

ITEM ANALYSIS OF BUDGET BILL

LEGISLATURE

Items 1-13 from the General
Fund

Budget p. 1

Requested 1978-79	\$57,587,774
Estimated 1977-78.....	56,289,843
Actual 1976-77	45,189,134
Requested increase \$1,297,931 (2.3 percent)	
Total recommended reduction	None

1978-79 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount
1	Salaries of Senators	General	\$1,025,500
2	Mileage of Lieutenant Governor, Senators and Officers	General	1,800
3	Expenses of Senators	General	395,200
4	Senate Contingent Expenses (staff salaries, etc.)	General	17,162,377
5	Automotive Expenses of Senators	General	186,945
6	Salaries of Assemblymen	General	2,086,000
7	Mileage of Assemblymen and Officers	General	4,000
8	Expenses of Assemblymen	General	790,400
9	Assembly Contingent Expenses (staff salaries, etc.)	General	23,743,015
10	Automotive Expenses of Assemblymen	General	433,537
11	Penal Code Revision Committee	General	162,000
12	Legislative Printing	General	2,750,000
13	Expenses of Joint Committees	General	8,847,000
			\$57,587,774

GENERAL PROGRAM STATEMENT

The adoption of Proposition 4 on the November 1972 ballot amended the California Constitution to provide for two-year legislative sessions and made several related changes in legislative procedures. Under the terms of this measure, the Legislature convenes in even-numbered years on the first Monday in December and remains in session, except for recess, until November 30th of the following even-numbered year.

Bills may be introduced in either the first or second year, and bills introduced in the first year and not enacted are automatically carried over to the second, except in the case of bills which have not been passed by their house of origin by January 30th of the second year. However, the Budget Bill is introduced and enacted annually.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

Table 1 outlines the sources and uses of funds for legislative expenses. As reflected in Table 1, legislative appropriations historically have been augmented by carryover balances from prior years. In the budget year, 5.4

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percent of expenditures (\$3.3 million of the \$61 million proposed) will be funded from carryover balances.

Table 1
Budget Summary

<i>Source of Funding</i>	<i>Estimated 1977-78</i>	<i>Proposed 1978-79</i>	<i>Change</i>
General Fund (appropriation)	\$54,692,905	\$57,587,774	\$2,894,869
General Fund (carry-over) ^a	1,521,938	2,949,217	1,427,279
Chapter 894, Statutes of 1977 (AB 65—Bilingual education evaluation)	75,000	100,000	25,000
Total General Fund	\$56,289,843	\$60,636,991	\$4,347,148
Carry-over balances in Assembly and Senate con- tingent funds	1,319,638	361,145	-958,493
Grand Total	\$57,609,481	\$60,998,136	\$3,388,655
<i>Program</i>			
Senate	\$16,331,832	\$18,195,133	\$1,863,301
Assembly	28,077,081	27,894,786	-182,295
Joint expenses	13,200,568	14,908,217	1,707,649
Total Expenditures	\$57,609,481	\$60,998,136	\$3,388,655

^a From prior appropriations for printing.

The total proposed legislative expenditure of \$60,998,136 represents an increase of \$3,388,655 or 5.9 percent over the current year. This increase consists of \$1,863,301 for the Senate, and \$1,707,649 for joint expenses, partially offset by a reduction of \$182,295 for the Assembly.

The \$1,863,301 increase for the Senate consists of \$1,260,121 for salaries and employee benefits, \$424,443 for communications and various other changes in the amount of \$+178,737. The Assembly's \$182,295 decrease reflects \$676,847 reduction in communications expense partially offset by an increase of \$293,431 for salaries and employee benefits and various other changes in the amount of \$+201,121. The joint expense increase of \$1,707,649 consists of \$1,731,370 for joint committees and \$327,279 for legislative printing, offset by various other changes in the amount of \$-351,000. The joint expense category includes the expenditures for the offices of the Auditor General and the Legislative Analyst.

CONTRIBUTIONS TO LEGISLATORS' RETIREMENT FUND

This fund provides retirement and survivor benefits for legislators, constitutional officers (except judges) and legislative statutory officers with a minimum active membership of four years. It receives income from (1) members' contribution (8 percent or 4 percent of salary, depending on length of membership), (2) interest earnings, and (3) a General Fund contribution of 18.81 percent of payroll. The fund is administered by the Public Employees' Retirement System.

Until the 1977-78 fiscal year, the Legislators' Retirement Fund was financed on a "pay-as-you-go" basis. Under this arrangement, the system was actuarially "unfunded" in that the fund's assets were adequate to pay only the annual benefit costs, but not the accruing (i.e., future) benefit costs for the active and retired membership. Annual state General Fund

appropriations in varying amounts were required to finance the gap between the annual income and benefit costs. In recent years, these appropriations averaged about \$1.2 million per year.

Full-Funding Provided

In our 1977-78 Analysis, we recommended that the system be funded fully as a matter of policy. The Legislature approved this policy by (1) eliminating the system's unfunded liability with a lump-sum General Fund appropriation of \$28.6 million and (2) providing an additional \$545,490 from the General Fund to pay the 1977-78 cost of a newly-proposed annual employer's (state) contribution rate of 18.81 percent of payroll. This figure was determined by the system's consulting actuary to be the ongoing annual state contribution rate required to maintain full funding of the system. This funding method was included in the Budget Act of 1977. Subsequently, the enactment of Chapter 937, Statutes of 1977, (SB 613) provided the continuing statutory authorization of 18.81 percent of payroll to maintain full funding of the Legislators' Retirement System. This will amount to \$639,478 for 1978-79.

