

9/13/84

Memorandum 84-72

Subject: Fiscal Matters

It appears that the financial condition of the Law Revision Commission will not be clarified until the Governor has acted on Senate Bill 1891. (September 30 is the last day for the Governor to act on bills.) A copy of Senate Bill 1891, which was sent to the Governor, is attached. The provisions of this bill that relate to the Law Revision Commission (1) renumber without substantive change the existing provisions relating to the Law Revision Commission and (2) appropriate \$225,000 for the Law Revision Commission, effective January 1, 1985. Objections were made to an earlier version of the bill which proposed changes in the Commission's enabling statute, especially to the proposed change that would have permitted the Commission to study a topic without prior legislative approval in the form of a concurrent resolution.

If the Governor vetoes Senate Bill 1891, the Commission will run out of money by approximately the end of October and will, as a practical matter, no longer be a functioning Commission. This is because we believe that it would be unlikely that sufficient funds to finance the Commission for the entire year could be obtained from the Assembly and Senate Rules Committees.

The Commission's approved budget for the 1984-85 fiscal year is \$450,000. If this amount were equally allocated to the first six months and the last six months of the fiscal year, the Commission would receive \$225,000 for each six-month period. For the first six-month period, the only source of funds for the Commission is from funds allocated by the Senate and Assembly Rules Committees. For the last six-month period, the entire \$225,000 would be provided by Senate Bill 1891.

As a result of the efforts of Assembly Member McAlister, the Assembly Rules Committee has allocated its full share of the money for the six-month period ending on December 31, 1984. This amount is \$112,500. But the Senate Rules Committee has allocated only \$24,500 out of its \$112,500 share. The effect is that of the \$225,000 in the approved budget for the six-month period ending on December 31, 1984, the Commission now has only \$137,000, which leaves us \$88,000 (40 percent) short. We understand that the Senate Rules Committee plans to wait until the Governor has acted on Senate Bill 1891 before considering

whether to allocate any additional money to the Commission, and we do not know what additional amount will be allocated. This makes it impossible to determine whether we will have funds to continue the staff on a fulltime basis and to have a November meeting.

We have attempted to eliminate all nonessential expenditures since July 1, 1984. We terminated one clerical employee; another clerical employee voluntarily resigned and took another job because of the uncertainty as to whether she would continue to have a job. We did not fill either position, but another clerical employee on maternity leave has returned to work so we now have one instead of two clerical employees. We have suspended all printing and research contracts. We have substantially eliminated the ordering of supplies. We are not renewing any service on our advance sheets, court reports, or other publications. We have cut our long distance telephone calling by approximately one-half and have significantly reduced expenditures for sending out meeting and other materials. We have cut our travel by more than one-half and the staff has deferred seeking reimbursement for some travel expenses. We have discontinued the use of law students and the use of temporary clerical employees. We have not as yet terminated the service agreements on our equipment because of the expense of restoring such service. We cannot reduce our rent, nor can we reduce the cost charged to us by Department of General Services for accounting and other fiscal services.

The drastic measures outlined above do not do much to meet the fiscal problems of the Commission and some measures merely defer costs until after January 1, 1985. We are short \$88,000 of the amount needed to finance our operations for the six-month period ending on December 31, 1984. Unless the Senate Rules Committee allocates more money, we will have to put the staff on a part-time basis, perhaps less than 50 percent, starting on October 1. However, we expect that the Senate Rules Committee will allocate sufficient additional moneys to avoid that and to permit holding the November meeting if Senate Bill 1891 becomes law.

Attached is a staff recommended budget for the 1985-86 fiscal year. The budget is based on the assumption that the amount available for 1984-85 will be the amount of the approved budget. The Department of Finance will make any necessary adjustments in these amounts to reflect the amount actually made available to the Commission for 1984-85. We have not yet received instructions on how to budget for Personnel Ser-

vices for 1985-86; the Department of Finance will make adjustments to the budget when the Department of Finance determines its policies on budgeting for this category. The total for the operating expenses set out in the 1985-86 budget is the amount tentatively determined by the Department of Finance.

