

ITEM ANALYSIS OF THE BUDGET BILL

LEGISLATURE

Items 1-13 from the General Fund

Budget page 1

Requested 1970-71 -----	\$23,777,675
Estimated 1969-70 -----	25,383,827
Actual 1968-69 -----	21,569,308
Requested decrease \$1,606,152 (6.3 percent)	
Total recommended reduction -----	None

GENERAL PROGRAM STATEMENT

The Legislature meets in regular sessions annually to consider the executive budget for the succeeding fiscal year and such other legislation as it deems necessary.

At the end of each regular session the Legislature recesses for 30 days following which is reconvenes for a period not to exceed five days to reconsider legislation which has been vetoed by the Governor. At the end of this short session, the Legislature adjourns sine die. On extraordinary occasions the Governor may by proclamation call the Legislature into special session to consider specified subjects. No such extraordinary sessions were called in 1969.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The expenditure program proposed for the support of the Legislature in the budget year totals \$24,377,675, which is \$724,344 less than estimated expenditures in the current year. The proposed expenditure will be funded by appropriations in the first 13 items of the Budget Bill totaling \$23,777,675, plus scheduled expenditures of \$600,000 from the carryover balance in the Assembly Contingent Fund.

The amounts appropriated in Items 1 and 5 reflect the \$3,200 increase in the Legislators' annual salaries for the six-month period following January 1971, as authorized by Chapter 119, Statutes of 1969. Estimated expenditures for the current year include the sum of \$185,000, which was appropriated by Chapter 784, Statutes of 1969, to finance a fiscal review and analysis by the Joint Legislative Budget Committee of three programs administered by school districts (\$150,000) and a study of the office of the county superintendent of schools (\$35,000).

Joint expenses of the two houses are budgeted at \$6,437,750. This amount consists of \$162,750 for revision of the Penal Code, \$5,000 for the state's contribution to the National Advisory Commission on Intergovernmental Relations (through the Joint Committee on Legislative Organization), \$2,650,000 for legislative printing, and \$3,620,000 for the expenses of joint committees. Contingent expenses for the Senate are budgeted at \$6,155,900 and contingent expenses for the Assembly at \$11,784,025.

LEGISLATIVE COUNSEL BUREAU

Item 14 from the General Fund

Budget page 3

Requested 1970-71 -----	\$1,684,370
Estimated 1969-70 -----	1,588,388
Actual 1968-69 -----	1,303,570
Requested increase \$95,982 (6.0 percent)	
Increase to improve level of service \$55,633	
Total recommended reduction -----	None

GENERAL PROGRAM STATEMENT

The object of the bureau's program is to provide such legal assistance as Members of the Legislature may require to facilitate the legislative process. The assistance is provided on a confidential basis under an attorney-client relationship.

The bureau's services include the rendering of legal opinions, drafting bills and amendments thereto, and providing legal counsel at committee hearings. The agency maintains an authorized staffing level of 117 man-years, including a professional legal staff of 44 positions.

In addition to providing direct legal services to Members of the Legislature, the bureau is responsible for indexing all legislation introduced and for editing and compiling all state-published codes (on a reimbursable basis) for the State Printer.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The bureau's proposed budget for fiscal year 1970-71 totals \$1,684,370, which is 6 percent above estimated expenditures for the current year.

Since the establishment of annual regular sessions in January 1967, the bureau has been adjusting its staff to meet the resulting increased workload and supervisory responsibilities. The adjustments proposed in the budget year are the upgrading of eight additional attorney positions to the Deputy Legislative Counsel IV classification, which is the median or journeyman level for the legal staff. This action will result in a net annual increased salary cost of \$39,589.

