

ITEM ANALYSIS OF THE BUDGET BILL

LEGISLATURE

Items 1-11 from the General Fund

Requested 1969-70 -----	\$23,743,827
Estimated 1968-69 -----	23,092,305
Actual 1967-68 -----	17,463,318
Requested increase \$651,522 (2.8 percent)	
Total recommended reduction -----	None

GENERAL PROGRAM STATEMENT

Pursuant to the constitutional revision of 1966, the Legislature now meets in regular annual sessions to consider the executive budget for the succeeding fiscal year and such other legislation as it deems necessary. At the conclusion of each regular session, the Legislature recesses for 30 days following which it reconvenes for a period not to exceed five days to reconsider legislation which may have been vetoed by the Governor. At the end of this brief session it adjourns sine die. The Governor by proclamation may call the Legislature into special session to consider specified subjects. One such special session was called in 1968 and ran concurrently with and beyond the veto session in September.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The Legislature still is in the process of adjusting to the added workload requirements resulting from the advent of annual sessions in 1967. The budgetary increase of \$651,522 occurs in the contingent funds of the two houses out of which are paid the costs of staff services and interim committees. Contingent expenses for the Senate are budgeted at \$5,656,000 or 85.6 percent of the proposed Senate budget. Contingent expenses for the Assembly are budgeted at \$9,910,702 or 84.6 percent of the proposed Assembly budget.

Joint committee expenses for the two houses are budgeted at \$5,434,700. Out of this are paid the expenses of existing joint committees or others which may be created by the Legislature. Included within this item are the expenses of the Joint Legislative Budget Committee and the Office of Legislative Analyst, and the Joint Legislative Audit Committee and the Office of Auditor General.

Funds appropriated for the support of the Legislature are available for expenditure without regard to the fiscal year for which they are appropriated and thus differ from the support appropriations for the executive and judicial branches of government.

LEGISLATIVE COUNSEL BUREAU**Item 12 from the General Fund**

Requested 1969-70	\$1,574,370
Estimated 1968-69	1,454,889
Actual 1967-68	1,183,201
Requested increase \$119,481 (8.2 percent)	
Increase to improve level of service \$18,660	
Total recommended reduction	\$18,660

SUMMARY OF RECOMMENDED REDUCTIONS

	<i>Amount</i>	<i>Analysis page</i>
Delete 2 junior counsels	\$18,660	3

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

1. Indicating fiscal impact of proposed legislation on local government in bill digests.

We recommend deferral of action in the initial staffing proposed for the purpose of indicating local cost impact on bill digests prepared by the Legislative Counsel until such time as the Legislature or either house has specifically authorized or directed the rules changes implicit in this service. (Analysis page 3.)

GENERAL PROGRAM STATEMENT

The objective of the Counsel Bureau's program, as prescribed by the Joint Rules of the Senate and Assembly, is to provide specialized legal services to the Legislature and its members. These services include the preparation of legal opinions, bill drafting, legal counseling for various committees and representing the Legislature in litigation as may be necessary. In addition, the Counsel Bureau has statutory responsibilities for indexing and codifying the statutes and codes. These are set forth in Government Code Sections 10200-10264.

The bureau's work is performed under the direction of the Legislative Counsel through a legal staff of 46 positions supported by an indexing section of 12 technical positions and 45 clerical positions. Nineteen of the clerical positions are temporary help used to meet the peak workload requirements of the legislative session.

In fiscal year 1967-68, the staff responded to a total of 22,832 requests for various of the services described above. The counsel estimates this workload to increase by 5.1 percent in fiscal year 1968-69 (24,000 requests) and by 8.3 percent (26,000 requests) in fiscal year 1969-70.

ANALYSIS AND RECOMMENDATIONS

With the exception of the policy matter discussed in connection with the two positions associated with determining the fiscal impact of proposed legislation on local government, we recommend approval of this item as budgeted.

The Counsel Bureau is still in the process of adjusting staff to meet the workload demands of annual sessions. An Emergency Fund au-

Legislative Counsel Bureau—Continued

thorization in the amount of \$40,930 was granted in the current year to fund, in part, 12 temporary positions and 1 supervising legal stenographer position established administratively to cope with this problem.

New Positions Recommended for Approval

The above 13 positions are now proposed as new positions in the budget year with a first-year cost of \$90,792.

We recommend approval of this staff augmentation on the basis of increased peak workload.

In addition, the counsel has requested three new positions at the junior counsel level. One of the positions is justified on a workload basis.

We recommend approval of this workload position.

Need for Legislative Policy Expression on Proposed New Service

We recommend deletion of two junior counsel positions.