We hope to have more information by the time of the September meeting.

Respectfully submitted,

John H. DeMouilly  
Executive Secretary

# S U M M A R Y   B Y   O B J E C T

(Dollar Figures in Thousands)

PERSONAL SERVICES	1983-84	1984-85	1985-86	1983-84	1984-85	1985-86
Authorized positions.....	7	8	8	\$ 241	\$ 271	\$ 274
Salary increase adjustment.....						
Total, Adj. Authorized Positions.	<u>7</u>	<u>8</u>	<u>8</u>	<u>\$ 241</u>	<u>\$ 271</u>	<u>\$ 274</u>
Merit salary adjustment.....	-	-	-	-	(2)	(1)
Total, Salaries & Wages	<u>7</u>	<u>8</u>	<u>8</u>	<u>\$ 241</u>	<u>\$ 271</u>	<u>\$ 274</u>
Estimated salary savings.....	-	-0.3	-0.3	-	-12	-12
Net Totals, Salaries & Wages.....	<u>7</u>	<u>7.7</u>	<u>7.7</u>	<u>\$ 241</u>	<u>\$ 259</u>	<u>\$ 262</u>
Staff benefits.....	-	-	-	68	71	73
Staff benefits increase adjustment..						
TOTALS, PERSONAL SERVICES	<u>7</u>	<u>7.7</u>	<u>7.7</u>	<u>\$ 309+</u>	<u>\$ 330*</u>	<u>\$ 335*</u>
OPERATING EXPENSES & EQUIPMENT						
General Expenses.....				\$ 10	\$ 13	\$ 13
Printing.....				25	21	21
Communications.....				5	7	7
Postage.....				5	7	7
Travel--in-state.....				12	17	17
Travel--out-of-state.....				1	2	2
Facilities Operations.....				15	15	17
Consultant & Professional Services; External.....				9	20	20
Consultant & Professional Services; Interdepartmental.....				17	18	18
Data Processing.....				13	-	-
Equipment.....				-	-	-
TOTALS, OPERATING EXPENSES & EQUIPMENT.....				<u>\$ 112+</u>	<u>\$ 120</u>	<u>\$ 122</u>
TOTALS, EXPENDITURES.....				\$ 420+	\$ 450*	\$ 457*

+Numbers do not add to total due to rounding.

\*Figures for Total Personal Services and Total Expenditures will be revised to reflect any increases in salaries and staff benefits.

# AUTHORIZED POSITIONS

CLASS TITLE	Filled 1983-84	Author. 1984-85	Proposed 1985-86	Actual 1983-84	Estimated 1984-85	Proposed 1985-86
Commission Members (7), per diem	-	-	-	\$50/day	\$ 4,200	\$ 4,200
Executive Secretary	1	1	1	\$4274-4464	53,568	53,568
Assistant Executive Secretary	1	1	1	3602-4360	52,320	52,320
Staff Counsel II	1.8	2	2	3128-3780	90,720	90,720
Administrative Assistant II	0.9	-	-	2197-2651	-	-
Assoc. Gov. Prog. Analyst	0.2	1	1	2197-2651	28,868	30,234
Sr. Word Processing Technician	0.3	0.8	1	1260-1486	13,206	16,520
Word Processing Technician	1.3	1	1	1048-1309	13,660	14,128
Office Assist. II-Typing	0.3	0.2	-	1048-1367	2,249	-
Temporary Help	0.2	1	1	( 5,613)	12,554	12,554
TOTALS, AUTHORIZED POSITIONS	7	8	8	\$241,259	\$271,345	\$274,244
Regular, Ongoing	6.8	7	7	\$235,646	\$258,791	\$261,690
Temporary Help	0.2	1	1	5,613	12,554	12,554