Approved Budget 1967-68	Estimated Actual 1967-68	Proposed 1968-69
PERSONAL SERVICES				
Net Totals, Salaries and Wages	\$ 85,469	\$ 96,182	\$ 89,914	\$101,002
Staff Benefits	<u>6,717</u>	<u>7,765</u>	<u>7,325</u>	<u>8,549</u>
Totals, Personal Services	92,186	103,947	97,239	109,551
OPERATING EXPENSES				
General expenses	4,532	4,600	4,600	6,000
Printing	12,421	14,404	14,404	14,500
Communications	2,142	3,000	3,000	3,000
Traveling--in-state	6,701	5,600	5,600	7,500
Traveling--out-of-state	771	---	---	---
Rent	10,000	4,000	4,000	4,000
Law books	---	1,700	1,700	---
Research and Contractual Services	12,750	5,000	5,000	7,000
Accounting and Personnel Services	<u>1,766</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Totals, Operating Expenses	51,083	40,304	40,304	44,000
EQUIPMENT				
Miscellaneous	---	---	---	100
TOTAL EXPENDITURES	143,269	144,251	137,543	153,651
TOTAL AVAILABLE	161,576	144,251	149,323*	
SAVINGS	18,307**	---	11,780***	

*Includes \$5,072 from salary increase fund.

** Salary savings \$11,427; operating expenses savings \$980; Equipment savings \$100; unallocated appropriation savings \$5,800.

*** Estimated salary savings \$11,780; additional savings in operating expenses may be possible because staff vacancies during 1967-68 and staff turnover will probably result in lower staff production than was contemplated when operating expenses for 1967-68 were determined.

PERSONAL SERVICES DETAIL

	Actual 1966-67 (salary ranges)	Approved Budget 1967-68	Estimated Actual 1967-68	Proposed 1968-69
Commissioners (7)	\$20 per day	\$ 3,500	\$ 3,500	\$ 3,500
Executive Secretary		22,608	23,712	23,712
Asst. Exec. Secretary		17,082	18,576	19,512
Spec. Condemnation Counsel		17,362	---	---
Senior Attorney		---	14,750	18,430
Assistant Counsel		---	---	7,767
Junior Counsel		7,894	6,825	2,349
Student Legal Assistant		---	880	---
Administrative Assistant I		8,952	9,472	9,936
Senior Legal Stenographer		6,798	---	7,536
Intermediate Typist		5,386	5,599	5,760
Temporary help	(2,676)	6,600	6,600	2,500
Net Totals, Salaries and Wages	85,469	96,182	89,914	101,002
Staff benefits				
State retirement	5,348			
O.A.S.D.I	945			
Health and Welfare	424			
Total Staff benefits	6,717	7,765	7,325	8,549
Totals, Personal Services	\$92,186	\$103,947	\$97,239	\$109,551
SALARY SAVINGS	11,427	---	11,780	---

COMMENT

Proposed 1968-69 budget

The amount budgeted for Commissioner's salaries is believed to be adequate. The cost of six three-day meetings and five two-day meetings, assuming all seven members attended, would be \$3,920. The amount budgeted assumes that one or two members will fail to attend each meeting. If the amount budgeted is inadequate, it will be supplemented from salary savings or from amounts budgeted for temporary help.

The budget includes funds for normal merit increases and for the promotion of the Junior Counsel to Assistant Counsel when the Junior Counsel qualifies for this promotion. The budget does not contemplate any additional positions during 1968-69.

Revised 1967-68 budget

It is planned to leave the position of Senior Legal Stenographer unfilled during 1967-68. Clerical help will be financed from the amount available for temporary help as the demand for clerical help increases during the last portion of the 1967-68 fiscal year. Significant salary savings are anticipated because several legal positions were vacant for portions of the fiscal year and because the Senior Legal Stenographer position probably will be vacant during 1967-68.

GENERAL EXPENSES

Actual 1966-67	Approved Budget 1967-68	Estimated Actual 1967-68	Proposed 1968-69
<u> </u>	<u> </u>	<u> </u>	<u> </u>
\$ 4,532	\$ 4,600	\$ 4,600	\$ 6,000

COMMENT

The amount proposed for 1968-69 is substantially increased over the amount budgeted for 1967-68. The increase is necessary because of several factors:

(1) An amount is separately included in the budget for 1967-68 for law books. For 1968-69, supplements to law books and volumes of the California Reports and California Appellate Reports will be purchased as issued from General Expenses rather than from a separate budget item for law books.