New Position Proposed

The bureau has requested the establishment of a new position with a first-year salary cost of \$16,044 to assist in the development of the projected plan of the Legislature (acting through the Joint Committee on Rules) to place all of the California codes and statutes on magnetic tape in order to expedite the legislative process with respect to the repeal, amendment, codification and research of current law. In addition, the position will be responsible for the administration and supervision of office staff activities. *We recommend approval of this new position.*

The proposed upgrading of eight attorney positions and the addition of one new position account for approximately 50 percent of the total increase in the personal services category. The remainder of the in-

Legislative Counsel Bureau—Continued

crease results from merit salary increases and the corresponding adjustments in staff benefits. These increases are offset partially by a \$6,098 reduction in equipment expenses and an \$8,880 increase in reimbursements from the State Printer resulting in a net increase of \$95,982 over the current year's estimated expenditures.

LAW REVISION COMMISSION

Item 15 from the General Fund

Budget page 4

Requested 1970-71	\$162,818
Estimated 1969-70	169,654
Actual 1968-69	144,051
Requested decrease \$6,836 (4.0 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

This commission is composed of 10 members, seven appointed by the Governor plus one from each house of the Legislature, and the Legislative Counsel who serves as an ex officio, nonvoting member.

Under the commission's direction, its full-time staff of eight employees (including five professional positions) performs in-depth research and study on various topics of law assigned by concurrent resolution of the Legislature for the purpose of noting deficiencies and outdated provisions in the law and identifying policy issues for legislative attention. It disseminates research material on those studies to interested parties for review and comment and drafts proposed revisions of the statutes. The commission is headquartered in rental space on the Stanford campus.

At present the Legislature has assigned 30 topics for study. Two of these, condemnation law and procedures and inverse condemnation, have been designated as having the highest priority by committees of the Legislature, and the commission states that 60 percent of the staff resources will be devoted to these studies. However, because of the complexity of the law in these areas, the commission estimates that it will not be prepared to submit proposed revisions of those laws to the Legislature for four or five years. The commission further advises that it has completed 13 of the assigned topics and will submit recommendations on them to the Legislature during the current session and, in addition, will recommend deletion of two other assigned topics.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The commission proposes a support appropriation of \$162,818 for the budget year, which is a reduction of 4 percent under estimated expenditures for the current year. The major reduction (\$2,700) occurs in printing costs. This saving is to be achieved by continuing the practice of printing research findings on studies of assigned topics in

Law Revision Commission—Continued

law periodicals (law reviews). This method of dissemination reaches a greater number of interested persons and results in the printing costs being borne by the law review publisher. An additional saving of \$1,061 is realized because the commission is not requesting funds for equipment purchases. Personal services, with a budgeted reduction of \$1,562, is the remaining category in which savings are projected.

COMMISSION ON UNIFORM STATE LAWS

Item 16 from the General Fund

Budget page 6

Requested 1970-71 -----	\$15,400
Estimated 1969-70 -----	15,400
Actual 1968-69 -----	8,728
Requested increase—None	
Total recommended reduction -----	None

GENERAL PROGRAM STATEMENT

This seven-member commission, all of whom must be members of the California State Bar, consists of four persons appointed by the Governor, a member from each house of the Legislature, and a non-voting ex officio member, the Legislative Counsel.

The commission's objective is to sponsor in California the enactment of uniform codes or statutes developed by the National Conference of Commissioners on matters of law in which compatibility with the laws of other jurisdictions is considered desirable. In meeting this objective, the California commissioners attend the annual conference of the national body, at which time the various uniform codes developed or modified by it in the past year are reviewed and submitted to the total membership for consideration and recommendation. Such of these recommended uniform codes as are deemed by the California members to be appropriate to the state's needs are then presented to the Legislature for consideration. Since 1911, some 40 uniform acts have been adopted in California as a result of the commission's efforts.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The proposed \$15,400 appropriation is at the same level as in the current year. The major portion of the appropriation (\$10,400) provides California's share (based on population) of the support of the activities of the National Conference of Commissioners on Uniform State Laws. The remaining \$5,000 finances the commission and its attendance at the national conference.

