

ITEM ANALYSIS OF THE BUDGET BILL

LEGISLATURE

Items 1-12 from the General

Fund

Budget p. 1 Program p. 1

Requested 1972-73.....	\$30,275,279
Estimated 1971-72	29,967,763
Actual 1970-71	24,960,405
Requested increase \$307,516 (1.0 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 it 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. A special session was called in 1971 to consider tax reform and reapportionment.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The budget proposed for the support of the Legislature will be funded by appropriations in the first 12 items of the Budget Bill totaling \$30,275,279, which is \$307,516 or 1.0 percent higher than net appropriations of \$29,967,763 from the General Fund in the current year. In the budget year, scheduled expenditures of \$1,822,581 are proposed from the carryover balances of the Senate Contingent Fund (\$522,581), the Assembly Contingent Fund (\$700,000), and the Contingent Funds of the Senate and Assembly (\$600,000) making a total proposed expenditure program for the Legislature of \$32,097,860, which is \$2,291,732 or 7.7 percent higher than estimated expenditures of \$29,806,128 in the current year.

The contingent expenses for the Senate are budgeted at \$7,963,921, and the contingent expenses for the Assembly at \$10,787,887. Joint expenses of the two houses are budgeted at \$8,108,871. This amount consists of \$3,939,000 for the expenses of joint committees, \$4 million for legislative printing, binding and mailing, and \$169,871 for the Joint Legislative Committee for Revision of the Penal Code. This committee indicates that its duties should be completed by June 30, 1974.

LEGISLATIVE COUNSEL BUREAU

Item 13 from the General

Fund

Budget p. 2 Program p. 3

Requested 1972-73.....	\$2,057,572
Estimated 1971-72	1,917,119
Actual 1970-71	1,798,761
Requested increase \$140,453 (7.3 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The objective of the Legislative Counsel Bureau is to provide such legal assistance as Members of the Legislature and legislative committees may require in the legislative process. This assistance is provided on a confidential basis under an attorney-client relationship.

The bureau's services include rendering legal opinions, drafting bills and amendments thereto, providing legal counsel at committee hearings, and representing the Legislature in litigation. In addition to providing direct legal services, the bureau is responsible for indexing all legislation introduced and for editing and compiling all state-published codes for the State Printer on a reimbursable basis.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The bureau's \$2,057,572 budget request is \$140,453 or 7.3 percent above estimated expenditures in the current year. The request includes \$50,000 for continuation of an experimental legislative data processing system initiated by the Joint Rules Committee during the current fiscal year. This system is a joint venture with the State Printing Plant to improve the work flow of the bureau. The new system will give the bureau immediate access to proposed legislation while it is in the printing process, thereby eliminating the necessity of waiting for printed bills to be processed and delivered from the printing plant.

In the budget year, the bureau is proposing a net increase on one position above its presently authorized staffing level of 130 positions. The new position, a programmer II for the new data processing system, has a full-year salary cost of \$10,356. This salary and other salary adjustments will increase expenditures for personal services from \$1,856,897 in the current year to \$1,890,844 in the budget year, an increase of \$33,947 or 1.8 percent after deducting estimated salary savings of \$25,000.

The bureau's budget-year workload is expected to be approximately the same as the 1971-72 level of some 32,500 requests for assistance, which was an increase of approximately 14 percent over the previous year.

LAW REVISION COMMISSION

Item 14 from the General

Fund

Budget p. 2 Program p. 5

Requested 1972-73.....	\$175,900
Estimated 1971-72	169,000
Actual 1970-71	168,277
Requested increase \$6,900 (4.1 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Law Revision 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 22 topics to the commission for study. Two of these, (1) condemnation law and procedure and (2) attachment, garnishment, and exemption from execution of wages, have been designated as having the highest priority by committees of the Legislature, and they will receive the major portion of staff time. The commission states that it will present to the 1972 Legislature a comprehensive recommendation concerning wage garnishment procedures. As a result of the recent California Supreme Court decision holding prejudgment attachment procedures unconstitutional, the commission also indicates that it will submit a recommendation for legislation on the subject of attachment as soon as possible. During the 1971 session, four bills recommended by the commission were introduced and passed. These involved revision of the rules of pleading in civil actions, and revision of the law governing inverse condemnation and certain types of garnishment.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The proposed \$175,900 appropriation represents an increase of \$6,900 or 4.1 percent over the estimated current-year expenditures. Approximately 73 percent of the commission's expenditures is for personal services, and such costs are expected to increase 4.2 percent

LAW REVISION COMMISSION—Continued

or \$5,284 in the budget year due to salary adjustments. Other operating expenses are expected to rise 3.2 percent or \$1,616.

COMMISSION ON UNIFORM STATE LAWS

Item 15 from the General
Fund

Budget p. 3 Program p. 7

Requested 1972-73.....	\$23,100
Estimated 1971-72	15,400
Actual 1970-71	12,612
Requested increase \$7,700 (50 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

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.

The California commission consists of seven members, four appointed by the Governor, two selected by the respective houses of the Legislature, and the Legislative Counsel, a nonvoting, ex officio member. All seven members must belong to the California State Bar.

ANALYSIS AND RECOMMENDATIONS*We recommend approval.*

The proposed appropriation of \$23,100, which is an increase of \$7,700 or 50 percent over estimated current-year expenditures, represents California's contribution (\$18,350) for the support of the National Conference of Commissioners on Uniform State Laws plus travel expenses (\$4,750) for the state's commissioners. The increase is in the support contribution to the national conference, the cost of which is allocated to the states under a population formula.