(2) It is anticipated that the Commission will have its full legal staff during 1968-69. This will result in a substantial increase in the production of the legal staff and a corresponding increase in General Expenses.

(3) During 1968-69, the Commission plans to submit to the Legislature a recommendation relating to inverse condemnation and plans to continue work on condemnation law and procedure. Accordingly, a substantial volume of mimeographed material (tentative recommendations and studies) will be produced and distributed to approximately 67 persons and organizations interested in inverse condemnation and 350 persons and organizations interested in condemnation 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

Actual 1966-67	Approved Budget 1967-68	Estimated Actual 1967-68	Proposed 1968-69
<u>\$12,421</u>	<u>\$ 14,404</u>	<u>\$ 14,404</u>	<u>\$14,500</u>

COMMENT

The Commission plans to use most of the funds available for printing during the 1967-68 and 1968-69 to cover the 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
1963-64 --	16,089
1964-65 --	19,000
1965-66 --	8,108
1966-67 --	12,421

Since 1965, the Commission has been able to make a significant reduction in printing costs. Whenever possible, research studies are submitted for publication in a law review and the law review article is photo-offset in the Commission's report. This saves the cost of setting type, proofreading, page makeup, and certain editorial costs. In addition, when possible, the Commission's proposed legislation is set in bill form at legislative expense, the type is used to print the bill in the Commission's report, and the type is then used to print the bill when introduced. No extra cost is incurred by the Legislature since the type for the bill must otherwise be set when the bill is introduced. (It was not feasible to make arrangements to have the bills included in the Commission's 1968 legislative program set at legislative expense, but it is planned to make the type used to print the bills in the Commission's reports available to print the bill when introduced so that savings can be made in legislative printing costs.)

The Commission is continuing its investigation of the possibility of using a varityper to prepare some of its reports to the Legislature.

COMMUNICATIONS

Actual 1966-67	Approved Budget 1967-68	Estimated Actual 1967-68	Proposed 1968-69
<u>\$ 2,142</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>

COMMENT

The major portion of the amount budgeted for communications will be used for postage. This item is substantial primarily because a substantial volume of mimeographed tentative recommendations and studies will be distributed to interested persons and organizations for study and comment. See the comment under General Expenses.

TRAVELING--IN-STATE

Actual 1966-67	Approved Budget 1967-68	Estimated Actual 1967-68	Proposed 1968-69
\$ 6,701	\$ 5,600	\$ 5,600	\$ 7,500

COMMENT

1967-68 budget

The amount budgeted for 1967-68 appears low when compared with past experience. The amount has not been revised, however, because several regular meetings of the Commission were cancelled during 1967-68 and the Commission does not plan to present a substantial legislative program to the 1968 Legislature. If the amount budgeted for 1967-68 proves inadequate, the deficiency will have to be made up by deferring printing or making savings in other budget categories.

Proposed 1968-69 budget

The increase for 1968-69 reflects the fact that the Commission will have a full legal staff during that fiscal year and will need to increase substantially the number of days it meets if it is to submit a recommendation on inverse condemnation to the 1969 Legislature. It is also anticipated that a substantial number of legislative hearings may be required on the inverse condemnation recommendation. If the amount budgeted proves inadequate, the deficiency will have to be made up by deferring printing or making savings in other budget categories.

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 recommendations submitted to Legislature)
1966-67 --	6,701

TRAVELING--OUT-OF-STATE

Actual 1966-67	Approved Budget 1967-68	Estimated Actual 1967-68	Proposed 1968-69
<u> </u>	<u> </u>	<u> </u>	<u> </u>
\$ 771	---	---	---

COMMENT

In the past, money has been budgeted for traveling--out-of-state to permit a staff member to attend the annual meeting of the National Legislative Conference. The expenses for out-of-state traveling were substantial during 1966-67 because the Executive Secretary has served as a member of the Executive Committee of the National Legislative Conference during 1966 and 1967 and attended a meeting of the Executive Committee in Chicago during 1966-67. Since the Executive Secretary is currently serving as a member of the Executive Committee, he plans to attend the 1967 annual meeting of the National Legislative Conference during 1967-68 at his own expense during his vacation. (The budget for 1967-68 does not include funds for this trip.) However, it is not planned to have a staff member attend the annual meeting in 1968.