The two remaining junior counsel positions are included in the budget to provide for the contingency of the bureau's being requested by the Legislature to include in its bill digests a finding of fiscal impact with respect to proposed legislation on local government in a manner similar to the present findings with respect to state costs and revenues. The bureau has indicated that it cannot assess the ultimate additional staff or cost that may be necessary to provide the detail which the Legislature may wish in this new program. The first year's salary and wage cost of these positions is budgeted at approximately \$18,660.

For a number of years the rules of the Assembly and the Senate have provided, in essence, that all bills making appropriations and bills which would require the expenditure of additional state moneys in any manner, including those which create any additional duties to be performed by state agencies, shall be referred to the Ways and Means Committee or the Senate Finance Committee, respectively, for hearing and action by those committees. To facilitate this referral, the Office of Legislative Counsel has made a finding with respect to each bill or resolution that the bill would involve new duties or responsibilities or would affect revenues and this finding is now incorporated on the face of the printed bill and included in the Legislative Counsel's digest. The determination by the Legislative Counsel is used largely as a basis for referral of bills to the appropriations committees in implementing the rules on this subject. Related to this process are the analyses prepared by the Legislative Analyst which provide estimates of cost or identify elements of cost or cost considerations with respect to all bills which fall under these rules.

It has been proposed from time to time that this system of identification of fiscal impact and referral be made to apply to all bills affecting any level of local government as well as to bills affecting state costs or revenues, with the implication that these would also require referral to the appropriations committees and the further implication of requiring estimates of the amount of local cost or fiscal impact as well as state. SCR 95 of the 1968 session as amended in the

Legislative Counsel Bureau—Continued

Senate on July 5, 1968, proposed to amend the Joint Rules to this effect. This resolution was not enacted in this form, and, since it was not, it is our recommendation that the staff requested in the budget of the Legislative Counsel for this purpose be considered only in connection with a specific directive by one or both houses of the Legislature to institute the necessary system of identification, cost estimates and referrals for local bills as well as state interest bills. Should the Legislature direct that this new service be provided, it is likely that the requirements of the Legislative Counsel would be greater than the two positions referred to in this budget and there would be corollary increases in workload in connection with these same bills on the part of the Legislative Analyst, other legislative committee staff and possibly also the staff of the Department of Finance.

For this reason we recommend deletion of, or deferral of action on, the two positions requested in this budget since these appear to be requested on a speculative rather than on a presently authorized basis, with the thought that, in the event the Legislature specifically directs this service, the financing of the initial staff would be an appropriate use for the general contingent fund available to the Director of Finance, which is the Emergency Fund item.

Other Increases

In our review of expenditures proposed for operating expenses and equipment we note slight increases to accommodate normal price increases, replace older equipment and provide facilities for the proposed new positions.

Included in the budget for the first time is the sum of \$2,000 to provide specialized training for staff members. This is in keeping with the administration's policy of providing such training for state employees. In this instance, the training will take the form of attendance by staff personnel at seminars sponsored by the State Bar and other technical meetings relating to the interests of the Legislative Counsel.

LAW REVISION COMMISSION

Item 13 from the General Fund

Requested 1969-70	-----	\$163,922
Estimated 1968-69	-----	159,069
Actual 1967-68	-----	126,230
Requested increase \$4,853 (3.1 percent)		
Total recommended reduction	-----	None

GENERAL PROGRAM STATEMENT

The commission's program has as its continuing objective the review and study of subject areas of statutory and decisional law assigned it for such action by concurrent resolution of the Legislature. It now has an agenda of 25 topics. The purpose of the studies is to identify defects

Law Revision Commission—Continued

and outdated provisions in the law and to recommend corrective legislation. The commission's staff of eight, consisting of five professional positions and three clerical, is headquartered in rental space on the Stanford campus. This permanent staff receives assistance through contractual services with experts in the field under study.

The achievements of the commission are difficult to assess due to the complexity of particular studies and the fact that the commission has, at any one time, a number of subjects under study. An example of this is the current study on the revision of the laws relating to condemnation procedure and inverse condemnation. This study has been underway for two years but will not be completed, it is estimated, until 1973. During this period the commission also will be studying and making annual recommendations for revision of other laws drawn from the agenda topics assigned by the Legislature.

The commission is composed of 10 members, one from each house of the Legislature plus seven members appointed by the Governor and the Legislative Counsel, who serves as an ex officio, nonvoting member. Its authority and duties appear in Section 10330 of the Government Code.

ANALYSIS AND RECOMMENDATIONS

We recommend approval as budgeted.

The support program of the commission and its staff remain at current year levels, which will be needed to make reasonable progress on the 25 assigned subjects.