LEGISLATIVE COUNSEL BUREAU

Item 14 from the General Fund

Budget p. 4

Requested 1978-79	\$6,113,716
Estimated 1977-78.....	5,836,605
Actual 1976-77	5,892,234
Requested increase \$277,111 (4.8 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Legislative Counsel Bureau provides legal assistance to the Legislature, its members and committees. The bureau renders legal opinions, drafts bills, provides legal counsel, supplies attorney support for legislative committee hearings and represents the Legislature in litigation. It prepares necessary indices and tables to identify legislative measures, and compiles and indexes statutes and codes.

The bureau is continuing to develop a data processing system for the drafting of bills and other functions of the office. The system eventually will include a data base of all state codes for use by the bureau and other state agencies. For the budget year, the agency plans to continue this effort and implement a system to search the state codes by automated processes. Plans also include the application of data processing techniques to preparation of the histories, journals and files of both houses of the Legislature.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The \$6,113,716 requested by the bureau for the budget year represents a net increase of \$277,111 or 4.8 percent above estimated current-year

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expenditures. The increase consists of \$520,037 in personal services partially offset by a reduction of \$242,926 in operating expenses and equipment.

Increased Personal Services

The \$520,037 increase in personal services consists of position reclassifications, merit salary adjustments, twenty proposed new positions, a reduction in salary savings, and corresponding increases in staff benefits.

Position Reclassifications

The bureau proposes to reclassify 69 positions at a cost of \$89,057. Included are 45 attorney positions totaling \$76,823, 12 clerical positions at an increased cost of \$8,076 and 12 data processing positions at an increased cost of \$4,158. These proposed reclassifications are subject to review and approval by the State Personnel Board.

Improved Data Processing

Included in the personal services adjustment described above are six proposed data processing positions and 12 reclassifications of existing data processing positions as a consequence of growth in processing workload and the resulting need to realign and upgrade existing positions within the framework of a larger and more sophisticated computer system.

Operating Expense Increases

The general expenses category reflects actual expenditures of \$1,676,008 in 1976-77, declining to \$162,272 in the current year and then increasing to \$322,500 in the budget year. The 1976-77 expenditure included \$1.5 million for fire losses experienced by the office. The budget-year increase of \$160,228 or 98.7 percent reflects (1) price and workload increases, (2) the purchase of additional volumes for the law library to increase attorney productivity, and (3) the leasing of additional word processing and automatic typing equipment to increase office efficiency and connect to the new computer system.

Also included is a \$15,000 training program for the bureau's attorneys designed to broaden their knowledge of state operations and governmental problems which should assist in the preparation of legislation and other services of the office. The training will involve attendance at interim hearings, conferences and seminars; familiarization with state departments and programs; and other programs to be developed as required.

The \$61,521 increase in facilities operations results from additional space requirements and an overall increase in the rent charged to the office. These and other operating expense increases due primarily to price adjustments are partially offset by reductions of \$469,390 in equipment purchases and in the data processing costs. This latter reduction results from the purchase in the current year of \$585,000 in data processing equipment installed in the State Printing Plant as a part of the bureau's data processing system. The budget year expenditures reflects the normal funding level for this category.

CALIFORNIA LAW REVISION COMMISSION

Item 15 from the General Fund

Budget p. 6

Requested 1978-79	\$298,469
Estimated 1977-78.....	288,357
Actual 1976-77	260,140
Requested increase \$10,112 (3.5 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Law Revision Commission consists of 10 members, one from each house of the Legislature, seven appointed by the Governor, and the Legislative Counsel who is an ex officio, nonvoting member.

Under the commission's direction, its staff of 8.5 employees (including five professional positions) makes studies of statutory and decisional law as requested by concurrent resolution of the Legislature for the purpose of recommending any necessary reforms. The commission presently has 21 topics assigned. Commission recommendations for the 1978 legislative session pertain to psychotherapist-patient privilege, evidence of market value of property, use of court commissioners in attachment proceedings, attachment of property subject to a security interest, the parole evidence rule, and wage garnishment.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The proposed expenditure of \$298,469 reflects cost inflation, merit salary adjustments and increased consultant services.

COMMISSION ON UNIFORM STATE LAWS

Item 16 from the General Fund

Budget p. 7

Requested 1978-79	\$39,095
Estimated 1977-78.....	38,750
Actual 1976-77	30,348
Requested increase \$345 (0.9 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The commission sponsors in California the enactment of uniform codes or statutes developed by the National Conference of Commissioners on matters in which compatibility with the laws of other jurisdictions is considered desirable. 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. The recommended uniform codes deemed by the California members to be

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appropriate for implementation 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 amount requested consists of California's contribution (\$33,000) for the support of the National Conference of Commissioners on Uniform State Laws, plus travel expenses (\$6,095) for the state's commissioners.

Last year the National Conference proposed the adoption of uniform acts relating to condominium housing, comparative fault and land transactions, and recommended revisions to the Uniform Commercial Code. These matters will be studied by the California commissioners for possible submission to the Legislature.

The California commission recently has concluded studies of, and will submit recommendations on, uniform acts which have been adopted by the national body in recent years concerning class actions, wills and property exemptions in bankruptcy proceedings. A uniform privacy act is presently under consideration by the national body.

JUDICIAL

Items 17, 18 and 20 from the General Fund and Item 19 from the Motor Vehicle Account, State Transportation Fund

Budget p. 8

Requested 1978-79	\$21,037,135
Estimated 1977-78.....	19,338,681
Actual 1976-77	17,598,480
Requested increase \$1,698,454 (8.8 percent)	
Total recommended reduction	\$300,000

1978-79 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount
17	Judicial	General	\$20,435,560
18	Assignment of Municipal Court Judges to Superior Court	General	300,000
19	Judicial	State Transportation	39,029
20	Legislative Mandates	General	262,546
			<u>\$21,037,135</u>