

Memorandum 89-109

Subject: Fiscal Matters

This is a report on various fiscal developments that have recently occurred, partly in response to the fiscal demands of the earthquake on the state.

First, the amount available to the Commission for the current fiscal year (1989-90) has been reduced by \$2,000 from the amount authorized for expenditure by the 1989 budget act. The reduction is two percent of operating expenses and equipment. A similar reduction has been made for other state agencies. We will have to reduce anticipated expenditures for operating expenses by \$2,000 to achieve the necessary savings to conform to the reduction made.

Second, the Department of Finance has disapproved any increase in our budget for the next fiscal year (1990-91) to reflect the addition of the new topic--family relations law. The Commission requested an additional \$65,000 increase to cover the cost of an additional entry level legal position (\$45,000 which includes staff benefits) and for additional operating expenses (\$20,000). After considerable discussion with a supervisor in the Department of Finance, it was agreed that he would recommend that a new position be authorized for the last three months of the fiscal year, but that no additional funds would be recommended to cover the new position. We have no assurance that the recommendation will be approved by the Department. If it is approved, we could request additional funds to cover the newly authorized position for the entire 1991-92 fiscal year, but there is no assurance that the funds will be granted.

Finally, we have just been advised that the \$21,000 we encumbered to print our *Annual Report* (\$3,000) and the *Recommendation Proposing New Evidence Code (Comments to New Code)* (\$18,000) has been taken away from us. In an order applicable to all state agencies, the Department

of Finance has ordered that all money encumbered during the 1988-89 fiscal year for goods or services that were not actually received by November 22, 1989, will revert to the General Fund. There is a procedure for having the money made available for the purpose for which it was encumbered if it is established that the encumbrance must be reinstated. We plan to appeal for restoration of the encumbrances. However, it is essential that we have the material we want to publish ready to take to the printer in Sacramento immediately after the meeting. We do not want to make any changes in the material unless absolutely essential. The *Recommendation Proposing New Probate Code* will be close to 1,000 pages. If we cannot get the encumbrance restored to print this recommendation, it will not be printed, because we do not otherwise have funds available to print this publication.

Respectfully submitted,

John H. DeMouilly
Executive Secretary