Since 1911, 48 uniform acts have been adopted in California as a result of the commission's efforts. During the 1971 session, no commission recommendations were made to the Legislature.

LEGISLATORS' RETIREMENT FUNDItem 16 from the General
Fund

Budget p. 3 Program p. 8

Requested 1972-73.....	\$642,134
Estimated 1971-72	1,036,229
Actual 1970-71	550,000
Requested decrease \$394,095 (38.1 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The object of the Legislators' Retirement System is to provide retirement benefits to legislators, certain legislative statutory officers (the Chief Clerk of the Assembly, the Secretary of the Senate, and the Sergeant at Arms of the respective houses), and constitutional officers other than judges who, during their tenure in office, have enrolled and remained in the system for at least four years. Included in such benefits are automatic cost-of-living increases based on the consumer price index, death benefits to the surviving spouse or estate, and one-half continuance of retirement benefits to the surviving spouse until death or remarriage. Prior to the enactment of Chapter 1300, Statutes of 1971 (see discussion below), members of the Legislators' Retirement System also could elect to be covered by federal social security under a one-time option which was exercisable within 30 days following the commencement of their first terms of office. A total of 51 members (47 legislators and 4 constitutional officers) have elected such coverage.

Legislation Affecting the System

Two statutes enacted in 1971 affect members of the Legislators' Retirement System. The first, Chapter 1300, permits all existing members of the Legislators' Retirement System who are not covered by social security to elect such coverage retroactive to January 1, 1970. The measure mandatorily applies social security coverage to all legislators and other state officers who first take office on or after January 1, 1972, and whose offices are covered by the Legislators' Retirement System. The second measure, AB 2329 (Chapter 1820), permits vesting of the "reapportionment retirement option" for legislators who elect to seek subsequent terms of office. This legislation also raises the member contribution rate from 4 percent to 8 percent of salary for those members who exercise the vesting option and for all new members of the system.

ANALYSIS AND RECOMMENDATIONS*We recommend approval.*

The \$642,134 requested for the budget year is \$394,095 less than current-year appropriations totaling \$1,036,229, which included a one-

LEGISLATORS' RETIREMENT FUND—Continued

time expenditure of \$160,000 to fund retroactive social security contributions for legislators electing such coverage pursuant to Chapter 1300. This \$160,000 will be repaid to the system by the affected members over a period of time designated by the Board of Administration of the Public Employees' Retirement System.

Disregarding the \$160,000 social security item, disbursements in the budget year are estimated at \$890,969, which is \$212,554 or 31.3 percent higher than those in the current year. The difference between the requested appropriation and the estimated disbursement level will be covered by a carryover surplus of approximately \$217,000 from the 1971-72 appropriation and the remaining funding requirements will be derived from the contributions and interest earnings of the retired members. The increase in benefit payments reflects growth in the number of retirees and beneficiaries and the application of cost-of-living adjustments to the retirement allowances.

Funding and Administrative Costs

The Legislators' Retirement System is an "unfunded system" in that it has inadequate cash reserves to meet its annual benefit payments and the accruing liabilities for the active and inactive membership. Member contributions are established at 4 percent of salary although, as indicated above, this rate increases to 8 percent of salary under the provisions of Chapter 1820. These contributions plus interest earnings and an annual General Fund appropriation provide the benefits payable each fiscal year. The General Fund contribution can be expected to grow almost directly in proportion to the number of annuitants, cost-of-living adjustments in pensions, and base salary increases.

The Legislators' Retirement System is administered by the Public Employees' Retirement System at an estimated cost of \$30,000 annually. These costs are paid by the interest earnings of the Public Employees' Retirement Fund.

Output and Growth

During fiscal year 1970-71, the system paid benefits to 90 service and 4 disability retirees. In addition, it paid benefits to 18 beneficiaries of

Table 1
Selected Data, Legislators' Retirement System

<i>Detail</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>	<i>1969-70</i>	<i>1970-71</i>
Active members	129	131	127	130	131
Inactive members	68	64	66	59	63
Retirees and beneficiaries	96	99	101	105	112
Deaths during year	4	2	6	7	5
State contribution.....	\$370,000	\$510,000	\$450,000	\$540,000	\$550,000
Interest income.....	\$41,031	\$51,118	\$61,395	\$77,685	\$85,079
Total benefits paid	\$411,393	\$473,182	\$558,232	\$598,690	624,327
Investments (book value)					
as of 6/30	\$740,273	\$873,406	\$960,594	\$1,108,152	\$1,221,401

deceased members. In 1970-71, the system earned \$85,079 on investments having a book value at \$1,221,401, for an earnings rate of 7 percent. Table 1 summarizes selected items of the system's most recent five-year growth pattern.

JUDICIAL

Items 17-18 from the General
Fund and Item 18 from the
Motor Vehicle Fund

Budget p. 4 Program p. 9

Requested 1972-73.....	\$9,159,741
Estimated 1971-72	8,682,702
Actual 1970-71	8,158,003
Requested increase \$477,039 (5.5 percent)	
Total recommended reduction	None

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. Trial Court Coordinator. Recommend approval of one proposed Senior Attorney (\$16,044) on condition that the federal government funds the position.

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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 and employer contributions to the Judges' Retirement Fund for superior and municipal court judges, the remaining courts are supported by the counties and by fees and costs collected by the courts.

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

The state-supported courts hear appeals alleging errors in procedure or interpretation of law in the trial courts; resolve conflicting interpretations of law between trial courts; interpret the provisions of the State Constitution when appropriate constitutional issues are raised on appeal; hold hearings on and grant or deny writs of habeas corpus, mandamus, etc.; and process other motions and orders author-