RENT

Actual 1966-67	Approved Budget 1967-68	Estimated Actual 1967-68	Proposed 1968-69
<u> </u>	<u> </u>	<u> </u>	<u> </u>
\$10,000	\$ 4,000	\$ 4,000	\$ 4,000

COMMENT

Rent is payable on a lease with Stanford University where the Commission's office is located. The rent was higher during 1966-67 because it covered the cost of remodeling the quarters presently occupied by the Commission.

LAW BOOKS

Actual 1966-67	Approved Budget 1967-68	Estimated Actual 1967-68	Proposed 1968-69
-----	\$ 1,700	\$ 1,700	----

COMMENT

The amount budgeted for 1967-68 covers the cost of acquiring a used set of the California Reports and the California Appellate Reports. The cost of law books (including supplements to law books, advance sheets and current volumes of the California Reports and California Appellate Reports) during 1968-69 will be paid from the funds under the item General Expenses.

RESEARCH AND CONTRACTUAL SERVICES

Actual 1966-67	Approved Budget 1967-68	Estimated Actual 1967-68	Proposed 1968-69
\$12,750	\$ 5,000	\$ 5,000	\$ 7,000

COMMENT

The amounts budgeted for research and contractual services during 1967-68 and 1968-69 are low because the Commission will devote almost all of its time to the study of inverse condemnation and condemnation law and procedure. Nevertheless, the amounts budgeted during these fiscal years may not be adequate. The Commission has a number of topics which have been on its agenda for a number of years. A consultant must be retained several years in advance of the time the particular topic will be considered by the Commission so that the completed research study will be available when the Commission is ready to take up the topic.

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

Note: The major activity during 1962-1965 was the study of evidence. The cost of the research studies on this topic was paid in prior fiscal years.

ACCOUNTING AND PERSONNEL SERVICES

<u>Actual 1966-67</u>	<u>Approved Budget 1967-68</u>	<u>Estimated Actual 1967-68</u>	<u>Proposed 1968-69</u>
\$ 1,766	\$ 2,000	\$ 2,000	\$ 2,000

COMMENT

Prior to 1966, the office of the Legislative Counsel provided accounting and personnel services for the Law Revision Commission without charge. This service is now provided by the Department of General Services on a contract basis. The cost for 1966-67 covers only part of the fiscal year.

EQUIPMENT

<u>Actual 1966-67</u>	<u>Approved Budget 1967-68</u>	<u>Estimated Actual 1967-68</u>	<u>Proposed 1968-69</u>
---	---	---	\$ 100

COMMENT

The amount for equipment in the proposed 1968-69 budget is for miscellaneous equipment. Although \$100 was included in the budget for 1966-67, this money was saved because no equipment was purchased.

CALIFORNIA LAW REVISION COMMISSION

STUDIES AUTHORIZED OR DIRECTED TO BE MADE

The Law Revision Commission is not authorized to study any topic without prior legislative approval in the form of a concurrent resolution. Each session a new concurrent resolution must be adopted to continue study of topics previously authorized.

The topics that the Commission is authorized to study are listed below. It should be noted that it was necessary to defer study of some of these topics to give priority to the subjects of governmental immunity and evidence. These two topics occupied substantially all of the Commission's time for a six-year period. For the next four or five years two other topics that the Legislature has requested be given priority will occupy substantially all of the Commission's time. These topics are inverse condemnation and condemnation law and procedure.