COMMISSION ON UNIFORM STATE LAWS

Item 14 from the General Fund

Requested 1969-70	\$15,400
Estimated 1968-69	\$11,500
Actual 1967-68	8,871
Requested increase \$3,900 (33.9 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The program of the commission is confined to liaison with the National Conference of Commissioners on Uniform State Laws and the sponsorship of such uniform laws as it considers applicable and practical to incorporate in the California statutes. This liaison takes the form of attendance at the annual conference by members of the commission. Since 1911, some 40 uniform acts have been adopted in California as a result of the commission efforts. Among these are uniform laws on traffic, vehicle registration and commercial practices. The national organization, which is supported by contributions from the 50 states based on a population formula, provides the staff support required to develop the majority of uniform laws.

Commission on Uniform State Laws—Continued

The seven-member commission, all of whom must be members of the California State Bar, consists of a legislator from each house and five members appointed by the Governor. Its responsibility and duties are contained in Sections 10400-10433 of the Government Code. The Legislative Counsel serves as an ex officio, nonvoting member, and his office provides administrative support to the commission which has no staff of its own.

ANALYSIS AND RECOMMENDATIONS

We recommend approval as budgeted.

The major portion of the commission's appropriation represents the state's contribution for support of the National Conference of Commissioners on Uniform State Laws. The increase of \$3,900 in the commission's proposed budget represents the national body's request for an increase in support from \$6,500 to \$10,400 and is attributable primarily to California's population growth. All other proposed expenditures remain at current year levels.

LEGISLATORS' RETIREMENT FUND

Item 15 from the General Fund

Requested 1969-70	\$540,000
Estimated 1968-69	450,000
Actual 1967-68	510,000
Requested increase \$90,000 (20 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The program represented by this annual appropriation is the payment of retirement benefits to former legislators and constitutional officers who are covered by this system. The system is administered by the Board of Administration of the Public Employees' Retirement System. Statutory provision for the appropriation appears in Section 9358 of the Government Code.

ANALYSIS AND RECOMMENDATIONS

We recommend approval of this item as budgeted.

The Legislators' Retirement System is an unfunded system, meaning that there are no cash reserves on deposit in the fund to cover all its liabilities. Retirement benefits are paid from the accumulated contributions of the retired members and supplemented by the annual state contribution appropriated by this item. The state contribution finances the difference between the portion of the retirement or beneficiary benefit which is derived from retired member contributions and the total benefit to which members or their survivors may be eligible. Table 1 shows the growth of the retirement roll, state contributions and benefit payments over the past four fiscal years.

Commission on Uniform State Laws—Continued

Table 1

State Contribution, Interest Income, and Total Benefits Paid Retirees and Beneficiaries of the Legislators' Retirement System

Fiscal year	1964-65	1965-66	1966-67	1967-68
Retirees and beneficiaries ---	67	68	96	99
Deaths during year -----	6	3	4	2
State contribution -----	\$350,000	\$360,000	\$370,000	\$510,000
Interest income -----	27,803	32,349	41,031	51,118
Total benefits paid -----	\$338,696	\$321,339	\$411,392	\$473,182

SUPREME COURT

Item 16 from the General Fund

Requested 1969-70 -----	\$1,725,037
Estimated 1968-69 -----	1,518,026
Actual 1967-68 -----	1,328,717
Requested increase \$207,011 (13.6 percent)	
Total recommended reduction -----	None

GENERAL PROGRAM STATEMENT

The Supreme Court is the highest tribunal in the California judicial system. The court, consisting of the Chief Justice and six associate justices, is empowered to hear appeals from the lower courts and all death sentence cases which are subject to automatic appeal. The court has original jurisdiction of and may therefore hold initial hearings on writs of habeas corpus, mandamus, prohibition and certiorari. In addition, the court reviews all executive clemency matters referred by the Governor wherein the petitioner has previously been convicted of two or more felonies.

Due to the constitutional limitation on the membership of the court and in order to manage its ever-increasing workload, the Supreme Court is empowered by the State Constitution to transfer matters to the five courts of appeal for determination. The Supreme Court is headquartered in San Francisco but holds periodic sessions at Los Angeles and Sacramento.

ANALYSIS AND RECOMMENDATIONS

We recommend approval of this item.

The court is requesting a total appropriation of \$1,725,037 to carry out its functions for fiscal 1969-70. This represents an increase of \$207,011, or 13.6 percent, over the current year's estimated expenditures and is composed of \$132,630 in personal services and \$74,381 in operating expense and equipment.

The increase in personal services results from a combination of above-minimum hiring authorization for entry level legal classes (\$15,048), six proposed new positions totaling \$58,140, a reduction of \$10,886 in salary savings and increases in staff benefits and merit salary adjustments.