LEGISLATORS' RETIREMENT FUND

Item 17 from the General Fund

Budget page 7

Requested 1970-71	-----	\$550,000
Estimated 1969-70	-----	540,000
Actual 1968-69	-----	450,000
Requested increase \$10,000 (1.8 percent)		
Total recommended reduction	-----	None

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

We recommend that the Public Employees' Retirement System be reimbursed for services rendered to the Legislators' Retirement System in order that the costs of such services be identified.

GENERAL PROGRAM STATEMENT

The objective of this program is to provide retirement benefits to former legislators and constitutional officers other than judges who, during their tenure in office, enrolled and remained in the system until they qualified for the benefits it provides. Included in the benefit structure is provision for cost-of-living increases for annuitants based on the consumer price index. The program also provides a death benefit to the surviving spouse or estate and continuance of a 50-percent retirement benefit to the surviving spouse (until death or remarriage) of system members.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The Legislators' Retirement System and Fund is administered by the Board of Administration and staff of the Public Employees' Retirement System. This service includes the keeping of records, handling of correspondence, and preparation of reports required of a publicly funded retirement system as well as the management of the financial investments of the Legislators' Retirement Fund. These services are rendered at no cost to the Legislators' System.

The system is an "unfunded system" as it has no cash reserves in the fund to meet its total annual obligations in benefit payments and the accruing liabilities of the active and inactive membership. Member contributions are established at 4 percent of salary, and the statutory state contribution is contained in the annual General Fund appropriation, which in the budget year amounts to \$550,000. This amount, together with the accumulated contributions and the interest thereon, funds the benefits payable during that year to an estimated 107 annuitants.

We recommend, from a program cost analysis standpoint, that consideration be given to reimbursing the Public Employees' Retirement System for the services provided this system in lieu of the present practice of absorbing this unidentifiable cost in the operational budget of the Public Employees' Retirement System. Such a reimbursement could be funded from the income on investments of the fund (this income is estimated at \$70,000 in the budget year) or directly from the

Legislators' Retirement—Continued

General Fund. Table 1 below, taken from the Board of Administration of the Public Employees' Retirement System's annual reports for the past five years, reflects the 1967 increase in annual salaries and the increased number of retirements due to reapportionment as well as the cost-of-living increases granted annuitants since 1964.

Table 1
Selected Data, Legislators' Retirement System

<i>Detail</i>	1964-65	1965-66	1966-67	1967-68	1968-69
Active members -----	129	126	129	131	127
Inactive members -----	65	64	68	64	66
Retirees and beneficiaries -----	67	68	96	99	101
Deaths during year -----	6	3	4	2	6
State contribution -----	\$350,000	\$360,000	\$370,000	\$510,000	\$540,000
Interest income -----	27,803	32,349	41,031	51,118	61,395
Total benefits paid -----	\$338,696	\$321,339	\$411,393	\$473,182	\$555,633
Investments (book value)					
as of June 30 -----	\$557,035	\$607,616	\$740,273	\$873,406	\$960,594

JUDICIAL

Item 18 from the General Fund

Item 19 from the Motor Vehicle Fund

Budget page 8

Requested 1970-71 -----	\$7,821,885
Estimated 1969-70 -----	7,939,325
Actual 1968-69 -----	6,487,378
Decrease \$117,440 (1.5 percent)	
Total recommended increase -----	\$352,044

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

Recommend addition of 12 research attorneys and 7 related clerical positions, \$352,044 (Item 18). 9

GENERAL PROGRAM STATEMENT

Section 1, Article VI of the California Constitution vests the judicial power of the state in the Supreme Court, courts of appeal, superior, municipal, and justice courts. The Supreme Court and courts of appeal are wholly state supported. Except for the major portion of the superior court judges' salaries, the remaining courts are county supported.

Section 6 of Article VI created the Judicial Council and provided for its membership and duties. The purpose of the council is to improve the administration of justice by surveying judicial business and making appropriate recommendations; adopting rules for court administration, practice and procedure, not inconsistent with statute; and performing other duties as prescribed by statute.