1. Inverse condemnation. Authorized: 1965 (legislative initiative). The Senate Judiciary Committee directed the Commission to give this study a top priority. The Commission plans to devote a substantial portion of its resources to this topic during the next year and to submit a recommendation to the 1969 Legislature. The study involves millions of dollars in potential state and local liability, much of which arises out of flood control projects.
2. Sovereign or governmental immunity. Authorized: 1957 (legislative initiative). A comprehensive statute was submitted and enacted in 1963. A follow up recommendation was submitted and enacted in 1965. The topic is closely related to topic 1 above and will be considered in connection with that topic.
3. Condemnation law and procedure. Authorized: 1956 (legislative initiative). Commission submitted recommendations covering portions of topic in 1961 (three recommendations) and 1963 (one recommendation). In 1965, the Legislature again directed the Commission to study this topic with a view to submitting a recommendation for a comprehensive statute. The Senate Judiciary Committee directed the Commission to give this topic a top priority. One man was added to the Commission's staff by the 1966 Legislature to expedite this study. A recommendation covering one aspect of the subject was enacted by the 1967 Legislature and a recommendation on another problem in this field will be submitted to the 1968 Legislature. A substantial portion of the Commission's resources are and will be devoted to this topic during the next four or five years so that a recommendation for a comprehensive statute may be submitted to the 1972 Legislature.
4. Escheat of property. Authorized: 1956. .1
The Commission is giving this topic priority and plans to submit a recommendation to the 1968 Legislature so that California will receive all the funds from this source that it is entitled to receive under a recent decision of the United States Supreme Court.

5. Evidence Code revisions. Authorized: 1965 (legislative initiative). Review the new Evidence Code (enacted in 1965 upon Commission recommendation). The Commission is reviewing the Evidence Code and related statutes with a view to conforming them to the Evidence Code. Three recommendations enacted by the 1967 Legislature. As time permits, the Commission plans to submit additional recommendations to future sessions.
6. Pour-over trusts. Authorized: 1965 (legislative initiative). The Commission has completed its study and plans to recommend to the 1968 Legislature that no additional legislation is needed.
7. Use of fictitious business names. Authorized: 1957. The Commission has considered the topic and a recommendation may be submitted to 1969 Legislature.
8. Personal injury damages as separate property. Authorized: 1957 (legislative initiative). Recommendation on this topic may be submitted to 1968 Legislature.
9. Rights of good faith improver. Authorized: 1957. Recommendation will be submitted to the 1968 Legislature.
10. Abandonment or termination of a lease. Authorized: 1957; scope of topic expanded in 1965. A recommendation was submitted to the 1967 Legislature but the Commission withdrew its recommendation for further study.
11. Powers of appointment. Authorized: 1965 (legislative initiative). A research consultant will complete his research study in December 1967. Recommendation may be submitted to Legislature in 1970.
12. Allocation or division of property on divorce. Authorized 1966. Commission is now considering whether to recommend that this topic be dropped from its agenda.
13. Rights of putative spouse. Authorized: 1956. The Commission is now considering whether to recommend that this topic be dropped from its agenda.
14. Jurisdiction of courts in custody proceedings. Authorized: 1956. Not yet considered.
15. Attachment, garnishment, and property exempt from execution. Authorized: 1957 (legislative initiative). Time has not permitted the Commission to consider the topic. Since the topic is important and complex and was added to the Commission's agenda by the Legislature, the Commission plans to begin work on this topic when its study of inverse condemnation and condemnation law and procedure are completed unless the Legislature indicates that it wishes other topics to be given priority.
16. Small Claims Court Law. Authorized: 1957. Not yet considered.

17. Mutuality of remedy in suits for specific performance. Authorized: 1957. Not yet considered.
18. Civil Code Section 1698. Authorized: 1957. Not yet considered.
19. Business and Professions Code Section 7031. Authorized: 1958. Not yet considered.
20. Service of process by publication. Authorized: 1958. Not yet considered.
21. Code of Civil Procedure Section 1974. Authorized: 1958. Not yet considered.
22. Partition and confirmation of sales of estate property. Authorized: 1956. Not yet considered.
23. Quasi-community property and property described in Section 201.5 of the Probate Code. Authorized: 1966. Not yet considered.
24. Additur and remittitur. Authorized: 1957 (legislative initiative). Topic expanded to cover remittitur in 1965. Recommendation on Additur enacted by 1967 Legislature. Topic continued on agenda for study of future developments.
25. Vehicle Code Section 17150 and related statutes. Authorized: 1962. Recommendation enacted by 1967 Legislature. Topic continued on agenda for study of future developments.
26. Suit by and against unincorporated associations. Authorized: 1957. Recommendation submitted to the 1967 Legislature. Continued on agenda for study of future developments.
27. Taking instructions into jury room. Authorized: 1955. A recommendation was submitted to the 1959 Legislature, but the Commission withdrew the recommendation for further study. Since then, time has not permitted consideration of this topic.